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Unaudited Semi-Annual Report – 31 March 2019

# JPMorgan Funds

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Unit Trust Range

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## UK Tax Information

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 1 January 1984 to 30 September 2010.

## Investment Portfolio

As at 31 March 2019 *(Unaudited)*

Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments (96.0%)</b>		
<b>(I) Equities (96.0%)</b>		
<b>Indonesia (21.7%)</b>		
AKR Corporindo	23,732,600	7,866,423 0.5
Astra Intl	68,936,700	35,460,765 2.3
Bank Central Asia	43,143,900	84,076,063 5.5
Bank Mandiri (Persero)	79,932,600	41,818,668 2.7
Bank Negara Indonesia (Persero)	12,210,000	8,059,971 0.5
Bank Rakyat Indonesia Persero	153,026,800	44,274,605 2.9
BFI Finance Indonesia	157,352,300	7,293,013 0.5
Hanjaya Mandala Sampoerna	80,628,300	21,232,873 1.4
Semen Indonesia Persero	5,239,000	5,132,307 0.3
Telekomunikasi Indonesia	186,717,800	51,793,207 3.4
Unilever Indonesia	4,176,200	14,436,337 1.0
United Tractors	5,682,200	10,793,785 0.7
<b>Malaysia (11.9%)</b>		
CIMB Group Hldgs	17,698,483	22,326,317 1.4
Dialog Group	18,936,372	14,703,809 1.0
Genting Bhd	9,692,200	15,763,921 1.0
Hartalega Hldgs	8,510,600	9,651,948 0.6
Lotte Chemical Titan Hldg	4,256,700	4,274,947 0.3
Malayan Banking	15,318,753	34,783,794 2.3
Malaysia Airports Hldgs	4,971,700	8,816,928 0.6
Petronas Chemicals	4,692,700	10,529,120 0.7
Public Bank	9,185,680	52,110,312 3.4
Tenaga Nasional	3,142,000	9,743,471 0.6
<b>Philippines (8.3%)</b>		
Alliance Global Group	37,513,300	11,544,752 0.7
Ayala Corp	465,560	8,334,153 0.5

(Continued)

Holding	Fair value US\$	% of net assets
Ayala Land	51,552,300	44,081,094 2.9
Intl Container Terminal Services	8,353,400	20,792,028 1.4
Jollibee Food	822,570	4,965,810 0.3
Megaworld Corp	76,004,200	8,395,055 0.5
Metropolitan Bank & Trust	9,163,500	13,943,318 0.9
Universal Robina	3,080,850	8,918,096 0.6
Wilcon Depot	24,425,200	7,200,573 0.5
<b>Singapore (30.1%)</b>		
CapitaLand Ltd	13,653,000	36,791,030 2.4
City Developments	2,346,300	15,676,645 1.0
ComfortDelgro Corp	8,683,100	16,475,133 1.1
DBS Group Hldgs	5,018,490	93,478,406 6.1
Fibrechem Technologies-Delisted	27,671,000	0 0.0
Genting Singapore	33,127,600	25,435,736 1.7
Keppel Corp	6,074,100	27,892,877 1.8
Oversea-Chinese Bkg (CDP)	8,705,280	71,017,604 4.6
Singapore Tech Engineering (CDP)	5,535,300	15,283,885 1.0
Singapore Telecom	23,663,100	52,759,367 3.4
United Overseas Bank	4,089,268	76,049,214 5.0
Venture Corp (CDP)	803,900	10,647,446 0.7
Wilmar Intl	8,216,800	20,079,445 1.3
<b>Thailand (22.2%)</b>		
Airports of Thailand (F)	7,887,900	16,901,755 1.1
Bangkok Bank NVDR	3,524,200	22,987,534 1.5
Bangkok Dusit Medical Services (F)	20,518,900	16,034,937 1.1
CP ALL (F)	22,064,500	51,971,683 3.4
Home Product Center (F)	23,251,900	11,210,149 0.7
Indorama Ventures (F)	6,239,000	9,780,692 0.6
Intouch Hldgs (F)	5,893,300	10,677,950 0.7
Intouch Hldgs NVDR	5,465,200	9,902,285 0.7
Kasikornbank Public Co (F)	8,118,697	48,095,637 3.1
Mega Lifesciences (F)	5,835,700	5,976,375 0.4
PTT Exploration & Production (F)	3,590,000	14,197,101 0.9
PTT Global Chemical (F)	13,060,800	27,677,290 1.8
PTT Public Co (F)	10,368,100	15,682,017 1.0
Sabina PCL (F)	5,410,400	4,390,036 0.3
Siam Cement (F)	801,300	12,170,367 0.8
Siam Commercial Bank (F)	1,872,200	7,787,314 0.5
Srisawad Corp (F)	16,899,000	28,222,688 1.9
Thai Oil (F)	7,693,400	16,848,631 1.1
VGI Global Media (F)	33,068,500	9,430,280 0.6
<b>Vietnam (1.8%)</b>		
JSC Bank for Foreign Trade	3,639,520	10,555,926 0.7
Vietnam Dairy Products	1,040,060	6,042,066 0.4
Vincom Retail JSC	7,699,419	11,480,775 0.7
		1,472,727,739 96.0
<b>(II) Derivatives (0.0%)</b>		
<b>Forward foreign exchange contracts (0.0%)</b>		
	90,352	0.0



Investment Portfolio (Continued)  
As at 31 March 2019 *(Unaudited)*

Holding	Fair value US\$	% of net assets
Total Listed/Quoted Investments	1,472,818,091	96.0
Other net assets	61,157,151	4.0
	<u>                    </u>	<u>                    </u>
Net assets attributable to holders of redeemable units at 31 March 2019	1,533,975,242	100.0
	<u>                    </u>	<u>                    </u>
Total investments, at cost	1,334,596,036	
	<u>                    </u>	

Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 *(Unaudited)*

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Equities and Warrants</b>		
Singapore	30.1	31.4
Thailand	22.2	21.4
Indonesia	21.7	20.1
Malaysia	11.9	13.6
Philippines	8.3	6.7
Vietnam	1.8	2.1
<b>Derivatives</b>		
Forward foreign exchange contracts	0.0	(0.0)
	<u>                    </u>	<u>                    </u>
<b>Total Listed/Quoted Investments</b>	96.0	95.3
<b>Other net assets</b>	4.0	4.7
	<u>                    </u>	<u>                    </u>
<b>Net assets attributable to holders of redeemable units</b>	100.0	100.0
	<u>                    </u>	<u>                    </u>

**Statement of Financial Position  
As at 31 March 2019 (Unaudited)**

	31.3.2019 US\$	30.9.2018 US\$
<b>Assets</b>		
Cash at banks	46,237,035	72,207,836
Short-term deposits	15,289,782	-
Amounts due from brokers	831,419	2,800,972
Amounts receivable on allotment	2,576,961	5,032,838
Derivatives	103,746	54,702
Investments	1,472,727,739	1,454,946,538
Dividend and other accounts receivable	3,204,877	4,309,357
<b>Total assets</b>	<u>1,540,971,559</u>	<u>1,539,352,243</u>
	-----	-----
<b>Liabilities</b>		
Amounts due to brokers	392,891	2,170,842
Amounts payable on redemption	4,681,707	8,004,089
Derivatives	13,394	462,653
Other accounts payable	1,908,325	2,040,825
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<u>6,996,317</u>	<u>12,678,409</u>
	-----	-----
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>1,533,975,242</u>	<u>1,526,673,834</u>

**Statement of Comprehensive Income  
For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 4]	19,152,907	207,293,333
Dividend income	7,719,170	10,952,100
Interest on deposits	677,774	114,206
Net foreign currency exchange losses	(238,125)	(184,867)
Other income	-	16,437
	<u>27,311,726</u>	<u>218,191,209</u>
	-----	-----
<b>Expenses</b>		
Management fee	11,122,260	12,707,474
Transaction costs	1,219,766	1,806,474
Safe custody and bank charges	209,330	286,589
Registrar's fee	135,312	158,140
Trustee's fee	133,548	152,574
Auditor's fee	28,380	27,332
Printing and publication expenses	5,406	2,836
Legal and professional expenses	1,750	5,640
Other operating expenses	12,914	2,756
	<u>12,868,666</u>	<u>15,149,815</u>
	-----	-----
<b>Net operating profit</b>	14,443,060	203,041,394
<b>Finance costs</b>		
Interest expense	-	(41)
	<u>14,443,060</u>	<u>203,041,353</u>
	-----	-----
<b>Profit before taxation</b>	14,443,060	203,041,353
Taxation	(535,769)	(811,338)
	<u>13,907,291</u>	<u>202,230,015</u>
	-----	-----
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>13,907,291</u>	<u>202,230,015</u>

The notes on pages 5 to 7 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	1,526,673,834	1,613,443,921
	-----	-----
Allotment of redeemable units	216,740,082	525,530,782
Redemption of redeemable units	(223,345,965)	(552,982,688)
<b>Net redemption</b>	(6,605,883)	(27,451,906)
	-----	-----
	1,520,067,951	1,585,992,015
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	13,907,291	202,230,015
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	<u>1,533,975,242</u>	<u>1,788,222,030</u>

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(354,276,050)	(395,264,951)
Proceeds from disposal of investments and derivatives	355,367,951	471,750,086
Dividend received	8,813,794	8,635,228
Interest received	687,631	116,008
Trustee's fee paid	(132,593)	(150,218)
Registrar's fee paid	(263,110)	(296,497)
Tax paid	(535,769)	(811,338)
Transaction costs paid	(1,256,321)	(1,851,798)
Management fee paid	(11,042,476)	(12,511,654)
Others	(566,971)	(424,529)
<b>Net cash (outflow)/inflow from operating activities</b>	(3,203,914)	69,190,337
	-----	-----
<b>Financing activities</b>		
Interest paid	-	(41)
Receipts on allotment of redeemable units	219,195,959	511,048,233
Payments on redemption of redeemable units	(226,668,347)	(555,813,279)
<b>Net cash outflow from financing activities</b>	(7,472,388)	(44,765,087)
	-----	-----
<b>(Decrease)/increase in cash and cash equivalents</b>	(10,676,302)	24,425,250
Cash and cash equivalents at the beginning of the period	72,207,836	29,595,858
Exchange losses on cash and cash equivalents	(4,717)	(146,607)
<b>Cash and cash equivalents at the end of the period</b>	<u>61,526,817</u>	<u>53,874,501</u>
	-----	-----
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	46,237,035	53,874,501
Short-term deposits	15,289,782	-
	<u>61,526,817</u>	<u>53,874,501</u>

The notes on pages 5 to 7 form part of these financial statements.

## Notes to the Financial Statements

### 1 The Fund

JPMorgan ASEAN Fund (the "Fund") was established under a Trust Deed dated 7 July 1983, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to enable investors to participate in a managed portfolio consisting primarily of securities with significant assets in, or significant earnings derived from one or more of the countries comprising the Association of South East Asian Nations.

Pursuant to the Supplemental Trust Deed dated 5 September 2012, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

### 2 Summary of significant accounting policies

#### (a) Accounting policies of interim financial statements

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

#### (b) Investments and derivatives

##### *Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

##### *Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

##### *Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the period/year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Foreign currency translation**

*Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(e) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

31.3.2019

	AUD Hedged Class (acc) Units	HKD Class (acc) Units	RMB Hedged Class (acc) Units	USD Class (acc) Units
Number of units in issue	<u>2,727,771.926</u>	<u>14,784,846.271</u>	<u>1,666,805.162</u>	<u>10,860,403.233</u>
	A\$	HK\$	CNY	US\$
Net assets attributable to holders of redeemable units	<u>33,937,348</u>	<u>171,334,437</u>	<u>20,202,872</u>	<u>1,485,035,576</u>
Net assets attributable to holders of redeemable units (per unit)	<u>12.44</u>	<u>11.59</u>	<u>12.12</u>	<u>136.74</u>

30.9.2018

	AUD Hedged Class (acc) Units	HKD Class (acc) Units	RMB Hedged Class (acc) Units	USD Class (acc) Units
Number of units in issue	<u>2,583,793.885</u>	<u>11,271,660.790</u>	<u>1,778,339.503</u>	<u>10,959,239.721</u>
	A\$	HK\$	CNY	US\$
Net assets attributable to holders of redeemable units	<u>32,021,835</u>	<u>128,925,744</u>	<u>21,289,023</u>	<u>1,483,931,686</u>
Net assets attributable to holders of redeemable units (per unit)	<u>12.39</u>	<u>11.44</u>	<u>11.97</u>	<u>135.40</u>

**4 Net gains on investments and derivatives**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	30,458,575	137,173,579
Realized (losses)/gains on sale of investments and derivatives	(11,305,668)	70,119,754
	<u>19,152,907</u>	<u>207,293,333</u>

**5 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**6 Distribution**

No distribution was made during the period (31 March 2018: nil).

# JPMORGAN ASIA EQUITY DIVIDEND FUND

Semi-annual report for the  
period ended 31 March 2019

## Investment Portfolio As at 31 March 2019 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
Listed/Quoted Investments (97.5%)				India (3.4%)			
(I) Equities (97.6%)				Coal India	2,242,194	7,677,350	0.5
				Power Grid Corp of India	16,157,372	46,157,256	2.9
Australia (16.2%)				Indonesia (5.2%)			
Amcor Ltd	1,074,026	11,741,560	0.8	Astra Intl	16,734,900	8,608,366	0.6
Australia & NZ Bkg Group-AU List	2,351,399	43,478,333	2.8	Bank Mandiri (Persero)	52,527,900	27,481,238	1.8
Brambles Ltd	2,725,213	22,765,655	1.5	Bank Rakyat Indonesia Persero	50,101,800	14,495,745	0.9
Dexus Stapled Sec	2,185,212	19,775,860	1.3	Telekomunikasi Indonesia	108,708,500	30,154,392	1.9
Insurance Australia Group	4,359,738	23,784,498	1.5	Korea (9.9%)			
Macquarie Group	42,645	3,920,504	0.2	Hana Financial Group	145,000	4,649,811	0.3
Qantas Airways	3,297,676	13,258,573	0.8	Korea Electric Power	1,065,290	28,061,114	1.8
QBE Insurance Group	1,875,583	16,400,864	1.1	Lotte Chemical	17,132	4,384,500	0.3
Scentre Group Stapled Secs	4,062,570	11,860,830	0.8	Orange Life Insurance	343,784	10,903,201	0.7
Suncorp Group	1,313,579	12,858,130	0.8	Samsung Electronics	1,407,094	55,349,087	3.6
Tabcorp Hldgs	5,923,364	19,439,397	1.2	Samsung Electronics Pref	235,000	7,504,845	0.5
Transurban Group Stapled Sec	2,722,826	25,530,905	1.6	Samsung Fire & Marine Insurance	13,215	3,504,286	0.2
Westpac Banking	1,490,665	27,446,529	1.8	Shinhan Financial Group	906,076	33,525,850	2.1
China (24.6%)				S-Oil Corp	81,770	6,454,578	0.4
Baoshan Iron & Steel 'A' (C1)	24,210,844	26,045,755	1.7	Singapore (8.8%)			
China Construction Bank 'H'	31,500,000	27,005,905	1.7	AIMS AMP Capital Ind REIT-AC	114,106	119,624	0.0
China Life Insurance 'H'	17,622,000	47,366,442	3.0	AIMS APAC REIT Management	6,818,766	7,148,503	0.4
China Mobile	769,000	7,836,993	0.5	Ascendas India Trust	26,322,300	23,125,535	1.5
China Overseas Land & Investment	6,912,000	26,239,352	1.7	CapitaLand Commercial Trust	10,444,100	14,958,696	0.9
China Resources Land	5,602,000	25,119,956	1.6	DBS Group Hldgs	1,752,603	32,645,385	2.1
China Shenhua Energy 'H'	1,414,000	3,224,301	0.2	Mapletree Logistics Trust	27,103,550	29,214,605	1.9
China Yongda Automobiles Services	12,178,500	9,649,777	0.6	United Overseas Bank	1,648,500	30,657,597	2.0
CNOOC Ltd	10,740,000	20,111,975	1.3	Taiwan (11.5%)			
Datang Intl Power Generation 'H'	49,920,000	13,354,480	0.9	Chipbond Technology	7,433,000	17,123,116	1.1
Huaneng Power Intl 'H'	30,014,000	17,434,995	1.1	Delta Electronics	4,760,000	24,556,383	1.6
Huayu Automotive Systems 'A' (C1)	2,722,500	8,255,831	0.5	Powertech Technology	4,826,000	11,399,322	0.7
Inner Mongolia Yili Ind 'A' (C1)	3,045,243	13,190,246	0.8	Silicon Motion Tech ADR	421,100	16,692,404	1.1
Jiangsu Expressway 'H'	12,054,000	17,044,618	1.1	Taiwan Semiconductor Mfg	10,697,000	85,206,714	5.5
Midea Group 'A'-C2	2,271,628	16,471,090	1.1	Taiwan Semiconductor Mfg ADR	108,179	4,431,012	0.3
PetroChina Co 'H'	42,328,000	27,445,974	1.8	Vanguard Intl Semiconductor	3,778,000	8,151,620	0.5
Ping An Insurance (Group) 'H'	3,207,500	35,916,057	2.3	Wistron NeWeb	2,811,247	7,388,297	0.5
SINOPEC Engineering 'H'	15,468,000	15,093,711	1.0	Yuantai Financial Hldg	6,707,639	3,819,505	0.2
Yuexiu Transport Infrastructure	21,546,000	17,538,830	1.1	Thailand (6.2%)			
Zhejiang Expressway 'H'	8,142,000	9,334,837	0.6	Bangkok Bank NVDR	6,757,000	44,074,334	2.8
Hong Kong (11.8%)				Land & Houses (F)	34,037,600	11,476,361	0.7
BOC Hong Kong (Hldgs)	8,176,500	33,851,967	2.2	Siam Commercial Bank (F)	2,825,100	11,750,849	0.8
CK Hutchison Hldgs	709,500	7,452,057	0.5	Supalai Public Co (F)	17,780,700	10,589,420	0.7
CK Infrastructure Hldgs Ltd	1,932,500	15,866,295	1.0	Thai Oil (F)	8,349,200	18,284,840	1.2
						1,521,502,288	97.6
Hong Kong Exchanges & Clearing				(II) Derivatives (-0.1%)			
HSBC Hldgs-HK List	2,563,016	20,863,410	1.3	Forward foreign exchange contracts (-0.1%)			
Link REIT	941,500	11,010,223	0.7				
Sands China	4,999,200	25,123,528	1.6				
Sun Hung Kai Properties	2,120,000	36,377,811	2.3				
Wharf Real Estate Investment	1,217,000	9,061,669	0.6				
Total Listed/Quoted Investments						1,520,115,203	97.5

Investment Portfolio (Continued)  
As at 31 March 2019 *(Unaudited)*

Holding	Fair value US\$	% of net assets
Other net assets	38,631,244	2.5
Net assets attributable to holders of redeemable units at 31 March 2019	1,558,746,447	100.0
Total investments, at cost	1,496,877,000	

Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 *(Unaudited)*

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
China	24.6	27.2
Australia	16.2	12.5
Hong Kong	11.8	12.4
Taiwan	11.5	8.9
Korea	9.9	13.1
Singapore	8.8	13.6
Thailand	6.2	5.7
Indonesia	5.2	3.5
India	3.4	0.8
New Zealand	-	0.4
<b>Derivatives</b>		
Forward foreign exchange contracts	(0.1)	(0.4)
<b>Total Listed/Quoted Investments</b>	97.5	97.7
<b>Other net assets</b>	2.5	2.3
<b>Net assets attributable to holders of redeemable units</b>	100.0	100.0



**Statement of Financial Position  
As at 31 March 2019 (Unaudited)**

	31.3.2019 US\$	30.9.2018 US\$
<b>Assets</b>		
Cash at banks	18,829,664	29,897,332
Short-term deposits	16,017,512	17,285,223
Amounts due from brokers	6,213,184	4,148,389
Amounts receivable on allotment	13,315,256	4,508,788
Derivatives	821,110	2,208,647
Investments	1,521,502,288	1,528,940,360
Dividend and other accounts receivable	4,362,431	5,283,413
<b>Total assets</b>	<b>1,581,061,445</b>	<b>1,592,272,152</b>
	-----	-----
<b>Liabilities</b>		
Amounts due to brokers	4,243,003	2,336,442
Amounts payable on redemption	8,071,993	14,217,088
Distribution payable [Note 5]	5,358,723	6,294,812
Derivatives	2,208,195	8,963,626
Tax payable	557,335	32,481
Other accounts payable	1,875,749	1,972,025
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>22,314,998</b>	<b>33,816,474</b>
	-----	-----
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<b>1,558,746,447</b>	<b>1,558,455,678</b>
	=====	=====

**Statement of Comprehensive Income  
For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 4]	39,884,728	88,475,205
Dividend income	16,473,351	17,140,088
Interest on deposits	183,935	153,651
Net foreign currency exchange (losses)/gains	(713,426)	78,916
Other income	-	134
	-----	-----
	55,828,588	105,847,994
	-----	-----
<b>Expenses</b>		
Management fee	10,706,438	13,668,895
Transaction costs	1,774,631	2,201,565
Safe custody and bank charges	191,013	232,493
Trustee's fee	187,642	236,572
Legal and professional expenses	62,613	4,629
Registrar's fee	55,383	85,165
Auditor's fee	8,881	8,433
Valuation fee	8,540	8,540
Printing and publication expenses	3,107	633
Other operating expenses	12,151	4,172
	-----	-----
	13,010,399	16,451,097
	-----	-----
<b>Net operating profit</b>	<b>42,818,189</b>	<b>89,396,897</b>
	-----	-----
<b>Finance costs</b>		
Distribution [Note 5]	(32,521,597)	(41,013,910)
Interest expense	(9,866)	(3,675)
	-----	-----
	(32,531,463)	(41,017,585)
	-----	-----
<b>Profit before taxation</b>	<b>10,286,726</b>	<b>48,379,312</b>
	-----	-----
Taxation	(1,741,470)	(1,399,563)
	-----	-----
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>8,545,256</b>	<b>46,979,749</b>
	=====	=====

The notes on pages 12 to 18 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	1,558,455,678	1,736,071,182
	-----	-----
Allotment of redeemable units	455,448,264	1,392,186,900
Redemption of redeemable units	(463,702,751)	(1,147,091,439)
	-----	-----
<b>Net (redemption)/allotment</b>	(8,254,487)	245,095,461
	-----	-----
	1,550,201,191	1,981,166,643
	-----	-----
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	8,545,256	46,979,749
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	<u>1,558,746,447</u>	<u>2,028,146,392</u>

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(470,153,258)	(721,658,455)
Proceeds from disposal of investments and derivatives	511,930,523	537,851,268
Dividend received	17,393,231	13,749,798
Interest received	185,294	150,198
Registrar's fee paid	(118,100)	(185,098)
Trustee's fee paid	(187,342)	(231,072)
Tax paid	(1,186,941)	(1,399,563)
Transaction costs paid	(1,760,898)	(2,166,405)
Management fee paid	(10,689,000)	(13,341,302)
Others	(1,286,906)	(1,978,310)
	-----	-----
<b>Net cash inflow/(outflow) from operating activities</b>	44,126,603	(189,208,941)
	-----	-----
<b>Financing activities</b>		
Interest paid	(9,866)	(3,675)
Receipts on allotment of redeemable units	446,641,796	1,373,763,093
Payments on redemption of redeemable units	(469,847,846)	(1,144,232,731)
Distribution paid	(33,457,686)	(39,505,822)
	-----	-----
<b>Net cash (outflow)/inflow from financing activities</b>	(56,673,602)	190,020,865
	-----	-----
<b>(Decrease)/increase in cash and cash equivalents</b>	(12,546,999)	811,924
Cash and cash equivalents at the beginning of the period	47,182,555	61,711,785
Exchange gains on cash and cash equivalents	211,620	1,707,140
	-----	-----
<b>Cash and cash equivalents at the end of the period</b>	<u>34,847,176</u>	<u>64,230,849</u>
	-----	-----
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	18,829,664	27,118,331
Short-term deposits	16,017,512	37,112,518
	-----	-----
	<u>34,847,176</u>	<u>64,230,849</u>
	-----	-----

The notes on pages 12 to 18 form part of these financial statements.

## Notes to the Financial Statements

### 1 The Fund

JPMorgan Asia Equity Dividend Fund (the "Fund") was established under a Trust Deed dated 6 May 2011, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to aim to provide income and long-term capital growth by investing primarily in equity securities of companies in the Asia Pacific region (excluding Japan) that the Investment Manager expects to pay dividends. The Fund's holding of these equity securities will be selected based on historical records and company announcements on dividends, in addition to their potential for long-term capital appreciation.

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

### 2 Summary of significant accounting policies

#### (a) Accounting policies of interim financial statements

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

#### (b) Investments and derivatives

##### *Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

##### *Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

##### *Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

### (c) Foreign currency translation

#### *Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

#### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

### (d) Proceeds and payments on allotment and redemption of units

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

## 3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)

31.3.2019

	AUD Hedged Class (mth) Units	CAD Hedged Class (mth) Units	EUR Hedged Class (mth) Units	GBP Hedged Class (mth) Units	HKD Class (acc) Units
Number of units in issue	<u>25,383,211.692</u>	<u>9,615,807.054</u>	<u>1,891,941.861</u>	<u>4,344,365.840</u>	<u>1,270,043.598</u>
	A\$	C\$	EUR	GBP	HK\$
Net assets attributable to holders of redeemable units	<u>240,547,930</u>	<u>92,789,592</u>	<u>18,732,816</u>	<u>42,864,209</u>	<u>16,769,055</u>
Net assets attributable to holders of redeemable units (per unit)	<u>9.48</u>	<u>9.65</u>	<u>9.90</u>	<u>9.87</u>	<u>13.20</u>

31.3.2019

	HKD Class (mth) Units	NZD Hedged Class (mth) Units	PRC RMB Class (acc) Units	PRC RMB Class (mth) Units	RMB Hedged Class (acc) Units
Number of units in issue	217,194,328.827	5,654,810.139	1,136,533.370	941,305.420	1,449,148.732
	HK\$	NZ\$	CNY	CNY	CNY
Net assets attributable to holders of redeemable units	2,176,052,753	54,196,243	11,408,465	9,407,048	21,829,269
Net assets attributable to holders of redeemable units (per unit)	10.02	9.58	10.04	9.99	15.06
	PRC RMB Hedged Class (acc) Units	RMB Hedged Class (mth) Units	PRC RMB Hedged Class (mth) Units	SGD Hedged Class (mth) Units	PRC USD Class (acc) Units
Number of units in issue	9,165,999.830	186,864,330.209	12,629,721.710	941,212.710	821,976.080
	CNY	CNY	CNY	S\$	US\$
Net assets attributable to holders of redeemable units	91,694,243	1,924,850,775	125,915,323	9,109,640	8,233,589
Net assets attributable to holders of redeemable units (per unit)	10.00	10.30	9.97	9.68	10.02
	USD Class (acc) Units	PRC USD Class (mth) Units	USD Class (mth) Units		
Number of units in issue	394,381.834	637,721.510	57,869,395.875		
	US\$	US\$	US\$		
Net assets attributable to holders of redeemable units	5,172,406	6,363,876	573,596,676		
Net assets attributable to holders of redeemable units (per unit)	13.12	9.98	9.91		

30.9.2018

	AUD Hedged Class (mth) Units	CAD Hedged Class (mth) Units	EUR Hedged Class (mth) Units	GBP Hedged Class (mth) Units	HKD Class (acc) Units
Number of units in issue	25,078,226.135	9,877,942.309	1,553,788.546	4,953,046.260	1,292,757.437
	A\$	C\$	EUR	GBP	HK\$
Net assets attributable to holders of redeemable units	236,489,568	94,664,021	15,276,700	48,524,037	16,478,379
Net assets attributable to holders of redeemable units (per unit)	9.43	9.58	9.83	9.80	12.75
	HKD Class (mth) Units	NZD Hedged Class (mth) Units	RMB Hedged Class (acc) Units	RMB Hedged Class (mth) Units	SGD Hedged Class (mth) Units
Number of units in issue	242,164,862.290	6,870,594.703	1,573,624.119	190,590,640.316	1,767,059.188
	HK\$	NZ\$	CNY	CNY	S\$
Net assets attributable to holders of redeemable units	2,397,665,622	65,500,294	22,929,067	1,949,899,852	17,001,971
Net assets attributable to holders of redeemable units (per unit)	9.90	9.53	14.57	10.23	9.62
	USD Class (acc) Units	USD Class (mth) Units			
Number of units in issue	357,512.440	58,738,129.006			
	US\$	US\$			
Net assets attributable to holders of redeemable units	4,541,186	577,217,695			
Net assets attributable to holders of redeemable units (per unit)	12.70	9.83			

**4 Net gains on investments and derivatives**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	76,499,029	15,424,961
Realized (losses)/gains on sale of investments and derivatives	(36,614,301)	73,050,244
	<u>39,884,728</u>	<u>88,475,205</u>

**5 Distribution**

It is the intention of the Manager to have at least 85% of the income attributable to the distribution class(es) respectively in respect of each accounting period, after charging the expenses attributable to these distribution class(es) respectively, to be distributed to unitholders of these distribution class(es) respectively.

In the event that the amount available for distribution is insufficient to pay distributions as the Fund declares, the Manager may in its discretion determine that such distributions be paid from capital.

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Net operating profit	42,818,189	89,396,897
Adjustments:		
Net gains on investments and derivatives	(39,884,728)	(88,475,205)
Net foreign currency exchange losses/(gains)	713,426	(78,916)
Transaction costs	1,774,631	2,201,565
Interest expense	(9,866)	(3,675)
Taxation	(1,741,470)	(1,399,563)
Amount available for distribution	<u>3,670,182</u>	<u>1,641,103</u>

Distribution Class	Ex date	Pay date	Rate	Units	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
AUD Hedged Class (mth)	31.10.2018	8.11.2018	A\$0.0334	24,551,192.585	(581,182)	
CAD Hedged Class (mth)	31.10.2018	8.11.2018	C\$0.0300	9,730,020.425	(222,273)	
EUR Hedged Class (mth)	31.10.2018	8.11.2018	EUR0.0140	1,478,876.925	(23,459)	
GBP Hedged Class (mth)	31.10.2018	8.11.2018	GBP0.0239	4,629,744.401	(141,384)	
HKD Class (mth)	31.10.2018	8.11.2018	HK\$0.0373	225,391,244.892	(1,072,415)	
NZD Hedged Class (mth)	31.10.2018	8.11.2018	NZ\$0.0338	6,686,206.644	(147,574)	
RMB Hedged Class (mth)	31.10.2018	8.11.2018	CNY0.0564	186,614,300.992	(1,509,032)	
SGD Hedged Class (mth)	31.10.2018	9.11.2018	S\$0.0305	1,463,803.011	(32,240)	
USD Class (mth)	31.10.2018	8.11.2018	US\$0.0370	56,330,916.220	(2,084,245)	
AUD Hedged Class (mth)	30.11.2018	10.12.2018	A\$0.0322	24,217,069.015	(569,441)	
CAD Hedged Class (mth)	30.11.2018	10.12.2018	C\$0.0313	9,571,749.729	(225,413)	
EUR Hedged Class (mth)	30.11.2018	10.12.2018	EUR0.0153	1,468,673.886	(25,442)	
GBP Hedged Class (mth)	30.11.2018	10.12.2018	GBP0.0249	4,556,991.697	(144,775)	
HKD Class (mth)	30.11.2018	10.12.2018	HK\$0.0373	221,992,751.135	(1,058,088)	
NZD Hedged Class (mth)	30.11.2018	10.12.2018	NZ\$0.0327	6,468,702.591	(145,298)	
RMB Hedged Class (mth)	30.11.2018	10.12.2018	CNY0.0480	182,690,352.230	(1,260,685)	
SGD Hedged Class (mth)	30.11.2018	10.12.2018	S\$0.0303	1,360,393.754	(30,044)	
USD Class (mth)	30.11.2018	10.12.2018	US\$0.0370	55,366,396.874	(2,048,558)	

# JPMORGAN ASIA EQUITY DIVIDEND FUND

Semi-annual report for the  
period ended 31 March 2019

Distribution Class	Ex date	Pay date	Rate	Units	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
AUD Hedged Class (mth)	31.12.2018	9.1.2019	A\$0.0310	24,055,256.692	(524,982)	
CAD Hedged Class (mth)	31.12.2018	9.1.2019	C\$0.0288	9,644,159.542	(203,362)	
EUR Hedged Class (mth)	31.12.2018	9.1.2019	EUR0.0096	1,467,997.762	(16,110)	
GBP Hedged Class (mth)	31.12.2018	9.1.2019	GBP0.0203	4,540,989.065	(117,403)	
HKD Class (mth)	31.12.2018	9.1.2019	HK\$0.0372	215,973,759.409	(1,026,167)	
NZD Hedged Class (mth)	31.12.2018	9.1.2019	NZ\$0.0319	6,236,866.146	(133,410)	
RMB Hedged Class (mth)	31.12.2018	9.1.2019	CNY0.0442	181,256,663.433	(1,166,104)	
SGD Hedged Class (mth)	31.12.2018	9.1.2019	S\$0.0305	1,360,884.875	(30,453)	
USD Class (mth)	31.12.2018	9.1.2019	US\$0.0370	54,444,331.780	(2,014,440)	
AUD Hedged Class (mth)	31.1.2019	13.2.2019	A\$0.0310	24,985,687.912	(564,768)	
CAD Hedged Class (mth)	31.1.2019	13.2.2019	C\$0.0285	9,843,324.929	(213,611)	
EUR Hedged Class (mth)	31.1.2019	13.2.2019	EUR0.0111	1,401,655.119	(17,852)	
GBP Hedged Class (mth)	31.1.2019	13.2.2019	GBP0.0216	4,543,925.858	(129,110)	
HKD Class (mth)	31.1.2019	13.2.2019	HK\$0.0374	218,685,568.516	(1,042,329)	
NZD Hedged Class (mth)	31.1.2019	13.2.2019	NZ\$0.0304	6,797,364.409	(143,325)	
RMB Hedged Class (mth)	31.1.2019	13.2.2019	CNY0.0406	185,275,660.724	(1,121,410)	
SGD Hedged Class (mth)	31.1.2019	13.2.2019	S\$0.0298	1,117,921.883	(24,775)	
USD Class (mth)	31.1.2019	13.2.2019	US\$0.0370	56,868,080.566	(2,104,119)	
AUD Hedged Class (mth)	28.2.2019	8.3.2019	A\$0.0312	26,093,571.829	(579,205)	
CAD Hedged Class (mth)	28.2.2019	8.3.2019	C\$0.0297	9,734,008.495	(219,514)	
EUR Hedged Class (mth)	28.2.2019	8.3.2019	EUR0.0138	1,364,075.476	(21,435)	
GBP Hedged Class (mth)	28.2.2019	8.3.2019	GBP0.0228	4,639,193.795	(140,689)	
HKD Class (mth)	28.2.2019	8.3.2019	HK\$0.0374	216,040,538.393	(1,029,315)	
NZD Hedged Class (mth)	28.2.2019	8.3.2019	NZ\$0.0303	6,207,285.394	(128,177)	
RMB Hedged Class (mth)	28.2.2019	8.3.2019	CNY0.0342	190,081,900.683	(970,964)	
SGD Hedged Class (mth)	28.2.2019	8.3.2019	S\$0.0308	1,065,669.074	(24,291)	
USD Class (mth)	28.2.2019	8.3.2019	US\$0.0370	57,675,825.633	(2,134,006)	
AUD Hedged Class (mth)	29.3.2019	9.4.2019	A\$0.0309	25,393,310.165	(557,378)	
CAD Hedged Class (mth)	29.3.2019	9.4.2019	C\$0.0288	9,619,742.735	(207,379)	
EUR Hedged Class (mth)	29.3.2019	9.4.2019	EUR0.0110	1,901,136.043	(23,482)	
GBP Hedged Class (mth)	29.3.2019	9.4.2019	GBP0.0213	4,344,365.840	(120,578)	
HKD Class (mth)	29.3.2019	9.4.2019	HK\$0.0374	217,176,054.543	(1,034,705)	
NZD Hedged Class (mth)	29.3.2019	9.4.2019	NZ\$0.0303	5,645,290.840	(116,658)	
RMB Hedged Class (mth)	29.3.2019	9.4.2019	CNY0.0374	187,316,881.244	(1,042,407)	
SGD Hedged Class (mth)	29.3.2019	9.4.2019	S\$0.0306	941,212.710	(21,263)	
USD Class (mth)	29.3.2019	9.4.2019	US\$0.0370	57,853,279.825	(2,140,572)	
PRC RMB Hedged Class (mth)	29.3.2019	9.4.2019	CNY0.0363	12,540,956.210	(67,737)	
PRC RMB Class (mth)	29.3.2019	9.4.2019	CNY0.0372	912,007.830	(5,048)	
PRC USD Class (mth)	29.3.2019	9.4.2019	US\$0.0373	576,831.520	(21,516)	
AUD Hedged Class (mth)	31.10.2017	8.11.2017	A\$0.0386	28,107,499.221		(831,885)
CAD Hedged Class (mth)	31.10.2017	8.11.2017	C\$0.0328	9,852,725.299		(250,694)
EUR Hedged Class (mth)	31.10.2017	8.11.2017	EUR0.0190	1,691,166.534		(37,432)
GBP Hedged Class (mth)	31.10.2017	8.11.2017	GBP0.0256	6,199,869.740		(210,768)
HKD Class (mth)	31.10.2017	8.11.2017	HK\$0.0362	262,001,521.523		(1,215,675)
NZD Hedged Class (mth)	31.10.2017	8.11.2017	NZ\$0.0413	8,654,681.813		(244,863)
RMB Hedged Class (mth)	31.10.2017	8.11.2017	CNY0.0569	189,256,757.525		(1,623,836)
SGD Hedged Class (mth)	31.10.2017	8.11.2017	S\$0.0320	1,215,271.347		(28,544)
USD Class (mth)	31.10.2017	8.11.2017	US\$0.0360	55,059,547.009		(1,982,144)
AUD Hedged Class (mth)	30.11.2017	8.12.2017	A\$0.0379	28,612,220.708		(823,225)
CAD Hedged Class (mth)	30.11.2017	8.12.2017	C\$0.0326	9,666,996.964		(244,620)
EUR Hedged Class (mth)	30.11.2017	8.12.2017	EUR0.0197	1,603,772.934		(37,671)
GBP Hedged Class (mth)	30.11.2017	8.12.2017	GBP0.0275	5,784,731.794		(215,339)
HKD Class (mth)	30.11.2017	8.12.2017	HK\$0.0362	253,496,806.045		(1,174,949)
NZD Hedged Class (mth)	30.11.2017	8.12.2017	NZ\$0.0413	8,816,259.059		(249,872)
RMB Hedged Class (mth)	30.11.2017	8.12.2017	CNY0.0572	185,721,225.146		(1,606,481)
SGD Hedged Class (mth)	30.11.2017	8.12.2017	S\$0.0329	1,270,147.357		(31,023)
USD Class (mth)	30.11.2017	8.12.2017	US\$0.0360	53,543,178.874		(1,927,554)



Distribution Class	Ex date	Pay date	Rate	Units	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
AUD Hedged Class (mth)	29.12.2017	9.1.2018	A\$0.0364	26,593,124.396		(757,113)
CAD Hedged Class (mth)	29.12.2017	9.1.2018	C\$0.0291	9,441,958.962		(219,291)
EUR Hedged Class (mth)	29.12.2017	9.1.2018	EUR0.0100	1,637,774.119		(19,666)
GBP Hedged Class (mth)	29.12.2017	9.1.2018	GBP0.0199	5,385,302.615		(144,971)
HKD Class (mth)	29.12.2017	9.1.2018	HK\$0.0362	246,462,990.223		(1,141,310)
NZD Hedged Class (mth)	29.12.2017	9.1.2018	NZ\$0.0400	8,242,324.824		(234,478)
RMB Hedged Class (mth)	29.12.2017	9.1.2018	CNY0.0576	182,805,258.002		(1,616,938)
SGD Hedged Class (mth)	29.12.2017	9.1.2018	S\$0.0320	1,315,947.788		(31,510)
USD Class (mth)	29.12.2017	9.1.2018	US\$0.0360	52,641,636.661		(1,895,099)
AUD Hedged Class (mth)	31.1.2018	8.2.2018	A\$0.0373	27,198,221.300		(821,486)
CAD Hedged Class (mth)	31.1.2018	8.2.2018	C\$0.0313	10,891,280.184		(277,864)
EUR Hedged Class (mth)	31.1.2018	8.2.2018	EUR0.0138	1,749,114.500		(30,070)
GBP Hedged Class (mth)	31.1.2018	8.2.2018	GBP0.0237	5,316,624.301		(179,184)
HKD Class (mth)	31.1.2018	8.2.2018	HK\$0.0382	297,051,646.623		(1,450,802)
NZD Hedged Class (mth)	31.1.2018	8.2.2018	NZ\$0.0414	8,000,938.535		(245,150)
RMB Hedged Class (mth)	31.1.2018	8.2.2018	CNY0.0590	186,061,793.008		(1,744,061)
SGD Hedged Class (mth)	31.1.2018	8.2.2018	S\$0.0317	1,334,929.921		(32,323)
USD Class (mth)	31.1.2018	8.2.2018	US\$0.0380	59,627,598.092		(2,265,849)
AUD Hedged Class (mth)	28.2.2018	8.3.2018	A\$0.0378	27,681,692.458		(815,382)
CAD Hedged Class (mth)	28.2.2018	8.3.2018	C\$0.0341	10,704,774.107		(284,881)
EUR Hedged Class (mth)	28.2.2018	8.3.2018	EUR0.0195	1,789,126.717		(42,551)
GBP Hedged Class (mth)	28.2.2018	8.3.2018	GBP0.0272	5,372,957.465		(201,365)
HKD Class (mth)	28.2.2018	8.3.2018	HK\$0.0383	316,977,789.078		(1,551,410)
NZD Hedged Class (mth)	28.2.2018	8.3.2018	NZ\$0.0403	7,551,518.217		(219,800)
RMB Hedged Class (mth)	28.2.2018	8.3.2018	CNY0.0594	184,981,775.537		(1,736,012)
SGD Hedged Class (mth)	28.2.2018	8.3.2018	S\$0.0317	1,755,797.932		(42,075)
USD Class (mth)	28.2.2018	8.3.2018	US\$0.0380	63,904,658.659		(2,428,377)
AUD Hedged Class (mth)	29.3.2018	11.4.2018	A\$0.0361	30,646,884.744		(848,628)
CAD Hedged Class (mth)	29.3.2018	11.4.2018	C\$0.0307	12,455,327.062		(296,590)
EUR Hedged Class (mth)	29.3.2018	11.4.2018	EUR0.0129	1,973,629.844		(31,312)
GBP Hedged Class (mth)	29.3.2018	11.4.2018	GBP0.0224	5,536,281.228		(173,965)
HKD Class (mth)	29.3.2018	11.4.2018	HK\$0.0384	334,256,150.365		(1,635,442)
NZD Hedged Class (mth)	29.3.2018	11.4.2018	NZ\$0.0394	7,413,279.127		(210,709)
RMB Hedged Class (mth)	29.3.2018	11.4.2018	CNY0.0588	188,117,016.137		(1,760,215)
SGD Hedged Class (mth)	29.3.2018	11.4.2018	S\$0.0324	1,607,811.921		(39,726)
USD Class (mth)	29.3.2018	11.4.2018	US\$0.0380	75,045,535.344		(2,851,730)
Total distribution to holders of redeemable units					(32,521,597)	(41,013,910)

## 6 Soft dollar arrangements/Commission sharing arrangements

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**Investment Portfolio**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
Listed/Quoted Investments (98.9%)				Largan Precision	26,000	3,880,534	0.9
				Taiwan Semiconductor Mfg	3,894,000	31,017,569	7.0
(I) Equities (98.9%)				Thailand (0.8%)			
China (40.3%)				Kasikornbank Public Co (F)	490,100	2,903,381	0.7
51Jobs Inc ADR	84,896	6,611,700	1.5	Kasikornbank Public Co NVDR	87,700	518,158	0.1
Alibaba Group Hldg ADR	173,066	31,575,892	7.2	Vietnam (1.7%)			
BOC Aviation	1,087,200	8,870,778	2.0	Vietnam Dairy Products	495,832	2,880,458	0.6
China Construction Bank 'H'	6,215,270	5,328,539	1.2	Vincom Retail JSC	1,702,650	2,538,859	0.6
China Merchants Bank 'H'	1,792,500	8,711,377	2.0	Vinhomes JSC	550,320	2,170,069	0.5
China Overseas Land & Investment	3,340,000	12,679,316	2.9				
Country Garden Services Hldgs	2,457,506	4,576,938	1.0		436,324,228	98.9	
Huazhu Group ADR	134,200	5,655,188	1.3	(II) Derivatives (0.0%)			
Hutchison China Meditech ADR	113,221	3,462,298	0.8	Forward foreign exchange contracts (0.0%)			
Inner Mongolia Yili Ind 'A' (C1)	963,563	4,173,602	0.9			6,640	0.0
Jiangsu Hengrui Medicine 'A' (C1)	394,846	3,843,501	0.9	Total Listed/Quoted Investments			
Ping An Insurance (Group) 'H'	2,025,000	22,674,985	5.1			436,330,868	98.9
Shenzhen Intl Grp	1,039,000	13,924,012	3.2	Other net assets			
Tencent Hldgs	788,900	36,279,582	8.2			4,973,549	1.1
Wuxi Biologics (Cayman)	956,000	9,298,225	2.1	Net assets attributable to holders of redeemable units at 31 March 2019			
Hong Kong (11.0%)						441,304,417	100.0
AIA Group	3,014,600	30,011,782	6.8	Total investments, at cost			
Galaxy Entertainment Group	1,313,000	8,940,165	2.0			366,215,884	
Jardine Matheson Hldgs	71,313	4,447,079	1.0				
Techtronic Industries	763,000	5,127,198	1.2				
India (15.3%)							
HDFC Bank	457,115	15,301,393	3.5				
HDFC Life Insurance	810,385	4,427,726	1.0				
Housing Development Finance	498,307	14,157,961	3.2				
IndusInd Bank	446,559	11,474,197	2.6				
ITC Ltd	1,909,944	8,195,321	1.9				
Maruti Suzuki India	71,217	6,859,603	1.5				
Tata Consultancy Services	240,551	6,950,544	1.6				
Indonesia (7.0%)							
Astra Intl	11,428,000	5,878,518	1.3				
Bank Central Asia	8,713,500	16,980,310	3.9				
Berlian Laju Tanker-SG List	100,000,000	0	0.0				
Telekomunikasi Indonesia	29,384,800	8,150,980	1.8				
Korea (9.3%)							
AfreecaTV Co	51,379	2,475,933	0.6				
KIWOOM Securities	40,652	2,904,482	0.6				
NCsoft Corp	12,974	5,669,196	1.3				
Samsung Electronics	758,559	29,838,481	6.8				
Philippines (1.8%)							
Ayala Land	3,902,600	3,337,017	0.7				
Jollibee Food	800,550	4,832,877	1.1				
Singapore (1.7%)							
DBS Group Hldgs	404,458	7,533,758	1.7				
Taiwan (10.0%)							
Delta Electronics	1,067,000	5,504,551	1.2				
Eclat Textile	278,513	3,750,195	0.9				

Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 (*Unaudited*)

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
China	40.3	37.7
India	15.3	14.7
Hong Kong	11.0	10.3
Taiwan	10.0	12.1
Korea	9.3	9.3
Indonesia	7.0	6.7
Philippines	1.8	1.6
Vietnam	1.7	0.9
Singapore	1.7	3.7
Thailand	0.8	1.4
<b>Derivatives</b>		
Forward foreign exchange contracts	0.0	0.0
<b>Total Listed/Quoted Investments</b>	<u>98.9</u>	<u>98.4</u>
<b>Other net assets</b>	<u>1.1</u>	<u>1.6</u>
<b>Net assets attributable to holders of redeemable units</b>	<u><u>100.0</u></u>	<u><u>100.0</u></u>

**Statement of Financial Position**  
**As at 31 March 2019 (Unaudited)**

	31.3.2019 US\$	30.9.2018 US\$
<b>Assets</b>		
Cash at banks	6,290,819	3,605,155
Amounts due from brokers	-	1,016,628
Amounts receivable on allotment	1,762,421	799,800
Derivatives	8,150	4,174
Investments	436,324,228	245,949,994
Dividend and other accounts receivable	447,785	426,237
<b>Total assets</b>	<b>444,833,403</b>	<b>251,801,988</b>
<b>Liabilities</b>		
Amounts payable on redemption	2,596,841	1,065,515
Derivatives	1,510	2,960
Tax payable	384,533	264,341
Other accounts payable	546,102	394,612
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>3,528,986</b>	<b>1,727,428</b>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<b>441,304,417</b>	<b>250,074,560</b>

**Statement of Comprehensive Income**  
**For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 4]	33,414,543	26,262,196
Dividend income	915,943	567,127
Net foreign currency exchange gains/(losses)	181,362	(53,563)
Interest on deposits	72,922	36,576
Other income	1,152	192
	<b>34,585,922</b>	<b>26,812,528</b>
<b>Expenses</b>		
Management fee	2,558,343	2,333,513
Transaction costs	189,788	441,421
Registrar's fee	55,602	72,902
Trustee's fee	51,887	48,085
Safe custody and bank charges	47,576	54,610
Legal and professional expenses	21,900	17,311
Auditor's fee	19,408	16,766
Valuation fee	8,540	8,540
Printing and publication expenses	3,936	1,003
Other operating expenses	8,022	755
	<b>2,965,002</b>	<b>2,994,906</b>
<b>Net operating profit</b>	<b>31,620,920</b>	<b>23,817,622</b>
<b>Finance costs</b>		
Interest expense	-	(10)
<b>Profit before taxation</b>	<b>31,620,920</b>	<b>23,817,612</b>
Taxation	(269,218)	(122,645)
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>31,351,702</b>	<b>23,694,967</b>

The notes on pages 23 to 26 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units  
For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	250,074,560	249,427,406
	-----	-----
Allotment of redeemable units	232,064,223	355,910,571
Redemption of redeemable units	(72,186,068)	(296,460,363)
	-----	-----
<b>Net allotment</b>	159,878,155	59,450,208
	-----	-----
	409,952,715	308,877,614
	-----	-----
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	31,351,702	23,694,967
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	441,304,417	332,572,581
	=====	=====

**Statement of Cash Flows  
For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(210,495,835)	(153,386,447)
Proceeds from disposal of investments and derivatives	54,550,968	87,312,192
Dividend received	893,961	640,942
Interest received	73,357	37,382
Trustee's fee paid	(48,006)	(45,924)
Registrar's fee paid	(105,447)	(135,566)
Tax paid	(149,026)	(122,645)
Transaction costs paid	(195,249)	(451,035)
Management fee paid	(2,328,670)	(2,203,896)
Others	22,201	(139,150)
	-----	-----
<b>Net cash outflow from operating activities</b>	(157,781,746)	(68,494,147)
	-----	-----
<b>Financing activities</b>		
Interest paid	-	(10)
Receipts on allotment of redeemable units	231,101,602	359,261,654
Payments on redemption of redeemable units	(70,654,742)	(296,341,313)
	-----	-----
<b>Net cash inflow from financing activities</b>	160,446,860	62,920,331
	-----	-----
<b>Increase/(decrease) in cash and cash equivalents</b>	2,665,114	(5,573,816)
Cash and cash equivalents at the beginning of the period	3,605,155	9,464,229
Exchange gains/(losses) on cash and cash equivalents	20,550	(906)
	-----	-----
<b>Cash and cash equivalents at the end of the period</b>	6,290,819	3,889,507
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	6,290,819	3,889,507
	=====	=====

The notes on pages 23 to 26 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Asia Growth Fund (the "Fund") was established under a Trust Deed dated 11 May 2007, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to provide investors with long-term capital appreciation by investing at least 70% of its non-cash assets in equity securities of companies whose predominant business will benefit from, or is related to, the growth in Asian economies. The Fund may invest up to 30% of its non-cash assets in equity securities of companies in non-Asian countries. The Fund may also invest up to 10% of its non-cash assets in non-equity securities in any countries.

Pursuant to the Supplemental Trust Deed dated 31 August 2012, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

JPMorgan Eastern Fund was merged into the Fund on 7 December 2018.

**2 Summary of significant accounting policies****(a) Accounting policies of interim financial statements**

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value. When trading of financial instruments in markets that are not considered to be active, the financial instruments are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the period/year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Foreign currency translation**

*Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(e) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**31.3.2019

	HKD Class (acc) Units	RMB Hedged Class (acc) Units	USD Class (acc) Units
Number of units in issue	<u>1,711,280,692</u>	<u>244,839,887</u>	<u>27,170,936,091</u>
	HK\$	CNY	US\$
Net assets attributable to holders of redeemable units	<u>17,558,752</u>	<u>4,244,332</u>	<u>438,436,083</u>
Net assets attributable to holders of redeemable units (per unit)	<u>10.26</u>	<u>17.34</u>	<u>16.14</u>

30.9.2018

	HKD Class (acc) Units	RMB Hedged Class (acc) Units	USD Class (acc) Units
Number of units in issue	<u>1,180,943,915</u>	<u>295,156,806</u>	<u>16,195,145,751</u>
	HK\$	CNY	US\$
Net assets attributable to holders of redeemable units	<u>11,459,621</u>	<u>4,845,686</u>	<u>247,905,267</u>
Net assets attributable to holders of redeemable units (per unit)	<u>9.70</u>	<u>16.42</u>	<u>15.31</u>

**4 Net gains on investments and derivatives**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	32,502,173	9,662,038
Realized gains on sale of investments and derivatives	<u>912,370</u>	<u>16,600,158</u>
	<u>33,414,543</u>	<u>26,262,196</u>

**5 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.



## 6 Distribution

No distribution was made during the period (31 March 2018: nil).

## 7 Subsequent events

JPMorgan AsiaOne Fund will merge into the Fund on 31 May 2019.

# JPMORGAN ASIAN TOTAL RETURN BOND FUND

Semi-annual report for the  
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## Investment Portfolio As at 31 March 2019 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments</b> (95.2%)			Greenland HK Hldgs 3.875%07/19-RegS	USD29,150,000	29,168,623 1.2
<b>(I) Convertibles</b> (0.2%)			OVPH Ltd 5.875% Perp-RegS	USD2,000,000	2,041,871 0.1
<b>Hong Kong</b> (0.2%)			Sands China 5.125% 08/08/25	USD8,500,000	8,996,719 0.4
Bagan Capital CBO% 23/09/21	USD5,800,000	5,699,950 0.2	Sands China 5.4% 08/08/28	USD600,000	634,860 0.0
<b>(II) Debt Securities</b> (94.8%)			Semiconductor Mfg 4.125%10/19-RegS	USD11,600,000	11,862,764 0.5
<b>Australia</b> (0.5%)			Shimao Property 5.75% 15/03/21- RegS	CNH20,000,000	3,051,693 0.1
Australian Govt No124 5.75% 15/5/21	AUD16,000,000	12,627,023 0.5	Shui On Dev 6.25% 28/11/21-RegS	USD19,800,000	20,337,625 0.8
<b>Bahamas</b> (0.7%)			Sun Hung Kai Prop 3.75% 02/29-RegS	USD5,500,000	5,626,798 0.2
Competition Team 3.75% 12/3/24- RegS	USD16,300,000	16,489,623 0.7	Sun Hung Kai Prop 4.45% Perp-RegS	USD4,900,000	4,583,930 0.2
<b>Bermuda</b> (1.2%)			Times China 6.25% 17/01/21-RegS	USD12,800,000	12,989,067 0.5
GCL New Energy 7.1% 30/01/21-RegS	USD18,900,000	17,288,355 0.7	Times China Hldgs 7.625% 02/22-RegS	USD7,600,000	7,872,719 0.3
Gome Retail Hldgs 5%10/03/20-RegS	USD12,000,000	11,736,667 0.5	WTT Investment 5.5% 21/11/22-RegS	USD12,400,000	12,679,172 0.5
<b>Cayman Islands</b> (13.5%)			Yankuang Grp Cayman 4.75% 11/20-RegS	USD16,400,000	16,631,194 0.7
Agile Group 6.7% 07/03/22-RegS	USD5,800,000	5,939,216 0.2	Yuzhou Properties 7.9% 11/5/21-RegS	USD10,000,000	10,631,917 0.4
Agile Group Hldgs VRN 10.215% Perp	USD15,000,000	15,596,213 0.6	Yuzhou Properties 8.625% 01/22-RegS	USD4,100,000	4,375,033 0.2
Azure Orbit IV 3.75% 25/01/23-RegS	USD18,100,000	18,330,398 0.7	<b>Chile</b> (0.5%)		
CDBL Funding Two 3% 01/08/22-RegS	USD16,600,000	16,414,910 0.7	Rep of Chile 4.5% 01/03/26-RegS	CLP8,000,000,000	12,189,568 0.5
Central China 7.325% 27/01/20-RegS	USD8,100,000	8,234,207 0.3	<b>China</b> (10.0%)		
China Aoyuan Group 7.5% 05/21-RegS	USD8,000,000	8,439,467 0.4	Bank of China Macau 4.65% 3/21-RegS	CNH30,000,000	4,585,225 0.2
China Aoyuan Group 8.5% 01/22-RegS	USD2,000,000	2,136,283 0.1	Bank of China Tokyo 4.35%11/20-RegS	CNH18,000,000	2,765,542 0.1
China Overseas Gr 4.875% 06/21-RegS	USD5,000,000	5,177,250 0.2	CCB Life Ins VRN 4.5% 21/4/77-RegS	USD15,600,000	15,016,950 0.6
China SCE Group 7.45% 04/21-RegS	USD12,200,000	12,967,329 0.5	China CITIC Bk VRN 4.625% 2/29-RegS	USD11,650,000	11,941,460 0.5
CIFI Hldgs Group 5.5% 23/01/22-RegS	USD9,000,000	8,926,125 0.4	China Const Bk VRN 3.875% 5/25-RegS	USD26,200,000	26,567,108 1.1
CIFI Hldgs Group VRN5.375%Perp- RegS	USD3,000,000	2,933,929 0.1	China Const Bk VRN 4.25% 02/29-RegS	USD6,800,000	6,920,577 0.3
CIFI Holdings 7.75% 20/09/20-RegS	CNH20,000,000	3,084,666 0.1	China Dev Bank No1903 3.3% 2/24- IB	CNY499,000,000	74,350,735 3.0
ENN Energy Hldgs 3.25% 07/22-RegS	USD18,400,000	18,392,436 0.8	China Life Ins VRN 4% 03/07/75-RegS	USD20,600,000	20,564,751 0.8
Fantasia Hldgs 8.375% 08/03/21-RegS	USD25,300,000	23,796,758 1.0	China Minmetals VRN 3.75% Perp-RegS	USD8,800,000	8,755,817 0.4
FWD Ltd 5% 24/09/24-RegS	USD16,400,000	17,122,110 0.7	Export-Imp BK CN 4.37% 19/06/23-IB	CNY190,000,000	30,210,475 1.2
FWD Ltd VRN 0% Perp-RegS	USD20,000,000	15,400,000 0.6			

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## Investment Portfolio (Continued) As at 31 March 2019 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>China</b> (Continued)							
Haitian (BVI) Intl 3.875%12/20-RegS	USD13,300,000	13,226,189	0.5	Shanghai Comm Bk VRN 5% 01/29- RegS	USD9,200,000	9,648,653	0.4
ICBC Singapore 4.5% 22/10/21-RegS	CNH41,000,000	6,407,395	0.3	Sinopec Century 4.5% 31/10/21-RegS	CNH23,000,000	3,564,380	0.1
Postal Saving Bk VRN 4.5% Perp-RegS	USD21,100,000	21,018,238	0.8	Vanke Real Estate 3.975% 11/19-RegS	USD13,600,000	13,574,698	0.6
RKPF Overseas 7.875% 01/02/23- RegS	USD5,800,000	6,202,375	0.2	Weichai Intl HK VRN 3.75% Perp-RegS	USD13,300,000	12,959,853	0.5
				Wing Lung Bank VRN 3.75% 11/27-RegS	USD14,700,000	14,665,186	0.6
<b>Colombia</b> (0.0%)				Yango Justice Intl 9.5% 3/4/21-RegS	USD2,300,000	2,311,385	0.1
Rep of Colombia 4.375% 21/03/23	COP500,000,000	149,673	0.0	<b>India</b> (7.0%)			
Rep of Colombia 7.75% 14/04/21	COP2,185,000,000	767,557	0.0	Adani Transmission 4% 03/08/26-RegS	USD9,800,000	9,232,634	0.4
<b>Hong Kong</b> (10.5%)				Bharat Petroleum 4% 08/05/25-RegS	USD19,440,000	19,937,664	0.8
Anhui Transport 4.875% 13/9/21- RegS	USD3,900,000	3,961,904	0.2	Bharat Petroleum 4.375% 01/22-RegS	USD3,000,000	3,088,242	0.1
Bank of East Asi VRN5.625%Perp- RegS	USD6,000,000	6,170,625	0.3	Canara Bank London 3.875% 3/24-RegS	USD5,800,000	5,794,667	0.2
Bank of East Asia VRN 4% 11/26-RegS	USD19,800,000	20,262,440	0.8	India Govt Bond 7.17% 08/01/28	INR950,000,000	13,665,697	0.6
Bank of East Asia VRN 4.25% 24-RegS	USD6,700,000	6,829,198	0.3	India Govt Bond 7.37% 16/04/23	INR3,700,000,000	56,192,137	2.3
Bank of East Asia VRN 5.5%Perp-RegS	USD5,000,000	5,111,417	0.2	Indian Railway Fin3.73%29/3/24- RegS	USD7,600,000	7,633,902	0.3
Bocom Leasing Man 4.375% 01/24-RegS	USD10,300,000	10,738,852	0.4	JSW Steel 5.25% 13/04/22-RegS	USD5,600,000	5,771,897	0.2
China Oil & Gas 4.625% 04/22- RegS	USD11,900,000	11,820,419	0.5	Jubilant Pharma 6% 05/03/24-RegS	USD3,200,000	3,234,400	0.1
Chong Hing Bk VRN 3.876% 07/27-RegS	USD9,400,000	9,328,146	0.4	NTPC Ltd 3.75% 03/04/24-RegS	USD4,700,000	4,695,535	0.2
Chong Hing Bk VRN 6.5% Perp-RegS	USD7,400,000	7,492,603	0.3	NTPC Ltd 4.25% 26/02/26-RegS	USD5,000,000	5,083,250	0.2
CNAC (HK) Finbridge 3.5% 07/22-RegS	USD17,000,000	17,132,553	0.7	Oil India 5.125% 04/02/29-RegS	USD8,100,000	8,574,311	0.3
CNAC (HK) Finbridge 5.125%3/28-RegS	USD1,000,000	1,082,813	0.0	Power Fin Corp 3.75% 06/12/27-RegS	USD17,300,000	16,374,854	0.7
Gemdale Ever 6% 06/09/21-RegS	USD3,900,000	3,980,275	0.2	Power Finance 9.32% 17/09/19	INR250,000,000	3,793,335	0.2
HK Intl (Qingdao) 4.25% 12/22-RegS	USD11,200,000	10,732,182	0.4	UPL Corp 3.25% 13/10/21-RegS	USD9,100,000	9,161,033	0.4
Huasing Intl Hldgs 4.5% 03/21-RegS	USD10,900,000	10,685,052	0.4	<b>Indonesia</b> (7.4%)			
ICBC Asia VRN 4.25% Perp-RegS	USD21,000,000	20,870,471	0.8	APL Realty Hldgs 5.95%02/06/24- RegS	USD16,800,000	14,907,200	0.6
ICBCIL Finance 3.625% 19/05/26- RegS	USD13,000,000	12,852,481	0.5	Bk Rakyat Indonesia 3.95% 3/24-RegS	USD3,050,000	3,070,706	0.1
ICBCIL Finance 3.75% 05/03/24-RegS	USD18,200,000	18,410,074	0.7	Indonesia Asahan 6.53%15/11/28- RegS	USD5,000,000	5,847,251	0.2
Lenovo Group 4.75% 29/03/23-RegS	USD17,000,000	17,096,829	0.7	Indonesia Asahan 6.757% 11/48-RegS	USD5,200,000	6,144,134	0.2
MCC Hldg (HK) 2.95% 31/05/20-RegS	USD8,700,000	8,747,826	0.4				

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## Investment Portfolio (Continued) As at 31 March 2019 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>Indonesia</b> (Continued)			Korea Land No42 3.5% 27/08/20	KRW5,000,000,000	5,118,584 0.2
Indonesia			Korea Monetary No1904 1.6%		
Asahan5.71%	USD5,200,000	5,738,355 0.2	02/04/19	KRW8,500,000,000	7,517,906 0.3
Indonesia Govt 8.25%	IDR89,713,000,000	6,786,261 0.3	Shinhan Bank 3.75%	USD8,000,000	7,796,160 0.3
15/05/29			20/09/27-RegS		
Indonesia Govt			Woori Bank VRN	USD5,400,000	5,576,220 0.2
NoFR53 8.25%	IDR402,300,000,000	29,560,019 1.2	5.25% Perp-RegS		
15/7/21					
Indonesia Govt			<b>Luxembourg</b> (0.4%)		
NoFR64	IDR190,000,000,000	12,359,076 0.5	SPIC Lux Energy		
6.125%15/5/28			4.65% 30/10/23-		
Indonesia Govt			RegS	USD8,800,000	9,332,693 0.4
NoFR68	IDR150,000,000,000	10,852,551 0.4			
8.375%15/3/34			<b>Malaysia</b> (4.6%)		
Indonesia Govt			Cagamas Bhd 4.1%		
NoFR70	IDR155,000,000,000	11,443,972 0.5	18/11/20	MYR15,000,000	3,742,228 0.1
8.375%15/3/24			Cagamas Bhd NoP8	MYR55,000,000	13,896,338 0.6
Indonesia Govt			6.35% 08/08/23		
NoFR79 8.375%	IDR75,000,000,000	5,582,095 0.2	GOHL Capital 4.25%	USD16,400,000	16,513,616 0.7
4/39			24/01/27-RegS		
Lembaga Pembiayaan	IDR90,000,000,000	6,384,506 0.3	Malayan Banking 4.5%	CNH15,000,000	2,301,101 0.1
7.95% 25/08/19			02/11/20-RegS		
Pelabuhan Indonesia	USD15,000,000	15,125,969 0.6	Malaysian Govt No0111	MYR44,000,000	11,042,666 0.4
5.375%5/45-RegS			4.16% 15/7/21		
Perusahaan Penerbit	USD15,000,000	15,501,500 0.6	Malaysian Govt	MYR45,000,000	11,389,467 0.5
4.4% 03/28-RegS			No0114 4.181%		
Perusahaan Penerbit	USD11,200,000	11,598,627 0.5	07/24		
4.45% 2/29-RegS			Malaysian Govt		
Rep of Indonesia	USD10,800,000	11,728,215 0.5	No0307 3.502%	MYR40,000,000	9,666,747 0.4
4.75% 11/02/29			05/27		
Saka Energi Indon	USD11,800,000	11,866,916 0.5	Malaysian Govt	MYR20,000,000	5,252,958 0.2
4.45% 05/24-RegS			No0310 4.498%		
			04/30		
<b>Jersey C.I.</b> (0.4%)			Malaysian Govt	MYR80,000,000	21,160,047 0.8
West China Cement	USD12,700,000	10,249,323 0.4	No0318 4.642%		
6.5% 11/9/19-RegS			11/33		
			Malaysian Govt		
<b>Korea</b> (4.3%)			No0513 3.733%	MYR21,000,000	5,164,166 0.2
Busan Bank 3.625%	USD25,700,000	24,871,086 1.0	06/28		
25/07/26-RegS			RHB Bank 3.766%	USD6,900,000	7,034,193 0.3
Busan Bank 4.85%	CNH30,000,000	4,737,018 0.2	19/02/24-RegS		
25/05/21			TNB Global Vent	USD7,100,000	7,822,514 0.3
Export-Imp Bk Kor	CNH30,000,000	4,567,868 0.2	4.851% 1/11/28-		
4.68% 3/21-RegS			RegS		
Hanwha Life Insurance	USD2,200,000	2,178,392 0.1			
FRN 4/48-RegS			<b>Mauritius</b> (0.4%)		
Hanwha Total Petro	USD6,500,000	6,724,101 0.3	Azure Power Energy	USD5,400,000	5,441,925 0.2
3.875% 1/24-RegS			5.5% 11/22-RegS		
Heungkuk Life VRN	USD16,700,000	15,994,854 0.6	Neerg Energy 6%	USD5,000,000	5,010,083 0.2
4.475% 11/47-RegS			13/02/22-RegS		
Hyundai Cap 3%	USD3,700,000	3,678,047 0.2			
06/03/22-RegS			<b>Mexico</b> (0.5%)		
Industrial Bk KR VRN	USD3,200,000	3,167,520 0.1	Mexican Bds Desarr		
3.9% Perp-RegS			NoM20 7.5% 6/27	MXN2,400,000	12,319,629 0.5
Kookmin Bank 4.5%	USD9,900,000	10,402,425 0.4			
01/02/29-RegS					
Korea Expressway	CNH30,000,000	4,533,126 0.2			
4.73% 28/3/21-					
RegS					

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## Investment Portfolio (Continued) As at 31 March 2019 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Mongolia</b> (0.4%)				<b>Sri Lanka</b> (1.8%)			
Trad&Dev Bank				Rep of Sri Lanka			
9.375% 19/05/20- RegS	USD9,690,000	10,426,880	0.4	6.75% 18/4/28- RegS	USD11,000,000	11,192,500	0.4
<b>Netherlands</b> (1.8%)				Rep of Sri Lanka			
Greenko Dutch				7.85% 14/3/29- RegS	USD5,500,000	5,768,813	0.2
4.875% 24/07/22- RegS	USD13,400,000	13,322,392	0.5	Sri Lanka Govt 11.5% 15/12/21	LKR700,000,000	4,198,632	0.2
Minejesa Capital				Sri Lanka Govt 9.25% 01/05/20	LKR4,100,000,000	24,005,620	1.0
4.625% 08/30- RegS	USD14,000,000	13,710,628	0.6	<b>Supranational</b> (0.9%)			
Royal Capital VRN				Corp Andina Fomento			
4.875% Perp-RegS	USD17,200,000	17,136,640	0.7	6.77%5/28-RegS	COP46,000,000,000	15,489,478	0.6
<b>Peru</b> (1.0%)				Inter-American Devel			
Rep of Peru 8.2% 12/08/26-RegS	PEN66,000,000	24,096,030	1.0	9.5% 15/04/19	IDR100,000,000,000	7,661,560	0.3
<b>Philippines</b> (1.0%)				<b>Thailand</b> (4.4%)			
Philippine Govt				Krung Thai Bk VRN			
3.875% 22/11/19	PHP750,000,000	14,289,343	0.6	5.2% 12/24-RegS	USD24,000,000	24,547,600	1.0
Philippine Govt				PTTEP Treasury VRN			
No1054 6.375% 01/22	PHP280,000,000	5,496,206	0.2	4.6% Perp-RegS	USD18,200,000	18,298,887	0.7
Philippine Govt				Siam Comm Bk 3.9% 11/02/24-RegS	USD4,000,000	4,093,900	0.2
No1056 4.875% 08/22	PHP228,500,000	4,283,264	0.2	Siam Comm Bk 4.4% 11/02/29-RegS	USD4,600,000	4,807,613	0.2
Philippine Govt				Thailand Govt 3.65% 17/12/21	THB320,000,000	10,686,087	0.4
No1057 4.75% 09/22	PHP45,500,000	846,015	0.0	Thailand Govt 3.65% 20/06/31	THB850,000,000	29,882,506	1.2
Rizal Comm Banking				Thailand Govt 3.775% 25/06/32	THB450,000,000	15,950,588	0.7
4.125% 3/23-RegS	USD450,000	453,066	0.0	<b>United Kingdom</b> (0.5%)			
<b>Singapore</b> (6.3%)				Hitachi Capital 4.6%			
Abja Investment				27/09/21-RegS	CNH20,000,000	3,090,300	0.1
5.45% 24/01/28- RegS	USD29,300,000	28,100,001	1.1	Vedanta Resources			
Alam Synergy 6.625% 24/04/22-RegS	USD9,600,000	9,567,133	0.4	6.375% 07/22-RegS	USD8,900,000	8,759,195	0.4
Indika Energy 5.875% 09/11/24-RegS	USD3,000,000	2,945,060	0.1	<b>Virgin Islands</b> (14.8%)			
LLPL Capital Pte				Baoxin Auto Fin VRN			
6.875% 4/2/39- RegS	USD10,600,000	11,604,630	0.5	5.625%Perp-RegS	USD13,300,000	12,751,375	0.5
Medco Platinum				Baoxin Auto Finance			
6.75% 30/01/25- RegS	USD18,400,000	18,176,900	0.7	7.9% 02/20-RegS	USD5,100,000	5,195,328	0.2
Parkway Pantai VRN				Beijing Cap Polar			
4.25% Perp-RegS	USD16,100,000	15,760,670	0.7	4.25% 03/21-RegS	USD8,300,000	8,372,694	0.3
Singapore Govt 3.25% 01/09/20	SGD40,000,000	30,170,181	1.2	CCCI Treasury VRN	USD18,900,000	19,163,708	0.8
Singapore Govt				3.5% Perp-RegS			
3.375% 01/09/33	SGD23,500,000	19,680,024	0.8	Champion Sin VRN			
SSMS Plant Hldgs				8.125% Perp-RegS	USD11,200,000	11,793,460	0.5
7.75% 1/23-RegS	USD2,500,000	2,504,260	0.1	China Cinda Fin			
United Overseas VRN				4.375% 08/02/25- Reg	USD3,400,000	3,517,003	0.1
3.875%PERP-RegS	USD18,000,000	17,793,813	0.7	China Railway XunJie			
				3.25%7/26-RegS	USD10,000,000	9,814,778	0.4
				Chouzhou Intl Inv 4% 05/12/20-RegS	USD7,700,000	7,742,350	0.3
				Dianjian Haixing VRN			
				4.05%Perp-RegS	USD12,115,000	12,358,057	0.5

# JPMORGAN ASIAN TOTAL RETURN BOND FUND

Semi-annual report for the  
period ended 31 March 2019

## Investment Portfolio (Continued) As at 31 March 2019 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Virgin Islands</b> (Continued)							
Easy Tactic 9.125% 28/07/22-RegS	USD5,700,000	6,142,732	0.3		2,349,421,704	94.8	
Fortune Star 5.25% 23/03/22-RegS	USD11,300,000	11,022,161	0.4	<b>(III) Derivatives</b> (0.2%)			
Fortune Star 5.95% 29/01/23-RegS	USD22,200,000	22,070,408	0.9	<b>Forward foreign exchange contracts</b> (0.2%)			
Franshion Brilliant 4% Perp-RegS	USD13,600,000	13,360,489	0.5		3,721,353	0.2	
Gemstones Intl 8.5% 15/08/20-RegS	USD15,900,000	15,301,321	0.6	<b>Total Listed/Quoted Investments</b>			
Greenland Glb Inv 3.5% 6/09/19-RegS	USD4,100,000	4,064,239	0.2	<b>Other net assets</b>			
Greenland Global 5.9% 12/02/23- RegS	USD24,200,000	23,717,076	1.0	<b>Net assets attributable to holders of redeemable units at 31 March 2019</b>			
HKT Capital No4 3 14/07/26-RegS	USD20,800,000	20,237,360	0.8		2,478,066,127	100.0	
Huarong Fin VRN 4% Perp-RegS	USD25,100,000	24,923,323	1.0	<b>Total investments, at cost</b>			
Huarong Finance II 2.056% 2019-RegS	USD10,800,000	10,886,835	0.4		2,345,212,028		
King Power Cap 5.625% 03/11/24- RegS	USD9,900,000	11,209,584	0.5				
Minmetals Bounteous 4.2% 07/26-RegS	USD10,000,000	10,139,333	0.4				
Nan Fung Tsy 3.875% 03/10/27-RegS	USD15,900,000	15,550,524	0.6				
Nan Fung Tsy 5% 05/09/28-RegS	USD3,600,000	3,747,240	0.2				
New Metro Global 6.75% 26/1/20- RegS	USD6,900,000	7,034,274	0.3				
NWD Fin (BVI) 5.75% Perp-RegS	USD6,500,000	6,548,387	0.3				
Poly Real Estate 4.75% 17/9/23- RegS	USD2,000,000	2,071,218	0.1				
RKPF Overseas 7.75% 18/04/21-RegS	USD1,100,000	1,171,534	0.1				
SDSC Intl Finance 3.625% 11/19-RegS	USD12,600,000	12,815,425	0.5				
Sino-Ocean Land 4.45% 04/02/20- RegS	USD9,200,000	9,308,739	0.4				
Sino-Ocean Land 5.25% 30/04/22- RegS	USD3,800,000	3,936,958	0.2				
Sino-Ocean Land 6% 30/07/24-RegS	USD3,800,000	4,055,297	0.2				
Sino-Ocean Land VRN 4.9% Perp-RegS	USD12,100,000	10,759,286	0.4				
Skyland Mining 3.25% 06/07/20-RegS	USD10,600,000	10,510,047	0.4				
Xingsheng BVI 4.5% 20/09/21-RegS	USD3,167,000	3,209,755	0.1				
Yuexiu REIT MTN 4.75% 27/04/21- RegS	USD10,600,000	11,002,179	0.4				

Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 *(Unaudited)*

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Convertibles</b>		
Hong Kong	0.2	0.2
China	-	2.3
Singapore	-	0.8
Japan	-	0.8
Taiwan	-	0.7
<b>Debt Securities</b>		
Virgin Islands	14.8	19.0
Cayman Islands	13.5	13.6
Hong Kong	10.5	11.0
China	10.0	9.2
Indonesia	7.4	4.3
India	7.0	5.6
Singapore	6.3	6.9
Malaysia	4.6	2.9
Thailand	4.4	6.2
Korea	4.3	4.9
Sri Lanka	1.8	-
Netherlands	1.8	2.7
Bermuda	1.2	1.2
Philippines	1.0	-
Peru	1.0	-
Supranational	0.9	0.3
Bahamas	0.7	-
Australia	0.5	-
Mexico	0.5	-
Chile	0.5	-
United Kingdom	0.5	-
Mauritius	0.4	0.5
Mongolia	0.4	-
Jersey C.I.	0.4	0.6
Luxembourg	0.4	-
Colombia	0.0	-
<b>Money Market</b>		
Singapore	-	0.7
<b>Derivatives</b>		
Forward foreign exchange contracts	0.2	(0.1)
Futures	-	0.0
<b>Total Listed/Quoted Investments</b>	<b>95.2</b>	<b>94.3</b>
<b>Other net assets</b>	<b>4.8</b>	<b>5.7</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>100.0</b>	<b>100.0</b>

**Statement of Financial Position  
As at 31 March 2019 (Unaudited)**

	31.3.2019 US\$	30.9.2018 US\$
<b>Assets</b>		
Cash at banks	114,405,730	86,723,773
Short-term deposits	11,313,894	-
Amounts due from brokers	85,768,529	1,759,000
Amounts receivable on allotment	41,149,563	64,118,605
Margin deposits	500,561	88,341
Derivatives	7,907,917	9,032,571
Investments	2,355,121,654	2,118,044,015
Interest and other accounts receivable	48,179	31,599
<b>Total assets</b>	<u>2,616,216,027</u>	<u>2,279,797,904</u>
<b>Liabilities</b>		
Overdraft with brokers	-	1,989,520
Amounts due to brokers	111,222,767	-
Amounts payable on redemption	13,254,742	14,621,917
Distribution payable [Note 5]	6,297,136	5,897,872
Derivatives	4,186,564	10,683,069
Other accounts payable	3,188,691	2,733,991
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<u>138,149,900</u>	<u>35,926,369</u>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>2,478,066,127</u>	<u>2,243,871,535</u>

**Statement of Comprehensive Income  
For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 4]	134,064,470	118,020,590
Interest on deposits	1,044,646	1,206,894
Net foreign currency exchange losses	(2,932,362)	(410,411)
Other income	53,950	182,723
	<u>132,230,704</u>	<u>118,999,796</u>
<b>Expenses</b>		
Management fee	10,724,488	18,362,528
Trustee's fee	276,784	465,836
Transaction costs	241,974	258,881
Safe custody and bank charges	222,233	369,789
Registrar's fee	73,945	144,594
Auditor's fee	14,366	21,590
Legal and professional expenses	10,535	42,730
Valuation fee	8,540	8,540
Printing and publication expenses	5,546	2,850
Other operating expenses	6,418	11,180
	<u>11,584,829</u>	<u>19,688,518</u>
<b>Net operating profit</b>	<u>120,645,875</u>	<u>99,311,278</u>
<b>Finance costs</b>		
Distribution [Note 5]	(34,229,753)	(56,504,299)
Interest expense	(348)	-
	<u>(34,230,101)</u>	<u>(56,504,299)</u>
<b>Profit before taxation</b>	<u>86,415,774</u>	<u>42,806,979</u>
Taxation	(1,301,550)	(1,670,640)
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>85,114,224</u>	<u>41,136,339</u>

The notes on pages 35 to 41 form part of these financial statements.



**Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units  
For the period ended 31 March 2019 (Unaudited)**

	<b>1.10.2018 to 31.3.2019 US\$</b>	<b>1.10.2017 to 31.3.2018 US\$</b>
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	2,243,871,535	3,809,838,031
	-----	-----
Allotment of redeemable units	833,252,067	830,916,811
Redemption of redeemable units	(684,171,699)	(1,424,812,786)
	-----	-----
<b>Net allotment/(redemption)</b>	149,080,368	(593,895,975)
	-----	-----
	2,392,951,903	3,215,942,056
	-----	-----
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	85,114,224	41,136,339
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	<u>2,478,066,127</u>	<u>3,257,078,395</u>

**Statement of Cash Flows  
For the period ended 31 March 2019 (Unaudited)**

	<b>1.10.2018 to 31.3.2019 US\$</b>	<b>1.10.2017 to 31.3.2018 US\$</b>
<b>Operating activities</b>		
Purchase of investments and derivatives	(1,362,840,833)	(1,312,752,813)
Proceeds from disposal of investments and derivatives	1,281,669,051	1,912,461,810
Interest received	1,053,919	1,192,910
Registrar's fee paid	(156,840)	(286,066)
Transaction costs paid	(243,434)	(259,971)
Trustee's fee paid	(273,120)	(473,557)
Increase in margin deposits	(412,220)	(2,691,225)
Tax paid	(857,531)	(2,052,492)
Decrease in overdraft with brokers	(1,989,520)	-
Management fee paid	(10,573,073)	(18,665,171)
Others	(3,444,222)	(1,973,059)
	-----	-----
<b>Net cash (outflow)/inflow from operating activities</b>	(98,067,823)	574,500,366
	-----	-----
<b>Financing activities</b>		
Interest paid	(348)	-
Receipts on allotment of redeemable units	856,221,109	917,584,036
Payments on redemption of redeemable units	(685,538,874)	(1,407,279,843)
Distribution paid	(33,830,489)	(58,110,616)
	-----	-----
<b>Net cash inflow/(outflow) from financing activities</b>	136,851,398	(547,806,423)
	-----	-----
<b>Increase in cash and cash equivalents</b>	38,783,575	26,693,943
Cash and cash equivalents at the beginning of the period	86,723,773	187,823,385
Exchange gains on cash and cash equivalents	212,276	1,349,312
	-----	-----
<b>Cash and cash equivalents at the end of the period</b>	<u>125,719,624</u>	<u>215,866,640</u>
	-----	-----
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	114,405,730	40,928,831
Short-term deposits	11,313,894	174,937,809
	-----	-----
	<u>125,719,624</u>	<u>215,866,640</u>
	-----	-----

The notes on pages 35 to 41 form part of these financial statements.

## Notes to the Financial Statements

### 1 The Fund

JPMorgan Asian Total Return Bond Fund (the "Fund") was established under a Trust Deed dated 30 November 2004, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to achieve a competitive total return, consisting of capital growth and regular dividend income, through an actively managed portfolio investing primarily in Asian bonds and other debt securities.

Pursuant to the Supplemental Trust Deed dated 27 February 2012, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

### 2 Summary of significant accounting policies

#### (a) Accounting policies of interim financial statements

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

#### (b) Investments and derivatives

##### *Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

##### *Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

##### *Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Credit default swaps are marked to market daily based upon quotations from the market makers and the change in value, if any, is recorded as an unrealized gain or loss in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

**(c) Foreign currency translation**

*Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(d) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

31.3.2019

	AUD Hedged Class (mth) Units	CAD Hedged Class (mth) Units	GBP Hedged Class (mth) Units	HKD Class (mth) Units	NZD Hedged Class (mth) Units
Number of units in issue	<u>18,685,698.457</u>	<u>14,772,451.198</u>	<u>386,848.898</u>	<u>295,718,557.772</u>	<u>8,160,355.325</u>
	A\$	C\$	GBP	HK\$	NZ\$
Net assets attributable to holders of redeemable units	<u>165,192,823</u>	<u>131,335,795</u>	<u>3,593,762</u>	<u>2,808,044,644</u>	<u>71,593,861</u>
Net assets attributable to holders of redeemable units (per unit)	<u>8.84</u>	<u>8.89</u>	<u>9.29</u>	<u>9.50</u>	<u>8.77</u>

# JPMORGAN ASIAN TOTAL RETURN BOND FUND

Semi-annual report for the  
period ended 31 March 2019

31.3.2019

	RMB Hedged Class (acc) Units	RMB Hedged Class (mth) Units	USD Class (acc) Units	USD Class (mth) Units	PRC RMB Hedged Class (acc) Units
Number of units in issue	<u>1,606,332.435</u>	<u>378,956,920.473</u>	<u>172,745.806</u>	<u>40,571,134.007</u>	<u>192,702,255.490</u>
	CNY	CNY	US\$	US\$	CNY
Net assets attributable to holders of redeemable units	<u>20,520,369</u>	<u>3,441,961,609</u>	<u>2,171,662</u>	<u>437,836,951</u>	<u>2,339,074,415</u>
Net assets attributable to holders of redeemable units (per unit)	<u>12.77</u>	<u>9.08</u>	<u>12.57</u>	<u>10.79</u>	<u>12.14</u>
	PRC RMB Hedged Class (mth) Units	PRC USD Class (acc) Units	PRC USD Class (mth) Units		
Number of units in issue	<u>75,803,882.220</u>	<u>36,136,936.110</u>	<u>3,188,569.540</u>		
	CNY	US\$	US\$		
Net assets attributable to holders of redeemable units	<u>743,472,646</u>	<u>405,958,871</u>	<u>31,351,713</u>		
Net assets attributable to holders of redeemable units (per unit)	<u>9.81</u>	<u>11.23</u>	<u>9.83</u>		

30.9.2018

	AUD Hedged Class (mth) Units	CAD Hedged Class (mth) Units	GBP Hedged Class (mth) Units	HKD Class (mth) Units	NZD Hedged Class (mth) Units
Number of units in issue	<u>17,580,647.496</u>	<u>12,695,714.683</u>	<u>300,644.718</u>	<u>257,092,549.814</u>	<u>6,565,515.412</u>
	A\$	C\$	GBP	HK\$	NZ\$
Net assets attributable to holders of redeemable units	<u>151,437,984</u>	<u>109,956,213</u>	<u>2,722,720</u>	<u>2,370,395,595</u>	<u>56,146,414</u>
Net assets attributable to holders of redeemable units (per unit)	<u>8.61</u>	<u>8.66</u>	<u>9.06</u>	<u>9.22</u>	<u>8.55</u>

30.9.2018

	RMB Hedged Class (acc) Units	RMB Hedged Class (mth) Units	USD Class (acc) Units	USD Class (mth) Units	PRC RMB Hedged Class (acc) Units
Number of units in issue	1,548,174.875	367,391,808.423	164,902.144	35,352,688.820	149,386,313.190
	CNY	CNY	US\$	US\$	CNY
Net assets attributable to holders of redeemable units	18,776,312	3,249,538,350	1,974,794	371,634,095	1,721,353,017
Net assets attributable to holders of redeemable units (per unit)	12.13	8.84	11.98	10.51	11.52
	PRC RMB Hedged Class (mth) Units	PRC USD Class (acc) Units	PRC USD Class (mth) Units		
Number of units in issue	64,003,808.890	46,224,922.560	2,361,982.720		
	CNY	US\$	US\$		
Net assets attributable to holders of redeemable units	611,206,738	494,672,657	22,623,212		
Net assets attributable to holders of redeemable units (per unit)	9.55	10.70	9.58		

#### 4 Net gains on investments and derivatives

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	109,378,894	(49,314,489)
Realized gains on sale of investments and derivatives	24,685,576	167,335,079
	134,064,470	118,020,590

## 5 Distribution

It is the intention of the Manager to have at least 85% of the income attributable to the distribution class(es) respectively in respect of each accounting period, after charging the expenses attributable to these distribution class(es) respectively, to be distributed to unitholders of these distribution class(es) respectively.

In the event that the amount available for distribution is insufficient to pay distributions as the Fund declares, the Manager may in its discretion determine that such distributions be paid from capital.

	1.10.2018 To 31.3.2019 US\$	1.10.2017 To 31.3.2018 US\$
Net operating profit	120,645,875	99,311,278
Adjustments:		
Net gains on investments and derivatives	(134,064,470)	(118,020,590)
Interest income included in net gains on investments and derivatives (at coupon rate)	49,188,542	74,538,147
Net foreign currency exchange losses	2,932,362	410,411
Transaction costs	241,974	258,881
Interest expense	(348)	-
Taxation	(1,301,550)	(1,670,640)
Capital gains tax	523,742	(179,286)
Amount available for distribution	38,166,127	54,648,201

Distribution Class	Ex date	Pay date	Rate	Units	1.10.2018 To 31.3.2019 US\$	1.10.2017 To 31.3.2018 US\$
AUD Hedged Class (mth)	31.10.2018	8.11.2018	A\$0.0288	16,889,031.696	(344,739)	
CAD Hedged Class (mth)	31.10.2018	8.11.2018	C\$0.0252	12,483,470.662	(239,546)	
GBP Hedged Class (mth)	31.10.2018	8.11.2018	GBP0.0197	292,080.964	(7,352)	
HKD Class (mth)	31.10.2018	8.11.2018	HK\$0.0329	249,725,510.368	(1,048,035)	
NZD Hedged Class (mth)	31.10.2018	8.11.2018	NZ\$0.0286	6,653,163.099	(124,253)	
RMB Hedged Class (mth)	31.10.2018	8.11.2018	CNY0.0477	353,104,838.596	(2,414,885)	
USD Class (mth)	31.10.2018	8.11.2018	US\$0.0375	35,569,006.304	(1,333,838)	
PRC RMB Hedged Class (mth)	31.10.2018	8.11.2018	CNY0.0515	60,478,149.270	(446,560)	
PRC USD Class (mth)	31.10.2018	8.11.2018	US\$0.0342	2,321,306.350	(79,389)	
AUD Hedged Class (mth)	30.11.2018	10.12.2018	A\$0.0276	16,130,569.003	(325,110)	
CAD Hedged Class (mth)	30.11.2018	10.12.2018	C\$0.0263	12,404,668.779	(245,461)	
GBP Hedged Class (mth)	30.11.2018	10.12.2018	GBP0.0206	333,505.573	(8,766)	
HKD Class (mth)	30.11.2018	10.12.2018	HK\$0.0329	241,329,106.744	(1,014,564)	
NZD Hedged Class (mth)	30.11.2018	10.12.2018	NZ\$0.0276	6,518,104.854	(123,573)	
RMB Hedged Class (mth)	30.11.2018	10.12.2018	CNY0.0402	346,752,378.394	(2,003,989)	
USD Class (mth)	30.11.2018	10.12.2018	US\$0.0375	34,767,451.891	(1,303,779)	
PRC RMB Hedged Class (mth)	30.11.2018	10.12.2018	CNY0.0434	60,256,379.640	(375,961)	
PRC USD Class (mth)	30.11.2018	10.12.2018	US\$0.0342	2,255,471.140	(77,137)	
AUD Hedged Class (mth)	31.12.2018	9.1.2019	A\$0.0264	16,343,174.862	(303,748)	
CAD Hedged Class (mth)	31.12.2018	9.1.2019	C\$0.0240	12,124,130.331	(213,047)	
GBP Hedged Class (mth)	31.12.2018	9.1.2019	GBP0.0160	333,601.914	(6,798)	
HKD Class (mth)	31.12.2018	9.1.2019	HK\$0.0329	236,696,065.084	(994,629)	
NZD Hedged Class (mth)	31.12.2018	9.1.2019	NZ\$0.0267	6,248,544.125	(111,872)	
RMB Hedged Class (mth)	31.12.2018	9.1.2019	CNY0.0368	343,758,311.657	(1,841,290)	
USD Class (mth)	31.12.2018	9.1.2019	US\$0.0375	34,614,870.306	(1,298,058)	
PRC RMB Hedged Class (mth)	28.12.2018	9.1.2019	CNY0.0397	60,367,293.190	(348,118)	
PRC USD Class (mth)	28.12.2018	9.1.2019	US\$0.0342	2,256,633.970	(77,177)	
AUD Hedged Class (mth)	31.1.2019	13.2.2019	A\$0.0294	18,084,609.193	(387,680)	
CAD Hedged Class (mth)	31.1.2019	13.2.2019	C\$0.0266	13,656,780.922	(276,609)	
GBP Hedged Class (mth)	31.1.2019	13.2.2019	GBP0.0207	336,405.861	(9,160)	
HKD Class (mth)	31.1.2019	13.2.2019	HK\$0.0360	252,730,751.965	(1,159,507)	
NZD Hedged Class (mth)	31.1.2019	13.2.2019	NZ\$0.0283	7,873,544.756	(154,549)	
RMB Hedged Class (mth)	31.1.2019	13.2.2019	CNY0.0364	352,009,002.308	(1,910,184)	
USD Class (mth)	31.1.2019	13.2.2019	US\$0.0410	32,707,081.125	(1,340,990)	
PRC RMB Hedged Class (mth)	31.1.2019	13.2.2019	CNY0.0393	57,921,452.990	(339,353)	
PRC USD Class (mth)	31.1.2019	13.2.2019	US\$0.0374	2,175,734.200	(81,372)	

# JPMORGAN ASIAN TOTAL RETURN BOND FUND

Semi-annual report for the  
period ended 31 March 2019

Distribution Class	Ex date	Pay date	Rate	Units	1.10.2018	1.10.2017
					To	To
					31.3.2019	31.3.2018
					US\$	US\$
AUD Hedged Class (mth)	28.2.2019	8.3.2019	A\$0.0296	18,435,959.736	(388,241)	
CAD Hedged Class (mth)	28.2.2019	8.3.2019	C\$0.0279	13,399,614.654	(283,864)	
GBP Hedged Class (mth)	28.2.2019	8.3.2019	GBP0.0221	399,423.502	(11,741)	
HKD Class (mth)	28.2.2019	8.3.2019	HK\$0.0361	265,048,758.313	(1,218,919)	
NZD Hedged Class (mth)	28.2.2019	8.3.2019	NZ\$0.0282	8,312,173.170	(159,746)	
RMB Hedged Class (mth)	28.2.2019	8.3.2019	CNY0.0307	358,643,391.281	(1,644,514)	
USD Class (mth)	28.2.2019	8.3.2019	US\$0.0410	36,296,804.387	(1,488,169)	
PRC RMB Hedged Class (mth)	28.2.2019	8.3.2019	CNY0.0332	57,914,818.080	(287,187)	
PRC USD Class (mth)	28.2.2019	8.3.2019	US\$0.0373	2,122,205.210	(79,158)	
AUD Hedged Class (mth)	29.3.2019	9.4.2019	A\$0.0294	18,590,791.725	(388,255)	
CAD Hedged Class (mth)	29.3.2019	9.4.2019	C\$0.0272	14,709,595.221	(299,488)	
GBP Hedged Class (mth)	29.3.2019	9.4.2019	GBP0.0209	386,848.898	(10,535)	
HKD Class (mth)	29.3.2019	9.4.2019	HK\$0.0361	295,925,507.373	(1,360,889)	
NZD Hedged Class (mth)	29.3.2019	9.4.2019	NZ\$0.0284	8,160,355.325	(158,056)	
RMB Hedged Class (mth)	29.3.2019	9.4.2019	CNY0.0337	378,955,848.238	(1,900,236)	
USD Class (mth)	29.3.2019	9.4.2019	US\$0.0410	40,462,587.596	(1,658,966)	
PRC RMB Hedged Class (mth)	29.3.2019	9.4.2019	CNY0.0364	74,988,043.400	(406,146)	
PRC USD Class (mth)	29.3.2019	9.4.2019	US\$0.0374	3,063,229.310	(114,565)	
AUD Hedged Class (mth)	31.10.2017	8.11.2017	A\$0.0322	24,755,622.642		(611,200)
CAD Hedged Class (mth)	31.10.2017	8.11.2017	C\$0.0266	14,782,001.708		(305,020)
GBP Hedged Class (mth)	31.10.2017	8.11.2017	GBP0.0205	432,405.388		(11,771)
HKD Class (mth)	31.10.2017	8.11.2017	HK\$0.0306	476,050,289.033		(1,867,151)
NZD Hedged Class (mth)	31.10.2017	8.11.2017	NZ\$0.0341	9,078,665.348		(212,080)
RMB Hedged Class (mth)	31.10.2017	8.11.2017	CNY0.0465	509,925,409.445		(3,575,510)
USD Class (mth)	31.10.2017	8.11.2017	US\$0.0350	73,596,230.640		(2,575,868)
PRC RMB Hedged Class (mth)	31.10.2017	8.11.2017	CNY0.0503	97,164,332.930		(736,976)
PRC USD Class (mth)	31.10.2017	8.11.2017	US\$0.0319	2,886,332.790		(92,074)
AUD Hedged Class (mth)	30.11.2017	8.12.2017	A\$0.0316	25,747,312.614		(617,656)
CAD Hedged Class (mth)	30.11.2017	8.12.2017	C\$0.0265	15,914,833.132		(327,364)
GBP Hedged Class (mth)	30.11.2017	8.12.2017	GBP0.0224	414,751.004		(12,576)
HKD Class (mth)	30.11.2017	8.12.2017	HK\$0.0307	467,822,637.716		(1,838,897)
NZD Hedged Class (mth)	30.11.2017	8.12.2017	NZ\$0.0340	10,611,810.247		(247,600)
RMB Hedged Class (mth)	30.11.2017	8.12.2017	CNY0.0465	518,706,404.706		(3,647,476)
USD Class (mth)	30.11.2017	8.12.2017	US\$0.0350	72,097,843.833		(2,523,425)
PRC RMB Hedged Class (mth)	30.11.2017	8.12.2017	CNY0.0503	99,207,826.370		(754,626)
PRC USD Class (mth)	30.11.2017	8.12.2017	US\$0.0319	2,848,832.360		(90,878)
AUD Hedged Class (mth)	29.12.2017	9.1.2018	A\$0.0302	24,638,896.229		(581,994)
CAD Hedged Class (mth)	29.12.2017	9.1.2018	C\$0.0232	15,568,260.388		(288,267)
GBP Hedged Class (mth)	29.12.2017	9.1.2018	GBP0.0153	397,007.664		(8,217)
HKD Class (mth)	29.12.2017	9.1.2018	HK\$0.0307	456,419,340.849		(1,792,444)
NZD Hedged Class (mth)	29.12.2017	9.1.2018	NZ\$0.0329	10,592,821.497		(247,856)
RMB Hedged Class (mth)	29.12.2017	9.1.2018	CNY0.0470	514,611,576.534		(3,714,152)
USD Class (mth)	29.12.2017	9.1.2018	US\$0.0350	69,716,705.902		(2,440,085)
PRC RMB Hedged Class (mth)	29.12.2017	9.1.2018	CNY0.0508	94,802,884.840		(739,550)
PRC USD Class (mth)	29.12.2017	9.1.2018	US\$0.0319	2,817,069.890		(89,865)
AUD Hedged Class (mth)	31.1.2018	8.2.2018	A\$0.0293	21,989,828.884		(521,724)
CAD Hedged Class (mth)	31.1.2018	8.2.2018	C\$0.0237	14,444,705.692		(279,039)
GBP Hedged Class (mth)	31.1.2018	8.2.2018	GBP0.0176	375,474.814		(9,397)
HKD Class (mth)	31.1.2018	8.2.2018	HK\$0.0307	410,768,405.833		(1,612,309)
NZD Hedged Class (mth)	31.1.2018	8.2.2018	NZ\$0.0322	9,016,520.774		(214,875)
RMB Hedged Class (mth)	31.1.2018	8.2.2018	CNY0.0455	504,110,903.773		(3,644,098)
USD Class (mth)	31.1.2018	8.2.2018	US\$0.0350	65,386,593.409		(2,288,531)
PRC RMB Hedged Class (mth)	31.1.2018	8.2.2018	CNY0.0492	93,436,711.710		(730,357)
PRC USD Class (mth)	31.1.2018	8.2.2018	US\$0.0319	3,009,322.920		(95,997)
AUD Hedged Class (mth)	28.2.2018	8.3.2018	A\$0.0298	21,436,946.254		(497,800)
CAD Hedged Class (mth)	28.2.2018	8.3.2018	C\$0.0260	14,072,340.744		(285,543)
GBP Hedged Class (mth)	28.2.2018	8.3.2018	GBP0.0204	365,801.704		(10,282)
HKD Class (mth)	28.2.2018	8.3.2018	HK\$0.0307	423,327,046.538		(1,660,785)
NZD Hedged Class (mth)	28.2.2018	8.3.2018	NZ\$0.0315	8,120,087.474		(184,739)
RMB Hedged Class (mth)	28.2.2018	8.3.2018	CNY0.0462	473,556,581.901		(3,456,617)
USD Class (mth)	28.2.2018	8.3.2018	US\$0.0350	53,971,709.267		(1,889,010)
PRC RMB Hedged Class (mth)	28.2.2018	8.3.2018	CNY0.0499	93,174,348.720		(734,572)
PRC USD Class (mth)	28.2.2018	8.3.2018	US\$0.0319	2,945,070.980		(93,948)

Distribution Class	Ex date	Pay date	Rate	Units	1.10.2018	1.10.2017
					To 31.3.2019 US\$	To 31.3.2018 US\$
AUD Hedged Class (mth)	29.3.2018	11.4.2018	A\$0.0283	20,864,264.173		(452,912)
CAD Hedged Class (mth)	29.3.2018	11.4.2018	C\$0.0231	14,595,329.214		(261,510)
GBP Hedged Class (mth)	29.3.2018	11.4.2018	GBP0.0162	359,040.133		(8,159)
HKD Class (mth)	29.3.2018	11.4.2018	HK\$0.0308	403,826,475.284		(1,584,783)
NZD Hedged Class (mth)	29.3.2018	11.4.2018	NZ\$0.0307	7,892,765.506		(174,801)
RMB Hedged Class (mth)	29.3.2018	11.4.2018	CNY0.0456	457,066,600.704		(3,316,689)
USD Class (mth)	29.3.2018	11.4.2018	US\$0.0350	50,354,708.643		(1,762,415)
PRC RMB Hedged Class (mth)	29.3.2018	11.4.2018	CNY0.0493	88,395,303.590		(693,484)
PRC USD Class (mth)	29.3.2018	11.4.2018	US\$0.0319	2,800,797.880		(89,345)
Total distribution to holders of redeemable units					(34,229,753)	(56,504,299)

## 6 Taxation

Overseas tax was withheld or paid on certain interest income received and capital gains derived during the period ended 31 March 2019 and 2018.

### China Taxation

The Fund held certain investment in PRC securities. Under PRC tax law, enterprise income tax of 10% is payable on dividends and interests derived by foreign investors from China, except for Government bond interest which is specifically tax exempt and bond interest derived during 7 November 2018 to 6 November 2021 by foreign institutional investors from bonds traded in PRC local bond market which is temporarily exempt. The paying entity in the PRC will be responsible for withholding such tax when making a payment. Full PRC tax provision of 10% is made for PRC sourced dividends and interests not subject to specific tax exemption where tax has not yet been withheld by the payors. The PRC tax provision of US\$162,397 previously made for bond interest income derived during the tax exemption period had been reversed during the period.

Under PRC tax law, enterprise income tax of 10% would normally be payable on gains realized from the sale of PRC securities by foreign investors. However, currently gains from disposal of China A-shares (including those on China Connect) are subject to temporary exemptions from enterprise income tax effective from 17 November 2014. Full PRC tax provision of 10% is made for gains from disposal of certain PRC securities that are currently not specifically exempt from enterprise income tax.

### Hong Kong Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

## 7 Soft dollar arrangements/Commission sharing arrangements

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.



**Investment Portfolio**  
**As at 31 March 2019 (Unaudited)**

	Place of establishment	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments</b> (97.9%)				
<b>Collective Investment Schemes</b> (97.9%)				
<b>Asia Pacific Region</b> (3.0%)				
JPMF-JPM ASEAN Equity 'A'(dist)-USD*	Luxembourg	8,891	947,258	3.0
<b>Australia</b> (4.5%)				
JPM Australia Fund (acc)-USD**	Hong Kong	38,180	1,409,616	4.5
<b>China</b> (24.1%)				
JPMF-JPM China Fd 'A' (dist)-USD*	Luxembourg	107,715	6,901,274	21.9
JPMF-JPM Greater China'A'(dist)-USD*	Luxembourg	16,222	692,343	2.2
<b>India</b> (8.5%)				
JPM India Fd (acc)-USD*	Mauritius	9,878	2,687,325	8.5
<b>Indonesia</b> (6.6%)				
JPM Indonesia Fd-USD (acc) **	Hong Kong	69,339	2,067,677	6.6
<b>Japan</b> (18.3%)				
JPM Japan (Yen)(acc)-JPY**	Hong Kong	17,845	5,739,344	18.3
<b>Korea</b> (14.8%)				
JPM Korea Fd (acc)-USD**	Hong Kong	79,066	4,650,647	14.8
<b>Philippines</b> (2.6%)				
JPM Philippine Fund-USD (acc) **	Hong Kong	6,811	815,345	2.6
<b>South East Asia</b> (6.0%)				
JPM Eastern Smaller Cos (acc)-USD**	Hong Kong	8,945	1,879,389	6.0
<b>Taiwan</b> (8.1%)				
JPMF-JPM Taiwan 'A' (dist)-USD*	Luxembourg	144,020	2,539,069	8.1
<b>Thailand</b> (1.4%)				
JPM Thailand Fd (acc)-USD**	Hong Kong	2,399	454,021	1.4
<b>Total Listed/Quoted Investments</b>			30,783,308	97.9
<b>Other net assets</b>			669,980	2.1
<b>Net assets attributable to holders of redeemable units at 31 March 2019</b>			31,453,288	100.0
<b>Total investments, at cost</b>			25,201,317	

\* Issued and managed by a Connected Person of the Manager

\*\* Issued and managed by the Manager

Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 (*Unaudited*)

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Collective Investment Schemes</b>		
China	24.1	5.1
Japan	18.3	22.1
Korea	14.8	17.1
India	8.5	7.2
Taiwan	8.1	7.4
Indonesia	6.6	9.3
South East Asia	6.0	5.6
Australia	4.5	1.2
Asia Pacific Region	3.0	-
Philippines	2.6	2.9
Thailand	1.4	2.5
Hong Kong	-	14.2
Singapore	-	4.6
<b>Total Listed/Quoted Investments</b>	97.9	99.2
<b>Other net assets</b>	2.1	0.8
<b>Net assets attributable to holders of redeemable units</b>	100.0	100.0

Statement of Financial Position  
As at 31 March 2019 *(Unaudited)*

	31.3.2019 US\$	30.9.2018 US\$
<b>Assets</b>		
Cash at banks	809,741	507,537
Amounts receivable on allotment	-	3,156
Investments	30,783,308	33,142,188
Interest and other accounts receivable	-	74
<b>Total assets</b>	<u>31,593,049</u>	<u>33,652,955</u>
	-----	-----
<b>Liabilities</b>		
Amounts payable on redemption	110,906	204,371
Other accounts payable	28,855	53,247
<b>Total liabilities</b>	<u>139,761</u>	<u>257,618</u>
	-----	-----
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>31,453,288</u>	<u>33,395,337</u>
	=====	=====
<b>Equity</b>	<u>31,453,288</u>	<u>33,395,337</u>
	=====	=====

Statement of Comprehensive Income  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 4]	445,404	5,186,267
Interest on deposits	2,720	4,471
Net foreign currency exchange (losses)/gains	(1,397)	1,747
	<u>446,727</u>	<u>5,192,485</u>
	-----	-----
<b>Expenses</b>		
Management fee	75,632	99,161
Auditor's fee	14,915	14,335
Registrar's fee	10,243	11,835
Valuation fee	8,400	8,540
Trustee's fee	4,538	5,950
Legal and professional expenses	1,900	4,629
Transaction costs	780	500
Printing and publication expenses	711	25
Safe custody and bank charges	656	1,001
Other operating expenses	613	603
	<u>118,388</u>	<u>146,579</u>
	-----	-----
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>328,339</u>	<u>5,045,906</u>
	=====	=====

The notes on pages 46 to 47 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	33,395,337	38,093,926
-----	-----	-----
Allotment of redeemable units	323,099	1,538,938
Redemption of redeemable units	(2,593,487)	(5,461,868)
<b>Net redemption</b>	(2,270,388)	(3,922,930)
-----	-----	-----
	31,124,949	34,170,996
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	328,339	5,045,906
-----	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	31,453,288	39,216,902
=====	=====	=====

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(2,715,094)	(4,885,469)
Proceeds from disposal of investments and derivatives	5,519,378	10,567,452
Interest received	2,791	4,322
Transaction costs paid	(880)	(700)
Trustee's fee paid	(4,557)	(5,935)
Registrar's fee paid	(20,361)	(23,540)
Management fee paid	(75,961)	(98,906)
Others	(42,409)	(41,288)
<b>Net cash inflow from operating activities</b>	2,662,907	5,515,936
-----	-----	-----
<b>Financing activities</b>		
Receipts on allotment of redeemable units	326,255	1,426,255
Payments on redemption of redeemable units	(2,686,952)	(5,539,342)
<b>Net cash outflow from financing activities</b>	(2,360,697)	(4,113,087)
-----	-----	-----
<b>Increase in cash and cash equivalents</b>	302,210	1,402,849
Cash and cash equivalents at the beginning of the period	507,537	488,000
Exchange losses on cash and cash equivalents	(6)	(4)
<b>Cash and cash equivalents at the end of the period</b>	809,741	1,890,845
=====	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	809,741	188,852
Short-term deposits	-	1,701,993
=====	=====	=====
	809,741	1,890,845
=====	=====	=====

The notes on pages 46 to 47 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan AsiaOne Fund (the "Fund") was established under a Trust Deed dated 22 August 2006, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to seek to produce a competitive total return in different market conditions. The Fund seeks to achieve this primarily through an actively managed portfolio of collective investment schemes managed by the Manager or its Connected Persons which are linked to the economies of Asian countries (including Australia) ("Underlying Funds"). The allocation to the Underlying Funds will be continually monitored and reviewed and changes will be made as considered appropriate to better achieve the Fund's objective. In other words, the Fund may invest up to all of its assets in equity funds when the Investment Manager believes market conditions and opportunities favour equities. When the Investment Manager believes market conditions and opportunities do not favour equities the Fund may invest up to all of its assets in fixed income and money market funds and other funds with a low correlation to equities. The Investment Manager may invest in a range of funds whose underlying assets embrace the full spectrum of the risk return trade off from low to high risk. The Investment Manager may carry out hedging activities via financial futures.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies****(a) Accounting policies of interim financial statements**

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

**(c) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(d) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

	31.3.2019 Units	30.9.2018 Units
Number of units in issue	1,514,418.612	1,632,030.484
	US\$	US\$
Net assets attributable to holders of redeemable units	31,453,288	33,395,337
Net assets attributable to holders of redeemable units (per unit)	20.77	20.46

**4 Net gains on investments and derivatives**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	(258,041)	1,227,628
Realized gains on sale of investments and derivatives	703,445	3,958,639
	445,404	5,186,267

**5 Soft dollar arrangements/Commission sharing arrangements**

During the period, the Investment Manager and its Connected Persons did not enter into any soft dollar arrangements/commission sharing arrangements in connection with directing transactions of the Fund through a broker or dealer (31 March 2018: nil).

**6 Distribution**

No distribution was made during the period (31 March 2018: nil).

**7 Subsequent events**

Pursuant to the resolutions passed at the general meeting of unitholders held on 8 April 2019, the Fund will merge into JPMorgan Asia Growth Fund (the "Receiving Fund") on 31 May 2019 (the "Merger Date"). Units held by unitholders in the Fund will be exchanged for units in the Receiving Fund on the Merger Date.

## UK Tax Information

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 1 January 1984 to 30 September 2010.

## Investment Portfolio

As at 31 March 2019 *(Unaudited)*

	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments (96.3%)</b>			
<b>Equities (96.3%)</b>			
<b>Australia (96.3%)</b>			
<b>Airlines (2.2%)</b>			
Qantas Airways	161,095	647,696	2.2
<b>Banks (20.4%)</b>			
Australia & NZ Bkg Group-AU List	106,539	1,969,950	6.8
Commonwealth Bank of Australia	13,816	693,275	2.4
National Australia Bank	107,374	1,927,422	6.7
Westpac Banking	71,490	1,316,293	4.5
<b>Beverages (1.7%)</b>			
Treasury Wine Estates	47,449	503,222	1.7
<b>Commercial Services &amp; Supplies (4.5%)</b>			
Brambles Ltd	117,258	979,540	3.4
Computershare Ltd	26,292	318,995	1.1
<b>Containers &amp; Packaging (3.5%)</b>			
Amcor Ltd	91,518	1,000,501	3.5
<b>Diversified Financials (5.9%)</b>			
Link Administration Hldgs	85,747	449,519	1.6
Macquarie Group	13,612	1,251,399	4.3
<b>Diversified Telecommunication Services (0.5%)</b>			
Nextdc Ltd	29,191	130,843	0.5

(Continued)

	Holding	Fair value US\$	% of net assets
<b>Food &amp; Drug Retailing (1.0%)</b>			
Woolworths Group	13,349	288,267	1.0
<b>Food Products (0.7%)</b>			
Costa Group Hldgs	55,296	201,897	0.7
<b>Health Care Providers &amp; Services (1.1%)</b>			
Ramsay Health Care	7,044	321,988	1.1
<b>Hotels, Restaurants &amp; Leisure (5.7%)</b>			
Aristocrat Leisure	46,825	815,255	2.8
Tabcorp Hldgs	257,555	845,248	2.9
<b>Industrial Conglomerates (1.4%)</b>			
Wesfarmers Ltd	16,623	409,152	1.4
<b>Insurance (4.1%)</b>			
Insurance Australia Group	112,035	611,206	2.1
QBE Insurance Group	64,895	567,468	2.0
<b>Media (6.6%)</b>			
oOh Media	168,880	466,660	1.6
Seven Group Hldgs	65,662	820,917	2.8
Webjet Ltd	61,480	635,432	2.2
<b>Metals &amp; Mining (14.0%)</b>			
BHP Group	68,784	1,880,649	6.5
Independence Group	132,937	458,939	1.5
Newcrest Mining	67,028	1,214,616	4.2
Whitehaven Coal	180,438	519,105	1.8
<b>Oil &amp; Gas (6.7%)</b>			
Oil Search	77,962	434,735	1.5
Woodside Petroleum	60,882	1,497,229	5.2
<b>Pharmaceuticals (7.6%)</b>			
CSL Ltd	16,005	2,216,302	7.6
<b>Real Estate Management &amp; Development (5.3%)</b>			
Dexus Stapled Sec	61,453	556,141	1.9
Goodman Group Stapled Sec	35,689	338,445	1.2
Ingenia Communities Stapled Sec	189,726	407,011	1.4
Scentre Group Stapled Secs	77,112	225,131	0.8
<b>Software (0.6%)</b>			
Xero Ltd (AU Listing)	4,614	159,453	0.6
<b>Specialty Retail (1.0%)</b>			
Coles Group	35,734	300,796	1.0
<b>Transportation Infrastructure (1.3%)</b>			
Transurban Group Stapled Sec	41,354	387,761	1.3
<b>Wireless Telecommunication Services (0.5%)</b>			
TPG Telecom	30,322	149,698	0.5
<b>Total Listed/Quoted Investments</b>		27,918,156	96.3

Investment Portfolio (Continued)  
As at 31 March 2019 *(Unaudited)*

Holding	Fair value US\$	% of net assets
Other net assets	1,078,278	3.7
Net assets attributable to holders of redeemable units at 31 March 2019	28,996,434	100.0
Total investments, at cost	26,521,068	

Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 *(Unaudited)*

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
<b>Australia</b>		
Banks	20.4	19.0
Metals & Mining	14.0	12.9
Pharmaceuticals	7.6	8.7
Oil & Gas	6.7	8.6
Media	6.6	8.8
Diversified Financials	5.9	9.0
Hotels, Restaurants & Leisure	5.7	4.1
Real Estate Management & Development	5.3	6.8
Commercial Services & Supplies	4.5	1.3
Insurance	4.1	0.9
Containers & Packaging	3.5	2.7
Airlines	2.2	3.0
Beverages	1.7	2.1
Industrial Conglomerates	1.4	-
Transportation Infrastructure	1.3	-
Health Care Providers & Services	1.1	-
Specialty Retail	1.0	-
Food & Drug Retailing	1.0	1.5
Food Products	0.7	-
Software	0.6	-
Wireless Telecommunication Services	0.5	-
Diversified Telecommunication Services	0.5	3.0
<b>New Zealand</b>		
Oils	-	2.1
<b>Derivatives</b>		
Futures	-	0.0
<b>Total Listed/Quoted Investments</b>	96.3	94.5
<b>Other net assets</b>	3.7	5.5
<b>Net assets attributable to holders of redeemable units</b>	100.0	100.0



**Statement of Financial Position  
As at 31 March 2019 (Unaudited)**

	31.3.2019 US\$	30.9.2018 US\$
<b>Assets</b>		
Cash at banks	1,130,166	1,877,830
Amounts due from brokers	821,044	-
Amounts receivable on allotment	8,433	28,423
Margin deposits	404	53,937
Derivatives	-	4,920
Investments	27,918,156	28,779,061
Dividend and interest receivable	118,216	118,631
<b>Total assets</b>	<b>29,996,419</b>	<b>30,862,802</b>
	-----	-----
<b>Liabilities</b>		
Amounts due to brokers	732,127	-
Amounts payable on redemption	221,995	347,907
Other accounts payable	45,863	69,057
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>999,985</b>	<b>416,964</b>
	-----	-----
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<b>28,996,434</b>	<b>30,445,838</b>
	=====	=====

**Statement of Comprehensive Income  
For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 4]	(2,497,425)	235,238
Dividend income	643,909	544,980
Interest on deposits	4,091	6,546
Net foreign currency exchange losses	(26,133)	(17,392)
Other income	970	5,699
	-----	-----
	(1,874,588)	775,071
	-----	-----
<b>Expenses</b>		
Management fee	206,435	234,054
Transaction costs	18,090	8,113
Registrar's fee	10,998	14,547
Valuation fee	8,470	8,470
Trustee's fee	8,262	9,367
Auditor's fee	8,133	7,838
Safe custody and bank charges	3,216	4,597
Printing and publication expenses	487	10
Legal and professional expenses	-	2,729
Other operating expenses	2,450	451
	-----	-----
	266,541	290,176
	-----	-----
<b>Net operating (loss)/profit</b>	<b>(2,141,129)</b>	<b>484,895</b>
<b>Finance costs</b>		
Interest expense	(68)	(14)
	-----	-----
<b>(Loss)/profit before taxation</b>	<b>(2,141,197)</b>	<b>484,881</b>
Taxation	(15,274)	(11,650)
	-----	-----
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>(2,156,471)</b>	<b>473,231</b>
	=====	=====

The notes on pages 52 to 54 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	30,445,838	31,239,460
	-----	-----
Allotment of redeemable units	3,663,937	4,973,714
Redemption of redeemable units	(2,956,870)	(8,185,032)
<b>Net allotment/(redemption)</b>	707,067	(3,211,318)
	-----	-----
	31,152,905	28,028,142
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	(2,156,471)	473,231
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	28,996,434	28,501,373
	=====	=====

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(11,737,706)	(4,039,561)
Proceeds from disposal of investments and derivatives	10,016,257	5,131,199
Dividend received	644,093	531,951
Decrease in margin deposits	53,533	87,494
Interest received	4,322	6,595
Trustee's fee paid	(8,279)	(9,492)
Tax paid	(15,274)	(11,650)
Transaction costs paid	(17,648)	(8,054)
Registrar's fee paid	(22,316)	(26,924)
Management fee paid	(206,885)	(237,175)
Others	(38,476)	(29,477)
<b>Net cash (outflow)/inflow from operating activities</b>	(1,328,379)	1,394,906
	-----	-----
<b>Financing activities</b>		
Interest paid	(68)	(14)
Receipts on allotment of redeemable units	3,683,927	4,973,743
Payments on redemption of redeemable units	(3,082,782)	(8,279,789)
<b>Net cash inflow/(outflow) from financing activities</b>	601,077	(3,306,060)
	-----	-----
<b>Decrease in cash and cash equivalents</b>	(727,302)	(1,911,154)
Cash and cash equivalents at the beginning of the period	1,877,830	2,634,526
Exchange losses on cash and cash equivalents	(20,362)	(15,251)
<b>Cash and cash equivalents at the end of the period</b>	1,130,166	708,121
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	1,130,166	708,121
	=====	=====

The notes on pages 52 to 54 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Australia Fund (the "Fund") was established under a Trust Deed dated 5 June 1981, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to provide investors with long-term capital growth by investing primarily in Australian securities.

Pursuant to the Supplemental Trust Deed dated 31 August 2012, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies****(a) Accounting policies of interim financial statements**

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

### (c) Securities lending and borrowing

Securities lenders' agreements are entered into with institutions of appropriate financial standing who engage in such arrangements acceptable to the Trustee and on arm's length commercial terms. Securities lent are included in the investment portfolio of the Fund. Relevant securities lending income entitled by the Fund is accounted for in the Statement of Comprehensive Income. Collateral received for the purpose of securities lent generally consist of non-cash collateral which are off-balance sheet transactions and are therefore not included in the financial statements.

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the period/year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

### (d) Foreign currency translation

#### *Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

#### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

### (e) Proceeds and payments on allotment and redemption of units

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

## 3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)

31.3.2019

	AUD Class (acc) Units	USD Class (acc) Units
Number of units in issue	<u>63,594.447</u>	<u>765,690.019</u>
	A\$	US\$
Net assets attributable to holders of redeemable units	<u>1,022,749</u>	<u>28,269,924</u>
Net assets attributable to holders of redeemable units (per unit)	<u>16.08</u>	<u>36.92</u>

30.9.2018

	AUD Class (acc) Units	USD Class (acc) Units
Number of units in issue	70,364.736	741,075.962
	A\$	US\$
Net assets attributable to holders of redeemable units	1,201,118	29,576,769
Net assets attributable to holders of redeemable units (per unit)	17.07	39.91

**4 Net (losses)/gains on investments and derivatives**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	(607,863)	(470,966)
Realized (losses)/gains on sale of investments and derivatives	(1,889,562)	706,204
	<u>(2,497,425)</u>	<u>235,238</u>

**5 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**6 Distribution**

No distribution was made during the period (31 March 2018: nil).

**Investment Portfolio**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value CNY	% of net assets		Holding	Fair value CNY	% of net assets
<b>Listed/Quoted Investments (100.4%)</b>				<b>Electronic Equipment, Instruments &amp; Components (4.7%)</b>			
<b>Equities (100.4%)</b>				BOE Technology Group 'A'	3,969,600	15,481,440	1.1
<b>China (100.4%)</b>				Hangzhou Hik-Vision Digital 'A'	790,960	27,738,967	2.0
<b>Airlines (1.2%)</b>				Wuxi Lead Intelligent Equip 'A'-C2	4,900	182,231	0.0
Spring Airlines 'A'	308,037	12,506,302	0.9	Wuxi Lead Intelligent Equipment-A	615,432	22,887,916	1.6
Spring Airlines 'A' (C1)	109,028	4,426,537	0.3	<b>Entertainment (0.7%)</b>			
<b>Automobiles (1.2%)</b>				Zhejiang Huace Film & TV 'A'	861,300	6,890,400	0.5
SAIC Motor Corp 'A'	622,902	16,239,055	1.2	Zhejiang Huace Film & TV 'A'- C2	392,042	3,136,336	0.2
SAIC Motor Corp 'A' (C1)	23,500	612,645	0.0	<b>Food &amp; Staples Retailing (1.4%)</b>			
<b>Banks (10.3%)</b>				Laobaixing Phar 'A' Rts in CB- PD3/19	1,499	0	0.0
Bank of Ningbo 'A'	1,128,803	23,975,776	1.7	Laobaixing Pharmacy Chain 'A'	130,689	8,217,724	0.6
Bank of Ningbo 'A'-C2	5,172	109,853	0.0	Laobaixing Pharmacy Chain 'A' (C1)	60,600	3,810,528	0.3
China Merchants Bank 'A'	738,769	25,059,044	1.8	Yifeng Pharmacy Chain 'A'	129,400	7,507,788	0.5
China Merchants Bank 'A' (C1)	420,000	14,246,400	1.0	Yifeng Pharmacy Chain 'A' (C1)	12,500	725,250	0.0
China Merchants Bank 'H'	652,500	21,311,766	1.5	<b>Food Products (5.9%)</b>			
Industrial Bank 'A'	798,400	14,506,928	1.1	Angel Yeast 'A'	256,400	6,938,184	0.5
Industrial Bank 'A' (C1)	440,089	7,996,417	0.6	Angel Yeast 'A' (C1)	125,590	3,398,465	0.2
Ping An Bank 'A'	2,828,000	36,254,960	2.6	Foshan Haitian Flavour & Food 'A' (C1)	62,800	5,444,760	0.4
<b>Beverages (9.2%)</b>				Foshan Haitian Flavouring & Food 'A'	56,897	4,932,970	0.4
Jiangsu Yanghe Brewery 'A'	130,503	17,020,201	1.2	Guangdong Haid Group Co 'A'	409,370	11,544,234	0.8
Jiangsu Yanghe Brewery 'A'-C2	12,500	1,630,250	0.1	Guangdong Haid Group Co 'A'- C2	47,100	1,328,220	0.1
Kweichow Moutai 'A'	94,478	80,683,267	5.8	Inner Mongolia Yili Ind 'A'	1,272,155	37,032,432	2.7
Kweichow Moutai 'A' (C1)	400	341,596	0.0	Inner Mongolia Yili Ind 'A' (C1)	263,700	7,676,307	0.5
Wuliangye Yibin 'A'	166,600	15,827,000	1.2	Jonjee High-Tech Ind & Comm Hldg-A	102,700	3,756,766	0.3
Wuliangye Yibin 'A'-C2	131,000	12,445,000	0.9	<b>Health Care Providers &amp; Services (2.4%)</b>			
<b>Building Products (0.8%)</b>				Aier Eye Hospital Group 'A'	450,591	15,320,094	1.1
Zhejiang Weixing New Building 'A'	546,187	11,011,130	0.8	Aier Eye Hospital Group 'A'-C2	174,400	5,929,600	0.4
<b>Capital Markets (2.9%)</b>				Jointown Pharmaceutical 'A'	597,448	9,367,985	0.7
CITIC Securities 'H'	1,232,500	19,288,902	1.4	Jointown Pharmaceutical 'A' (C1)	178,901	2,805,168	0.2
GF Securities 'H'	2,141,000	20,676,173	1.5	<b>Hotels, Restaurants &amp; Leisure (4.1%)</b>			
<b>Chemicals (1.3%)</b>				BTG Hotels Group 'A'	781,021	17,166,842	1.2
Shanghai Putailai 'A'	138,504	7,479,216	0.6	BTG Hotels Group 'A'-C1	93,000	2,044,140	0.1
Tianqi Lithium Indus 'A'-C2	85,100	2,992,116	0.2	China CYTS Tours Hldg Co 'A'	614,900	6,978,618	0.5
Tianqi Lithium Industries-A	200,400	7,046,064	0.5	China Intl Travel Service 'A'	413,620	28,986,490	2.1
<b>Commercial Services &amp; Supplies (0.9%)</b>				China Intl Travel Service 'A' (C1)	30,700	2,151,456	0.2
Shanghai M&G Stationery 'A'	37,100	1,372,700	0.1	<b>Household Durables (5.6%)</b>			
Shanghai M&G Stationery 'A'- C1	307,679	11,384,123	0.8	Ecovacs Robotics 'A'	54,500	3,320,140	0.2
<b>Communications Equipment (0.9%)</b>				Ecovacs Robotics 'A' (C1)	53,088	3,234,121	0.2
Shenzhen Sunway Communication 'A'	416,835	12,013,185	0.9	Midea Group 'A'	496,500	24,194,445	1.7
Shenzhen Sunway Communication 'A'-C2	23,711	683,351	0.0	Midea Group 'A'-C2	227,356	11,079,058	0.8
<b>Electrical Equipment (2.6%)</b>				Qingdao Haier Co 'A'	1,702,130	29,123,444	2.1
Luxshare Precision Industry 'A'	1,245,920	30,898,816	2.2	Suofeiyi Home Collection 'A'	304,200	7,802,730	0.6
Luxshare Precision Industry 'A'-C2	245,402	6,085,970	0.4				

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

(Continued)

Holding		Fair value CNY	% of net assets		Holding		Fair value CNY	% of net assets
<b>Independent Power and Renewable Electricity Producers (2.0%)</b>				<b>Software (7.2%)</b>				
China Yangtze Power 'A'	1,511,649	25,501,519	1.8	Aisino Corp 'A'	417,766	11,668,204	0.8	
China Yangtze Power 'A' (C1)	148,000	2,496,760	0.2	Aisino Corp 'A' (C1)	60,900	1,700,937	0.1	
<b>Insurance (11.0%)</b>				Beijing Shiji Info Tech 'A'	276,500	9,027,725	0.7	
China Life Insurance 'H'	730,000	13,187,112	1.0	Beijing Shiji Info Tech 'A'-C2	45,300	1,479,045	0.1	
Ping An Insurance (Group) 'A'	1,688,000	130,144,801	9.3	Beijing Thunisoft Corp 'A'	879,399	18,704,817	1.4	
Ping An Insurance (Group) 'A' (C1)	126,200	9,730,020	0.7	Glodon Co 'A'	190,210	5,670,160	0.4	
<b>Life Sciences Tools &amp; Services (3.0%)</b>				Glodon Co 'A'-C2	4,800	143,088	0.0	
Hangzhou Tigermed Consulting 'A'	223,315	14,805,785	1.0	Iflytek Co 'A'	318,150	11,545,664	0.8	
Hangzhou Tigermed Consulting 'A'-C2	84,000	5,569,200	0.4	Iflytek Co 'A'-C2	86,459	3,137,597	0.2	
Wuxi AppTec Co 'H'	267,800	21,907,138	1.6	Shanghai Baosight Software 'A'	170,200	5,589,368	0.4	
<b>Machinery (4.6%)</b>				Venustech Group 'A'	669,400	19,733,912	1.4	
Han's Laser Technology 'A'	836,500	35,300,300	2.5	Yonyou Network Technology 'A'	171,800	5,824,020	0.4	
Inner Mongolia First Machine 'A'-C1	83,800	1,010,628	0.1	Yonyou Network Technology 'A' (C1)	186,640	6,327,096	0.5	
Inner Mongolia First Machinery 'A'	452,700	5,459,562	0.4	<b>Technology Hardware, Storage &amp; Peripherals (1.1%)</b>				
Shenzhen Inovance Technology 'A'	554,525	14,593,857	1.0	Focus Media Information Tech 'A'	2,296,478	14,398,917	1.1	
Shenzhen Inovance Technology 'A'-C2	81,300	2,139,634	0.2	Focus Media Information Tech 'A'-C2	64,700	405,669	0.0	
Zhongji Innolight 'A'	102,200	5,672,100	0.4	<b>Transportation Infrastructure (2.2%)</b>				
<b>Pharmaceuticals (7.9%)</b>				Shanghai Intl Airport 'A'	486,386	30,228,890	2.2	
Jiangsu Hengrui Medicine 'A'	897,822	58,735,515	4.2	<b>Total Listed/Quoted Investments</b>				1,400,462,319 100.4
Jiangsu Hengrui Medicine 'A' (C1)	16,063	1,050,841	0.1	<b>Other net liabilities</b>				(5,500,358) (0.4)
Tasly Pharmaceutical Group 'A'	488,818	11,008,181	0.8	<b>Net assets attributable to holders of redeemable units at 31 March 2019</b>				1,394,961,961 100.0
Tasly Pharmaceutical Group 'A' (C1)	224,446	5,054,524	0.4	<b>Total investments, at cost</b>				1,181,098,203
Tonghua Dongbao Pharmaceutical 'A'	926,656	16,086,748	1.2					
Tonghua Dongbao Pharmaceutical-A-C1	113,361	1,967,947	0.1					
Yunnan Baiyao Group 'A'	148,080	12,660,840	0.9					
Yunnan Baiyao Group 'A'-C2	35,600	3,043,800	0.2					
<b>Real Estate Management &amp; Development (5.0%)</b>								
China Merchants Shekou Ind 'A' (C2)	83,405	1,921,651	0.2					
China Merchants Shekou Ind Zone-A	858,051	19,769,495	1.4					
China Vanke 'A'	1,538,900	47,275,008	3.4					
China Vanke 'A'-C2	14,225	436,992	0.0					
<b>Semiconductors &amp; Semiconductor Equipment (0.3%)</b>								
Longi Green Energy Techno 'A'-C1	33,500	874,350	0.1					
Longi Green Energy Technology Co 'A'	123,100	3,212,910	0.2					

Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 *(Unaudited)*

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
<b>China</b>		
Insurance	11.0	9.9
Banks	10.3	13.0
Beverages	9.2	8.4
Pharmaceuticals	7.9	10.0
Software	7.2	3.3
Food Products	5.9	7.5
Household Durables	5.6	4.9
Real Estate Management & Development	5.0	6.7
Electronic Equipment, Instruments & Components	4.7	3.4
Machinery	4.6	4.7
Hotels, Restaurants & Leisure	4.1	3.2
Life Sciences Tools & Services	3.0	-
Capital Markets	2.9	-
Electrical Equipment	2.6	2.3
Health Care Providers & Services	2.4	1.9
Transportation Infrastructure	2.2	3.7
Independent Power and Renewable Electricity Producers	2.0	1.9
Food & Staples Retailing	1.4	1.6
Chemicals	1.3	3.1
Airlines	1.2	1.2
Automobiles	1.2	2.9
Technology Hardware, Storage & Peripherals	1.1	3.5
Commercial Services & Supplies	0.9	0.9
Communications Equipment	0.9	0.9
Building Products	0.8	-
Entertainment	0.7	1.2
Semiconductors & Semiconductor Equipment	0.3	-
<b>Total Listed/Quoted Investments</b>	100.4	100.1
<b>Other net liabilities</b>	(0.4)	(0.1)
<b>Net assets attributable to holders of redeemable units</b>	100.0	100.0



**Statement of Financial Position  
As at 31 March 2019 (Unaudited)**

	31.3.2019 CNY	30.9.2018 CNY
<b>Assets</b>		
Cash at banks	19,485,762	8,117,220
Amounts receivable on allotment	7,294,282	2,255,347
Collateral deposits	256,839	278,958
Margin deposits	2,827	6,197
Investments	1,400,462,319	1,209,128,147
Interest and other accounts receivable	1,215	1,592
<b>Total assets</b>	<u>1,427,503,244</u>	<u>1,219,787,461</u>
<b>Liabilities</b>		
Short-term bank loans - unsecured	13,168,398	-
Amounts due to brokers	5,952,829	-
Amounts payable on redemption	11,350,957	9,954,533
Other accounts payable	2,069,099	1,992,855
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<u>32,541,283</u>	<u>11,947,388</u>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>1,394,961,961</u>	<u>1,207,840,073</u>

**Statement of Comprehensive Income  
For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 CNY	1.10.2017 to 31.3.2018 CNY
<b>Income</b>		
Net gains on investments and derivatives [Note 4]	154,081,268	62,579,960
Dividend income	562,556	17,360
Net foreign currency exchange gains/(losses)	69,653	(1,562,122)
Interest on deposits	30,805	48,534
Other income	-	1,448
	<u>154,744,282</u>	<u>61,085,180</u>
<b>Expenses</b>		
Management fee	9,775,072	8,774,794
Transaction costs	2,480,947	3,000,909
Safe custody and bank charges	322,680	339,666
Trustee's fee	202,150	187,878
Auditor's fee	68,528	61,520
Valuation fee	54,926	52,313
Registrar's fee	49,482	105,126
Printing and publication expenses	4,286	365
Legal and professional expenses	-	2,639
Other operating expenses	29,424	11,936
	<u>12,987,495</u>	<u>12,537,146</u>
<b>Net operating profit</b>	<u>141,756,787</u>	<u>48,548,034</u>
<b>Finance costs</b>		
Interest expense	(50,919)	(24,781)
<b>Profit before taxation</b>	<u>141,705,868</u>	<u>48,523,253</u>
Taxation [Note 5]	(71,871)	(3,657)
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>141,633,997</u>	<u>48,519,596</u>

The notes on pages 60 to 63 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 CNY	1.10.2017 to 31.3.2018 CNY
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	1,207,840,073	767,732,378
	-----	-----
Allotment of redeemable units	764,400,054	1,856,266,267
Redemption of redeemable units	(718,912,163)	(1,344,840,587)
	-----	-----
<b>Net allotment</b>	45,487,891	511,425,680
	-----	-----
	1,253,327,964	1,279,158,058
	-----	-----
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	141,633,997	48,519,596
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	<u>1,394,961,961</u>	<u>1,327,677,654</u>

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 CNY	1.10.2017 to 31.3.2018 CNY
<b>Operating activities</b>		
Purchase of investments and derivatives	(539,051,943)	(926,868,749)
Proceeds from disposal of investments and derivatives	507,742,426	425,253,515
Decrease in collateral deposits	22,119	-
Dividend received	562,556	89,535
Interest received	31,182	51,132
Decrease in margin deposits	3,370	861,661
Tax paid	(71,871)	(3,657)
Registrar's fee paid	(114,068)	(194,943)
Trustee's fee paid	(197,486)	(175,079)
Transaction costs paid	(2,494,735)	(3,037,435)
Management fee paid	(9,476,606)	(7,898,393)
Others	(895,683)	(2,888,154)
	-----	-----
<b>Net cash outflow from operating activities</b>	(43,940,739)	(514,810,567)
	-----	-----
<b>Financing activities</b>		
Interest paid	(47,272)	(24,180)
Receipts on allotment of redeemable units	759,361,119	1,837,842,420
Payments on redemption of redeemable units	(717,515,739)	(1,343,276,748)
	-----	-----
<b>Net cash inflow from financing activities</b>	41,798,108	494,541,492
	-----	-----
<b>Decrease in cash and cash equivalents</b>	(2,142,631)	(20,269,075)
Cash and cash equivalents at the beginning of the period	8,117,220	17,566,036
Exchange gains on cash and cash equivalents	342,775	617,893
	-----	-----
<b>Cash and cash equivalents at the end of the period</b>	<u>6,317,364</u>	<u>(2,085,146)</u>
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	19,485,762	7,923,507
Short-term bank loans - unsecured	(13,168,398)	(10,008,653)
	-----	-----
	<u>6,317,364</u>	<u>(2,085,146)</u>
	=====	=====

The notes on pages 60 to 63 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan China A-Share Opportunities Fund (the "Fund") was established under a Trust Deed dated 2 July 2014, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to aim to achieve long-term capital growth by investing primarily in securities issued in the People's Republic of China ("PRC") including but not limited to China A-Shares listed on the PRC stock exchanges. The Fund will invest in PRC securities via the Renminbi Qualified Foreign Institutional Investor ("RQFII") quota of the Investment Manager. For the investment in China A-Shares, the Fund may also invest and have direct access to certain eligible China A-Shares via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect (collectively, the "China Connect") and/or other similar programs as approved by the relevant regulators from time to time. The Fund may invest 30% or more of its total net asset value in stocks listed on the Small and Medium Enterprise Board and/or the ChiNext Board of the Shenzhen Stock Exchange.

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies****(a) Accounting policies of interim financial statements**

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

**(c) Foreign currency translation**

*Functional and presentation currency*

The Fund has adopted Renminbi as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(d) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**(e) Taxation**

Tax provision made predominantly relates to enterprise income tax arising from investment income realized from trading PRC securities.

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**31.3.2019

	HKD Class (acc) Units	RMB Class (acc) Units	USD Class (acc) Units
Number of units in issue	<u>47,292,210.979</u>	<u>11,164,361.843</u>	<u>6,903,720.477</u>
	HK\$	CNY	US\$
Net assets attributable to holders of redeemable units	<u>744,627,373</u>	<u>189,997,010</u>	<u>84,435,324</u>
Net assets attributable to holders of redeemable units (per unit)	<u>15.75</u>	<u>17.02</u>	<u>12.23</u>

30.9.2018

	HKD Class (acc) Units	RMB Class (acc) Units	USD Class (acc) Units
Number of units in issue	<u>44,355,460.175</u>	<u>9,963,289.852</u>	<u>7,062,019.241</u>
	HK\$	CNY	US\$
Net assets attributable to holders of redeemable units	<u>609,757,470</u>	<u>151,938,227</u>	<u>75,651,515</u>
Net assets attributable to holders of redeemable units (per unit)	<u>13.75</u>	<u>15.25</u>	<u>10.71</u>

**4 Net gains on investments and derivatives**

	1.10.2018 to 31.3.2019 CNY	1.10.2017 to 31.3.2018 CNY
Change in unrealized gains/losses in value of investments and derivatives	196,955,802	26,057,384
Realized (losses)/gains on sale of investments and derivatives	<u>(42,874,534)</u>	<u>36,522,576</u>
	<u>154,081,268</u>	<u>62,579,960</u>

**5 Taxation**

Tax provision made predominantly relates to enterprise income tax arising from investment income realized from trading PRC securities.

The amount of taxation charged to the Statement of Comprehensive Income represents:

	1.10.2018 to 31.3.2019 CNY	1.10.2017 to 31.3.2018 CNY
Withholding tax		
- Dividend and interest income	(71,871)	(3,657)
Taxation	(71,871)	(3,657)

The movement in tax payable during the period is as follows:

	1.10.2018 to 31.3.2019 CNY	1.10.2017 to 30.9.2018 CNY
At the beginning of the period/year	-	-
Taxation charged to the Statement of Comprehensive Income	71,871	2,724,498
Tax paid	(71,871)	(2,724,498)
At the end of the period/year	-	-

Provisioning Policy of the Fund

The Fund held A-shares of PRC listed companies through the QFII quota of the Investment Manager and China Connect and certain investment in other PRC securities. Under PRC tax law, enterprise income tax of 10% is payable on dividends and interests derived by foreign investors from China, except for Government bond interest which is specifically tax exempt and bond interest derived during 7 November 2018 to 6 November 2021 by foreign institutional investors from bonds traded in PRC local bond market which is temporarily exempt. The paying entity in the PRC will be responsible for withholding such tax when making a payment. Full PRC tax provision of 10% is made for PRC sourced dividends and interests not subject to specific tax exemption where tax has not yet been withheld by the payors.

Under PRC tax law, enterprise income tax of 10% would normally be payable on gains realized from the sale of PRC securities by foreign investors. However, currently gains from disposal of China A-shares (including those on China Connect) are subject to temporary exemptions from enterprise income tax effective from 17 November 2014. Full PRC tax provision of 10% is made for gains from disposal of certain PRC securities that are currently not specifically exempt from enterprise income tax.

Hong Kong Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

**6 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**7 Distribution**

No distribution was made during the period (31 March 2018: nil).

**Investment Portfolio**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments (97.8%)</b>				Hubei Xinyangfeng Fertilizer 'A'-C2	2,210,485	3,568,667	0.5
<b>(I) Equities (62.9%)</b>				<b>Commercial Services &amp; Supplies (1.3%)</b>			
<b>China (57.8%)</b>				A-Living Services Co 'H'	1,998,250	3,411,047	0.5
<b>Auto Components (0.9%)</b>				China Everbright Intl	5,515,000	5,606,367	0.8
Fuyao Group Glass Industries 'A'-C1	735,153	2,661,390	0.4	<b>Construction &amp; Engineering (1.9%)</b>			
Huayu Automotive Systems 'A'	262,756	796,846	0.1	China State Construction Eng 'A'	801,400	729,825	0.1
Huayu Automotive Systems 'A' (C1)	975,576	2,958,380	0.4	China State Construction Eng 'A'-C1	9,420,615	8,578,659	1.3
<b>Automobiles (1.1%)</b>				SINOPEC Engineering 'H'	3,575,000	3,488,494	0.5
Geely Automobile Hldgs	1,372,000	2,621,673	0.4	<b>Construction Materials (0.5%)</b>			
SAIC Motor Corp 'A'	128,978	500,351	0.1	Anhui Conch Cement 'A'	109,318	621,077	0.1
SAIC Motor Corp 'A' (C1)	1,086,879	4,216,100	0.6	Anhui Conch Cement 'A' (C1)	461,479	2,621,661	0.4
<b>Banks (10.4%)</b>				<b>Containers &amp; Packaging (0.3%)</b>			
China Construction Bank 'A'-C1	7,436,688	7,690,474	1.2	CPMC Hldgs	4,617,000	1,852,693	0.3
China Construction Bank 'H'	15,918,000	13,646,984	2.0	<b>Electrical Equipment (0.6%)</b>			
China Merchants Bank 'A'	238,992	1,206,305	0.2	Zhejiang Chint Electrics 'A'	43,000	171,483	0.0
China Merchants Bank 'A' (C1)	2,410,310	12,165,150	1.8	Zhejiang Chint Electrics 'A' (C1)	902,920	3,600,583	0.6
China Merchants Bank 'H'	1,706,500	8,293,425	1.2	<b>Electronic Equipment, Instruments &amp; Components (0.1%)</b>			
Ind & Comm Bank of China 'H'	12,316,000	9,021,331	1.3	Hangzhou Hik-Vision Digital 'A'-C2	139,475	727,815	0.1
Industrial & Commercial Bank 'A'-C1	7,291,256	6,042,912	0.9	<b>Food Products (1.1%)</b>			
Industrial Bank 'A'	1,072,400	2,899,543	0.4	Henan Shuanghui Inv 'A'- C2	275,914	1,061,263	0.1
Industrial Bank 'A' (C1)	3,568,056	9,646,623	1.4	Inner Mongolia Yili Ind 'A'	338,200	1,464,986	0.2
<b>Beverages (3.9%)</b>				Inner Mongolia Yili Ind 'A' (C1)	1,198,021	5,189,140	0.8
Chongqing Brewery 'A'	551,250	2,895,617	0.4	<b>Gas Utilities (0.9%)</b>			
Jiangsu Yanghe Brewery 'A'	78,900	1,531,225	0.2	ENN Energy Hldgs	637,400	6,162,926	0.9
Jiangsu Yanghe Brewery 'A'-C2	505,863	9,816,707	1.5	<b>Health Care Providers &amp; Services (0.5%)</b>			
Kweichow Moutai 'A'	24,700	3,138,828	0.5	Sinopharm Group 'H'	838,000	3,490,799	0.5
Kweichow Moutai 'A' (C1)	68,506	8,705,027	1.3	<b>Household Durables (3.9%)</b>			
<b>Building Products (0.8%)</b>				Midea Group 'A'	191,080	1,385,573	0.2
Zhejiang Weixing New Building 'A'	352,052	1,056,125	0.1	Midea Group 'A'-C2	2,073,848	15,037,030	2.2
Zhejiang Weixing New Building 'A'-C2	1,492,719	4,477,724	0.7	Qingdao Haier Co 'A'	210,000	534,672	0.1
<b>Capital Markets (2.2%)</b>				Qingdao Haier Co 'A' (C1)	3,843,207	9,784,362	1.4
CITIC Securities Co 'A'	286,900	1,057,912	0.2	<b>Independent Power and Renewable Electricity Producers (2.2%)</b>			
CITIC Securities Co 'A' (C1)	2,991,781	11,031,125	1.6	China Yangtze Power 'A' (C1)	5,865,556	14,723,565	2.2
CITIC Securities 'H'	610,500	1,421,657	0.2	<b>Insurance (6.8%)</b>			
GF Securities 'A'-C2	486,300	1,170,046	0.2	China Life Insurance 'H'	2,888,000	7,762,699	1.2
<b>Chemicals (0.7%)</b>				Ping An Insurance (Group) 'A'	172,870	1,983,316	0.3
Hubei Xinyangfeng Fertilizer 'A'	600,500	969,528	0.2				

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

	Holding	Fair value US\$	% of net assets
<b>Insurance (Continued)</b>			
Ping An Insurance (Group) 'A' (C1)	1,943,728	22,298,651	3.3
Ping An Insurance (Group) 'H'	1,227,500	13,744,960	2.0
<b>Machinery (1.8%)</b>			
China Conch Venture Hldgs	1,594,500	5,707,737	0.8
Weichai Power 'H'	4,126,000	6,591,130	1.0
<b>Media (0.5%)</b>			
Shanghai Oriental Pearl 'A' (C1)	1,897,415	3,486,728	0.5
<b>Metals &amp; Mining (1.0%)</b>			
Baoshan Iron & Steel 'A'	854,600	919,431	0.2
Baoshan Iron & Steel 'A' (C1)	5,191,002	5,584,422	0.8
<b>Oil, Gas &amp; Consumable Fuels (1.6%)</b>			
China Petroleum & Chemical 'H'	7,330,000	5,779,999	0.8
Kunlun Energy Co	2,376,000	2,481,952	0.4
PetroChina Co 'H'	4,422,000	2,867,277	0.4
<b>Personal Products (0.3%)</b>			
Hengan Intl Group	267,000	2,340,091	0.3
<b>Real Estate Management &amp; Development (4.5%)</b>			
China Merchants Shekou Ind 'A' (C2)	2,455,710	8,418,763	1.2
China Overseas Land & Investment	1,194,000	4,532,666	0.7
China Vanke 'A'	282,800	1,292,762	0.2
China Vanke 'A'-C2	1,953,934	8,931,406	1.3
China Vanke 'H'	1,749,600	7,355,053	1.1
<b>Road &amp; Rail (0.3%)</b>			
Daqin Railway 'A' (C1)	1,732,192	2,149,566	0.3
<b>Specialty Retail (0.3%)</b>			
China Yongda Automobiles Services	2,170,500	1,719,821	0.3
<b>Technology Hardware, Storage &amp; Peripherals (0.9%)</b>			
Focus Media Information Tech 'A'-C2	6,793,833	6,338,276	0.9
<b>Textiles, Apparel &amp; Luxury Goods (1.0%)</b>			
Anta Sports Products	509,000	3,462,519	0.5
Crystal Int Group	2,148,000	1,127,365	0.2
Ningbo Peacebird Fashion 'A'	110,000	332,282	0.0
Ningbo Peacebird Fashion 'A' (C1)	623,473	1,883,226	0.3
<b>Trading Companies &amp; Distributors (1.0%)</b>			
BOC Aviation	836,100	6,821,980	1.0

(Continued)

	Holding	Fair value US\$	% of net assets
<b>Transportation Infrastructure (2.0%)</b>			
Guangdong Provincial Expressway 'B'	4,099,960	3,791,834	0.6
Jiangsu Expressway 'A'	965,900	1,422,935	0.2
Jiangsu Expressway 'A' (C1)	1,926,458	2,837,811	0.4
Qingdao Port Intl 'H'	8,119,000	5,698,850	0.8
<b>Water Utilities (0.5%)</b>			
Guangdong Investment	1,896,000	3,661,598	0.5
<b>Wireless Telecommunication Services (2.0%)</b>			
China Mobile	1,307,000	13,319,830	2.0
<b>Hong Kong (5.1%)</b>			
<b>Capital Markets (1.0%)</b>			
Hong Kong Exchanges & Clearing	199,600	6,956,804	1.0
<b>Food Products (0.5%)</b>			
WH Group	2,849,500	3,049,166	0.5
<b>Hotels, Restaurants &amp; Leisure (0.9%)</b>			
Sands China	780,400	3,921,908	0.6
Wynn Macau	951,600	2,242,638	0.3
<b>Industrial Conglomerates (0.6%)</b>			
NWS Hldgs	1,967,000	4,299,864	0.6
<b>Marine (0.7%)</b>			
SITC Intl Hldgs	4,243,000	4,356,535	0.7
<b>Real Estate Management &amp; Development (0.6%)</b>			
Wharf Real Estate Investment	527,000	3,923,993	0.6
<b>Specialty Retail (0.8%)</b>			
Chow Tai Fook Jewellery Group	4,161,400	4,209,137	0.6
Giordano Intl	2,710,000	1,315,308	0.2
		426,373,984	62.9
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<b>(II) Debt Securities (34.9%)</b>			
<b>Australia (0.2%)</b>			
Commonwealth Bk AU 4.2% 10/20-RegS	CNH5,000,000	768,576	0.1
Shandong Energy Au 4.55% 07/20-RegS	USD600,000	605,005	0.1
<b>Bermuda (0.9%)</b>			
Concord New Energy 7.9% 01/21-RegS	USD1,300,000	1,322,219	0.2
GCL New Energy 7.1% 30/01/21-RegS	USD2,100,000	1,920,928	0.3
Gome Retail Hldgs 5%10/03/20-RegS	USD1,500,000	1,467,083	0.2



Investment Portfolio (Continued)  
As at 31 March 2019 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Bermuda</b> (Continued)				SCIG Intl Finl 4.625%			
Landsea Green Grp				26/09/21-RegS	USD500,000	500,655	0.1
9.625% 04/20-RegS	USD1,300,000	1,309,068	0.2	Shimao Property 5.75%			
				15/03/21-RegS	CNH24,000,000	3,662,032	0.5
<b>Canada</b> (0.1%)				Shui On Dev 6.25%			
Royal Bank Canada 4.25%				28/11/21-RegS	USD1,300,000	1,335,299	0.2
29/09/20	CNH5,000,000	771,566	0.1	Sun Hung Kai Prop 4.45%			
				Perp-RegS	USD400,000	374,198	0.1
<b>Cayman Islands</b> (6.8%)				Times China 6.25%			
Agile Group 6.7%				17/01/21-RegS	USD600,000	608,863	0.1
07/03/22-RegS	USD1,100,000	1,126,403	0.2	Times China Hldgs 7.625%			
CAR Inc 6.5% 04/04/21-RegS	CNH16,000,000	2,367,335	0.3	02/22-RegS	USD1,600,000	1,657,414	0.2
Central China 7.325%				Well Hope Dev VRN	USD1,100,000	1,089,050	0.2
27/01/20-RegS	USD1,500,000	1,524,853	0.2	3.875% Perp-RegS			
China Aoyuan Group				WTT Investment 5.5%			
5.375% 9/22-RegS	USD200,000	194,317	0.0	21/11/22-RegS	USD1,300,000	1,329,268	0.2
China Aoyuan Group 7.5%				Yankuang Grp			
05/21-RegS	USD3,000,000	3,164,800	0.5	Cayman 4.75% 11/20-RegS	USD1,600,000	1,622,556	0.2
China SCE Group 5.875%				Yuzhou Properties 6%			
3/22-RegS	USD300,000	296,202	0.0	25/10/23-RegS	USD200,000	196,413	0.0
China SCE Group 7.45%				Yuzhou Properties 6.375%			
04/21-RegS	USD900,000	956,606	0.1	03/21-RegS	USD1,200,000	1,208,345	0.2
China State Const 3.875%				Yuzhou Properties 8.625%			
11/27-RegS	USD400,000	395,296	0.1	01/22-RegS	USD1,300,000	1,387,206	0.2
CIFI Hldgs Group 5.5%				<b>China</b> (7.4%)			
23/01/22-RegS	USD3,200,000	3,173,733	0.5	Air China 5.1% 18/01/23 (SS)	CNY706,000	110,580	0.0
CK Hutchison Cap VRN 4%				Alibaba Group Hldg 4.4%			
Perp-RegS	USD200,000	200,371	0.0	06/12/57	USD400,000	403,351	0.1
CNI Capital 4.3% 11/11/19-RegS	CNH6,000,000	906,603	0.1	Bank of China Macau			
Country Garden 5.8%				4.65% 3/21-RegS	CNH10,000,000	1,528,408	0.2
12/03/21-RegS	CNH5,000,000	758,065	0.1	Bank of China Paris 4.5%			
Country Garden 7.125%				11/20-RegS	CNH9,000,000	1,388,019	0.2
01/22-RegS	USD200,000	216,823	0.0	BK of Comm HK 3.4%			
Fantasia Hldgs 7.95%				21/03/21-RegS	CNH10,000,000	1,491,336	0.2
05/07/22-RegS	USD200,000	181,343	0.0	Central Huijin Inv 4.52%			
Fantasia Hldgs 8.375%				22/6/20-IB	CNY30,000,000	4,686,416	0.7
08/03/21-RegS	USD1,600,000	1,504,933	0.2	China CITIC Bk VRN			
FWD Ltd VRN 0% Perp-RegS	USD500,000	385,000	0.1	4.625% 2/29-RegS	USD500,000	512,509	0.1
FWD Ltd VRN 5.5% Prerp-RegS	USD1,500,000	1,378,750	0.2	China Const Bk VRN 4.25%			
Golden Eagle Retail				02/29-RegS	USD700,000	712,412	0.1
4.625%5/23-RegS	USD1,300,000	1,227,629	0.2	China Const Bk VRN 4.9%			
Longfor Grp Hldg 4.5%				11/24-RegS	CNH13,000,000	1,987,717	0.3
16/01/28-RegS	USD2,000,000	1,985,700	0.3	China Dev Bank 4.35%			
Maoye Intl Hldgs 13.25%				06/08/24-RegS	CNH7,000,000	1,065,355	0.2
09/20-RegS	USD1,400,000	1,465,576	0.2	China Dev Bank No1903			
OVPH Ltd 5.875% Perp-RegS	USD400,000	408,374	0.1	3.3% 2/24-IB	CNY51,000,000	7,598,973	1.1
QNB Finance 5.1%				China Govt Bond 3.16%			
08/03/21-RegS	CNH7,000,000	1,067,192	0.2	27/06/23-RegS	CNH2,000,000	301,347	0.0
QNB Finance 5.1%				China Govt Bond 3.25%			
14/05/21-RegS	CNH28,000,000	4,426,621	0.7	04/07/21-RegS	CNH24,000,000	3,630,172	0.5
QNB Finance 5.2%				China Govt Bond 3.36%			
07/06/21-RegS	CNH8,000,000	1,264,705	0.2	21/05/22-RegS	CNH4,000,000	608,786	0.1
Sands China 5.4%				China Govt Bond 3.8%			
08/08/28	USD600,000	634,860	0.1	09/07/23	CNH10,000,000	1,545,144	0.2
				China Govt Bond 4.1%			
				26/06/22-RegS	CNH12,000,000	1,864,768	0.3

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

(Continued)

			Fair value US\$	% of net assets			Fair value US\$	% of net assets
	Holding					Holding		
China (Continued)								
China Govt Bond No1107 4.26% 7/21-SS	CNY6,800,000	1,051,029	0.2		Gemdale Ever 6% 06/09/21-RegS	USD800,000	816,467	0.1
China Govt Bond No1303 3.4% 4/23-SS	CNY4,278,000	654,580	0.1		HK Intl (Qingdao) 3.75% 12/20-RegS	USD400,000	394,945	0.1
China Govt Bond No1716 3.46% 7/20-IB	CNY500,000	77,040	0.0		HK Intl (Qingdao) 4.25% 12/22-RegS	USD1,000,000	958,231	0.1
China Guodian 5.6% 22/09/19 (SS)	CNY117,000	18,138	0.0		HK Mortgage 4.05% 06/11/20-RegS	CNH6,000,000	917,277	0.1
China Minmetals VRN 3.75% Perp-RegS	USD800,000	795,983	0.1		HK Red Star Macall 3.375% 9/22-RegS	USD1,200,000	1,068,458	0.2
China Three Gorges 4.15% 11/5/26(SS)	CNY1,996,000	309,401	0.0		HKCG Finance 4.45% 26/09/21-RegS	CNH19,000,000	2,951,638	0.4
Chongqing Land 7.35% 25/04/19 (SS)	CNY1,000,000	31,883	0.0		Huasing Intl Hldgs 4.5% 03/21-RegS	USD2,600,000	2,548,728	0.4
Ford Automotive Fin 5.19% 05/21-IB	CNY20,000,000	3,205,111	0.5		Hubei Science&Tech 4.375% 3/21-RegS	USD2,500,000	2,477,328	0.4
GD Power Dev 4.75% 15/06/19 (SS)	CNY1,000,000	154,986	0.0		ICBC Asia VRN 4.25% Perp-RegS	USD400,000	397,533	0.1
Haitian (BVI) Intl 3.875% 12/20-RegS	USD1,400,000	1,392,230	0.2		Lenovo Group 4.75% 29/03/23-RegS	USD3,400,000	3,419,366	0.5
ICBC Singapore 4.5% 22/10/21-RegS	CNH9,000,000	1,406,501	0.2		Shanghai Comm Bk VRN 5% 01/29-RegS	USD500,000	524,383	0.1
ICBC Tokyo 3.8% 31/10/19-RegS	CNH2,000,000	303,689	0.0		Shanghai Comm VRN 3.75% 11/27-RegS	USD2,600,000	2,591,219	0.4
Minmetals Bount VRN 4.45% Perp-RegS	USD500,000	511,416	0.1		Sino Trendy Inv 4.875% 01/21-RegS	USD1,343,000	1,335,898	0.2
Nanjing Yang Zi 3.625% 5/12/22-RegS	USD2,600,000	2,485,551	0.4		Sinopec Century 4.5% 31/10/21-RegS	CNH6,000,000	929,838	0.1
Postal Saving Bk VRN 4.5% Perp-RegS	USD2,000,000	1,992,250	0.3		Vanke Real Est 4.15% 18/04/23-RegS	USD500,000	516,378	0.1
Powerchina Real Est 4.5% 12/21-RegS	USD500,000	516,375	0.1		Vanke Real Estate 5.35% 03/24-RegS	USD700,000	747,230	0.1
RKPF Overseas 7.875% 01/02/23-RegS	USD600,000	641,625	0.1		Weichai Intl HK VRN 3.75% Perp-RegS	USD400,000	389,770	0.0
United Overseas BK CN 4.93% 4/21-IB	CNY15,000,000	2,401,386	0.4		Wing Lung Bank VRN 3.75% 11/27-RegS	USD2,300,000	2,294,553	0.3
Yangzhou Urban Con 4.375% 12/20-RegS	USD2,600,000	2,614,215	0.4		Yango Justice Intl 9.5% 3/4/21-RegS	USD200,000	200,990	0.0
Hong Kong (5.0%)					Hungary (0.2%)			
Anhui Transport 4.875% 13/9/21-RegS	USD400,000	406,349	0.1		Rep of Hungary 4.85% 27/07/20-IB	CNY10,000,000	1,558,753	0.2
Bank of East Asi VRN5.625%Perp-RegS	USD200,000	205,688	0.0		India (0.4%)			
Bank of East Asia VRN 5.5%Perp-RegS	USD1,300,000	1,328,968	0.2		Oil India 5.125% 04/02/29-RegS	USD600,000	635,134	0.1
China CITIC Bank 4.25% Perp-RegS	USD1,100,000	1,065,204	0.1		Power Fin Corp 3.75% 06/12/27-RegS	USD300,000	283,957	0.0
Chong Hing Bk VRN 6.5% Perp-RegS	USD400,000	405,006	0.1		Renew Power Syn 6.67% 12/03/24-RegS	USD1,000,000	1,011,406	0.1
CNAC (HK) Finbridge 4.875% 3/25-RegS	USD1,800,000	1,910,678	0.3		Yes Bank 3.75% 06/02/23- RegS	USD1,100,000	1,062,747	0.2
Dah Sing Bk VRN 4.25% 30/11/26-RegS	USD2,600,000	2,645,819	0.4		Indonesia (0.1%)			
Full Dragon (HK) Intl 5.6% 2/21-RegS	USD200,000	198,493	0.0		ABM Investama 7.125% 01/08/22-RegS	USD600,000	593,625	0.1
Gemdale Ever 4.95% 26/7/22-RegS	USD600,000	588,945	0.1		Korea (2.8%)			
					Busan Bank 4.85% 25/05/21	CNH29,000,000	4,579,117	0.7

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Korea (Continued)</b>				BOC Aviation 4.5% 17/10/20-RegS			
Export-Imp Bk Kor 4.45% 09/12/19	CNH16,000,000	2,430,300	0.4	Indika Energy 5.875% 09/11/24-RegS	CNH4,000,000	619,073	0.1
Export-Imp Bk Kor 4.65% 06/21-RegS	CNH15,000,000	2,377,718	0.4	LLPL Capital Pte 6.875% 4/2/39-RegS	USD800,000	785,349	0.1
Export-Imp Bk Kor 4.68% 3/21-RegS	CNH5,000,000	761,311	0.1	Medco Platinum 6.75% 30/01/25-RegS	USD600,000	656,866	0.1
Heungkuk Life VRN 4.475% 11/47-RegS	USD200,000	191,555	0.0	Medco Straits 8.5% 17/08/22-RegS	USD1,100,000	1,086,663	0.2
Korea Dev Bank 3.785% 11/09/19-RegS	CNH18,000,000	2,744,030	0.4	Parkway Pantai VRN 4.25% Perp-RegS	USD600,000	645,975	0.1
Korea Dev Bank 4.19% 27/07/20-RegS	CNH2,000,000	308,729	0.0	Soechi Capital 8.375% 31/01/23-RegS	USD200,000	195,785	0.0
Korea Dev Bank 4.5% 10/11/20-RegS	CNH15,000,000	2,309,509	0.3	SSMS Plant Hldgs 7.75% 1/23-RegS	USD600,000	519,125	0.1
Korea Dev Bank 4.585% 2/21-RegS	CNH8,000,000	1,218,220	0.2	TBLA Intl Pte 7% 24/01/23-RegS	USD1,000,000	1,001,704	0.1
Korea Dev Bank 4.6% 03/07/21-RegS	CNH13,800,000	2,181,461	0.3	United Overseas VRN 3.875%PERP-RegS	USD500,000	499,111	0.1
<b>Luxembourg (0.1%)</b>				<b>Thailand (0.1%)</b>			
SPIC Lux Energy 4.65% 30/10/23-RegS	USD500,000	530,267	0.1	Siam Comm Bk 4.4% 11/02/29-RegS	USD500,000	522,567	0.1
<b>Malaysia (0.8%)</b>				<b>United Arab Emirates (1.4%)</b>			
GOHL Capital 4.25% 24/01/27-RegS	USD300,000	302,078	0.1	First Abu Dhabi Bk 4.5% 09/21-RegS	CNH19,000,000	2,936,735	0.4
Malayan Banking 4.5% 02/11/20-RegS	CNH27,000,000	4,141,983	0.6	First Abu Dhabi Bk 4.8% 06/21-RegS	CNH20,000,000	3,150,672	0.5
TNB Global Vent 4.851% 1/11/28-RegS	USD800,000	881,410	0.1	The Emirate of Sharjah 5.8% 2/21-IB	CNY20,000,000	3,106,061	0.5
<b>Mauritius (0.1%)</b>				<b>United Kingdom (0.5%)</b>			
Azure Power Energy 5.5% 11/22-RegS	USD200,000	201,553	0.0	Hitachi Capital (UK) 4.5%10/20-RegS	CNH9,000,000	1,384,623	0.2
Neerg Energy 6% 13/02/22-RegS	USD600,000	601,210	0.1	Hitachi Capital 4.6% 27/09/21-RegS	CNH15,000,000	2,317,725	0.3
<b>Netherlands (1.4%)</b>				<b>Virgin Islands (5.4%)</b>			
BMW Finance 4.4% 20/09/21-RegS	CNH17,000,000	2,657,753	0.4	AVIC Intl Fin & Inv 4.375%5/21-RegS	USD1,100,000	1,130,467	0.2
Cooperatieve Rabobank 4.3%2/21-RegS	CNH15,000,000	2,281,869	0.3	Baoxin Auto Fin VRN 5.625%Perp-RegS	USD1,400,000	1,342,250	0.2
Daimler Intl Fin 3.78% 22/3/22-RegS	CNH6,000,000	898,603	0.1	Baoxin Auto Finance 7.9% 02/20-RegS	USD300,000	305,608	0.0
Daimler Intl Fin 4.5% 21/09/21-RegS	CNH9,000,000	1,409,115	0.2	Beijing Cap Polar 5.2% 26/3/20-RegS	CNH20,000,000	3,019,365	0.4
Daimler Intl Fin 4.8% 09/04/21-RegS	CNH12,000,000	1,921,900	0.3	Central Plaza 3.875% 30/01/21-RegS	USD2,300,000	2,299,019	0.3
Greenko Dutch 4.875% 24/07/22-RegS	USD600,000	596,525	0.1	Easy Tactic 7% 25/04/21- RegS	USD400,000	416,711	0.1
<b>Philippines (0.1%)</b>				Easy Tactic 9.125% 28/07/22-RegS	USD400,000	431,069	0.1
Petron Corp VRN 4.6% Perp-RegS	USD600,000	590,597	0.1	Expand Lead 6.4% 18/09/21-RegS	USD800,000	814,791	0.1
<b>Singapore (1.1%)</b>				Fortune Star 5.25% 23/03/22-RegS	USD1,200,000	1,191,495	0.2
Abja Investment 5.45% 24/01/28-RegS	USD900,000	863,140	0.1	Fortune Star 5.95% 29/01/23-RegS	USD1,000,000	994,163	0.1

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>Virgin Islands (Continued)</b>			<b>Forward foreign exchange contracts (0.0%)</b>	185,556	0.0
Franshion Billi VRN 5.75% Perp-RegS	USD400,000	392,292 0.1		-----	----
Franshion Brilliant 5.2% 03/21-RegS	CNH19,400,000	2,950,620 0.4	<b>Total Listed/Quoted Investments</b>	663,488,580	97.8
Franshion Brilliant 4% Perp-RegS	USD200,000	196,478 0.0	<b>Other net assets</b>	14,611,861	2.2
Gemstones Intl 8.5% 15/08/20-RegS	USD1,000,000	962,347 0.1		-----	----
Greenland Glb Inv 5.875% 07/24-RegS	USD550,000	520,863 0.1	<b>Net assets attributable to holders of redeemable units at 31 March 2019</b>	678,100,441	100.0
Greenland Global 5.9% 12/02/23-RegS	USD400,000	392,018 0.1		=====	=====
Huarong Fin 4.95% 07/11/47-RegS	USD1,600,000	1,577,180 0.2	<b>Total investments, at cost</b>	633,267,218	
Huarong Fin II VRN 2.875% Perp-RegS	USD600,000	575,633 0.1		=====	
Huarong Fin VRN 4% Perp-RegS	USD400,000	397,184 0.1			
King Power Cap 5.625% 03/11/24-RegS	USD1,700,000	1,924,878 0.3			
Nan Fung Tsy 3.875% 03/10/27-RegS	USD1,300,000	1,271,426 0.2			
Nan Fung Tsy 5% 05/09/28-RegS	USD500,000	520,450 0.1			
New Metro Global 5% 08/08/22-RegS	USD600,000	579,540 0.1			
New Metro Global 6.75% 26/1/20-RegS	USD400,000	407,784 0.1			
Poly Real Estate 4.75% 17/9/23-RegS	USD1,300,000	1,346,292 0.2			
Radiant Access 4.6% Perp-RegS	USD200,000	186,424 0.0			
RKPF Overseas 7.75% 18/04/21-RegS	USD400,000	426,012 0.1			
Sinochem Offsh 4.4% 14/02/21-RegS	CNH4,000,000	607,409 0.1			
Sino-Ocean Land 5.95% 04/02/27-RegS	USD400,000	420,174 0.1			
Sino-Ocean Land VRN 4.9% Perp-RegS	USD400,000	355,679 0.0			
Skyland Mining 3.25% 06/07/20-RegS	USD2,300,000	2,280,482 0.3			
Tewoo Grp Fin No2 4.5% 12/19-RegS	USD1,100,000	1,089,825 0.2			
Tewoo Grp Fin No3 4.625% 04/20-RegS	USD400,000	393,044 0.1			
Tewoo Grp No5 VRN 5.8% Perp-RegS	USD1,500,000	1,267,858 0.2			
Tianqi Finco 3.75% 28/11/22-RegS	USD1,600,000	1,521,387 0.2			
Xingsheng BVI 4.5% 20/09/21-RegS	USD900,000	912,150 0.1			
Xinxing Ind Inv4.25% 14/12/20-RegS	USD1,000,000	977,750 0.1			
		-----			
		236,929,040 34.9			
		-----			

**(III) Derivatives (0.0%)**

## (Continued)

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**Statement of Financial Position  
As at 31 March 2019 (Unaudited)**

	31.3.2019 US\$	30.9.2018 US\$
<b>Assets</b>		
Cash at banks	11,887,757	16,635,254
Short-term deposits	4,076,459	1,802,554
Amounts due from brokers	647,113	2,090,324
Amounts receivable on allotment	9,032,935	720,840
Collateral deposits	18,607	15,946
Margin deposits	391	124,746
Derivatives	219,666	103,227
Investments	663,303,024	636,839,654
Dividend and other accounts receivable	172,009	510,655
<b>Total assets</b>	<b>689,357,961</b>	<b>658,843,200</b>
<b>Liabilities</b>		
Amounts due to brokers	4,257,579	327,907
Amounts payable on redemption	3,616,266	5,825,621
Distribution payable [Note 5]	2,187,927	2,293,844
Tax payable [Note 6]	67,905	113,538
Derivatives	34,110	803,964
Deferred tax liabilities [Note 6]	30,191	22,890
Other accounts payable	1,063,542	981,225
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>11,257,520</b>	<b>10,368,989</b>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<b>678,100,441</b>	<b>648,474,211</b>

**Statement of Comprehensive Income  
For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 4]	34,128,040	27,358,631
Dividend income	458,495	182,614
Net foreign currency exchange gains	133,906	28,788
Interest on deposits	59,281	16,377
	<b>34,779,722</b>	<b>27,586,410</b>
<b>Expenses</b>		
Management fee	5,012,124	3,610,963
Transaction costs	510,337	386,107
Trustee's fee	80,918	60,811
Safe custody and bank charges	66,818	52,811
Registrar's fee	24,235	38,629
Auditor's fee	13,619	17,946
Valuation fee	8,540	8,540
Printing and publication expenses	6,005	1,304
Legal and professional expenses	1,900	4,728
Other operating expenses	1,494	477
	<b>5,725,990</b>	<b>4,182,316</b>
<b>Net operating profit</b>	<b>29,053,732</b>	<b>23,404,094</b>
<b>Finance costs</b>		
Distribution [Note 5]	(11,875,202)	(7,311,434)
Interest expense	(3,886)	(1,442)
	<b>(11,879,088)</b>	<b>(7,312,876)</b>
<b>Profit before taxation</b>	<b>17,174,644</b>	<b>16,091,218</b>
Taxation [Note 6]	24,361	(11,837)
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>17,199,005</b>	<b>16,079,381</b>

The notes on pages 73 to 78 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	648,474,211	289,456,984
-----	-----	-----
Allotment of redeemable units	264,045,286	596,643,269
Redemption of redeemable units	(251,618,061)	(370,962,807)
<b>Net allotment</b>	12,427,225	225,680,462
-----	-----	-----
	660,901,436	515,137,446
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	17,199,005	16,079,381
-----	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	678,100,441	531,216,827
	=====	=====

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(197,536,095)	(272,443,844)
Proceeds from disposal of investments and derivatives	209,686,911	75,429,073
Dividend received	906,775	989,613
Decrease/(increase) in margin deposits	124,355	(62,848)
Interest received	59,388	16,229
Increase in collateral deposits	(2,661)	-
Tax paid	(13,971)	(9,167)
Registrar's fee paid	(53,981)	(73,507)
Trustee's fee paid	(80,685)	(55,962)
Transaction costs paid	(512,041)	(391,053)
Management fee paid	(4,999,338)	(3,272,348)
Others	(61,108)	(546,313)
<b>Net cash inflow/(outflow) from operating activities</b>	7,517,549	(200,420,127)
-----	-----	-----
<b>Financing activities</b>		
Interest paid	(3,886)	(1,442)
Receipts on allotment of redeemable units	255,733,191	593,207,034
Payments on redemption of redeemable units	(253,827,416)	(372,394,858)
Distribution paid	(11,981,119)	(6,509,478)
<b>Net cash (outflow)/inflow from financing activities</b>	(10,079,230)	214,301,256
-----	-----	-----
<b>(Decrease)/Increase in cash and cash equivalents</b>	(2,561,681)	13,881,129
Cash and cash equivalents at the beginning of the period	18,437,808	4,667,247
Exchange gains on cash and cash equivalents	88,089	475,663
<b>Cash and cash equivalents at the end of the period</b>	15,964,216	19,024,039
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	11,887,757	16,023,614
Short-term deposits	4,076,459	3,000,425
	=====	=====
	15,964,216	19,024,039
	=====	=====

The notes on pages 73 to 78 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan China Income Fund (the "Fund") was established under a Trust Deed dated 21 May 2009, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to provide investors with income and long-term capital growth by investing at least 70% of its non-cash assets in (a) equity securities of companies which are based in, listed on any stock exchange of, or operate principally in the People's Republic of China ("PRC") and that the Investment Manager expects to pay dividends and (b) Chinese debt securities issued and/or distributed in or outside the PRC. The Fund may invest up to 50% of its non-cash assets in onshore PRC securities via the Qualified Foreign Institutional Investor ("QFII") quota of the Investment Manager. The Fund may invest up to 100% of its non-cash assets in certain eligible China A-Shares via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect (collectively, the "China Connect") and/or other similar programs as approved by the relevant regulators from time to time. The Fund may invest 30% or more of its total net asset value in stocks listed on the Small and Medium Enterprise Board and/or the ChiNext Board of the Shenzhen Stock Exchange.

Pursuant to the Supplemental Trust Deed dated 26 July 2016, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies****(a) Accounting policies of interim financial statements**

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.



Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

**(c) Foreign currency translation**

*Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(d) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**(e) Taxation**

Tax provision made predominantly relates to enterprise income tax arising from investment income realized from trading PRC securities.

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**31.3.2019

	HKD Class (mth) Units	USD Class (acc) Units	USD Class (mth) Units	AUD Hedged Class (mth) Units	RMB Hedged Class (mth) Units
Number of units in issue	<u>202,370,941.811</u>	<u>3,554,334.553</u>	<u>24,576,391.137</u>	<u>7,456,123.882</u>	<u>449,102.017</u>
	HK\$	US\$	US\$	A\$	CNY
Net assets attributable to holders of redeemable units	<u>2,280,740,275</u>	<u>61,902,797</u>	<u>273,753,228</u>	<u>72,080,034</u>	<u>4,706,814</u>
Net assets attributable to holders of redeemable units (per unit)	<u>11.27</u>	<u>17.42</u>	<u>11.14</u>	<u>9.67</u>	<u>10.48</u>

30.9.2018

	HKD Class (mth) Units	USD Class (acc) Units	USD Class (mth) Units	AUD Hedged Class (mth) Units	RMB Hedged Class (mth) Units
Number of units in issue	<u>211,137,927.100</u>	<u>3,795,140.219</u>	<u>23,027,128.680</u>	<u>6,700,712.106</u>	<u>136,700.000</u>
	HK\$	US\$	US\$	A\$	CNY
Net assets attributable to holders of redeemable units	<u>2,290,695,523</u>	<u>62,383,447</u>	<u>247,708,092</u>	<u>62,796,814</u>	<u>1,386,452</u>
Net assets attributable to holders of redeemable units (per unit)	<u>10.85</u>	<u>16.44</u>	<u>10.76</u>	<u>9.37</u>	<u>10.14</u>

**4 Net gains on investments and derivatives**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	41,992,460	21,724,345
Realized (losses)/gains on sale of investments and derivatives	(7,864,420)	5,634,286
	<u>34,128,040</u>	<u>27,358,631</u>

**5 Distribution**

It is the intention of the Manager to have at least 85% of the income attributable to the distribution class(es) respectively in respect of each accounting period, after charging the expenses attributable to these distribution class(es) respectively, to be distributed to unitholders of these distribution class(es) respectively.

In the event that the amount available for distribution is insufficient to pay distributions as the Fund declares, the Manager may in its discretion determine that such distributions be paid from capital.

# JPMORGAN CHINA INCOME FUND

Semi-annual report for the  
period ended 31 March 2019

	1.10.2018 To 31.3.2019 US\$	1.10.2017 To 31.3.2018 US\$
Net operating profit	29,053,732	23,404,094
Adjustments:		
Net gains on investments and derivatives	(34,128,040)	(27,358,631)
Interest income included in net gains on investments and derivatives (at coupon rate)	5,780,396	2,703,082
Net foreign currency exchange gains	(133,906)	(28,788)
Transaction costs	510,337	386,107
Interest expense	(3,886)	(1,442)
Taxation	24,361	(11,837)
Capital gain tax	1,291	(8,977)
Amount available for distribution	1,104,285	(916,392)

Distribution Class	Ex date	Pay date	Rate	Units	1.10.2018 To 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
HKD Class (mth)	31.10.2018	8.11.2018	HK\$0.0404	194,347,875.534	(1,001,563)	
USD Class (mth)	31.10.2018	8.11.2018	US\$0.0400	22,045,967.540	(881,839)	
AUD Hedged Class (mth)	31.10.2018	8.11.2018	A\$0.0328	4,692,514.253	(109,087)	
RMB Hedged Class (mth)	31.10.2018	8.11.2018	CNY0.0557	137,405.864	(1,097)	
HKD Class (mth)	30.11.2018	10.12.2018	HK\$0.0404	189,463,695.787	(978,096)	
USD Class (mth)	30.11.2018	10.12.2018	US\$0.0400	21,092,270.831	(843,691)	
AUD Hedged Class (mth)	30.11.2018	10.12.2018	A\$0.0315	6,349,638.756	(146,060)	
RMB Hedged Class (mth)	30.11.2018	10.12.2018	CNY0.0471	138,202.274	(936)	
HKD Class (mth)	31.12.2018	9.1.2019	HK\$0.0403	188,881,127.687	(972,228)	
USD Class (mth)	31.12.2018	9.1.2019	US\$0.0400	20,784,520.902	(831,381)	
AUD Hedged Class (mth)	31.12.2018	9.1.2019	A\$0.0304	5,915,404.650	(126,599)	
RMB Hedged Class (mth)	31.12.2018	9.1.2019	CNY0.0433	138,892.552	(875)	
HKD Class (mth)	31.1.2019	13.2.2019	HK\$0.0404	185,910,354.261	(957,189)	
USD Class (mth)	31.1.2019	13.2.2019	US\$0.0400	21,369,610.662	(854,784)	
AUD Hedged Class (mth)	31.1.2019	13.2.2019	A\$0.0303	4,048,052.800	(89,435)	
RMB Hedged Class (mth)	31.1.2019	13.2.2019	CNY0.0398	139,526.944	(828)	
HKD Class (mth)	28.2.2019	8.3.2019	HK\$0.0404	187,605,328.043	(965,535)	
USD Class (mth)	28.2.2019	8.3.2019	US\$0.0400	20,724,079.341	(828,963)	
AUD Hedged Class (mth)	28.2.2019	8.3.2019	A\$0.0305	4,382,573.306	(95,098)	
RMB Hedged Class (mth)	28.2.2019	8.3.2019	CNY0.0333	400,305.367	(1,991)	
HKD Class (mth)	29.3.2019	9.4.2019	HK\$0.0405	203,671,035.371	(1,050,793)	
USD Class (mth)	29.3.2019	9.4.2019	US\$0.0400	24,381,614.643	(975,265)	
AUD Hedged Class (mth)	29.3.2019	9.4.2019	A\$0.0301	7,456,123.882	(159,423)	
RMB Hedged Class (mth)	29.3.2019	9.4.2019	CNY0.0366	449,102.017	(2,446)	
HKD Class (mth)	31.10.2017	8.11.2017	HK\$0.0372	113,755,280.186		(542,400)
USD Class (mth)	31.10.2017	8.11.2017	US\$0.0370	11,297,859.670		(418,021)
HKD Class (mth)	30.11.2017	8.12.2017	HK\$0.0373	127,234,864.975		(607,649)
USD Class (mth)	30.11.2017	8.12.2017	US\$0.0370	12,983,433.749		(480,387)
HKD Class (mth)	29.12.2017	9.1.2018	HK\$0.0373	126,328,881.710		(602,774)
USD Class (mth)	29.12.2017	9.1.2018	US\$0.0370	11,872,288.636		(439,275)
AUD Hedged Class (mth)	29.12.2017	9.1.2018	A\$0.0341	26,374.786		(704)
HKD Class (mth)	31.1.2018	8.2.2018	HK\$0.0383	150,416,769.750		(736,559)
USD Class (mth)	31.1.2018	8.2.2018	US\$0.0380	14,556,507.132		(553,147)
AUD Hedged Class (mth)	31.1.2018	8.2.2018	A\$0.0339	380,984.838		(10,458)
HKD Class (mth)	28.2.2018	8.3.2018	HK\$0.0383	162,065,435.451		(793,210)
USD Class (mth)	28.2.2018	8.3.2018	US\$0.0380	14,923,011.042		(567,074)
AUD Hedged Class (mth)	28.2.2018	8.3.2018	A\$0.0345	616,665.208		(16,579)
HKD Class (mth)	29.3.2018	11.4.2018	HK\$0.0384	178,749,424.485		(874,581)
USD Class (mth)	29.3.2018	11.4.2018	US\$0.0380	16,894,679.912		(641,998)
AUD Hedged Class (mth)	29.3.2018	11.4.2018	A\$0.0328	1,057,974.022		(26,618)

Total distribution to holders of redeemable units	(11,875,202)	(7,311,434)
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**6 Taxation**

Taxation predominantly refers to enterprise income tax arising from investment income realized from trading PRC securities.

The amount of taxation reversed/(charged) to the Statement of Comprehensive Income represents:

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Withholding tax		
- Dividend and interest income	25,652	(20,814)
Capital gains tax	6,010	(2,806)
	<hr/>	<hr/>
	31,662	(23,620)
Deferred tax liabilities	(7,301)	11,783
	<hr/>	<hr/>
Taxation	<u>24,361</u>	<u>(11,837)</u>

The movement in deferred tax liabilities is as follows:

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 30.9.2018 US\$
At the beginning of the period/year	22,890	50,864
Deferred tax liabilities charged/(reversed) to the Statement of Comprehensive Income	<u>7,301</u>	<u>(27,974)</u>
At the end of the period/year	<u>30,191</u>	<u>22,890</u>

The movement in tax payable is as follows:

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 30.9.2018 US\$
At the beginning of the period/year	113,538	84,117
Taxation (reversed)/ charged to the Statement of Comprehensive Income	(31,662)	1,349,954
Tax paid	<u>(13,971)</u>	<u>(1,320,533)</u>
At the end of the period/year	<u>67,905</u>	<u>113,538</u>

Provisioning Policy of the Fund

The Fund held A-shares of PRC listed companies through the QFII quota of the Investment Manager and China Connect and certain investment in other PRC securities. Under PRC tax law, enterprise income tax of 10% is payable on dividends and interests derived by foreign investors from China, except for Government bond interest which is specifically tax exempt and bond interest derived during 7 November 2018 to 6 November 2021 by foreign institutional investors from bonds traded in PRC local bond market which is temporarily exempt. The paying entity in the PRC will be responsible for withholding such tax when making a payment. Full PRC tax provision of 10% is made for PRC sourced dividends and interests not subject to specific tax exemption where tax has not yet been withheld by the payors. The PRC tax provision of US\$56,438 previously made for bond interest income derived during the tax exemption period had been reversed during the period.

Under PRC tax law, enterprise income tax of 10% would normally be payable on gains realized from the sale of PRC securities by foreign investors. However, currently gains from disposal of China A-shares (including those on China Connect) are subject to temporary exemptions from enterprise income tax effective from 17 November 2014. Full PRC tax provision of 10% is made for gains from disposal of certain PRC securities that are currently not specifically exempt from enterprise income tax.

Hong Kong Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

**7 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

## UK Tax Information

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 14 June 2006 to 30 September 2010.

## Investment Portfolio

As at 31 March 2019 *(Unaudited)*

	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments (100.2%)</b>			
<b>Equities (100.2%)</b>			
<b>China (100.2%)</b>			
<b>Airlines (1.2%)</b>			
Spring Airlines 'A'	1,948,659	11,772,798	1.1
Spring Airlines 'A' (C1)	271,669	1,641,175	0.1
<b>Automobiles (1.3%)</b>			
SAIC Motor Corp 'A'	3,289,888	12,762,623	1.2
SAIC Motor Corp 'A' (C1)	245,900	953,868	0.1
<b>Banks (10.4%)</b>			
Bank of Ningbo 'A'	6,363,422	20,112,360	1.9
China Merchants Bank 'A'	6,184,778	31,217,474	2.9
China Merchants Bank 'H'	3,344,500	16,253,947	1.5
Industrial Bank 'A'	5,676,500	15,348,056	1.4
Industrial Bank 'A' (C1)	550,700	1,488,877	0.1
Ping An Bank 'A'	14,787,000	28,208,884	2.6
<b>Beverages (9.1%)</b>			
Jiangsu Yanghe Brewery 'A'	686,830	13,329,420	1.2
Jiangsu Yanghe Brewery 'A'-C2	95,000	1,843,557	0.2
Kweichow Moutai 'A'	485,385	61,681,786	5.7
Wuliangye Yibin 'A'	1,505,200	21,278,236	2.0
Wuliangye Yibin 'A'-C2	44,980	635,816	0.0
<b>Building Products (0.8%)</b>			
Zhejiang Weixing New Building 'A'	2,998,597	8,995,523	0.8
<b>Capital Markets (2.9%)</b>			
CITIC Securities 'H'	6,473,500	15,074,692	1.4

(Continued)

	Holding	Fair value US\$	% of net assets
GF Securities 'H'	11,067,800	15,903,895	1.5
<b>Chemicals (1.3%)</b>			
Shanghai Putailai 'A'	252,300	2,027,350	0.2
Shanghai Putailai 'A' (C1)	473,498	3,804,527	0.3
Tianqi Lithium Indus 'A'-C2	219,540	1,148,554	0.1
Tianqi Lithium Industries-A	1,415,705	7,406,950	0.7
<b>Commercial Services &amp; Supplies (0.8%)</b>			
Shanghai M&G Stationery 'A'	1,548,665	8,526,622	0.8
Shanghai M&G Stationery 'A'-C1	109,900	605,046	0.0
<b>Communications Equipment (0.9%)</b>			
Shenzhen Sunway Communication 'A'	2,382,359	10,216,896	0.9
<b>Electrical Equipment (2.6%)</b>			
Luxshare Precision Industry 'A'	7,611,325	28,088,578	2.6
<b>Electronic Equipment, Instruments &amp; Components (4.9%)</b>			
BOE Technology Group 'A'	22,078,500	12,813,034	1.2
Hangzhou Hik-Vision Digital 'A'	3,903,978	20,373,279	1.9
Hangzhou Hik-Vision Digital 'A'-C2	195,126	1,018,215	0.1
Wuxi Lead Intelligent Equip 'A'-C2	373,340	2,065,948	0.2
Wuxi Lead Intelligent Equipment-A	2,948,469	16,317,009	1.5
<b>Entertainment (0.7%)</b>			
Zhejiang Huace Film & TV 'A'	4,899,613	5,832,699	0.5
Zhejiang Huace Film & TV 'A'-C2	1,408,237	1,676,310	0.2
<b>Food &amp; Staples Retailing (1.4%)</b>			
Laobaixing Phar 'A' Rts in CB-PD3/19	9,737	0	0.0
Laobaixing Pharmacy Chain 'A'	848,956	7,943,566	0.7
Laobaixing Pharmacy Chain 'A' (C1)	118,170	1,105,627	0.1
Yifeng Pharmacy Chain 'A'	728,775	6,292,004	0.6
<b>Food Products (5.9%)</b>			
Angel Yeast 'A'	1,963,788	7,907,518	0.7
Foshan Haitian Flavour&Food 'A' (C1)	159,200	2,053,766	0.2
Foshan Haitian Flavouring&Food 'A'	642,290	8,286,441	0.8
Guangdong Haid Group Co 'A'	2,138,552	8,974,014	0.8
Guangdong Haid Group Co 'A'-C2	153,000	641,991	0.1
Inner Mongolia Yili Ind 'A'	6,899,166	29,885,230	2.7
Inner Mongolia Yili Ind 'A' (C1)	747,072	3,235,887	0.3
Jonjee High-Tech Ind & Comm Hldg-A	536,510	2,920,380	0.3
<b>Health Care Providers &amp; Services (2.4%)</b>			
Aier Eye Hospital Group 'A'	1,490,867	7,542,853	0.7
Aier Eye Hospital Group 'A'-C2	1,676,415	8,481,041	0.8

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets
<b>Health Care Providers &amp; Services (Continued)</b>			
Jointown Pharmaceutical 'A'	3,778,285	8,815,736	0.8
Jointown Pharmaceutical 'A' (C1)	360,400	840,852	0.1
<b>Hotels, Restaurants &amp; Leisure (4.1%)</b>			
BTG Hotels Group 'A'	4,630,000	15,143,508	1.4
BTG Hotels Group 'A'-C1	136,300	445,771	0.0
China CYTS Tours Hldg Co 'A'	2,155,225	5,394,316	0.5
China Intl Travel Service 'A'	2,091,422	21,809,895	2.0
China Intl Travel Service 'A' (C1)	155,165	1,617,993	0.2
<b>Household Durables (5.8%)</b>			
Ecovacs Robotics 'A'	394,700	3,578,037	0.3
Ecovacs Robotics 'A' (C1)	212,325	1,924,641	0.2
Midea Group 'A'	3,813,646	27,653,786	2.5
Qingdao Haier Co 'A'	8,786,806	22,371,693	2.1
Suofeiya Home Collection 'A'	2,030,735	7,751,012	0.7
<b>Independent Power and Renewable Electricity Producers (1.9%)</b>			
China Yangtze Power 'A'	8,270,731	20,762,363	1.9
<b>Insurance (10.6%)</b>			
China Life Insurance 'H'	3,732,000	10,031,300	0.9
Ping An Insurance (Group) 'A'	8,834,402	101,355,970	9.3
Ping An Insurance (Group) 'A' (C1)	354,070	4,061,928	0.4
<b>Life Sciences Tools &amp; Services (3.0%)</b>			
Hangzhou Tigermed Consulting 'A'	1,429,985	14,107,914	1.3
Hangzhou Tigermed Consulting 'A'-C2	120,800	1,191,706	0.1
Wuxi AppTec Co 'H'	1,394,500	16,973,927	1.6
<b>Machinery (4.6%)</b>			
Han's Laser Technology 'A'	4,362,946	27,397,447	2.5
Inner Mongolia First Machinery 'A'	3,068,303	5,506,344	0.5
Shenzhen Inovance Technology 'A'	3,063,286	11,996,493	1.1
Shenzhen Inovance Technology 'A'-C2	154,300	604,232	0.1
Zhongji Innolight 'A'	532,651	4,398,996	0.4
<b>Pharmaceuticals (7.7%)</b>			
Jiangsu Hengrui Medicine 'A'	4,516,814	43,970,413	4.1
Jiangsu Hengrui Medicine 'A' (C1)	104,160	1,013,912	0.1
Tasly Pharmaceutical Group 'A'	3,684,499	12,347,090	1.1
Tasly Pharmaceutical Group 'A' (C1)	90,300	302,583	0.0
Tonghua Dongbao Pharmaceutical 'A'	5,364,235	13,857,195	1.3
Yunnan Baiyao Group 'A'	801,893	10,202,353	0.9
Yunnan Baiyao Group 'A'-C2	133,500	1,698,385	0.2

	Holding	Fair value US\$	% of net assets
<b>Real Estate Management &amp; Development (5.0%)</b>			
China Merchants Shekou Ind Zone-A	5,229,218	17,928,214	1.6
China Vanke 'A'	8,018,295	36,653,972	3.4
<b>Semiconductors &amp; Semiconductor Equipment (0.3%)</b>			
Longi Green Energy Techno 'A'-C1	159,200	618,262	0.1
Longi Green Energy Technology Co 'A'	642,900	2,496,903	0.2
<b>Software (7.2%)</b>			
Aisino Corp 'A'	2,182,679	9,071,490	0.8
Aisino Corp 'A' (C1)	259,200	1,077,196	0.1
Beijing Shiji Info Tech 'A'	1,485,633	7,217,928	0.7
Beijing Shiji Info Tech 'A'-C2	161,200	783,136	0.1
Beijing Thunisoft Corp 'A'	4,870,754	15,416,347	1.4
Glodon Co 'A'	1,004,542	4,456,028	0.4
Iflytek Co 'A'	1,791,328	9,673,416	0.9
Iflytek Co 'A'-C2	163,200	881,243	0.1
Shanghai Baosight Software 'A'	877,702	4,289,118	0.4
Venustech Group 'A'	3,589,574	15,746,651	1.4
Venustech Group 'A'-C2	159,308	698,801	0.1
Yonyou Network Technology 'A'	1,658,981	8,368,718	0.8
Yonyou Network Technology 'A' (C1)	109,200	550,822	0.0
<b>Technology Hardware Storage &amp; Peripherals (1.1%)</b>			
Focus Media Information Tech 'A'	12,209,488	11,391,549	1.1
<b>Transportation Infrastructure (2.3%)</b>			
Shanghai Intl Airport 'A'	2,667,142	24,666,360	2.3
<b>Total Listed/Quoted Investments</b>		1,086,808,267	100.2
<b>Other net liabilities</b>		(2,537,177)	(0.2)
<b>Net assets attributable to holders of redeemable units at 31 March 2019</b>		1,084,271,090	100.0
<b>Total investments, at cost</b>		885,092,508	

Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 *(Unaudited)*

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
<b>China</b>		
Insurance	10.6	9.9
Banks	10.4	12.8
Beverages	9.1	8.5
Pharmaceuticals	7.7	10.0
Software	7.2	3.2
Food Products	5.9	7.5
Household Durables	5.8	4.8
Real Estate Management & Development	5.0	6.5
Electronic Equipment, Instruments & Components	4.9	3.4
Machinery	4.6	4.7
Hotels, Restaurants & Leisure	4.1	3.1
Life Sciences Tools & Services	3.0	-
Capital Markets	2.9	-
Electrical Equipment	2.6	2.3
Health Care Providers & Services	2.4	2.0
Transportation Infrastructure	2.3	3.7
Independent Power and Renewable Electricity Producers	1.9	1.9
Food & Staples Retailing	1.4	1.6
Chemicals	1.3	3.0
Automobiles	1.3	2.9
Airlines	1.2	1.2
Technology Hardware Storage & Peripherals	1.1	3.4
Communications Equipment	0.9	0.9
Commercial Services & Supplies	0.8	0.9
Building Products	0.8	-
Entertainment	0.7	1.4
Semiconductors & Semiconductor Equipment	0.3	-
<b>Total Listed/Quoted Investments</b>	100.2	99.6
<b>Other net (liabilities)/assets</b>	(0.2)	0.4
<b>Net assets attributable to holders of redeemable units</b>	100.0	100.0



**Statement of Financial Position  
As at 31 March 2019 (Unaudited)**

	31.3.2019 US\$	30.9.2018 US\$
<b>Assets</b>		
Cash at banks	10,825,055	1,238,606
Amounts receivable on allotment	7,594,262	6,148,541
Collateral deposits	805,471	845,499
Margin deposits	1,289	1,277
Investments	1,086,808,267	903,137,115
Dividend and other accounts receivable	2,299	159
<b>Total assets</b>	<u>1,106,036,643</u>	<u>911,371,197</u>
<b>Liabilities</b>		
Short-term bank loans - unsecured	7,945,350	-
Amounts due to brokers	4,616,389	-
Amounts payable on redemption	7,719,184	2,491,828
Tax payable [Note 5]	-	788,451
Other accounts payable	1,484,630	1,258,194
<b>Total liabilities</b>	<u>21,765,553</u>	<u>4,538,473</u>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>1,084,271,090</u>	<u>906,832,724</u>
<b>Equity</b>	<u>1,084,271,090</u>	<u>906,832,724</u>

**Statement of Comprehensive Income  
For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 4]	138,084,981	130,016,636
Dividend income	423,777	16,425
Net foreign currency exchange gains/(losses)	89,067	(82,234)
Interest on deposits	18,717	33,152
Other income	-	723
	<u>138,616,542</u>	<u>129,984,702</u>
<b>Expenses</b>		
Management fee	7,433,907	8,277,662
Transaction costs	1,290,687	1,832,596
Safe custody and bank charges	235,906	307,034
Trustee's fee	115,423	127,426
Registrar's fee	28,732	33,466
Auditor's fee	13,170	12,600
Valuation fee	8,050	8,120
Printing and publication expenses	5,577	336
Legal and professional expenses	1,900	4,629
Other operating expenses	10,498	2,299
	<u>9,143,850</u>	<u>10,606,168</u>
<b>Net operating profit</b>	<u>129,472,692</u>	<u>119,378,534</u>
<b>Finance costs</b>		
Interest expense	(64,317)	(25,959)
<b>Profit before taxation</b>	<u>129,408,375</u>	<u>119,352,575</u>
Taxation [Note 5]	733,626	(2,314)
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>130,142,001</u>	<u>119,350,261</u>

The notes on pages 84 to 87 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	906,832,724	753,522,000
	-----	-----
Allotment of redeemable units	304,798,986	714,685,143
Redemption of redeemable units	(257,502,621)	(528,364,592)
	-----	-----
<b>Net allotment</b>	47,296,365	186,320,551
	-----	-----
	954,129,089	939,842,551
	-----	-----
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	130,142,001	119,350,261
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	<u><u>1,084,271,090</u></u>	<u><u>1,059,192,812</u></u>

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(307,921,816)	(552,563,694)
Proceeds from disposal of investments and derivatives	266,944,713	366,936,537
Dividend received	421,478	86,348
Decrease in collateral deposits	40,028	-
Interest received	18,875	38,343
Increase in margin deposits	(12)	-
Tax paid	(54,825)	(2,314)
Registrar's fee paid	(62,465)	(61,957)
Trustee's fee paid	(111,589)	(120,322)
Transaction costs paid	(1,283,509)	(1,833,542)
Management fee paid	(7,169,068)	(7,780,433)
Others	(464,111)	(697,178)
	-----	-----
<b>Net cash outflow from operating activities</b>	(49,642,301)	(195,998,212)
	-----	-----
<b>Financing activities</b>		
Interest paid	(62,291)	(24,140)
Receipts on allotment of redeemable units	303,353,265	711,723,347
Payments on redemption of redeemable units	(252,275,265)	(528,386,127)
	-----	-----
<b>Net cash inflow from financing activities</b>	51,015,709	183,313,080
	-----	-----
<b>Increase/(decrease) in cash and cash equivalents</b>	1,373,408	(12,685,132)
Cash and cash equivalents at the beginning of the period	1,238,606	11,845,182
Exchange gains on cash and cash equivalents	267,691	67,544
	-----	-----
<b>Cash and cash equivalents at the end of the period</b>	<u><u>2,879,705</u></u>	<u><u>(772,406)</u></u>
	-----	-----
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	10,825,055	8,931,091
Short-term bank loans - unsecured	(7,945,350)	(9,703,497)
	-----	-----
	<u><u>2,879,705</u></u>	<u><u>(772,406)</u></u>
	-----	-----

The notes on pages 84 to 87 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan China Pioneer A-Share Fund (the "Fund") was established under a Trust Deed dated 14 June 2006, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to achieve long-term capital growth by investing primarily in the People's Republic of China ("PRC") securities, including but not limited to A-Shares. The Fund will invest in PRC securities via the Qualified Foreign Institutional Investor ("QFII") quota of the Investment Manager. For the investment in China A-Shares, the Fund may also invest and have direct access to certain eligible China A-Shares via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect (collectively, the "China Connect") and/or other similar programs as approved by the relevant regulators from time to time. The Fund may invest 30% or more of its total net asset value in stocks listed on the Small and Medium Enterprise Board and/or the ChiNext Board of the Shenzhen Stock Exchange.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies****(a) Accounting policies of interim financial statements**

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

**(c) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(d) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

**(e) Taxation**

Tax provision made predominantly relates to enterprise income tax arising from investment income realized from trading PRC securities.

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

	31.3.2019 Units	30.9.2018 Units
Number of units in issue	<u>24,889,227.915</u>	<u>23,789,936.839</u>
	US\$	US\$
Net assets attributable to holders of redeemable units	<u>1,084,271,090</u>	<u>906,832,724</u>
Net assets attributable to holders of redeemable units (per unit)	<u>43.56</u>	<u>38.12</u>

**4 Net gains on investments and derivatives**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	162,076,791	74,037,828
Realized (losses)/gains on sale of investments and derivatives	(23,991,810)	55,978,808
	<u>138,084,981</u>	<u>130,016,636</u>

**5 Taxation**

Tax provision made predominantly relates to enterprise income tax arising from investment income realized from trading PRC securities.

The amount of taxation reversed/(charged) to the Statement of Comprehensive Income represents:

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Withholding tax		
- Dividend and interest income	(54,825)	(2,314)
Capital gains tax	788,451	-
Taxation	<u>733,626</u>	<u>(2,314)</u>

The movement in tax payable is as follows:

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 30.9.2018 US\$
At the beginning of the period/year	788,451	789,288
Taxation (reversed)/charged to the Statement of Comprehensive Income	(733,626)	2,024,697
Tax paid	(54,825)	(2,025,534)
At the end of the period/year	<u>-</u>	<u>788,451</u>

Provisioning Policy of the Fund

The Fund held A-shares of PRC listed companies through the QFII quota of the Investment Manager and China Connect and certain investment in other PRC securities. Under PRC tax law, enterprise income tax of 10% is payable on dividends and interests derived by foreign investors from China, except for Government bond interest which is specifically tax exempt and bond interest derived during 7 November 2018 to 6 November 2021 by foreign institutional investors from bonds traded in PRC local bond market which is temporarily exempt. The paying entity in the PRC will be responsible for withholding such tax when making a payment. Full PRC tax provision of 10% is made for PRC sourced dividends and interests not subject to specific tax exemption where tax has not yet been withheld by the payors.

Under PRC tax law, enterprise income tax of 10% would normally be payable on gains realized from the sale of PRC securities by foreign investors. However, currently gains from disposal of China A-shares (including those on China Connect) are subject to temporary exemptions from enterprise income tax effective from 17 November 2014. Full PRC tax provision of 10% is made for gains from disposal of certain PRC securities that are currently not specifically exempt from enterprise income tax.

Hong Kong Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

**6 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**7 Distribution**

No distribution was made during the period (31 March 2018: nil).

## UK Tax Information

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 2 December 1991 to 30 September 2010.

(Continued)

Investment Portfolio  
As at 31 March 2019 (Unaudited)

	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments (94.5%)</b>			
<b>Equities (94.5%)</b>			
<b>China (20.2%)</b>			
51Jobs Inc ADR	38,615	3,007,336	1.9
Bilibili Inc ADR	36,868	698,649	0.4
BOC Aviation	435,400	3,552,554	2.3
China New Higher Education- RegS144A	2,227,000	1,089,393	0.7
CITIC Telecom Intl Hldgs	3,625,500	1,630,331	1.0
Country Garden Services Hldgs	1,153,000	2,147,384	1.4
Crystal Int Group	1,492,000	783,067	0.5
Guangdong Investment	528,000	1,019,685	0.6
Haier Electronics Group	882,000	2,561,749	1.6
Hangzhou Tigermed Consulting 'A'-C2	203,900	2,011,497	1.3
Hutchison China Meditech ADR	44,081	1,347,997	0.9
HUYA Inc ADR	15,720	442,204	0.3
Laobaixing Pharmacy Chain 'A' (C1)	111,400	1,042,285	0.7
Nexxter Automotive Group	1,114,000	1,376,544	0.9
Shenzhen Intl Grp	122,000	1,634,966	1.0
Stella Intl Hldgs	1,051,500	1,580,609	1.0
Yifeng Pharmacy Chain 'A' (C1)	201,500	1,739,568	1.1
Yuexiu Transport Infrastructure	566,000	460,734	0.3
Zhejiang Supor 'A'-C2	319,680	3,568,939	2.3
<b>Hong Kong (10.7%)</b>			
Cafe de Coral Hldgs	696,000	1,771,486	1.1
Chow Sang Sang Hldgs	595,000	924,719	0.6
Dah Sing Banking Group	726,960	1,365,027	0.9
Dah Sing Financial Hldgs	258,772	1,356,501	0.9
Intl Housewares Retail	7,488,000	1,974,555	1.2

	Holding	Fair value US\$	% of net assets
Minth Group	244,000	767,750	0.5
SITC Intl Hldgs	945,000	970,286	0.6
Techtronic Industries	879,500	5,910,055	3.8
Xinyi Glass Hldgs	1,494,000	1,712,877	1.1
<b>India (14.9%)</b>			
Ashok Leyland	405,431	534,332	0.3
Castrol India	606,858	1,457,686	0.9
Eicher Motors	3,355	995,129	0.6
EIH Ltd (DEMAT)	997,563	2,965,689	1.9
Endurance Technologies	92,958	1,557,709	1.0
Godrej Industries	121,527	940,990	0.6
Gujarat Pipavav Port	1,235,557	1,774,636	1.1
Indian Hotels (DEMAT)	382,555	855,399	0.6
IndusInd Bank	137,430	3,531,222	2.3
Jubilant Foodworks	59,180	1,233,575	0.8
L&T Technology Services	33,591	762,374	0.5
Mahindra & Mahindra Fin Services	140,475	854,104	0.6
Mahindra Logistics	53,980	410,178	0.3
MindTree Ltd	104,133	1,419,756	0.9
Multi Commodity Exchange of India	36,457	424,485	0.3
Shree Cement	3,493	941,265	0.6
Shriram Transport Finance	37,759	696,259	0.4
TeamLease Services	43,992	1,921,645	1.2
<b>Indonesia (2.7%)</b>			
BFI Finance Indonesia	16,173,100	749,596	0.5
Mitra Adiperkasa	14,502,600	987,888	0.6
Pakuwon Jati	24,884,300	1,205,770	0.8
XL Axiata	6,428,400	1,218,868	0.8
<b>Korea (11.5%)</b>			
AfreecaTV Co	55,949	2,696,159	1.7
CJ CheilJedang	3,835	1,091,274	0.7
Daelim Industrial	13,437	1,141,157	0.7
Farmsco	166,882	1,192,329	0.8
GS Retail	28,183	972,042	0.6
Hite Jinro	30,649	499,521	0.3
Hugel Inc	1,227	408,604	0.3
KCC Corp	3,760	1,055,026	0.7
KIWOOM Securities	22,285	1,592,206	1.0
Kolon Industries	8,465	377,349	0.2
Korea Investment Hldgs	26,966	1,475,278	1.0
Leeno Industrial	17,832	937,865	0.6
Nasmedia Co	32,134	922,886	0.6
Nong Shim Co	5,610	1,527,169	1.0
Osstem Implant Co	21,805	1,039,248	0.7
Shinsegae Food	3,069	251,176	0.2
SK Materials	431	64,398	0.0
Vitrozell Co	75,201	685,693	0.4
<b>Malaysia (4.0%)</b>			
Bursa Malaysia	992,600	1,670,340	1.1
Carlsberg Brewery Malaysia	459,300	3,008,373	1.9
Mynews Hldgs	4,542,600	1,524,400	1.0

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)****Statement of Movements in Portfolio Holdings**  
**For the period ended 31 March 2019 (Unaudited)**

	Holding	Fair value US\$	% of net assets		% holdings of net assets		
					31.3.2019	30.9.2018	
<b>Philippines (3.0%)</b>							
Intl Container Terminal				<b>Listed/Quoted Investments</b>			
Services	395,730	984,992	0.6				
Philippine Seven	350,000	833,175	0.6				
Shakey's Pizza Asia Ventures	3,495,700	798,865	0.5				
Wilcon Depot	7,010,400	2,066,673	1.3	<b>Equities and Warrants</b>			
					China	20.2	20.5
					Taiwan	18.0	15.0
					India	14.9	14.6
					Korea	11.5	14.0
					Hong Kong	10.7	13.8
					Thailand	5.9	6.0
					Malaysia	4.0	3.7
					Philippines	3.0	2.0
					Indonesia	2.7	2.4
<b>Singapore (1.8%)</b>							
Mapletree Logistics Trust	1,735,647	1,870,834	1.2				
Venture Corp (CDP)	73,300	970,839	0.6				
				Singapore	1.8	1.7	
<b>Taiwan (18.0%)</b>							
Chailase Hldg	589,440	2,409,742	1.5				
Chipbond Technology	1,310,000	3,017,797	1.9				
Chroma Ate	247,000	1,174,072	0.8				
Eclat Textile	197,771	2,662,999	1.7				
Giant Manufacturing	236,000	1,684,593	1.1				
Nien Made Enterprise Co	88,000	775,198	0.5				
Novatek Microelectronics	50,000	321,215	0.2				
Parade Technologies	177,000	2,969,095	1.9				
Realtek Semiconductor	533,000	3,147,451	2.0				
Shinkong Insurance	653,000	826,301	0.5				
Silergy Corp	24,000	358,203	0.2				
Taiwan FamilyMart	52,000	376,243	0.3				
Tripod Technology	600,000	1,937,022	1.2				
Vanguard Intl Semiconductor	858,000	1,851,268	1.2				
Voltronic Power Technology	214,415	4,201,966	2.7				
Wistron NeWeb	197,520	519,106	0.3				
				<b>Total Listed/Quoted Investments</b>	94.5	95.6	
<b>Thailand (5.9%)</b>							
Erawan Group (F)	5,655,200	1,256,315	0.8				
Home Product Center (F)	5,094,200	2,456,003	1.6				
Praram 9 Hospital (F)	2,073,700	712,252	0.4				
Srisawad Corp (F)	1,273,700	2,127,181	1.4				
Thai Oil (F)	321,600	704,308	0.4				
VGI Global Media (F)	7,159,100	2,041,590	1.3				
<b>Vietnam (1.8%)</b>							
Viet Capital Securiites	389,404	634,351	0.4				
Vietnam Techno and Comm JS							
Bank	563,340	621,509	0.4				
Vincom Retail JSC	1,041,632	1,553,201	1.0				
				<b>Net assets attributable to holders of redeemable units</b>	100.0	100.0	
<b>Total Listed/Quoted Investments</b>							
		147,884,154	94.5				
<b>Other net assets</b>							
		8,606,416	5.5				
<b>Net assets attributable to holders of redeemable units at 31 March 2019</b>							
		156,490,570	100.0				
<b>Total investments, at cost</b>							
		122,236,299					

**Listed/Quoted Investments****Equities and Warrants**

China	20.2	20.5
Taiwan	18.0	15.0
India	14.9	14.6
Korea	11.5	14.0
Hong Kong	10.7	13.8
Thailand	5.9	6.0
Malaysia	4.0	3.7
Philippines	3.0	2.0
Indonesia	2.7	2.4
Singapore	1.8	1.7
Vietnam	1.8	1.9

<b>Total Listed/Quoted Investments</b>	94.5	95.6
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<b>Other net assets</b>	5.5	4.4
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<b>Net assets attributable to holders of redeemable units</b>	100.0	100.0
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**Statement of Financial Position**  
**As at 31 March 2019 (Unaudited)**

	31.3.2019 US\$	30.9.2018 US\$
<b>Assets</b>		
Cash at banks	8,566,805	7,159,315
Amounts due from brokers	998,101	-
Amounts receivable on allotment	112,444	268,547
Investments	147,884,154	143,077,405
Dividend and other accounts receivable	277,611	247,236
<b>Total assets</b>	<b>157,839,115</b>	<b>150,752,503</b>
<b>Liabilities</b>		
Amounts due to brokers	664,107	455,446
Amounts payable on redemption	485,831	276,985
Tax payable	-	50,698
Other accounts payable	198,607	237,195
<b>Total liabilities</b>	<b>1,348,545</b>	<b>1,020,324</b>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<b>156,490,570</b>	<b>149,732,179</b>
<b>Equity</b>	<b>156,490,570</b>	<b>149,732,179</b>

**Statement of Comprehensive Income**  
**For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 4]	7,217,291	16,716,274
Dividend income	622,694	714,572
Interest on deposits	44,545	8,956
Net foreign currency exchange (losses)/gains	(51,495)	7,645
Other income	-	1
	<b>7,833,035</b>	<b>17,447,448</b>
<b>Expenses</b>		
Management fee	1,069,098	1,294,043
Transaction costs	163,492	229,280
Registrar's fee	31,662	38,986
Trustee's fee	27,053	30,754
Safe custody and bank charges	23,157	29,344
Legal and professional expenses	18,165	17,567
Auditor's fee	10,377	10,020
Valuation fee	8,470	8,540
Printing and publication expenses	1,683	35
Other operating expenses	4,552	1,788
	<b>1,357,709</b>	<b>1,660,357</b>
<b>Profit before taxation</b>	<b>6,475,326</b>	<b>15,787,091</b>
Taxation	(29,162)	(159,015)
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>6,446,164</b>	<b>15,628,076</b>

The notes on pages 92 to 94 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	149,732,179	168,403,523
	-----	-----
Allotment of redeemable units	10,186,715	16,813,113
Redemption of redeemable units	(9,874,488)	(30,771,118)
<b>Net allotment/(redemption)</b>	312,227	(13,958,005)
	-----	-----
	150,044,406	154,445,518
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	6,446,164	15,628,076
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	156,490,570	170,073,594
	=====	=====

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(34,483,383)	(43,393,113)
Proceeds from disposal of investments and derivatives	36,116,764	57,998,817
Dividend received	576,506	666,961
Interest received	44,766	8,956
Trustee's fee paid	(26,822)	(30,701)
Registrar's fee paid	(59,964)	(74,036)
Tax paid	(79,860)	(159,015)
Transaction costs paid	(162,641)	(235,941)
Management fee paid	(1,058,291)	(1,290,853)
Others	(139,779)	(54,473)
<b>Net cash inflow from operating activities</b>	727,296	13,436,602
	-----	-----
<b>Financing activities</b>		
Receipts on allotment of redeemable units	10,342,818	16,773,632
Payments on redemption of redeemable units	(9,665,642)	(29,524,783)
<b>Net cash inflow/(outflow) from financing activities</b>	677,176	(12,751,151)
	-----	-----
<b>Increase in cash and cash equivalents</b>	1,404,472	685,451
Cash and cash equivalents at the beginning of the period	7,159,315	6,447,007
Exchange gains on cash and cash equivalents	3,018	65,395
<b>Cash and cash equivalents at the end of the period</b>	8,566,805	7,197,853
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	8,566,805	7,197,853
	=====	=====

The notes on pages 92 to 94 form part of these financial statements.

## Notes to the Financial Statements

### 1 The Fund

JPMorgan Eastern Smaller Companies Fund (the "Fund") was established under a Trust Deed dated 2 December 1991, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to provide investors with long-term capital growth by investing primarily in the securities of small to medium sized companies in the Asia-Pacific region, excluding Japan and Australia except the Manager may, from time to time, invest in Japan and Australia when appropriate investment opportunities arise.

Pursuant to the Supplemental Trust Deed dated 4 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

### 2 Summary of significant accounting policies

#### (a) Accounting policies of interim financial statements

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

#### (b) Investments and derivatives

##### *Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

##### *Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

##### *Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the period/year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Foreign currency translation**

*Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(e) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

31.3.2019

	USD Class (acc)
	Units
Number of units in issue	<u>744,813.920</u>
	US\$
Net assets attributable to holders of redeemable units	<u>156,490,570</u>
Net assets attributable to holders of redeemable units (per unit)	<u>210.11</u>

30.9.2018

	USD Class (acc) Units
Number of units in issue	743,259,142
	US\$
Net assets attributable to holders of redeemable units	149,732,179
Net assets attributable to holders of redeemable units (per unit)	201.45

**4 Net gains on investments and derivatives**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	8,703,031	7,276,731
Realized (losses)/gains on sale of investments and derivatives	(1,485,740)	9,439,543
	<u>7,217,291</u>	<u>16,716,274</u>

**5 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**6 Distribution**

No distribution was made during the period (31 March 2018: nil).

**7 Subsequent events**

JPMorgan Greater China Smaller Companies Fund will merge into the Fund on 31 May 2019.

With effect from 31 May 2019, the name of the Fund will be changed from JPMorgan Eastern Smaller Companies Fund to JPMorgan Asian Smaller Companies Fund.

Investment Portfolio  
As at 31 March 2019 *(Unaudited)*

(Continued)

Holding	Fair value EUR	% of net assets	Holding	Fair value EUR	% of net assets
<b>Listed/Quoted Investments</b> (97.9%)			NEW Areva Holding 4.875% 23/09/24	EUR300,000	335,738 0.6
<b>(I) Debt Securities</b> (96.9%)			Orano SA 3.25% 04/09/20-RegS	EUR100,000	105,866 0.2
<b>Belgium</b> (0.2%)			Paprec Hldg 4% 31/03/25- RegS	EUR100,000	85,407 0.1
Solvay SA VRN 4.25% Perp-RegS	EUR100,000	107,725 0.2	Rexel SA 2.125% 15/06/25-RegS	EUR200,000	200,013 0.3
<b>Cayman Islands</b> (0.9%)			Rexel SA 2.625% 15/06/24-RegS	EUR700,000	727,031 1.2
UPCB Finance IV 4% 15/01/27-RegS	EUR400,000	380,900 0.6	Solvay Finance VRN 5.425% Perp-RegS	EUR550,000	632,257 1.1
Upcb Finance VII 3.625% 06/29-RegS	EUR150,000	157,216 0.3	SPIE SA 3.125% 22/03/24- RegS	EUR600,000	618,392 1.0
<b>Denmark</b> (1.1%)			Vallourec SA 2.25% 30/09/24-RegS	EUR400,000	264,872 0.4
DKT Finance 7% 17/06/23- RegS	EUR150,000	166,053 0.3	Vallourec SA 6.625% 15/10/22-RegS	EUR100,000	87,443 0.2
TDC A/S 5% 02/03/22	EUR300,000	337,275 0.6	<b>Germany</b> (8.9%)		
TDC A/S VRN 6.875% 23/02/23-RegS	GBP100,000	132,089 0.2	Ceramtec Bondco 5.25% 15/12/25-RegS	EUR700,000	701,263 1.2
<b>France</b> (15.8%)			Hapag-Lloyd 6.75% 01/02/22-RegS	EUR100,000	65,517 0.1
Accor SA VRN 4.375% 30/04/24-RegS	EUR200,000	210,468 0.4	IHO Verwaltungs 3.25%9/23-RegS	EUR145,000	149,643 0.2
Altice France 5.625% 15/05/24-RegS	EUR575,000	598,945 1.0	IHO Verwaltungs 3.75% 15/09/26-RegS	EUR250,000	258,493 0.4
Altice France 5.875% 01/02/27-RegS	EUR250,000	260,810 0.4	Lanxess AG VRN 4.5% 06/12/76-RegS	EUR100,000	111,311 0.2
Arkema SA VRN 4.75% Perp-RegS	EUR400,000	434,116 0.7	Nidda BondCo 5% 30/09/25-RegS	EUR550,000	538,438 0.9
Burger King France 6% 01/05/24-RegS	EUR250,000	273,200 0.5	Nidda BondCo 7.25% 30/09/25-RegS	EUR100,000	105,226 0.2
CMA CGM 6.5% 15/07/22- RegS	EUR100,000	96,695 0.2	Nidda Healthcare 3.5% 30/09/24-RegS	EUR414,000	418,779 0.7
CMA CGM SA 5.25% 15/01/25-RegS	EUR175,000	150,544 0.3	Progroup AG 3% 31/03/26-RegS	EUR326,000	339,937 0.6
Crown Euro Hldgs 2.625%30/9/24-RegS	EUR500,000	526,237 0.9	Techem Verwaltungsges 6% 07/26-RegS	EUR300,000	314,680 0.5
Crown Euro Hldgs 3.375% 05/25-RegS	EUR400,000	433,978 0.7	Tele Columbus 3.875% 02/05/25-RegS	EUR100,000	91,790 0.1
Crown Euro Hldgs 4% 15/07/22-RegS	EUR500,000	550,328 0.9	Thyssenkrupp AG 1.375% 3/3/22-RegS	EUR800,000	796,712 1.3
Elis SA 1.875% 15/02/23- RegS	EUR900,000	920,485 1.5	Thyssenkrupp AG 2.75% 08/03/21-RegS	EUR300,000	309,841 0.5
Europcar Mobility 4.125% 11/24-RegS	EUR400,000	407,299 0.7	Unitymedia Hes/NRW 3.5%15/1/27-RegS	EUR425,000	451,153 0.8
Faurecia SA 3.125% 15/06/26-RegS	EUR200,000	202,397 0.3	Unitymedia Hes/NRW 4% 15/01/25-RegS	EUR550,000	579,428 1.0
Fnac Darty 3.25% 30/09/23-RegS	EUR125,000	130,947 0.2	Wepa Hygienepro 3.75% 15/05/24-RegS	EUR100,000	102,832 0.2
La Finac Atalian 4% 15/05/24-RegS	EUR350,000	289,930 0.5	<b>Ireland</b> (3.5%)		
La Finac Atalian 5.125% 05/25-RegS	EUR200,000	165,547 0.3	Ardagh Pkg/Hldgs 4.125%15/5/23-RegS	EUR250,000	260,799 0.4
Loxam SAS 4.25% 15/04/24-RegS	EUR300,000	317,937 0.5	Ardagh Pkg/Hldgs 6.75% 15/5/24-RegS	EUR400,000	434,975 0.7
Loxam SAS 6% 15/04/25- RegS	EUR150,000	162,335 0.3	Ardagh Pkg/Hldgs USA 2.75%3/24-RegS	EUR200,000	205,420 0.3
NEW Areva Holding 3.5% 22/03/21	EUR200,000	211,861 0.4			

# JPMORGAN EUROPE HIGH YIELD BOND FUND

Semi-annual report for the  
period ended 31 March 2019

## Investment Portfolio (Continued) As at 31 March 2019 *(Unaudited)*

(Continued)

	Holding	Fair value EUR	% of net assets		Holding	Fair value EUR	% of net assets
<b>Ireland</b> (Continued)				Cirsa Finance Intl 6.25% 12/23-RegS	EUR505,000	543,611	0.9
Bank Of Ireland VRN7.375% Perp-RegS	EUR200,000	214,904	0.4	Crystal Almond 10% 01/11/21-RegS	EUR279,000	310,992	0.5
Eircom Finance 4.5% 31/05/22-RegS	EUR200,000	206,740	0.4	eDreams ODIGEO 5.5% 01/09/23-RegS	EUR300,000	298,408	0.5
Smurfit Kappa Acq 2.75% 2/25-RegS	EUR550,000	581,973	1.0	FAGE Intl /USA 5.625% 8/26-144A	USD200,000	146,252	0.2
Smurfit Kappa Acq 3.25% 06/21-RegS	EUR175,000	186,827	0.3	Fiat Chrysler Fin 4.75% 03/21-RegS	EUR400,000	433,459	0.7
<b>Italy</b> (9.6%)				Fiat Chrysler Fin 4.75% 7/22-RegS	EUR450,000	516,369	0.9
EVOCA 7% 15/10/23-RegS	EUR600,000	655,963	1.1	Garfunkelux Holdc 2 11% 11/23-RegS	GBP100,000	106,629	0.2
Guala Closures Spa FRN15/04/24-RegS	EUR200,000	203,518	0.3	Garfunkelux Holdc 3 7.5% 08/22-RegS	EUR100,000	92,299	0.2
Intesa Sanpaolo 7.75% Perp-RegS	EUR200,000	219,995	0.4	INEOS Group 5.375% 01/08/24-RegS	EUR150,000	155,701	0.3
Leonardo SpA 4.5% 19/01/21	EUR500,000	541,588	0.9	Intralot Capital 5.25% 15/9/24-RegS	EUR100,000	58,028	0.1
Leonardo SpA 4.875% 24/03/25	EUR400,000	467,066	0.8	Lincoln Financing 3.625%1/4/24-RegS	EUR138,000	139,198	0.2
LKQ Italia Bond 3.875% 1/4/24-RegS	EUR250,000	272,131	0.5	Matterhorn Tele 4.875% 1/5/23-RegS	EUR600,000	618,128	1.0
Nexi Capital 4.125% 01/11/23-RegS	EUR300,000	316,599	0.5	SES SA VRN 4.625% Perp- RegS	EUR700,000	741,004	1.2
Rossini Sarl 6.75% 30/10/25-RegS	EUR459,000	498,245	0.8	Telecom Italia Fin 7.75% 24/01/33	EUR250,000	327,707	0.6
Telecom Italia 2.375% 12/10/27-RegS	EUR250,000	235,044	0.4	Telenet Intl Fin 3.5% 01/03/28-RegS	EUR500,000	505,274	0.9
Telecom Italia 3.25% 16/01/23-RegS	EUR350,000	368,700	0.6	<b>Netherlands</b> (15.4%)			
Telecom Italia 3.625% 19/01/24-RegS	EUR450,000	473,400	0.8	CBR Fashion Fin 5.125%01/10/22-RegS	EUR200,000	195,515	0.3
Telecom Italia 3.625% 25/05/26-RegS	EUR350,000	371,485	0.6	Constellium N.V. 4.625% 05/21-RegS	EUR200,000	205,880	0.3
Telecom Italia SpA 3% 30/09/25-RegS	EUR200,000	206,058	0.4	Constellium NV 4.25% 15/02/26-RegS	EUR300,000	308,310	0.5
Wind Tre 2.625% 20/01/23-RegS	EUR548,000	535,122	0.9	Darling Ingrid 2026-RegS (New)	EUR481,000	507,308	0.9
Wind Tre 3.125% 20/01/25-RegS	EUR400,000	380,760	0.6	Dufry One 2.5% 15/10/24- RegS	EUR200,000	206,589	0.3
<b>Jersey C.I.</b> (1.3%)				Energizer Gamma 4.625% 15/7/26-RegS	EUR200,000	207,878	0.3
Adient Global 3.5% 15/08/24-RegS	EUR100,000	76,135	0.1	Fiat Chryr Auto 3.75% 29/03/24-RegS	EUR100,000	109,356	0.2
Avis Budget Fin 4.125% 11/24-RegS	EUR300,000	317,384	0.5	Hema Bondco I FRN 15/07/22-RegS	EUR125,000	117,974	0.2
CPUK Finance 4.25% 28/08/22-RegS	GBP350,000	408,630	0.7	Hertz Hldgs 5.5% 30/03/23-RegS	EUR207,000	220,105	0.4
<b>Luxembourg</b> (11.7%)				LKQ Euro Hldgs 3.625% 01/04/26-RegS	EUR488,000	511,192	0.9
Altice Finco 4.75% 15/01/28-RegS	EUR564,000	479,236	0.8	Naturgy Finance VRN 4.125%Perp-RegS	EUR300,000	322,813	0.5
Altice Lux 7.25% 15/05/22-RegS	EUR825,000	843,616	1.4	OI European Group 4.875% 03/21-RegS	EUR100,000	111,567	0.2
Altice NV 6.25% 15/02/25- RegS	EUR300,000	286,125	0.5	Repsol Int Fin 4.5% 25/03/75-RegS	EUR760,000	831,372	1.4
Aramark Intl Fin 3.125% 04/25-RegS	EUR250,000	265,494	0.4	Saipem Finance Intl 2.75% 05/04/22	EUR450,000	478,619	0.8
ARD Finance 6.625% 15/09/23	EUR100,000	101,888	0.2				

# JPMORGAN EUROPE HIGH YIELD BOND FUND

Semi-annual report for the  
period ended 31 March 2019

## Investment Portfolio (Continued) As at 31 March 2019 *(Unaudited)*

(Continued)

Holding	Fair value EUR	% of net assets	Holding	Fair value EUR	% of net assets
<b>Netherlands</b> (Continued)			Iceland Bondco 4.625% 15/03/25-RegS	GBP250,000	259,776 0.4
Saipem Finance Intl 3%08/03/21-RegS	EUR100,000	103,997 0.2	Ineos Finance 4% 01/05/23-RegS	EUR150,000	154,773 0.3
Saipem Finance Intl 3.75% 08/09/23	EUR350,000	379,929 0.6	Intl Game Tech 4.75% 05/03/20-RegS	EUR200,000	209,101 0.4
Sigma Holdco 5.75% 15/05/26-RegS	EUR300,000	288,760 0.5	Intl Game Tech 4.75% 15/02/23-RegS	EUR720,000	788,005 1.3
Sunshine Mid 6.5% 15/05/26-RegS	EUR600,000	626,272 1.0	Merlin Enter 2.75% 15/03/22-RegS	EUR300,000	313,635 0.5
Telefonica Eur VRN 2.625% Perp-RegS	EUR300,000	295,089 0.5	Nomad Foods 3.25% 15/05/24-RegS	EUR450,000	465,803 0.8
Telefonica Eur VRN 5.875% Perp-RegS	EUR400,000	468,264 0.8	OTE PLC 2.375% 18/07/22- RegS	EUR401,000	425,630 0.7
Telefonica Euro VRN 3% Perp-RegS	EUR700,000	688,099 1.2	Synlab Unsecure 8.25% 01/07/23-RegS	EUR600,000	650,505 1.1
Telefonica Euro VRN 3.75% Perp-RegS	EUR500,000	520,396 0.9	TESCO PLC 5.125% 10/04/47-RegS	EUR100,000	129,634 0.2
Telefonica Euro VRN 3.875%Perp-RegS	EUR200,000	196,485 0.3	Tesco Treasury 1.375% 24/10/23-RegS	EUR100,000	101,484 0.2
Ziggo Bond Co 4.625% 15/01/25-RegS	EUR400,000	415,977 0.7	Tesco Treasury 2.5% 01/07/24-RegS	EUR500,000	540,934 0.9
Ziggo BV 3.75% 1/25-RegS	EUR550,000	568,326 1.0	Virgin Media Fin 4.5% 15/01/25-RegS	EUR250,000	261,756 0.4
Ziggo BV 4.25% 15/01/27- RegS	EUR300,000	311,862 0.5	Worldpay Financ 3.75% 15/11/22-RegS	EUR600,000	672,013 1.1
<b>Portugal</b> (0.7%)			<b>United States</b> (11.7%)		
Energias De VRN 5.375% 09/75-RegS	EUR400,000	430,660 0.7	Axalta Coating 4.25% 08/24-RegS	EUR475,000	497,871 0.8
<b>Spain</b> (1.7%)			Ball Corp 4.375% 15/12/23	EUR525,000	603,712 1.0
Bankia SA VRN 3.375% 15/03/27-RegS	EUR200,000	204,924 0.3	Bausch Health Cos 4.5% 15/5/23-RegS	EUR950,000	977,146 1.6
Cellnex Telecom 2.875% 18/4/25-RegS	EUR200,000	212,872 0.4	Belden Inc 2.875% 15/09/25-RegS	EUR150,000	153,234 0.3
Grifols Sa 3.2% 01/05/25- RegS	EUR550,000	567,288 1.0	Belden Inc 3.375% 15/07/27-RegS	EUR475,000	483,108 0.8
<b>Supranational</b> (0.6%)			Chemours Co 4% 15/05/26	EUR275,000	283,311 0.5
Starfruit US Hld/Fin 6.5%10/26-RegS	EUR350,000	363,353 0.6	Coty Inc 4% 15/04/23- RegS	EUR100,000	102,086 0.2
<b>Sweden</b> (2.9%)			Equinix Inc 2.875% 31/10/25	EUR300,000	313,763 0.5
Corral Petrol 11.75% 05/21-RegS-PIK	EUR250,000	273,806 0.5	Iqvia Inc 3.25%03/25- RegS	EUR850,000	871,790 1.5
Telefon AB 1.875% 01/03/24-RegS	EUR350,000	358,308 0.6	Iqvia Inc 3.5% 15/10/24- RegS	EUR375,000	392,339 0.7
Verisure Midhol 5.75% 01/12/23-RegS	EUR850,000	879,552 1.5	Iron Mountain 3% 15/01/25-RegS	EUR300,000	303,755 0.5
Volvo Car 2% 24/01/25- RegS	EUR200,000	198,174 0.3	Netflix Inc 4.625% 15/05/29-RegS	EUR250,000	272,098 0.4
<b>United Kingdom</b> (10.9%)			PVH Corp 3.625% 15/07/24-RegS	EUR250,000	276,278 0.5
Algeco Global Fin 6.5% 15/2/23-RegS	EUR475,000	500,168 0.8	Silgan Hldgs 3.25% 15/03/25	EUR600,000	622,071 1.0
Arqiva Broadca Fin 6.75% 09/23-RegS	GBP350,000	446,583 0.8	Spectrum Brands 4% 01/10/26-RegS	EUR200,000	208,210 0.3
Barclays PLC VRN 7.25% Perp-RegS	GBP200,000	241,039 0.4	UGI Intl 3.25% 01/11/25- RegS	EUR215,000	226,583 0.4
EC Finance 2.375% 15/11/22-RegS	EUR325,000	333,024 0.6			



Investment Portfolio (Continued)  
As at 31 March 2019 *(Unaudited)*

	Holding	Fair value EUR	% of net assets
<b>United States</b> (Continued)			
Vantiv LLC/Issuer 3.875% 11/25-RegS	GBP325,000	398,975	0.7
		<u>57,793,322</u>	<u>96.9</u>
<b>(II) Derivatives</b> (1.0%)			
<b>Forward foreign exchange contracts</b> (1.0%)		575,418	1.0
		<u>58,368,740</u>	<u>97.9</u>
<b>Total Listed/Quoted Investments</b>		58,368,740	97.9
<b>Other net assets</b>		<u>1,226,630</u>	<u>2.1</u>
<b>Net assets attributable to holders of redeemable units at 31 March 2019</b>		<u>59,595,370</u>	<u>100.0</u>
<b>Total investments, at cost</b>		<u>57,113,967</u>	

Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 *(Unaudited)*

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Debt Securities</b>		
France	15.8	17.7
Netherlands	15.4	14.1
United States	11.7	11.2
Luxembourg	11.7	12.4
United Kingdom	10.9	10.2
Italy	9.6	6.9
Germany	8.9	8.7
Ireland	3.5	2.9
Sweden	2.9	2.0
Spain	1.7	2.0
Jersey C.I.	1.3	1.7
Denmark	1.1	1.3
Cayman Islands	0.9	0.7
Portugal	0.7	0.7
Supranational	0.6	-
Belgium	0.2	-
Switzerland	-	0.4
Australia	-	0.3
International	-	0.3
Finland	-	0.2
<b>Derivatives</b>		
Forward foreign exchange contracts	1.0	0.3
<b>Total Listed/Quoted Investments</b>	<u>97.9</u>	<u>94.0</u>
<b>Other net assets</b>	<u>2.1</u>	<u>6.0</u>
<b>Net assets attributable to holders of redeemable units</b>	<u>100.0</u>	<u>100.0</u>

**Statement of Financial Position  
As at 31 March 2019 (Unaudited)**

	31.3.2019 EUR	30.9.2018 EUR
<b>Assets</b>		
Cash at banks	1,869,060	3,467,285
Amounts due from brokers	-	216,756
Amounts receivable on allotment	603,643	2,635,851
Derivatives	623,485	903,990
Investments	57,793,322	61,192,863
Interest receivable	31	703
<b>Total assets</b>	<b>60,889,541</b>	<b>68,417,448</b>
<b>Liabilities</b>		
Amounts due to brokers	138,000	1,490,146
Amounts payable on redemption	672,500	410,206
Distribution payable [Note 5]	351,333	382,551
Derivatives	48,067	703,278
Other accounts payable	84,271	95,223
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>1,294,171</b>	<b>3,081,404</b>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<b>59,595,370</b>	<b>65,336,044</b>

**Statement of Comprehensive Income  
For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 EUR	1.10.2017 to 31.3.2018 EUR
<b>Income</b>		
Net gains/(losses) on investments and derivatives [Note 4]	3,116,516	(1,239,298)
Net foreign currency exchange gains	51,389	57,214
Interest on deposits	2,717	1,032
Other income	938	6,426
	<b>3,171,560</b>	<b>(1,174,626)</b>
<b>Expenses</b>		
Management fee	338,717	301,936
Safe custody and bank charges	18,449	21,270
Trustee's fee	16,335	15,455
Auditor's fee	7,926	5,195
Valuation fee	7,517	7,065
Registrar's fee	4,864	4,507
Transaction costs	3,394	3,115
Printing and publication expenses	125	18
Legal and professional expenses	-	338
Other operating expenses	1,180	1,286
	<b>398,507</b>	<b>360,185</b>
<b>Net operating profit/(loss)</b>	<b>2,773,053</b>	<b>(1,534,811)</b>
<b>Finance costs</b>		
Distribution [Note 5]	(2,475,329)	(1,993,718)
Interest expense	(1)	(9)
	<b>(2,475,330)</b>	<b>(1,993,727)</b>
<b>Profit/(loss) before taxation</b>	<b>297,723</b>	<b>(3,528,538)</b>
Taxation	(619)	(6,039)
	<b>297,104</b>	<b>(3,534,577)</b>
Change in cumulative difference arising from the fair value adjustment of units of the Fund	-	(8,296)
<b>Increase/(decrease) in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>297,104</b>	<b>(3,542,873)</b>

The notes on pages 101 to 105 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 EUR	1.10.2017 to 31.3.2018 EUR
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	65,336,044	60,780,421
	-----	-----
Allotment of redeemable units	31,348,977	27,451,995
Redemption of redeemable units	(37,386,755)	(29,820,033)
	-----	-----
<b>Net redemption</b>	(6,037,778)	(2,368,038)
	-----	-----
	59,298,266	58,412,383
	-----	-----
<b>Increase/(decrease) in net assets attributable to holders of redeemable units and total comprehensive income</b>	297,104	(3,542,873)
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	59,595,370	54,869,510
	=====	=====

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 EUR	1.10.2017 to 31.3.2018 EUR
<b>Operating activities</b>		
Purchase of investments and derivatives	(25,757,693)	(24,833,149)
Proceeds from disposal of investments and derivatives	30,763,654	25,716,804
Interest received	3,389	1,378
Tax paid	(619)	(1,125)
Transaction costs paid	(3,743)	(3,115)
Registrar's fee paid	(8,313)	(9,246)
Trustee's fee paid	(16,315)	(15,533)
Management fee paid	(338,469)	(298,760)
Others	6,048	16,645
	-----	-----
<b>Net cash inflow from operating activities</b>	4,647,939	573,899
	-----	-----
<b>Financing activities</b>		
Interest paid	(1)	(9)
Receipts on allotment of redeemable units	33,381,185	28,869,336
Payments on redemption of redeemable units	(37,124,461)	(29,877,057)
Distribution paid	(2,506,547)	(1,998,261)
	-----	-----
<b>Net cash outflow from financing activities</b>	(6,249,824)	(3,005,991)
	-----	-----
<b>Decrease in cash and cash equivalents</b>	(1,601,885)	(2,432,092)
Cash and cash equivalents at the beginning of the period	3,467,285	4,860,336
Exchange gains/(losses) on cash and cash equivalents	3,660	(324)
	-----	-----
<b>Cash and cash equivalents at the end of the period</b>	1,869,060	2,427,920
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	1,869,060	2,427,920
	=====	=====

The notes on pages 101 to 105 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Europe High Yield Bond Fund (the "Fund") was established under a Trust Deed dated 10 March 2016, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to aim to achieve a return in excess of European bond markets by investing at least 70% of its non-cash assets in European and non-European below investment grade debt securities denominated in European currencies.

Due to re-allocation of resources, the discretionary investment management of the Fund rests with JF Asset Management Limited (being the current Investment Manager of the Fund) and JPMorgan Asset Management (UK) Limited (being the current Sub-Manager of the Fund). The sub-delegation of the investment management role of the Fund to J.P. Morgan Investment Management Inc. was terminated with effect from 1 February 2018.

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies****(a) Accounting policies of interim financial statements**

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Credit default swaps are marked to market daily based upon quotations from the market makers and the change in value, if any, is recorded as an unrealized gain or loss in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the period/year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Foreign currency translation**

*Functional and presentation currency*

The Fund has adopted Euro as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(e) Formation expenses**

Formation expenses are recognized as an expense in the period in which they are incurred.

**(f) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**Number of units in issue31.3.2019

	AUD Hedged Class (mth) Units	EUR Class (mth) Units	HKD Hedged Class (mth) Units	RMB Hedged Class (mth) Units	USD Hedged Class (mth) Units
Number of units in issue	<u>1,228,916.454</u>	<u>521,677.123</u>	<u>7,234,146.110</u>	<u>15,644,327.823</u>	<u>2,282,222.500</u>
	A\$	EUR	HK\$	CNY	US\$
Net assets attributable to holders of redeemable units	<u>11,773,177</u>	<u>5,001,597</u>	<u>69,454,574</u>	<u>149,412,291</u>	<u>21,857,947</u>
Net assets attributable to holders of redeemable units (per unit)	<u>9.58</u>	<u>9.59</u>	<u>9.60</u>	<u>9.55</u>	<u>9.58</u>

30.9.2018

	AUD Hedged Class (mth) Units	EUR Class (mth) Units	HKD Hedged Class (mth) Units	RMB Hedged Class (mth) Units	USD Hedged Class (mth) Units
Number of units in issue	<u>983,963.710</u>	<u>619,528.326</u>	<u>7,793,620.400</u>	<u>19,197,849.195</u>	<u>2,542,611.813</u>
	A\$	EUR	HK\$	CNY	US\$
Net assets attributable to holders of redeemable units	<u>9,629,805</u>	<u>6,072,485</u>	<u>76,372,149</u>	<u>187,192,668</u>	<u>24,880,394</u>
Net assets attributable to holders of redeemable units (per unit)	<u>9.79</u>	<u>9.80</u>	<u>9.80</u>	<u>9.75</u>	<u>9.79</u>

**4 Net gains/(losses) on investments and derivatives**

	1.10.2018 to 31.3.2019 EUR	1.10.2017 to 31.3.2018 EUR
Change in unrealized gains/losses in value of investments and derivatives	986,579	(1,587,149)
Realized gains on sale of investments and derivatives	<u>2,129,937</u>	<u>347,851</u>
	<u>3,116,516</u>	<u>(1,239,298)</u>

## 5 Distribution

It is the intention of the Manager to have at least 85% of the income attributable to the distribution class(es) respectively in respect of each accounting period, after charging the expenses attributable to these distribution class(es) respectively, to be distributed to unitholders of these distribution class(es) respectively.

In the event that the amount available for distribution is insufficient to pay distributions as the Fund declares, the Manager may in its discretion determine that such distributions be paid from capital.

	11.0.2018 to 31.3.2019 EUR	11.0.2017 to 31.3.2018 EUR
Net operating profit/(loss)	2,773,053	(1,534,811)
Adjustments:		
Net (gains)/losses on investments and derivatives	(3,116,516)	1,239,298
Interest income included in net gains on investments and derivatives (at coupon rate)	1,418,633	1,244,247
Net foreign currency exchange gains	(51,389)	(57,214)
Transaction costs	3,394	3,115
Taxation	(619)	(6,039)
	<u>1,026,556</u>	<u>888,596</u>
Amount available for distribution		

Distribution Class	Ex-date	Pay date	Rate	Units	11.0.2018 to 31.3.2019 EUR	11.0.2017 to 31.3.2018 EUR
AUD Hedged Class (mth)	31.10.2018	8.11.2018	A\$0.0559	1,306,945,534	(45,700)	
EUR Class (mth)	31.10.2018	8.11.2018	EUR0.0340	628,464,019	(21,368)	
HKD Hedged Class (mth)	31.10.2018	8.11.2018	HK\$0.0533	10,355,647,841	(62,140)	
RMB Hedged Class (mth)	31.10.2018	8.11.2018	CNY0.0760	20,734,472,801	(199,403)	
USD Hedged Class (mth)	31.10.2018	8.11.2018	US\$0.0581	3,570,510,584	(183,087)	
AUD Hedged Class (mth)	30.11.2018	10.12.2018	A\$0.0529	1,377,417,836	(46,995)	
EUR Class (mth)	30.11.2018	10.12.2018	EUR0.0340	637,442,803	(21,673)	
HKD Hedged Class (mth)	30.11.2018	10.12.2018	HK\$0.0457	9,772,169,021	(50,401)	
RMB Hedged Class (mth)	30.11.2018	10.12.2018	CNY0.0656	19,956,411,179	(166,224)	
USD Hedged Class (mth)	30.11.2018	10.12.2018	US\$0.0563	3,585,655,738	(178,293)	
AUD Hedged Class (mth)	31.12.2018	9.1.2019	A\$0.0574	1,167,674,106	(41,277)	
EUR Class (mth)	31.12.2018	9.1.2019	EUR0.0340	527,042,366	(17,919)	
HKD Hedged Class (mth)	31.12.2018	9.1.2019	HK\$0.0562	7,987,279,106	(50,154)	
RMB Hedged Class (mth)	31.12.2018	9.1.2019	CNY0.0676	16,454,645,980	(141,629)	
USD Hedged Class (mth)	31.12.2018	9.1.2019	US\$0.0621	3,333,460,164	(181,085)	
AUD Hedged Class (mth)	31.1.2019	13.2.2019	A\$0.0573	987,197,469	(35,945)	
EUR Class (mth)	31.1.2019	13.2.2019	EUR0.0360	531,620,989	(19,138)	
HKD Hedged Class (mth)	31.1.2019	13.2.2019	HK\$0.0528	7,293,686,837	(42,772)	
RMB Hedged Class (mth)	31.1.2019	13.2.2019	CNY0.0638	16,416,086,899	(136,074)	
USD Hedged Class (mth)	31.1.2019	13.2.2019	US\$0.0620	2,745,790,126	(148,364)	
AUD Hedged Class (mth)	28.2.2019	8.3.2019	A\$0.0542	1,010,667,788	(34,225)	
EUR Class (mth)	28.2.2019	8.3.2019	EUR0.0360	528,447,409	(19,024)	
HKD Hedged Class (mth)	28.2.2019	8.3.2019	HK\$0.0467	7,060,959,960	(36,890)	
RMB Hedged Class (mth)	28.2.2019	8.3.2019	CNY0.0543	15,860,269,713	(112,963)	
USD Hedged Class (mth)	28.2.2019	8.3.2019	US\$0.0585	2,554,821,510	(131,253)	
AUD Hedged Class (mth)	29.3.2019	9.4.2019	A\$0.0565	1,228,916,454	(43,926)	
EUR Class (mth)	29.3.2019	9.4.2019	EUR0.0360	521,677,123	(18,780)	
HKD Hedged Class (mth)	29.3.2019	9.4.2019	HK\$0.0515	7,234,146,110	(42,267)	
RMB Hedged Class (mth)	29.3.2019	9.4.2019	CNY0.0600	15,644,327,823	(124,387)	
USD Hedged Class (mth)	29.3.2019	9.4.2019	US\$0.0611	2,241,507,067	(121,973)	
AUD Hedged Class (mth)	31.10.2017	8.11.2017	A\$0.0584	841,563,492		(32,348)
EUR Class (mth)	31.10.2017	8.11.2017	EUR0.0370	462,709,787		(17,120)
HKD Hedged Class (mth)	31.10.2017	8.11.2017	HK\$0.0458	13,264,279,123		(66,842)
RMB Hedged Class (mth)	31.10.2017	8.11.2017	CNY0.0729	9,623,497,579		(90,810)
USD Hedged Class (mth)	31.10.2017	8.11.2017	US\$0.0543	2,530,385,772		(117,945)
AUD Hedged Class (mth)	30.11.2017	8.12.2017	A\$0.0567	1,209,997,510		(43,681)
EUR Class (mth)	30.11.2017	8.12.2017	EUR0.0370	469,264,363		(17,363)

Distribution Class	Ex-date	Pay date	Rate	Units	1.10.2018 to 31.3.2019 EUR	1.10.2017 to 31.3.2018 EUR
HKD Hedged Class (mth)	30.11.2017	8.12.2017	HK\$0.0482	13,374,810.127		(69,226)
RMB Hedged Class (mth)	30.11.2017	8.12.2017	CNY0.0719	10,056,802.556		(91,707)
USD Hedged Class (mth)	30.11.2017	8.12.2017	US\$0.0534	2,945,115.902		(131,899)
AUD Hedged Class (mth)	29.12.2017	9.1.2018	A\$0.0647	1,158,273.763		(48,813)
EUR Class (mth)	29.12.2017	9.1.2018	EUR0.0370	470,582.032		(17,412)
HKD Hedged Class (mth)	29.12.2017	9.1.2018	HK\$0.0580	12,840,667.314		(79,339)
RMB Hedged Class (mth)	29.12.2017	9.1.2018	CNY0.0818	10,169,184.998		(106,378)
USD Hedged Class (mth)	29.12.2017	9.1.2018	US\$0.0629	2,804,127.612		(146,885)
AUD Hedged Class (mth)	31.1.2018	8.2.2018	A\$0.0553	1,123,429.075		(40,382)
EUR Class (mth)	31.1.2018	8.2.2018	EUR0.0320	588,545.592		(18,833)
HKD Hedged Class (mth)	31.1.2018	8.2.2018	HK\$0.0477	10,564,564.534		(51,719)
RMB Hedged Class (mth)	31.1.2018	8.2.2018	CNY0.0719	10,114,977.720		(92,750)
USD Hedged Class (mth)	31.1.2018	8.2.2018	US\$0.0547	2,751,080.405		(120,798)
AUD Hedged Class (mth)	28.2.2018	8.3.2018	A\$0.0511	983,431.502		(32,108)
EUR Class (mth)	28.2.2018	8.3.2018	EUR0.0320	639,618.297		(20,468)
HKD Hedged Class (mth)	28.2.2018	8.3.2018	HK\$0.0425	9,847,333.716		(43,850)
RMB Hedged Class (mth)	28.2.2018	8.3.2018	CNY0.0677	9,917,452.759		(86,974)
USD Hedged Class (mth)	28.2.2018	8.3.2018	US\$0.0498	2,500,021.911		(102,079)
AUD Hedged Class (mth)	29.3.2018	11.4.2018	A\$0.0556	994,957.889		(34,503)
EUR Class (mth)	29.3.2018	11.4.2018	EUR0.0320	609,796.560		(19,512)
HKD Hedged Class (mth)	29.3.2018	11.4.2018	HK\$0.0454	9,254,804.260		(43,531)
RMB Hedged Class (mth)	29.3.2018	11.4.2018	CNY0.0734	9,555,694.929		(90,754)
USD Hedged Class (mth)	29.3.2018	11.4.2018	US\$0.0560	2,584,630.906		(117,689)
Total distribution to holders of redeemable units					(2,475,329)	(1,993,718)

## 6 Soft dollar arrangements/Commission sharing arrangements

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.



**Investment Portfolio**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value EUR	% of net assets		Holding	Fair value EUR	% of net assets
<b>Listed/Quoted Investments (97.7%)</b>				Neopost SA	4,576	97,652	0.2
				Nexity	2,273	98,876	0.2
<b>(I) Equities (96.6%)</b>				Orange	32,527	471,642	0.7
				Peugeot SA	9,612	208,965	0.3
<b>Austria (0.4%)</b>				Publicis Groupe	4,338	207,053	0.3
BAWAG Group AG	1,962	77,185	0.1	Renault SA	4,740	279,233	0.4
Oesterreichische Post	2,851	107,483	0.2	Sanofi	12,534	986,927	1.5
UNIQA Insurance Group	6,347	56,361	0.1	Schneider Electric	7,598	531,404	0.8
				SCOR SE	4,050	153,738	0.2
<b>Belgium (1.2%)</b>				SES SA FDR-FR List	7,791	108,022	0.2
Ageas NV	3,655	157,165	0.2	Societe BIC	1,191	94,625	0.1
Befimmo S.C.A.	646	33,915	0.1	Television Francaise 1	12,832	105,351	0.2
KBC Group	4,035	251,300	0.4	Total SA	25,240	1,249,885	1.9
Proximus	5,662	145,570	0.2	Veolia Environnement	9,943	198,164	0.3
Telenet Group Hldg	2,884	123,666	0.2	Vinci SA	5,562	482,337	0.7
Warehouses De Pauw	630	90,090	0.1				
				<b>Germany (9.2%)</b>			
<b>Denmark (1.9%)</b>				Aareal Bank	6,216	170,816	0.3
Matas A/S	7,158	63,090	0.1	Allianz SE-Regd	4,812	954,123	1.4
Novo Nordisk 'B'	17,873	834,104	1.3	Alstria Office REIT	6,448	93,496	0.1
Scandinavian Tobacco Group	5,498	61,126	0.1	Aroundtown SA	17,222	126,582	0.2
Topdanmark A/S	3,679	163,808	0.2	Bayerische Motoren Werke	4,782	328,763	0.5
Tryg A/S	5,095	124,621	0.2	Corestate Capital Hldg S.A.	3,134	110,474	0.2
				Daimler AG-Regd	10,025	523,806	0.8
<b>Finland (3.8%)</b>				Deutsche Lufthansa-Regd	6,785	132,749	0.2
Cramo Oyj	5,030	88,176	0.1	Deutsche Pfandbriefbank	17,175	187,551	0.3
DNA OY	5,636	104,153	0.2	Deutsche Telekom-Regd	43,036	636,718	1.0
Elisa Oyj	6,230	250,571	0.4	DWS Group GmbH & Co	3,538	109,678	0.2
Fortum Oyj	14,915	271,900	0.4	E.ON SE	28,880	286,259	0.4
Kemira Oyj	7,684	84,678	0.1	Evonik Industries	4,669	113,363	0.2
Kesko Oyj 'B'	1,965	106,582	0.2	Hamborner REIT	4,127	38,505	0.1
Metso Oyj	4,353	133,463	0.2	Hannover Rueckversicherung-			
Nokia Oyj	63,148	320,413	0.5	Regd	2,270	290,560	0.4
Orion Oyj 'B'	3,868	129,269	0.2	Hugo Boss	1,822	110,923	0.2
Sampo Oyj 'A'	5,840	235,994	0.4	Metro AG	8,515	125,937	0.2
Sanoma Oyj	10,634	92,888	0.1	Muenchener Rueck-Regd	2,373	500,703	0.8
Stora Enso 'R'	10,999	119,834	0.2	RWE AG	12,668	302,765	0.5
Tieto Oyj	3,835	104,312	0.2	TAG Immobilien	3,873	85,206	0.1
Tokmanni Group	12,190	101,299	0.1	Talanx AG	6,178	212,276	0.3
UPM-Kymmene Oyj	8,428	219,128	0.3	TLG Immobilien AG	3,782	101,509	0.1
Uponor Oyj	4,030	41,066	0.1	Volkswagen AG Pref	3,338	468,388	0.7
Valmet Corp	4,605	103,889	0.1				
				<b>Ireland (0.8%)</b>			
<b>France (12.5%)</b>				AIB Group	52,830	211,426	0.3
ALD SA	4,177	52,004	0.1	C&C Group (IE Listing)	32,058	102,586	0.2
AXA SA	26,777	600,608	0.9	Green REIT	57,172	85,758	0.1
Casino Guichard Perrachon	3,143	121,477	0.2	Smurfit Kappa Group-IE List	5,729	142,538	0.2
CNP Assurances	11,719	229,927	0.4				
Coface SA	10,729	84,545	0.1	<b>Italy (4.6%)</b>			
Covivio SA	1,909	180,591	0.3	Acea SpA	5,993	90,315	0.2
Engie SA-FR List	23,284	309,212	0.5	Assicurazioni Generali	25,019	412,814	0.6
Eutelsat Communications	7,335	114,389	0.2	Banca Farmafactoring	14,824	80,420	0.1
Gaztransport et Technigaz	2,404	194,964	0.3	ENAV SpA	16,529	80,298	0.1
Gecina SA	1,539	202,840	0.3	Enel SpA	113,424	646,971	1.0
ICADE SA	1,452	109,481	0.2	ENI SpA	37,450	589,987	0.9
Ipsos SA	4,328	96,601	0.1	ERG SpA	4,379	73,874	0.1
Kaufman & Broad	2,453	89,338	0.1	Italgas SpA	14,125	77,744	0.1
Klepierre	4,942	154,092	0.2	Mediobanca SpA	15,035	139,254	0.2
Lagardere SCA	4,434	101,627	0.2	Poste Italiane	18,433	159,851	0.3
Michelin-Regd	2,615	275,621	0.4	Saras SpA	49,916	82,411	0.1

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value EUR	% of net assets		Holding	Fair value EUR	% of net assets
<b>Italy (Continued)</b>				Ence Energia y Celulosa	10,490	52,030	0.1
Snam SpA	47,996	219,774	0.3	Endesa SA	13,123	298,417	0.5
Societa Cattolica di Assicuraz	11,954	101,788	0.2	Iberdrola SA	83,256	651,561	1.0
Terna-Rete Elettrica Nazionale	26,109	147,464	0.2	Intl Consolidated Airlines	36,181	214,626	0.3
Unipol Gruppo	27,623	122,646	0.2	Lar Espana Real Estate Socimi	10,567	78,618	0.1
<b>Netherlands (4.2%)</b>				Mediaset Espana			
ABN AMRO Group CVA	14,027	281,943	0.4	Comunicacion	14,432	96,059	0.1
Aegon NV	57,182	244,968	0.4	Merlin Properties Socimi	11,350	132,398	0.2
ASR Nederland NV	4,511	167,358	0.3	Naturgy Energy Group	8,355	208,290	0.3
BAM Groep (Koninklijke)	24,366	93,663	0.1	Red Electrica Corp	10,591	201,229	0.3
Flow Traders	3,877	95,374	0.2	Repsol SA	25,494	389,038	0.6
ING Groep NV	42,864	462,245	0.7	Telefonica SA	53,381	398,703	0.6
Intertrust NV	5,015	84,252	0.1	<b>Sweden (7.6%)</b>			
Koninklijke Ahold Delhaize	14,548	345,151	0.5	Axfood AB	4,688	77,872	0.1
KPN (Koninklijke)	72,264	204,218	0.3	Betsson AB 'B'	19,331	130,912	0.2
NIBC Hldg	7,727	63,083	0.1	Bilia AB 'A'	11,987	91,329	0.1
NN Group	8,522	315,570	0.5	Boliden AB	9,981	253,580	0.4
NSI NV	891	33,724	0.1	Bonava AB 'B'	8,214	92,198	0.1
Signify NV	4,298	102,507	0.2	Castellum AB	4,295	74,375	0.1
Sligro Food Group	2,259	72,175	0.1	Dios Fastigheter	20,889	153,036	0.2
Van Lanschot Kempen	3,633	73,387	0.1	Dustin Group	9,157	76,669	0.1
Vastned Retail	2,244	77,530	0.1	Electrolux AB 'B'	6,921	158,758	0.2
<b>Norway (4.1%)</b>				Hemfosa Fastigheter	12,468	97,627	0.2
Aker ASA 'A'	1,228	83,564	0.1	Holmen AB 'B'	3,868	74,836	0.1
Aker BP	4,333	137,569	0.2	ICA Gruppen	2,964	106,154	0.2
DNB ASA	20,834	342,151	0.5	Intrum AB	4,247	108,879	0.2
Entra ASA	14,815	199,484	0.3	JM AB	4,851	77,599	0.1
Equinor ASA	19,947	389,573	0.6	Kindred Group SDR	10,792	96,472	0.2
Europris ASA	32,454	92,466	0.1	Klovern AB 'B'	81,653	99,961	0.2
Gjensidige Forsikring	8,310	128,051	0.2	Kungsleden AB	21,606	153,517	0.2
Grieg Seafood	9,052	97,920	0.2	Lundin Petroleum	4,596	138,920	0.2
Mowi ASA	14,662	291,889	0.5	Millicom Intl Cellular SDR	2,147	116,371	0.2
Norway Royal Salmon	2,998	62,009	0.1	NetEnt AB	25,919	83,993	0.1
Salmar ASA	3,937	168,481	0.3	Nobina AB	25,914	148,919	0.2
Sparebank 1 SMN	12,522	113,183	0.2	Pandox AB	4,700	75,093	0.1
SpareBank 1 SR-Bank	14,733	151,451	0.2	Peab AB 'B'	13,776	106,282	0.2
Stolt-Nielsen	5,466	60,937	0.1	Resurs Holding	22,910	126,706	0.2
Storebrand ASA	16,707	116,004	0.2	Scandic Hotels Group	13,062	104,097	0.2
Telenor ASA	12,432	222,038	0.3	Skandinaviska Enskilda			
<b>Portugal (1.1%)</b>				Banken 'A'	36,826	284,572	0.4
Altri SGPS	20,151	140,654	0.2	SSAB AB 'B'	29,975	81,422	0.1
EDP-Energias de Portugal	55,266	193,707	0.3	Svenska Handelsbanken 'A'	32,493	306,062	0.5
Galp Energia SGPS	9,402	134,261	0.2	Swedbank AB 'A'	7,792	98,272	0.2
Navigator Co	22,985	93,779	0.1	Swedish Match	4,909	223,373	0.3
NOS SGPS (Regd)	16,912	96,398	0.2	Tele2 AB 'B'	24,418	290,373	0.4
Redes Energeticas Nacionais	33,523	85,215	0.1	Telia Co	73,977	297,974	0.5
<b>Spain (6.1%)</b>				Tethys Oil	9,628	70,055	0.1
Acciona SA	1,058	105,059	0.2	Thule Group AB	4,471	90,152	0.1
ACS Actividades de				Volvo AB 'B'	22,063	305,054	0.5
Construction	4,791	187,616	0.3	Wihlborgs Fastigheter	7,981	97,108	0.2
Aena SME	1,255	201,428	0.3	<b>Switzerland (5.0%)</b>			
Banco Bilbao Vizcaya				Galenica AG	1,619	71,377	0.1
Argentaria	76,477	389,497	0.6	Roche Hldg (Genusschein)	7,029	1,724,490	2.6
CIA de Distribucion Integral				Sunrise Communications	1,055	69,154	0.1
Log	4,865	102,165	0.2	Swiss Life Hldg-Regd	624	244,690	0.4
Enagas SA	10,426	270,450	0.4	Swiss Re	3,952	343,798	0.5
				Swisscom AG-Regd	396	172,459	0.3
				Zurich Insurance Group-Regd	2,146	632,528	1.0

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value EUR	% of net assets		Holding	Fair value EUR	% of net assets
<b>United Kingdom (34.1%)</b>				Persimmon plc	6,478	163,132	0.3
3i Group	19,742	225,620	0.3	Polypipe Group	17,424	81,488	0.1
Admiral Group	6,124	154,218	0.2	Primary Health Properties	59,035	88,925	0.1
Amigo Hldgs	12,497	26,139	0.0	Prudential plc	22,429	400,188	0.6
Anglo American-UK List	18,856	449,349	0.7	Quilter PLC-UK List	27,667	47,146	0.1
AstraZeneca plc	12,259	872,788	1.3	Redrow plc	14,399	100,426	0.2
Aviva plc	50,662	242,460	0.4	RELX PLC	21,393	407,523	0.6
Bank of Georgia Group	5,279	101,266	0.2	Rio Tinto-UK List	14,706	761,318	1.2
Barclays PLC	206,557	370,778	0.6	Royal Bank of Scotland Group	78,596	225,287	0.3
Barratt Developments	25,817	179,522	0.3	Royal Dutch Shell 'B'-UK List	79,238	2,232,654	3.4
BCA Marketplace	34,909	80,050	0.1	RPC Group	10,801	99,022	0.2
Bellway plc	6,049	213,752	0.3	Sabre Insurance Group	16,874	56,005	0.1
Berkeley Group Hldgs	5,031	215,378	0.3	Saga PLC	67,782	87,470	0.1
BHP Group plc (GB Trading)	30,171	647,250	1.0	Sainsbury (I)	38,701	105,857	0.2
Big Yellow Group	12,026	138,374	0.2	Severn Trent	6,893	158,065	0.2
Bovis Homes Group	7,415	91,514	0.1	Smiths Group	8,291	138,070	0.2
BP plc	210,344	1,363,304	2.1	Stagecoach Group	55,292	98,558	0.2
British American Tobacco-UK List	22,782	844,435	1.3	Tate & Lyle	12,320	103,769	0.2
Britvic plc	8,898	98,355	0.2	TBC Bank Group	4,206	75,363	0.1
BT Group	112,274	290,487	0.4	TP ICAP	27,242	93,008	0.1
Carnival plc	3,580	156,418	0.2	Unilever plc	25,866	1,319,251	2.0
Centrica plc	102,841	136,292	0.2	United Utilities Group	17,633	166,649	0.3
Cineworld Group	32,401	110,020	0.2	Vesuvius plc	13,162	90,653	0.1
Close Brothers Group	8,275	139,724	0.2			63,237,647	96.6
Compass Group	19,014	398,171	0.6				---
Costain Group	15,921	61,895	0.1	<b>(II) Derivatives (1.1%)</b>			
Diageo plc	20,911	761,495	1.2	<b>Forward foreign exchange contracts (1.1%)</b>			
Direct Line Insurance Group	36,761	150,592	0.2			720,274	1.1
Drax Group	17,131	75,227	0.1	<b>Futures (0.0%)</b>			
Evraz PLC	31,942	229,971	0.4	Euro Stoxx 50 (EUX) Fut 06/19	15	7,980	0.0
Ferguson PLC	5,400	306,062	0.5	FTSE 100 Idx (LIF) Fut 06/19	6	7,079	0.0
Galliford Try	11,318	87,541	0.1			735,333	1.1
Games Workshop Group	4,149	151,427	0.2				---
GlaxoSmithKline plc	56,031	1,038,289	1.6	<b>Total Listed/Quoted Investments</b>			
Glencore plc-UK List	124,528	459,478	0.7			63,972,980	97.7
Go-Ahead Group	9,265	210,845	0.3	<b>Other net assets</b>			
Greene King	15,272	117,928	0.2			1,538,056	2.3
Hansteen Hldgs	91,781	103,741	0.2	<b>Net assets attributable to holders of redeemable units at 31 March 2019</b>			
Ibstock plc	27,077	75,351	0.1			65,511,036	100.0
Imperial Brands	14,602	444,732	0.7	<b>Total investments, at cost</b>			
Investec plc-UK List	23,653	121,407	0.2			60,813,722	
Lancashire Hldgs	14,482	109,828	0.2				
Legal & General Group	122,642	391,818	0.6				
Lloyds Banking Group	751,853	542,180	0.8				
Londonmetric Property	66,467	154,036	0.2				
Marks & Spencer Group	42,964	139,057	0.2				
Marston's plc	89,425	106,578	0.2				
Meggitt plc	21,559	125,795	0.2				
Micro Focus Intl	9,822	227,567	0.4				
Mondi plc	6,878	135,531	0.2				
Morgan Advanced Materials	29,373	82,831	0.1				
National Express Group	43,216	203,615	0.3				
National Grid	38,215	377,312	0.6				
Next plc	2,913	188,631	0.3				
Northgate plc	17,827	77,373	0.1				
Onesavings Bank	34,622	154,124	0.2				
Pagegroup PLC	14,384	78,454	0.1				
Paragon Group	23,050	116,573	0.2				
Pennon Group	11,047	95,329	0.1				

Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 (*Unaudited*)

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
United Kingdom	34.1	32.9
France	12.5	12.7
Germany	9.2	9.8
Sweden	7.6	7.6
Spain	6.1	5.9
Switzerland	5.0	7.8
Italy	4.6	4.4
Netherlands	4.2	4.4
Norway	4.1	4.7
Finland	3.8	2.9
Denmark	1.9	1.6
Belgium	1.2	0.8
Portugal	1.1	1.0
Ireland	0.8	0.7
Austria	0.4	0.5
<b>Derivatives</b>		
Forward foreign exchange contracts	1.1	0.2
Futures	0.0	0.0
<b>Total Listed/Quoted Investments</b>	<b>97.7</b>	<b>97.9</b>
<b>Other net assets</b>	<b>2.3</b>	<b>2.1</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>100.0</b>	<b>100.0</b>

Statement of Financial Position  
As at 31 March 2019 *(Unaudited)*

	31.3.2019 EUR	30.9.2018 EUR
<b>Assets</b>		
Cash at banks	2,071,604	1,601,026
Amounts due from brokers	71,941	531,678
Amounts receivable on allotment	2,297	252,953
Margin deposits	93,374	166,520
Derivatives	945,135	1,261,898
Investments	63,237,647	72,953,857
Dividend and other accounts receivable	315,646	85,417
<b>Total assets</b>	<b>66,737,644</b>	<b>76,853,349</b>
	-----	-----
<b>Liabilities</b>		
Amounts payable on redemption	466,974	439,817
Distribution payable [Note 5]	434,162	488,933
Derivatives	209,802	1,126,235
Other accounts payable	115,670	159,791
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>1,226,608</b>	<b>2,214,776</b>
	-----	-----
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<b>65,511,036</b>	<b>74,638,573</b>
	=====	=====

Statement of Comprehensive Income  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 EUR	1.10.2017 to 31.3.2018 EUR
<b>Income</b>		
Net gains/(losses) on investments and derivatives [Note 4]	726,564	(6,394,196)
Dividend income	1,088,697	1,222,615
Interest on deposits	800	2,939
Net foreign currency exchange losses	(14,421)	(205,937)
	<b>1,801,640</b>	<b>(5,374,579)</b>
	-----	-----
<b>Expenses</b>		
Management fee	503,940	647,671
Transaction costs	123,912	358,815
Safe custody and bank charges	25,391	31,664
Trustee's fee	16,287	18,813
Auditor's fee	7,926	5,195
Valuation fee	7,517	7,065
Registrar's fee	6,016	9,883
Printing and publication expenses	221	248
Legal and professional expenses	-	1,203
Other operating expenses	1,221	454
	<b>692,431</b>	<b>1,081,011</b>
	-----	-----
<b>Net operating profit/(loss)</b>	<b>1,109,209</b>	<b>(6,455,590)</b>
	-----	-----
<b>Finance costs</b>		
Distribution [Note 5]	(2,744,324)	(3,210,375)
Interest expense	(125)	(1,084)
	<b>(2,744,449)</b>	<b>(3,211,459)</b>
	-----	-----
<b>Loss before taxation</b>	<b>(1,635,240)</b>	<b>(9,667,049)</b>
Taxation	(137,515)	(185,992)
	<b>(1,772,755)</b>	<b>(9,853,041)</b>
	-----	-----
Change in cumulative difference arising from the fair value adjustment of units of the Fund	-	(7,844)
	-----	-----
<b>Decrease in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>(1,772,755)</b>	<b>(9,860,885)</b>
	=====	=====

The notes on pages 112 to 116 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 EUR	1.10.2017 to 31.3.2018 EUR
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	74,638,573	66,626,080
	-----	-----
Allotment of redeemable units	19,174,004	123,633,900
Redemption of redeemable units	(26,528,786)	(82,116,997)
	-----	-----
<b>Net (redemption)/allotment</b>	(7,354,782)	41,516,903
	-----	-----
	67,283,791	108,142,983
<b>Decrease in net assets attributable to holders of redeemable units and total comprehensive income</b>	(1,772,755)	(9,860,885)
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	65,511,036	98,282,098
	=====	=====

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 EUR	1.10.2017 to 31.3.2018 EUR
<b>Operating activities</b>		
Purchase of investments and derivatives	(17,427,392)	(68,117,758)
Proceeds from disposal of investments and derivatives	27,730,439	26,120,445
Dividend received	858,283	994,701
Decrease in margin deposits	73,146	158,479
Interest received	1,138	3,690
Registrar's fee paid	(13,825)	(20,769)
Trustee's fee paid	(16,371)	(18,072)
Tax paid	(137,869)	(188,052)
Transaction costs paid	(143,869)	(381,439)
Management fee paid	(510,682)	(603,149)
Others	(89,550)	(239,943)
	-----	-----
<b>Net cash inflow/(outflow) from operating activities</b>	10,323,448	(42,291,867)
	-----	-----
<b>Financing activities</b>		
Interest paid	(125)	(1,084)
Receipts on allotment of redeemable units	19,424,660	124,520,212
Payments on redemption of redeemable units	(26,501,629)	(81,867,297)
Distribution paid	(2,799,095)	(2,927,703)
	-----	-----
<b>Net cash (outflow)/inflow from financing activities</b>	(9,876,189)	39,724,128
	-----	-----
<b>Increase/(decrease) in cash and cash equivalents</b>	447,259	(2,567,739)
Cash and cash equivalents at the beginning of the period	1,601,026	4,325,805
Exchange gains/(losses) on cash and cash equivalents	23,319	(28,751)
	-----	-----
<b>Cash and cash equivalents at the end of the period</b>	2,071,604	1,729,315
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	2,071,604	1,729,315
	=====	=====

The notes on pages 112 to 116 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Europe Strategic Dividend Fund (the "Fund") was established under a Trust Deed dated 10 March 2016, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to aim to provide income and long-term capital growth by investing at least 70% of its non-cash assets in equity securities of companies which are based in, listed on stock exchange of or operate principally in Europe and are expected to pay dividends.

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies****(a) Accounting policies of interim financial statements**

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the period/year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Foreign currency translation**

*Functional and presentation currency*

The Fund has adopted Euro as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(e) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

31.3.2019

	AUD Hedged Class (mth) Units	EUR Class (mth) Units	HKD Hedged Class (mth) Units	RMB Hedged Class (mth) Units	USD Hedged Class (mth) Units
Number of units in issue	2,008,317.183	341,250.014	16,989,032.700	14,848,401.775	1,545,960.284
	A\$	EUR	HK\$	CNY	US\$
Net assets attributable to holders of redeemable units	19,130,558	3,254,836	162,036,522	140,902,613	14,707,633
Net assets attributable to holders of redeemable units (per unit)	9.53	9.54	9.54	9.49	9.51



30.9.2018

	AUD Hedged Class (mth) Units	EUR Class (mth) Units	HKD Hedged Class (mth) Units	RMB Hedged Class (mth) Units	USD Hedged Class (mth) Units
Number of units in issue	2,174,716.383	306,026.440	20,195,632.079	15,014,955.256	1,941,601.757
	A\$	EUR	HK\$	CNY	US\$
Net assets attributable to holders of redeemable units	21,871,588	3,081,731	202,973,196	150,331,738	19,483,524
Net assets attributable to holders of redeemable units (per unit)	10.06	10.07	10.05	10.01	10.03

#### 4 Net gains/(losses) on investments and derivatives

	1.10.2018 to 31.3.2019 EUR	1.10.2017 to 31.3.2018 EUR
Change in unrealized gains/losses in value of investments and derivatives	1,381,053	(4,125,245)
Realized losses on sale of investments and derivatives	(654,489)	(2,268,951)
	726,564	(6,394,196)

#### 5 Distribution

It is the intention of the Manager to have at least 85% of the income attributable to the distribution class(es) respectively in respect of each accounting period, after charging the expenses attributable to these distribution class(es) respectively, to be distributed to unitholders of these distribution class(es) respectively.

In the event that the amount available for distribution is insufficient to pay distributions as the Fund declares, the Manager may in its discretion determine that such distributions be paid from capital.

	1.10.2018 to 31.3.2019 EUR	1.10.2017 to 31.3.2018 EUR
Net operating profit/(loss)	1,109,209	(6,455,590)
Adjustments:		
Net (gains)/losses on investments and derivatives	(726,564)	6,394,196
Net foreign currency exchange losses	14,421	205,937
Transaction costs	123,912	358,815
Interest expense	(125)	(1,084)
Taxation	(137,515)	(185,992)
Amount available for distribution	383,338	316,282

# JPMORGAN EUROPE STRATEGIC DIVIDEND FUND

Semi-annual report for the  
period ended 31 March 2019

Distribution Class	Ex date	Pay date	Rate	Units	1.10.2018 to 31.3.2019 EUR	1.10.2017 to 31.3.2018 EUR
AUD Hedged Class (mth)	31.10.2018	8.11.2018	A\$0.0644	2,257,809.060	(90,953)	
EUR Class (mth)	31.10.2018	8.11.2018	EURO.0430	323,261.367	(13,900)	
HKD Hedged Class (mth)	31.10.2018	8.11.2018	HK\$0.0618	19,873,512.602	(138,271)	
RMB Hedged Class (mth)	31.10.2018	8.11.2018	CNY0.0839	15,086,775.199	(160,171)	
USD Hedged Class (mth)	31.10.2018	8.11.2018	US\$0.0666	1,786,131.097	(104,988)	
AUD Hedged Class (mth)	30.11.2018	10.12.2018	A\$0.0617	2,279,193.780	(90,698)	
EUR Class (mth)	30.11.2018	10.12.2018	EURO.0430	324,231.557	(13,942)	
HKD Hedged Class (mth)	30.11.2018	10.12.2018	HK\$0.0546	19,681,876.716	(121,280)	
RMB Hedged Class (mth)	30.11.2018	10.12.2018	CNY0.0742	14,621,443.825	(137,753)	
USD Hedged Class (mth)	30.11.2018	10.12.2018	US\$0.0651	1,717,796.116	(98,767)	
AUD Hedged Class (mth)	31.12.2018	9.1.2019	A\$0.0653	2,172,151.580	(87,352)	
EUR Class (mth)	31.12.2018	9.1.2019	EURO.0430	325,645.721	(14,003)	
HKD Hedged Class (mth)	31.12.2018	9.1.2019	HK\$0.0640	19,332,351.429	(138,241)	
RMB Hedged Class (mth)	31.12.2018	9.1.2019	CNY0.0751	14,518,038.889	(138,824)	
USD Hedged Class (mth)	31.12.2018	9.1.2019	US\$0.0698	1,696,871.201	(103,610)	
AUD Hedged Class (mth)	31.1.2019	13.2.2019	A\$0.0639	2,048,059.951	(83,162)	
EUR Class (mth)	31.1.2019	13.2.2019	EURO.0430	304,493.728	(13,093)	
HKD Hedged Class (mth)	31.1.2019	13.2.2019	HK\$0.0595	19,200,000.477	(126,881)	
RMB Hedged Class (mth)	31.1.2019	13.2.2019	CNY0.0702	14,655,811.603	(133,670)	
USD Hedged Class (mth)	31.1.2019	13.2.2019	US\$0.0684	1,608,765.513	(95,899)	
AUD Hedged Class (mth)	28.2.2019	8.3.2019	A\$0.0612	2,097,305.527	(80,195)	
EUR Class (mth)	28.2.2019	8.3.2019	EURO.0430	321,976.859	(13,845)	
HKD Hedged Class (mth)	28.2.2019	8.3.2019	HK\$0.0537	17,899,044.080	(107,532)	
RMB Hedged Class (mth)	28.2.2019	8.3.2019	CNY0.0613	15,021,014.366	(120,778)	
USD Hedged Class (mth)	28.2.2019	8.3.2019	US\$0.0655	1,431,708.924	(82,354)	
AUD Hedged Class (mth)	29.3.2019	9.4.2019	A\$0.0636	2,008,317.183	(80,805)	
EUR Class (mth)	29.3.2019	9.4.2019	EURO.0430	341,250.014	(14,674)	
HKD Hedged Class (mth)	29.3.2019	9.4.2019	HK\$0.0585	16,989,032.700	(112,755)	
RMB Hedged Class (mth)	29.3.2019	9.4.2019	CNY0.0671	14,848,401.775	(132,029)	
USD Hedged Class (mth)	29.3.2019	9.4.2019	US\$0.0682	1,545,960.284	(93,899)	
AUD Hedged Class (mth)	31.10.2017	8.11.2017	A\$0.0634	1,552,934.538		(64,802)
EUR Class (mth)	31.10.2017	8.11.2017	EURO.0410	637,557.796		(26,140)
HKD Hedged Class (mth)	31.10.2017	8.11.2017	HK\$0.0502	24,427,452.005		(134,921)
RMB Hedged Class (mth)	31.10.2017	8.11.2017	CNY0.0785	8,996,282.894		(91,412)
USD Hedged Class (mth)	31.10.2017	8.11.2017	US\$0.0590	1,901,078.915		(96,282)
AUD Hedged Class (mth)	30.11.2017	8.12.2017	A\$0.0615	1,673,644.958		(65,533)
EUR Class (mth)	30.11.2017	8.12.2017	EURO.0410	641,953.775		(26,320)
HKD Hedged Class (mth)	30.11.2017	8.12.2017	HK\$0.0524	25,573,867.714		(143,900)
RMB Hedged Class (mth)	30.11.2017	8.12.2017	CNY0.0771	9,923,411.079		(97,035)
USD Hedged Class (mth)	30.11.2017	8.12.2017	US\$0.0578	1,997,866.755		(96,848)
AUD Hedged Class (mth)	29.12.2017	9.1.2018	A\$0.0703	1,673,185.926		(76,616)
EUR Class (mth)	29.12.2017	9.1.2018	EURO.0410	641,894.400		(26,318)
HKD Hedged Class (mth)	29.12.2017	9.1.2018	HK\$0.0631	25,169,769.349		(169,193)
RMB Hedged Class (mth)	29.12.2017	9.1.2018	CNY0.0884	10,073,080.090		(113,874)
USD Hedged Class (mth)	29.12.2017	9.1.2018	US\$0.0682	1,914,712.637		(108,747)
AUD Hedged Class (mth)	31.1.2018	8.2.2018	A\$0.0663	1,934,439.222		(83,366)
EUR Class (mth)	31.1.2018	8.2.2018	EURO.0410	283,656.727		(11,630)
HKD Hedged Class (mth)	31.1.2018	8.2.2018	HK\$0.0579	37,160,902.544		(220,824)
RMB Hedged Class (mth)	31.1.2018	8.2.2018	CNY0.0842	15,104,751.282		(162,199)
USD Hedged Class (mth)	31.1.2018	8.2.2018	US\$0.0654	2,992,186.705		(157,085)
AUD Hedged Class (mth)	28.2.2018	8.3.2018	A\$0.0606	2,008,033.189		(77,747)
EUR Class (mth)	28.2.2018	8.3.2018	EURO.0410	278,715.761		(11,427)
HKD Hedged Class (mth)	28.2.2018	8.3.2018	HK\$0.0515	37,673,103.925		(203,284)
RMB Hedged Class (mth)	28.2.2018	8.3.2018	CNY0.0776	16,769,102.466		(168,568)
USD Hedged Class (mth)	28.2.2018	8.3.2018	US\$0.0591	2,852,731.081		(138,233)
AUD Hedged Class (mth)	29.3.2018	11.4.2018	A\$0.0651	2,090,918.704		(84,897)
EUR Class (mth)	29.3.2018	11.4.2018	EURO.0410	295,011.963		(12,096)
HKD Hedged Class (mth)	29.3.2018	11.4.2018	HK\$0.0546	34,732,827.442		(196,474)
RMB Hedged Class (mth)	29.3.2018	11.4.2018	CNY0.0832	18,094,691.514		(194,797)
USD Hedged Class (mth)	29.3.2018	11.4.2018	US\$0.0652	2,825,778.055		(149,807)

Total distribution to holders of redeemable units

(2,744,324)

(3,210,375)

**6 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**Investment Portfolio**  
**As at 31 March 2019 (Unaudited)**

	Place of establishment	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments (97.7%)</b>				
<b>Collective Investment Schemes (97.7%)</b>				
<b>Asia Pacific Region (6.1%)</b>				
JPM SAR Asian Fund 'B'*	Hong Kong	8,727	652,256	2.0
JPMF-Asia Growth 'X' (acc)-USD**	Luxembourg	33,176	655,558	2.0
JPMF-JPM Asia Pac Eqy 'X'(acc)-USD**	Luxembourg	3,823	677,092	2.1
<b>Europe (6.0%)</b>				
JPM SAR European Fund 'B'*	Hong Kong	47,851	1,485,295	4.6
JPMF-Europe Dynamic 'X' (acc)-EUR**	Luxembourg	3,096	476,781	1.4
<b>Hong Kong (4.9%)</b>				
JPM SAR Hong Kong Fund 'B'*	Hong Kong	148,332	1,604,074	4.9
<b>International (50.8%)</b>				
JPM SAR Global Bond Fund 'B'*	Hong Kong	65,684	1,636,188	5.0
JPMF-JPM Emer Mkt Debt 'X'(acc)-USD**	Luxembourg	23,992	2,934,897	9.0
JPMF-JPM Emer Mkt Eq 'X' (acc)-USD**	Luxembourg	37,505	1,460,070	4.5
JPMF-JPM Glb Agg Bond 'X' (acc)-USD**	Luxembourg	46,029	5,066,412	15.6
JPMIF-Glb Mac Opp 'X' (acc)-USD-hed**	Luxembourg	6,216	1,102,159	3.4
JPMIF-JPM Gl High Yield'X'(acc)-USD**	Luxembourg	25,600	4,319,488	13.3
<b>Japan (0.5%)</b>				
JPM SAR Japan Fund 'B'*	Hong Kong	5,163	162,686	0.5
<b>United States (29.4%)</b>				
JPM SAR American Fund 'B'*	Hong Kong	172,366	5,934,560	18.3
JPMF-JPM US Aggreg Bd 'X' (acc)-USD**	Luxembourg	4,681	91,701	0.3
JPMF-JPM US Value 'X' (acc)-USD**	Luxembourg	31,974	954,424	2.9
JPMF-US Equity All Cap 'X'(acc)-USD**	Luxembourg	15,800	2,564,182	7.9
<b>Total Listed/Quoted Investments</b>			31,777,823	97.7
<b>Other net assets</b>			740,045	2.3
<b>Net assets attributable to holders of redeemable units at 31 March 2019</b>			32,517,868	100.0
<b>Total investments, at cost</b>			29,671,873	

\* Issued and managed by a Connected Person of the Manager

# Not authorized in Hong Kong and not available to Hong Kong residents

Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 (*Unaudited*)

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Collective Investment Schemes</b>		
International	50.8	31.2
United States	29.4	42.3
Asia Pacific Region	6.1	2.4
Europe	6.0	12.6
Hong Kong	4.9	-
Japan	0.5	6.8
<b>Total Listed/Quoted Investments</b>	97.7	95.3
<b>Other net assets</b>	2.3	4.7
<b>Net assets attributable to holders of redeemable units</b>	100.0	100.0

Statement of Financial Position  
As at 31 March 2019 *(Unaudited)*

	31.3.2019 US\$	30.9.2018 US\$
<b>Assets</b>		
Cash at banks	728,267	1,686,547
Amounts receivable on allotment	128,710	116,278
Investments	31,777,823	31,354,473
Interest receivable	-	208
<b>Total assets</b>	<u>32,634,800</u>	<u>33,157,506</u>
<b>Liabilities</b>		
Amounts payable on redemption	94,626	209,552
Other accounts payable	22,306	36,018
<b>Total liabilities</b>	<u>116,932</u>	<u>245,570</u>
<b>Net assets attributable to holders of redeemable units</b> [Note 3]	<u>32,517,868</u>	<u>32,911,936</u>
<b>Equity</b>	<u>32,517,868</u>	<u>32,911,936</u>

Statement of Comprehensive Income  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 4]	(346,783)	1,550,745
Interest on deposits	12,648	1,753
Net foreign currency exchange gains	2,863	2,519
	<u>(331,272)</u>	<u>1,555,017</u>
<b>Expenses</b>		
Management fee	77,946	83,975
Valuation fee	8,050	8,400
Auditor's fee	7,684	7,391
Registrar's fee	6,774	6,924
Trustee's fee	4,677	5,039
Transaction costs	980	2,021
Safe custody and bank charges	588	1,233
Printing and publication expenses	537	14
Legal and professional expenses	-	2,729
Other operating expenses	1,554	1,577
	<u>108,790</u>	<u>119,303</u>
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>(440,062)</u>	<u>1,435,714</u>

The notes on pages 121 to 122 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	32,911,936	32,926,709
-----	-----	-----
Allotment of redeemable units	2,788,726	2,406,571
Redemption of redeemable units	(2,742,732)	(3,850,835)
<b>Net allotment/(redemption)</b>	45,994	(1,444,264)
-----	-----	-----
	32,957,930	31,482,445
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	(440,062)	1,435,714
-----	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	32,517,868	32,918,159
=====	=====	=====

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(21,781,715)	(9,467,327)
Proceeds from disposal of investments and derivatives	21,011,582	12,395,035
Interest received	12,856	1,734
Transaction costs paid	(1,020)	(2,131)
Trustee's fee paid	(4,665)	(5,032)
Registrar's fee paid	(13,670)	(14,014)
Management fee paid	(77,736)	(83,855)
Others	(22,523)	(26,127)
<b>Net cash (outflow)/inflow from operating activities</b>	(876,891)	2,798,283
-----	-----	-----
<b>Financing activities</b>		
Receipts on allotment of redeemable units	2,776,294	2,407,764
Payments on redemption of redeemable units	(2,857,658)	(4,033,946)
<b>Net cash outflow from financing activities</b>	(81,364)	(1,626,182)
-----	-----	-----
<b>(Decrease)/increase in cash and cash equivalents</b>	(958,255)	1,172,101
Cash and cash equivalents at the beginning of the period	1,686,547	78,089
Exchange losses on cash and cash equivalents	(25)	(28)
<b>Cash and cash equivalents at the end of the period</b>	728,267	1,250,162
=====	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	728,267	250,162
Short-term deposits	-	1,000,000
=====	=====	=====
	728,267	1,250,162
=====	=====	=====

The notes on pages 121 to 122 form part of these financial statements.

## Notes to the Financial Statements

### 1 The Fund

JPMorgan Evergreen Fund (the "Fund") was established under a Trust Deed dated 19 January 2004, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to seek to produce a competitive total return in different market conditions. The Fund seeks to achieve this through an actively managed portfolio of collective investment schemes managed by the Manager, its connected parties or external parties.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

### 2 Summary of significant accounting policies

#### (a) Accounting policies of interim financial statements

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

#### (b) Investments and derivatives

##### *Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

##### *Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

##### *Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

#### (c) Foreign currency translation

##### *Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

##### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.



Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(d) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

	31.3.2019 Units	30.9.2018 Units
Number of units in issue	1,456,769.929	1,454,091.970
	US\$	US\$
Net assets attributable to holders of redeemable units	32,517,868	32,911,936
Net assets attributable to holders of redeemable units (per unit)	22.32	22.63

**4 Net (losses)/gains on investments and derivatives**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	(880,723)	(599,561)
Realized gains on sale of investments and derivatives	533,940	2,150,306
	(346,783)	1,550,745

**5 Soft dollar arrangements/Commission sharing arrangements**

During the period, the Investment Manager and its Connected Persons did not enter into any soft dollar arrangements/commission sharing arrangements in connection with directing transactions of the Fund through a broker or dealer (31 March 2018: nil).

**6 Distribution**

No distribution was made during the period (31 March 2018: nil).

**Investment Portfolio**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
Listed/Quoted Investments (99.5%)				Canada (3.5%)			
(I) Debt Securities (72.4%)				British Columbia CA			
				5.7% 18/06/29			
Australia (4.7%)				Canada Govt Of 1%			
ANZ Banking Grp FRN					CAD200,000	197,776	0.0
24/01/22	GBP800,000	1,049,418	0.2		CAD4,900,000	3,608,931	0.7
Ausgrid Finance				Canada Govt Of 1.5%			
4.35% 01/08/28-					CAD3,100,000	2,321,894	0.5
RegS	USD500,000	522,425	0.1		CAD1,920,000	1,472,460	0.3
Ausnet Serv VRN				Canada Govt Of 2.25%			
5.75% 03/76-RegS	USD500,000	518,048	0.1		CAD1,000,000	761,546	0.1
Australian Gov No142				Canada Govt Of 5%			
4.25%4/26-RegS	AUD2,400,000	2,035,809	0.4		CAD1,395,000	1,572,488	0.3
Australian Govt No124				01/06/37			
5.75% 15/5/21	AUD3,550,000	2,801,621	0.5	Hydro-Quebec 4%			
Australian Govt No133					CAD300,000	292,471	0.1
5.5% 21/04/23	AUD500,000	421,159	0.1	15/02/55			
Australian Govt No138				Hydro-Quebec No19			
3.25% 21/4/29	AUD11,000,000	9,008,698	1.8	6.5% 15/02/35			
Australian Govt No140				CAD1,700,000			
4.5%4/33-RegS	AUD600,000	570,172	0.1	1,919,906			
Commonwealth Bk AU				National Bk Canada			
0.375% 4/23-RegS	EUR1,337,000	1,528,218	0.3	0.25% 07/23-RegS			
Commonwealth Bk AU				EUR514,000			
0.5% 07/26-RegS	EUR1,000,000	1,136,658	0.2	584,515			
Mirvac Group 3.625%				Ontario Prov Of 6.5%			
18/03/27-RegS	USD600,000	579,096	0.1	CAD400,000			
Origin Energy Fin VRN				408,645			
4% 09/74-RegS	EUR500,000	571,328	0.1	Province of Alberta			
Queensland No23				2.2% 26/07/22			
4.25%7/23-				USD1,000,000			
RegS/144A	AUD900,000	709,217	0.1	994,483			
Queensland Try 3.5%				Quebec Prov Of 2.5%			
08/30-RegS/144A	AUD500,000	391,570	0.1	20/04/26			
SGSP (Aust) Stp Cpn				USD500,000			
3.3% 09/04/23	USD1,450,000	1,471,255	0.3	500,925			
Transurban Queen				Quebec Prov Of 2.6%			
4.5% 19/04/28-	USD500,000	509,263	0.1	06/07/25			
RegS				CAD200,000			
Westpac Banking				155,239			
0.625% 14/1/22-	EUR250,000	286,837	0.1	Quebec Prov Of 4.2%			
RegS				10/03/25-RegS			
Austria (0.9%)				AUD700,000			
				549,645			
Austria Rep Of 4.15%				Quebec Prov Of 5%			
15/03/37-RegS	EUR400,000	711,742	0.1	01/12/41			
Austria Rep Of 6.25%				CAD1,650,000			
15/07/27	EUR2,290,000	4,020,193	0.8	1,736,857			
Belgium (0.7%)				0.25% 06/23 RegS			
				EUR225,000			
Belgium Kingdom				255,975			
No66 4%3/32-RegS	EUR1,650,000	2,635,168	0.5	0.25% 09/25-			
Belgium Kingdom				RegS			
No71 3.75%6/45-				EUR150,000			
RegS	EUR645,000	1,144,460	0.2	173,603			
Bermuda (0.1%)				Royal Bank Canada			
				Syd FRN12/22-RegS			
Ooredoo Int Financ				GBP200,000			
5% 19/10/25-144A	USD300,000	327,627	0.1	259,179			
				Cayman Islands (0.6%)			
				CDBL Funding 3%			
				24/04/23-RegS			
				USD200,000			
				197,637			
				CDBL Funding I 3.5%			
				24/10/27-RegS			
				USD250,000			
				242,973			
				CK Hutchison Euro			
				1.25% 04/25-RegS			
				EUR400,000			
				461,868			
				Kuwait Projects 5%			
				15/03/23			
				USD450,000			
				462,830			
				QNB Finance 2.125%			
				07/09/21-RegS			
				USD450,000			
				439,662			
				Sands China 4.6%			
				08/08/23			
				USD250,000			
				259,375			
				Saudi Elec Global			
				5.06% 8/4/43-			
				RegS			
				USD300,000			
				311,837			
				Sun Hung Kai Prop			
				3.55% 09/28-RegS			
				HKD2,000,000			
				265,043			
				Sun Hung Kai Prop			
				4.5% 14/02/22			
				USD200,000			
				209,090			
				0.0			

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Cayman Islands (Continued)</b>				Kredit fuer Wied 2% 02/05/25	USD1,400,000	1,381,847	0.3
Three Gorges Fin 1.7%				Landwirtsch Renten 1.875% 4/23-RegS	USD1,000,000	1,000,669	0.2
10/06/22-RegS	EUR200,000	235,212	0.0				
<b>Chile (0.1%)</b>				<b>Hong Kong (0.2%)</b>			
Rep of Chile 1.44%				CNAC (HK) Finbridge 1.75%06/22-RegS	EUR550,000	636,590	0.1
02/29	EUR300,000	347,509	0.1	CNAC (HK) Finbridge 3%19/07/20-RegS	USD200,000	200,557	0.1
<b>China (0.4%)</b>				<b>Hungary (0.1%)</b>			
CCB Life Ins VRN 4.5%				Rep of Hungary 5.375% 25/03/24	USD560,000	614,989	0.1
21/4/77-RegS	USD550,000	529,444	0.1				
China Life Ins VRN 4%				<b>Iceland (0.3%)</b>			
03/07/75-RegS	USD400,000	399,316	0.1	Iceland Rep Of 0.5%			
Export-Imp Bk CN 0.75%28/05/23- RegS	EUR200,000	228,944	0.0	20/12/22-RegS	EUR1,500,000	1,714,672	0.3
Ind & Comm Bk CN 4.875%21/9/25- RegS	USD300,000	316,917	0.1				
Ind&Com Bk CN Ldn FRN12/20-RegS	USD700,000	702,094	0.1	<b>India (0.2%)</b>			
<b>Colombia (0.2%)</b>				Indian Railway Fin3.73%29/3/24- RegS	USD700,000	703,123	0.1
Ecopetrol SA 5.375%				NTPC Ltd 4.25%			
26/06/26	USD600,000	655,538	0.1	26/02/26-RegS	USD200,000	203,330	0.1
Ecopetrol SA 7.375%				<b>Indonesia (0.6%)</b>			
18/09/43	USD300,000	359,735	0.1	Bk Rakyat Indonesia 3.95% 3/24-RegS	USD300,000	302,037	0.1
<b>Cyprus (0.5%)</b>				Indonesia Govt NoFR35 12.9% 15/6/22	IDR3,000,000,000	253,381	0.0
Cyprus Rep Of 2.375%				Indonesia Govt NoFR53 8.25% 15/7/21	IDR8,000,000,000	587,820	0.1
25/09/28-RegS	EUR2,112,000	2,575,364	0.5	Indonesia Govt NoFR59 7% 15/05/27	IDR10,000,000,000	692,972	0.1
<b>Denmark (0.0%)</b>				Pertamina Persero 5.25% 05/21-RegS	USD300,000	317,779	0.1
Denmark Kingdom Of 4.5% 15/11/39	DKK522,000	144,886	0.0	Pertamina Persero 6.5% 27/5/41-RegS	USD300,000	350,841	0.1
<b>Finland (0.3%)</b>				Rep of Indonesia 3.375% 07/25-RegS	EUR400,000	513,436	0.1
Finnish Govt Of 4%				<b>International (0.3%)</b>			
7/25-RegS-144A	EUR1,050,000	1,527,088	0.3	Euro Stability 0.5%			
<b>France (2.3%)</b>				02/03/26-RegS	EUR1,300,000	1,507,671	0.3
Dexia Credit Local 1.25% 11/24-RegS	EUR1,200,000	1,432,058	0.3				
France OAT 2%				<b>Ireland (0.2%)</b>			
25/05/48-RegS- 144A	EUR550,000	734,097	0.1	Ireland Treasury 1.3%			
France OAT 4.5%				15/05/33-RegS	EUR667,322	795,220	0.2
25/04/41	EUR300,000	583,447	0.1	Ireland Treasury 2.4%			
France OAT 5.75%				15/05/30-RegS	EUR65,000	88,382	0.0
25/10/32	EUR4,644,000	8,898,520	1.8				
<b>Germany (2.4%)</b>				<b>Israel (0.1%)</b>			
Bundesrep Deut 0.25% 15/02/29- RegS	EUR7,100,000	8,227,729	1.6	Israel Electric5%12/11/24- 144A/RegS	USD400,000	429,258	0.1
Bundesrep Deut 1.25%							
15/08/48-RegS	EUR782,800	1,046,008	0.2				
Kredit fuer Wied 0.375% 23/04/25	EUR400,000	463,155	0.1				

**Investment Portfolio** (Continued)  
**As at 31 March 2019** *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Israel</b> (Continued)				JGB No46 (20Yr) 2.2%			
State of Israel 2.375%				22/06/20	JPY980,000,000	9,168,694	1.8
18/01/37	EUR200,000	247,308	0.0	JGB No50 (20Yr) 1.9%			
				22/03/21	JPY300,000,000	2,824,298	0.5
<b>Italy</b> (4.1%)				JGB No78 (20Yr) 1.9%			
Italy Rep (BTP)				20/06/25	JPY825,650,000	8,486,696	1.7
3.45% 3/48-				JPN Bank For Int'l			
RegS&144A	EUR3,500,000	3,947,095	0.8	1.5% 21/07/21	USD500,000	491,029	0.1
Italy Rep (BTP) 3.75%				JPN Bank For Intl 2.5%			
21-RegS&144A	EUR2,450,000	2,961,190	0.6	01/06/22	USD1,000,000	1,007,333	0.2
Italy Rep (BTP) 4.5%				JPN Bank For Intl			
2/20-RegS&144A	EUR300,000	351,941	0.1	3.25% 20/07/28	USD1,000,000	1,039,250	0.2
Italy Rep (BTP) 5%				Sumitomo Mitsui Bk			
09/40-RegS&144A	EUR2,780,000	3,892,420	0.7	0.55% 11/23-RegS	EUR936,000	1,070,221	0.2
Italy Rep Of (BTP)							
0.95% 01/03/23	EUR2,950,000	3,273,156	0.6	<b>Korea</b> (0.4%)			
Italy Rep Of (BTP)				Export-Imp Bk Kor			
2.8% 01/03/67	EUR192,000	183,262	0.0	4.375% 15/09/21	USD300,000	311,975	0.0
Italy Rep Of (BTP)				Korea Dev Bank			
4.75% 01/08/23	EUR720,000	927,449	0.2	0.625% 17/07/23-			
Italy Rep Of (BTP)				RegS	EUR450,000	516,307	0.1
4.75% 01/09/28	EUR4,080,000	5,510,536	1.1	Korea Housing 0.75			
				30/10/23-RegS	EUR799,000	919,132	0.2
<b>Japan</b> (20.7%)				Korea Midland Power			
Central Nippon Exp				3.375% 1/22-RegS	USD400,000	407,345	0.1
2.091% 9/21-RegS	USD500,000	492,375	0.1				
Central Nippon Exp				<b>Kuwait</b> (0.2%)			
2.362% 5/21-RegS	USD700,000	705,352	0.1	Kuwait Intl Bank2.75%			
Dev Bank of Japan				20/03/22-RegS	USD790,000	791,317	0.2
0.875% 10/25-RegS	EUR400,000	465,285	0.1				
Dev Bank Of Japan 2%				<b>Luxembourg</b> (0.3%)			
19/10/21-RegS	USD1,000,000	994,956	0.2	European Fin Stab			
Japan Fin Org 3.375%				0.75% 05/27-RegS	EUR850,000	1,003,473	0.2
27/09/23-RegS	USD1,000,000	1,029,219	0.2	European Fin Stab			
JGB No10 (40Yr) 0.9%				2.35% 07/44-RegS	EUR470,000	675,685	0.1
20/03/57	JPY181,900,000	1,830,251	0.4				
JGB No100 (20Yr)				<b>Mexico</b> (0.8%)			
2.2% 20/03/28	JPY1,207,350,000	13,229,454	2.6	Mexican Bds Desarr			
JGB No127 (5Yr) 0.1%				10% 05/12/24	MXN286,900	1,669,926	0.3
20/03/21	JPY393,350,000	3,573,797	0.7	Petroleos Mexic 8.25%			
JGB No132 (20Yr) 1.7%				02/06/22-RegS	GBP300,000	463,972	0.1
20/12/31	JPY337,150,000	3,702,910	0.7	Petroleos Mexicanos			
JGB No134 (5 Yr) 0.1%				2.5% 11/22-RegS	EUR700,000	794,615	0.1
20/12/22	JPY2,038,000,000	18,631,343	3.7	Petroleos Mexicanos			
JGB No151 (20Yr) 1.2%				4.25% 15/01/25	USD700,000	656,936	0.1
20/12/34	JPY519,800,000	5,461,004	1.1	Petroleos Mexicanos			
JGB No160 (20Yr)				5.375% 13/03/22	USD300,000	306,461	0.1
0.7% 20/03/37	JPY769,650,000	7,486,366	1.5	United Mexican States			
JGB No20 (30Yr) 2.5%				4.15% 28/3/27	USD300,000	305,913	0.1
20/09/35	JPY626,400,000	7,768,650	1.5				
JGB No333 (10Yr)				<b>Morocco</b> (0.1%)			
0.6% 20/03/24	JPY260,000,000	2,443,902	0.5	OCP SA 6.875%			
JGB No338 (10Yr)				25/04/44-RegS	USD300,000	336,565	0.1
0.4% 20/03/25	JPY227,500,000	2,130,674	0.4				
JGB No353 (10Yr) 0.1%				<b>Netherlands</b> (1.3%)			
20/12/28	JPY250,000,000	2,302,434	0.4	BNG Bank 0.05%			
JGB No37 (30Yr) 1.9%				13/07/24-RegS	EUR400,000	452,198	0.1
20/09/42	JPY273,550,000	3,293,239	0.6	BNG Bank 5.2%			
JGB No4 (40Yr) 2.2%				07/12/28-RegS	GBP400,000	702,741	0.1
20/03/51	JPY443,350,000	5,982,725	1.2				

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Netherlands (Continued)</b>				<b>Singapore (0.4%)</b>			
JT Intl Financial 3.5% 28/9/23-RegS	USD300,000	303,963	0.1	Abja Investment 4.85% 31/01/20- RegS	USD300,000	303,985	0.1
Neder Waterscha 3.4% 22/07/25- RegS	AUD600,000	457,714	0.1	CMT MTN Pte 3.609% 04/04/29-RegS	USD500,000	500,000	0.1
Netherlands Govt 3.75% 15/01/42	EUR710,000	1,354,370	0.3	SP Powerassets 3% 26/09/27-RegS	USD400,000	392,700	0.1
Netherlands Govt 5.5% 15/01/28	EUR1,009,000	1,702,381	0.3	Temasek Fin I 0.5% 01/03/22-RegS	EUR700,000	799,218	0.1
NIB Capital Bank 0.5% 19/03/27-RegS	EUR700,000	787,982	0.2	<b>Slovakia (0.1%)</b>			
NXP BV/NXP Fdg 3.875% 01/09/22- RegS	USD670,000	681,726	0.1	Slovakia (Govt of) 2.25% 06/68-RegS	EUR207,918	256,132	0.1
<b>New Zealand (0.6%)</b>				<b>Slovenia (0.6%)</b>			
ASB Fin London 0.125% 18/10/23- RegS	EUR900,000	1,010,934	0.2	Rep of Slovenia 1.1875% 03/29- RegS	EUR2,250,000	2,644,013	0.5
ASB Fin London 0.625% 18/10/24- RegS	EUR973,000	1,119,273	0.2	Rep of Slovenia 1.25% 22/03/27-RegS	EUR182,000	217,998	0.1
New Zealand Govt 3% 20/04/29	NZD500,000	382,226	0.1	<b>Spain (2.3%)</b>			
New Zealand Govt No423 5.5%15/04/23	NZD600,000	484,323	0.1	Spain (Kingdom Of)1.5% 27- RegS&144A	EUR520,000	624,262	0.1
<b>Philippines (0.0%)</b>				Spain Kingdom 1.85% 07/35-RegS&144A	EUR749,000	856,429	0.2
Bank of Philippine 4.25% 09/23-RegS	USD200,000	207,521	0.0	Spain Kingdom Of 1.15% 30/07/20	EUR1,100,000	1,269,866	0.2
<b>Poland (0.4%)</b>				Spain Kingdom Of 1.4% 30/4/28	EUR2,410,000	2,855,275	0.6
Poland Govt No0725 3.25% 25/07/25	PLN4,200,000	1,176,200	0.2	Spain Kingdom Of 2.9% 31/10/46	EUR1,670,000	2,184,517	0.4
Rep of Poland 1.5% 09/09/25-RegS	EUR600,000	730,526	0.2	Spain Kingdom Of 5.4% 31/01/23	EUR2,500,000	3,420,838	0.7
<b>Portugal (0.6%)</b>				Spain Kingdom Of2.7%10/48- RegS/144A	EUR599,000	748,215	0.1
Banco BPI 0.25% 22/03/24-RegS	EUR1,000,000	1,125,060	0.2	<b>Supranational (1.1%)</b>			
Obrigacoes Tesouro 2.25% 04/34-RegS	EUR1,650,000	2,020,191	0.4	Asian Dev Bank 1.375% 07/03/25	GBP500,000	660,476	0.1
<b>Qatar (0.1%)</b>				European Inv Bank 4.125% 15/04/24	EUR1,200,000	1,697,841	0.3
State of Qatar 2.375% 02/06/21-RegS	USD400,000	398,227	0.1	European Inv Bk 0.5% 15/01/27	EUR400,000	462,588	0.1
State of Qatar 3.875% 23/04/23-RegS	USD300,000	314,089	0.0	European Inv Bk 1.25% 12/05/25- RegS	SEK7,750,000	882,478	0.2
<b>Saudi Arabia (0.1%)</b>				European Inv Bk 1.75% 12/11/26- RegS	SEK1,100,000	129,109	0.0
Saudi Intl Bond 4.5% 26/10/46-RegS	USD300,000	299,925	0.0	European Inv Bk 2.875% 15/09/20	USD700,000	705,885	0.1
Saudi Intl Bond 5.25% 16/01/50-RegS	USD300,000	324,265	0.1	European Union 3.75% 04/04/42	EUR710,000	1,269,851	0.3

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Thailand (0.3%)</b>				US Treasury 4.5%			
Thailand Govt 2.875%				15/02/36	USD8,698,000	11,076,768	2.2
17/12/28	THB23,000,000	758,342	0.2	US Treasury 4.625%			
Thailand Govt of 3.3%				15/02/40	USD4,171,000	5,508,845	1.1
17/06/38	THB16,000,000	533,568	0.1	US Treasury 6.25%			
<b>United Arab Emirates (0.5%)</b>				15/05/30	USD8,640,000	12,045,214	2.4
ABU Dhabi (Govt				US Treasury 6.25%			
Of)3.125%10/27-				15/08/23	USD6,000,000	7,043,647	1.4
RegS	USD1,150,000	1,159,227	0.2	US Treasury 7.5%			
ABU Dhabi Natl				15/11/24	USD3,700,000	4,817,318	0.9
4.375% 22/06/26-				US Treasury 7.875%			
RegS	USD300,000	312,211	0.1	15/02/21	USD1,500,000	1,667,672	0.3
DP World 2.375%				US Treasury 8.125%			
25/09/26-RegS	EUR400,000	473,723	0.1	15/08/21	USD1,380,000	1,579,537	0.3
DP World 6.85%				US Treasury 8.75%			
02/07/37-144A	USD300,000	367,058	0.1	15/05/20	USD7,570,000	8,351,465	1.6
<b>United Kingdom (3.8%)</b>				<b>Virgin Islands (0.9%)</b>			
Asbbnk 2025-RegS				Cheung Kong Infra Fin			
(New)	EUR481,000	556,226	0.1	1% 12/24-RegS	EUR900,000	1,013,712	0.2
Barclays Bank FRN				IFC Development			
09/01/23-RegS	GBP300,000	389,485	0.1	2.375% 21/5/19-			
Lloyds Bank 0.25%				RegS	USD500,000	504,121	0.1
25/03/24-RegS	EUR710,000	800,929	0.2	JIC Zhixin 0.5%			
UK Treasury 2%				24/11/20-RegS	EUR1,000,000	1,115,443	0.2
07/09/25-RegS	GBP100,000	140,489	0.0	State Grid Osea2016			
UK Treasury 2%				2.875%5/26-RegS	USD300,000	293,295	0.1
22/07/20-RegS	GBP1,200,000	1,597,141	0.3	State Grid Overseas			
UK Treasury 3.25%				1.25% 5/22-RegS	EUR300,000	348,529	0.1
22/01/44-RegS	GBP220,000	387,248	0.1	Xingsheng BVI 4.5%			
UK Treasury 3.5%				20/09/21-RegS	USD1,200,000	1,216,200	0.2
22/07/68-RegS	GBP680,000	1,532,307	0.3			369,141,091	72.4
UK Treasury 3.75%						-----	-----
22/07/52-RegS	GBP1,355,000	2,820,065	0.5				
UK Treasury 4%				<b>(II) Collective Investment Schemes (26.9%)</b>			
07/03/22	GBP1,400,000	2,008,006	0.4	<b>Europe (2.5%)</b>			
UK Treasury 4.25%				JPMF-Europe High			
07/12/27	GBP500,000	843,221	0.2	Yield 'X' (acc)-EUR**	90,465	12,810,535	2.5
UK Treasury 4.75%				<b>International (1.5%)</b>			
07/12/38	GBP4,010,000	8,236,305	1.6	JPMIF-JPM Global High			
Uni of Oxford 2.544%				Yield'X'(acc)-USD**	44,882	7,573,000	1.5
08/12/17-RegS	GBP126,000	169,224	0.0	<b>Luxembourg (22.9%)</b>			
<b>United States (14.0%)</b>				JPMF-JPM Global Corp			
Brambles USA 4.125%				Bd'X'-dist-USD**	1,145,821	116,381,023	22.9
23/10/25-RegS	USD500,000	521,209	0.1			136,764,558	26.9
General Motors Fin						-----	-----
3.7% 09/05/23	USD300,000	304,409	0.1	<b>(III) Derivatives (0.2%)</b>			
Intl Bk Rec & Dev 2.5%				<b>Forward foreign exchange</b>			
29/07/25	USD1,010,000	1,020,378	0.2	<b>contracts (0.3%)</b>		1,407,076	0.3
US Treasury 2.75%				<b>Futures (-0.1%)</b>			
15/02/28	USD5,710,000	5,896,805	1.1	Euro-BOBL (EUX) Fut			
US Treasury 3%				06/19	(10)	(13,474)	(0.0)
15/02/47	USD2,300,000	2,398,601	0.5				
US Treasury 3.125%							
15/05/48	USD2,450,000	2,630,760	0.5				
US Treasury 3.375%							
15/05/44	USD5,760,000	6,450,971	1.3				

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

Holding		Fair value US\$	% of net assets
<b>Futures (Continued)</b>			
Euro-BTP (EUX) Fut 06/19	(66)	(227,512)	(0.1)
Euro-Bund (EUX) Fut 06/19	(51)	(218,181)	(0.0)
Euro-OAT (EUX) Fut 06/19	34	182,867	0.0
Euro-Schatz (EUX) Fut 06/19	(25)	(6,176)	(0.0)
US Long Bond (CBT) Fut 06/19	(16)	(75,109)	(0.0)
		<u>1,049,491</u>	<u>0.2</u>
		<u>-----</u>	<u>-----</u>
<b>Total Listed/Quoted Investments</b>		<b>506,955,140</b>	<b>99.5</b>
<b>Other net assets</b>		<b>2,361,687</b>	<b>0.5</b>
		<u>-----</u>	<u>-----</u>
<b>Net assets attributable to holders of redeemable units at 31 March 2019</b>		<b>509,316,827</b>	<b>100.0</b>
		<u>=====</u>	<u>=====</u>
<b>Total investments, at cost</b>		<b>497,694,059</b>	
		<u>=====</u>	

\* Issued and managed by a Connected Person of the Manager

# Not authorized in Hong Kong and not available to Hong Kong residents

**Statement of Movements in Portfolio Holdings**  
**For the period ended 31 March 2019 (Unaudited)**

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Debt Securities</b>		
Japan	20.7	19.9
United States	14.0	14.2
Australia	4.7	2.3
Italy	4.1	3.7
United Kingdom	3.8	4.1
Canada	3.5	2.9
Germany	2.4	1.8
Spain	2.3	2.7
France	2.3	2.8
Netherlands	1.3	0.8
Supranational	1.1	1.1
Austria	0.9	0.8
Virgin Islands	0.9	0.9
Mexico	0.8	1.2
Belgium	0.7	0.7
Portugal	0.6	1.4
Cayman Islands	0.6	1.0
Indonesia	0.6	0.2
New Zealand	0.6	1.0
Slovenia	0.6	0.1
Cyprus	0.5	0.3
United Arab Emirates	0.5	0.5
China	0.4	0.7
Korea	0.4	0.2
Singapore	0.4	0.4
Poland	0.4	0.3
Iceland	0.3	0.5
Luxembourg	0.3	0.4
Finland	0.3	0.3
International	0.3	0.3
Thailand	0.3	-
Colombia	0.2	0.2
India	0.2	0.1
Ireland	0.2	0.2
Hong Kong	0.2	0.2
Kuwait	0.2	0.2
Qatar	0.1	0.4
Israel	0.1	0.2
Saudi Arabia	0.1	0.1
Hungary	0.1	1.3
Chile	0.1	0.1
Morocco	0.1	-
Bermuda	0.1	-
Slovakia	0.1	0.1
Philippines	0.0	0.1
Denmark	0.0	0.0
Sweden	-	0.2
Switzerland	-	0.0
<b>Collective Investment Schemes</b>		
Luxembourg	22.9	23.2
Europe	2.5	3.5
International	1.5	2.0

Statement of Movements in Portfolio Holdings (Continued)  
For the period ended 31 March 2019 (*Unaudited*)

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Derivatives</b>		
Forward foreign exchange contracts	0.3	0.1
Futures	(0.1)	0.1
	<hr/>	<hr/>
<b>Total Listed/Quoted Investments</b>	99.5	99.8
	<hr/>	<hr/>
<b>Other net assets</b>	0.5	0.2
	<hr/>	<hr/>
<b>Net assets attributable to holders of redeemable units</b>	100.0	100.0
	<hr/> <hr/>	<hr/> <hr/>



**Statement of Financial Position  
As at 31 March 2019 (Unaudited)**

	31.3.2019 US\$	30.9.2018 US\$
<b>Assets</b>		
Cash at banks	11,831,643	6,526,585
Amounts due from brokers	2,693,084	1,745,010
Amounts receivable on allotment	2,999,690	2,092,666
Margin deposits	376,094	146,765
Derivatives	2,427,322	2,326,837
Investments	505,905,649	354,635,265
Interest and other accounts receivable	3,671	5,210
<b>Total assets</b>	<u>526,237,153</u>	<u>367,478,338</u>
<b>Liabilities</b>		
Amounts due to brokers	4,693,602	2,798,250
Amounts payable on redemption	8,976,113	5,549,991
Distribution payable [Note 5]	1,501,031	1,230,002
Derivatives	1,377,831	1,756,522
Other accounts payable	371,749	298,750
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<u>16,920,326</u>	<u>11,633,515</u>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>509,316,827</u>	<u>355,844,823</u>

**Statement of Comprehensive Income  
For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 4]	25,508,095	11,187,441
Net foreign currency exchange gains	389,419	251,364
Dividend income	72,405	-
Interest on deposits	32,591	11,812
Other income	119	151
	<u>26,002,629</u>	<u>11,450,768</u>
<b>Expenses</b>		
Management fee	1,884,169	1,785,686
Legal and professional expenses	101,113	16,443
Safe custody and bank charges	81,142	71,670
Trustee's fee	42,338	40,112
Registrar's fee	26,018	24,410
Auditor's fee	10,826	10,318
Transaction costs	8,730	9,290
Printing and publication expenses	646	4,793
Other operating expenses	854	2,275
	<u>2,155,836</u>	<u>1,964,997</u>
<b>Net operating profit</b>	<u>23,846,793</u>	<u>9,485,771</u>
<b>Finance costs</b>		
Distribution [Note 5]	(8,124,384)	(7,772,283)
Interest expense	(1,662)	(1,990)
	<u>(8,126,046)</u>	<u>(7,774,273)</u>
<b>Profit before taxation</b>	<u>15,720,747</u>	<u>1,711,498</u>
Taxation	(6,212)	(79,855)
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>15,714,535</u>	<u>1,631,643</u>

The notes on pages 132 to 136 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	355,844,823	523,390,762
	-----	-----
Allotment of redeemable units	452,149,918	78,466,710
Redemption of redeemable units	(314,392,449)	(214,064,454)
	-----	-----
<b>Net allotment/(redemption)</b>	137,757,469	(135,597,744)
	-----	-----
	493,602,292	387,793,018
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	15,714,535	1,631,643
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	<u>509,316,827</u>	<u>389,424,661</u>

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(347,850,393)	(246,525,750)
Proceeds from disposal of investments and derivatives	222,556,206	396,577,336
Dividend received	72,405	-
Interest received	32,028	12,298
Tax paid	(4,012)	(91,797)
Transaction costs paid	(10,743)	(9,764)
Trustee's fee paid	(39,776)	(42,027)
Registrar's fee paid	(43,866)	(47,965)
Increase in margin deposits	(229,329)	(527,502)
Management fee paid	(1,770,155)	(1,870,607)
Others	217,946	38,067
	-----	-----
<b>Net cash (outflow)/inflow from operating activities</b>	(127,069,689)	147,512,289
	-----	-----
<b>Financing activities</b>		
Interest paid	(1,662)	(1,990)
Receipts on allotment of redeemable units	451,242,894	76,618,315
Payments on redemption of redeemable units	(310,966,327)	(212,136,890)
Distribution paid	(7,853,355)	(8,172,931)
	-----	-----
<b>Net cash inflow/(outflow) from financing activities</b>	132,421,550	(143,693,496)
	-----	-----
<b>Increase in cash and cash equivalents</b>	5,351,861	3,818,793
Cash and cash equivalents at the beginning of the period	6,526,585	2,893,018
Exchange (losses)/gains on cash and cash equivalents	(46,803)	78,076
	-----	-----
<b>Cash and cash equivalents at the end of the period</b>	<u>11,831,643</u>	<u>6,789,887</u>
	-----	-----
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	<u>11,831,643</u>	<u>6,789,887</u>

The notes on pages 132 to 136 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Global Bond Fund (the "Fund") was established under a Trust Deed dated 30 April 1979, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to achieve a return in excess of global bond markets by investing primarily in global investment grade debt securities.

Due to relocation of resources from London to Hong Kong, the discretionary investment management of the Fund rests with JF Asset Management Limited, the current Investment Manager of the Fund. Therefore, the sub-delegation of the investment management role of the Fund to JPMorgan Asset Management (UK) Limited was terminated with effect from 3 November 2017.

Pursuant to the Supplemental Trust Deed dated 14 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies****(a) Accounting policies of interim financial statements**

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the period/year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Foreign currency translation**

*Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(e) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

31.3.2019

	AUD Hedged Class (mth) Units	CAD Hedged Class (mth) Units	HKD Class (mth) Units	NZD Hedged Class (mth) Units	RMB Hedged Class (acc) Units
Number of units in issue	<u>6,850,385.453</u>	<u>2,692,992.704</u>	<u>95,271,495.671</u>	<u>2,401,232.659</u>	<u>433,459.548</u>
	A\$	C\$	HK\$	NZ\$	CNY
Net assets attributable to holders of redeemable units	<u>66,765,725</u>	<u>26,304,763</u>	<u>943,559,123</u>	<u>23,424,325</u>	<u>5,235,628</u>
Net assets attributable to holders of redeemable units (per unit)	<u>9.75</u>	<u>9.77</u>	<u>9.90</u>	<u>9.76</u>	<u>12.08</u>

31.3.2019

	RMB Hedged Class (mth) Units	USD Class (mth) Units	USD Class (san) Units
Number of units in issue	<u>56,807,676.889</u>	<u>21,878,569.564</u>	<u>436,512.613</u>
	CNY	US\$	US\$
Net assets attributable to holders of redeemable units	<u>548,375,415</u>	<u>213,999,846</u>	<u>9,650,629</u>
Net assets attributable to holders of redeemable units (per unit)	<u>9.65</u>	<u>9.78</u>	<u>22.11</u>

30.9.2018

	AUD Hedged Class (mth) Units	CAD Hedged Class (mth) Units	HKD Class (mth) Units	NZD Hedged Class (mth) Units	RMB Hedged Class (acc) Units
Number of units in issue	<u>4,713,021.725</u>	<u>1,946,638.084</u>	<u>55,817,474.280</u>	<u>1,209,710.812</u>	<u>192,096.205</u>
	A\$	C\$	HK\$	NZ\$	CNY
Net assets attributable to holders of redeemable units	<u>44,711,934</u>	<u>18,500,087</u>	<u>536,431,426</u>	<u>11,491,342</u>	<u>2,211,940</u>
Net assets attributable to holders of redeemable units (per unit)	<u>9.49</u>	<u>9.50</u>	<u>9.61</u>	<u>9.50</u>	<u>11.51</u>

  

	RMB Hedged Class (mth) Units	USD Class (mth) Units	USD Class (san) Units
Number of units in issue	<u>51,921,399.172</u>	<u>15,842,915.848</u>	<u>508,802.803</u>
	CNY	US\$	US\$
Net assets attributable to holders of redeemable units	<u>487,434,570</u>	<u>150,841,303</u>	<u>10,950,129</u>
Net assets attributable to holders of redeemable units (per unit)	<u>9.39</u>	<u>9.52</u>	<u>21.52</u>

**4 Net gains on investments and derivatives**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	17,592,661	7,265,793
Realized gains on sale of investments and derivatives	7,915,434	3,921,648
	<u>25,508,095</u>	<u>11,187,441</u>

**5 Distribution**

It is the intention of the Manager to have at least 85% of the income attributable to the distribution class(es) respectively in respect of each accounting period, after charging the expenses attributable to these distribution class(es) respectively, to be distributed to unitholders of these distribution class(es) respectively.

In the event that the amount available for distribution is insufficient to pay distributions as the Fund declares, the Manager may in its discretion determine that such distributions be paid from capital.

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Net operating profit	23,846,793	9,485,771
Adjustments:		
Net gains on investments and derivatives	(25,508,095)	(11,187,441)
Interest income included in net gains on investments and derivatives (at coupon rate)	4,340,620	4,584,202
Net foreign currency exchange gains	(389,419)	(251,364)
Transaction costs	8,730	9,290
Interest expense	(1,662)	(1,990)
Taxation	(6,212)	(79,855)
Amount available for distribution	<u>2,290,755</u>	<u>2,558,613</u>

Distribution Class	Ex date	Pay date	Rate	Units	1.10.2018 To 31.3.2019 US\$	1.10.2017 To 31.3.2018 US\$
AUD Hedged Class (mth)	31.10.2018	8.11.2018	A\$0.0248	5,208,945.740	(91,558)	
CAD Hedged Class (mth)	31.10.2018	8.11.2018	C\$0.0206	2,488,376.432	(39,033)	
HKD Class (mth)	31.10.2018	8.11.2018	HK\$0.0273	68,950,814.918	(240,115)	
NZD Hedged Class (mth)	31.10.2018	8.11.2018	NZ\$0.0248	1,842,668.161	(29,841)	
RMB Hedged Class (mth)	31.10.2018	8.11.2018	CNY0.0438	52,283,574.462	(328,332)	
USD Class (mth)	31.10.2018	8.11.2018	US\$0.0270	16,521,787.463	(446,088)	
AUD Hedged Class (mth)	30.11.2018	10.12.2018	A\$0.0235	5,639,885.899	(96,785)	
CAD Hedged Class (mth)	30.11.2018	10.12.2018	C\$0.0218	3,214,328.850	(52,722)	
HKD Class (mth)	30.11.2018	10.12.2018	HK\$0.0273	86,067,503.051	(300,245)	
NZD Hedged Class (mth)	30.11.2018	10.12.2018	NZ\$0.0236	2,916,571.008	(47,280)	
RMB Hedged Class (mth)	30.11.2018	10.12.2018	CNY0.0359	56,955,717.745	(293,955)	
USD Class (mth)	30.11.2018	10.12.2018	US\$0.0270	19,031,159.156	(513,841)	
AUD Hedged Class (mth)	28.12.2018	9.1.2019	A\$0.0221	5,801,567.522	(90,218)	
CAD Hedged Class (mth)	28.12.2018	9.1.2019	C\$0.0192	3,327,247.662	(46,852)	
HKD Class (mth)	28.12.2018	9.1.2019	HK\$0.0272	86,548,770.886	(300,649)	
NZD Hedged Class (mth)	28.12.2018	9.1.2019	NZ\$0.0227	2,980,206.115	(45,285)	
RMB Hedged Class (mth)	28.12.2018	9.1.2019	CNY0.0323	57,434,400.921	(269,469)	
USD Class (mth)	28.12.2018	9.1.2019	US\$0.0270	18,978,940.743	(512,431)	
AUD Hedged Class (mth)	31.1.2019	13.2.2019	A\$0.0222	7,226,645.355	(116,979)	
CAD Hedged Class (mth)	31.1.2019	13.2.2019	C\$0.0190	3,121,952.763	(45,166)	
HKD Class (mth)	31.1.2019	13.2.2019	HK\$0.0273	108,332,356.428	(376,907)	
NZD Hedged Class (mth)	31.1.2019	13.2.2019	NZ\$0.0213	2,404,956.709	(35,530)	
RMB Hedged Class (mth)	31.1.2019	13.2.2019	CNY0.0286	61,461,515.998	(262,053)	
USD Class (mth)	31.1.2019	13.2.2019	US\$0.0270	23,593,366.998	(637,021)	

Distribution Class	Ex date	Pay date	Rate	Units	1.10.2018	1.10.2017
					To	To
					31.3.2019	31.3.2018
					US\$	US\$
AUD Hedged Class (mth)	28.2.2019	8.3.2019	A\$0.0226	7,717,364.772	(124,086)	
CAD Hedged Class (mth)	28.2.2019	8.3.2019	C\$0.0205	2,778,218.197	(43,245)	
HKD Class (mth)	28.2.2019	8.3.2019	HK\$0.0273	108,920,739.209	(378,804)	
NZD Hedged Class (mth)	28.2.2019	8.3.2019	NZ\$0.0213	2,360,575.362	(34,266)	
RMB Hedged Class (mth)	28.2.2019	8.3.2019	CNY0.0226	65,298,490.918	(220,419)	
USD Class (mth)	28.2.2019	8.3.2019	US\$0.0270	22,376,917.599	(604,178)	
AUD Hedged Class (mth)	29.3.2019	9.4.2019	A\$0.0223	6,861,820.520	(108,697)	
CAD Hedged Class (mth)	29.3.2019	9.4.2019	C\$0.0197	2,692,992.704	(39,711)	
HKD Class (mth)	29.3.2019	9.4.2019	HK\$0.0273	99,104,588.340	(344,659)	
NZD Hedged Class (mth)	29.3.2019	9.4.2019	NZ\$0.0214	2,401,232.659	(35,046)	
RMB Hedged Class (mth)	29.3.2019	9.4.2019	CNY0.0257	56,910,980.993	(217,630)	
USD Class (mth)	29.3.2019	9.4.2019	US\$0.0270	21,852,211.540	(590,009)	
USD Class (san)	29.3.2019	9.4.2019	US\$0.3770	438,406.016	(165,279)	
AUD Hedged Class (mth)	31.10.2017	8.11.2017	A\$0.0286	6,091,802.435		(133,587)
CAD Hedged Class (mth)	31.10.2017	8.11.2017	C\$0.0224	2,337,995.901		(40,626)
HKD Class (mth)	31.10.2017	8.11.2017	HK\$0.0252	66,811,020.942		(215,801)
NZD Hedged Class (mth)	31.10.2017	8.11.2017	NZ\$0.0310	1,845,324.625		(39,188)
RMB Hedged Class (mth)	31.10.2017	8.11.2017	CNY0.0423	72,221,573.601		(460,666)
USD Class (mth)	31.10.2017	8.11.2017	US\$0.0250	21,371,309.352		(534,283)
AUD Hedged Class (mth)	30.11.2017	8.12.2017	A\$0.0280	6,018,672.371		(127,934)
CAD Hedged Class (mth)	30.11.2017	8.12.2017	C\$0.0223	2,205,124.936		(38,170)
HKD Class (mth)	30.11.2017	8.12.2017	HK\$0.0252	62,841,524.933		(202,761)
NZD Hedged Class (mth)	30.11.2017	8.12.2017	NZ\$0.0309	1,905,123.832		(40,398)
RMB Hedged Class (mth)	30.11.2017	8.12.2017	CNY0.0424	69,389,736.792		(444,917)
USD Class (mth)	30.11.2017	8.12.2017	US\$0.0250	20,395,625.196		(509,891)
AUD Hedged Class (mth)	29.12.2017	9.1.2018	A\$0.0265	5,895,607.146		(122,198)
CAD Hedged Class (mth)	29.12.2017	9.1.2018	C\$0.0188	2,086,466.733		(31,304)
HKD Class (mth)	29.12.2017	9.1.2018	HK\$0.0252	59,866,457.070		(192,987)
NZD Hedged Class (mth)	29.12.2017	9.1.2018	NZ\$0.0297	1,897,050.569		(40,071)
RMB Hedged Class (mth)	29.12.2017	9.1.2018	CNY0.0430	68,651,014.026		(453,313)
USD Class (mth)	29.12.2017	9.1.2018	US\$0.0250	19,273,492.391		(481,837)
AUD Hedged Class (mth)	31.1.2018	8.2.2018	A\$0.0255	5,089,637.743		(105,094)
CAD Hedged Class (mth)	31.1.2018	8.2.2018	C\$0.0195	1,931,687.858		(30,703)
HKD Class (mth)	31.1.2018	8.2.2018	HK\$0.0252	51,146,108.143		(164,788)
NZD Hedged Class (mth)	31.1.2018	8.2.2018	NZ\$0.0289	1,625,880.647		(34,776)
RMB Hedged Class (mth)	31.1.2018	8.2.2018	CNY0.0412	63,615,707.736		(416,403)
USD Class (mth)	31.1.2018	8.2.2018	US\$0.0250	17,420,237.037		(435,506)
AUD Hedged Class (mth)	28.2.2018	8.3.2018	A\$0.0261	5,016,351.782		(102,025)
CAD Hedged Class (mth)	28.2.2018	8.3.2018	C\$0.0219	1,775,582.353		(30,347)
HKD Class (mth)	28.2.2018	8.3.2018	HK\$0.0252	50,293,992.413		(161,963)
NZD Hedged Class (mth)	28.2.2018	8.3.2018	NZ\$0.0282	1,630,687.042		(33,213)
RMB Hedged Class (mth)	28.2.2018	8.3.2018	CNY0.0419	58,549,495.978		(387,592)
USD Class (mth)	28.2.2018	8.3.2018	US\$0.0250	18,544,163.444		(463,604)
AUD Hedged Class (mth)	29.3.2018	11.4.2018	A\$0.0245	4,851,226.880		(91,168)
CAD Hedged Class (mth)	29.3.2018	11.4.2018	C\$0.0188	1,874,239.336		(27,330)
HKD Class (mth)	29.3.2018	11.4.2018	HK\$0.0253	44,618,165.315		(143,832)
NZD Hedged Class (mth)	29.3.2018	11.4.2018	NZ\$0.0273	833,732.157		(16,420)
RMB Hedged Class (mth)	29.3.2018	11.4.2018	CNY0.0415	55,446,416.454		(366,169)
USD Class (mth)	29.3.2018	11.4.2018	US\$0.0250	18,494,971.794		(462,374)
USD Class (san)	29.3.2018	11.4.2018	US\$0.3409	554,542.414		(189,044)
Total distribution to holders of redeemable units					(8,124,384)	(7,772,283)

## 6 Soft dollar arrangements/Commission sharing arrangements

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**Investment Portfolio**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments (100.3%)</b>				Tritax EuroBox	32,104	40,734	0.3
<b>(I) Equities (100.1%)</b>				<b>United States (46.7%)</b>			
<b>Australia (8.8%)</b>				Americold Realty Trust	3,811	116,274	1.0
Dexus Stapled Sec	31,432	284,455	2.4	Avalonbay Communities	2,879	577,901	4.9
Mirvac Group Stapled Sec	212,787	415,671	3.5	Brandywine Realty Trust	19,935	316,169	2.7
Stockland Stapled Sec	125,994	344,574	2.9	Brixmor Property Group REIT	18,028	331,174	2.8
<b>Austria (1.0%)</b>				CBL & Associates Prop Dep Pref 'D'	8,125	78,894	0.7
Atrium European Real Estate	33,469	125,144	1.0	Digital Realty Trust	4,251	505,868	4.2
<b>Belgium (5.0%)</b>				Duke Realty	8,227	251,582	2.1
Shurgard Self Storage	5,495	181,616	1.5	Healthcare Trust of America Cl 'A'	8,217	234,924	2.0
Warehouses De Pauw	2,548	409,126	3.5	Host Hotels & Resorts	6,017	113,721	0.9
<b>Canada (7.8%)</b>				Iron Mountain	9,010	319,495	2.7
Allied Properties REIT	5,349	197,392	1.6	Liberty Property Trust	5,271	255,222	2.1
H&R Real Estate Inv Trust	15,471	271,100	2.3	Natl Health Investors	1,521	119,475	1.0
RioCan Real Estate Inv Trust	11,468	227,223	1.9	Omega Healthcare Investors	5,467	208,566	1.7
SmartCentre Real Estate Investment	8,937	234,204	2.0	Park Hotels & Resorts	15,230	473,347	4.0
<b>France (4.6%)</b>				Public Storage	2,310	503,071	4.2
Covivio SA	2,904	308,468	2.6	Store Capital	5,961	199,694	1.7
ICADE SA	2,792	236,379	2.0	Ventas Inc	3,936	251,156	2.1
<b>Germany (1.1%)</b>				Vereit Inc	44,665	373,846	3.1
Aroundtown SA	16,382	135,200	1.1	Vornado Realty Trust REIT	4,911	331,198	2.8
<b>Hong Kong (3.5%)</b>						11,904,867	100.1
New World Development	91,000	150,933	1.3	<b>(II) Derivatives (0.2%)</b>			
Wharf Real Estate Investment	35,000	260,607	2.2	<b>Forward foreign exchange contracts (0.2%)</b>		28,096	0.2
<b>Japan (10.9%)</b>							
Daiwa House REIT Investment	82	182,025	1.5	<b>Total Listed/Quoted Investments</b>		11,932,963	100.3
Frontier Real Estate Inv	38	159,471	1.3			-----	----
Invesco Office J-REIT	828	131,511	1.1	<b>Unlisted/Unquoted Investments (0.0%)</b>			
Japan Hotel REIT Investment	263	212,187	1.8	<b>Equities (0.0%)</b>			
Japan Rental Housing Inv	164	130,684	1.1	<b>Malta (0.0%)</b>			
Kenedix Retail REIT	135	329,679	2.8	BGP Hldgs	193,047	0	0.0
Nippon Prologis REIT	74	157,647	1.3				
<b>Netherlands (1.2%)</b>				<b>Total Unlisted/Unquoted Investments</b>		0	0.0
Eurocommercial Properties CVA	4,862	140,413	1.2			-----	----
<b>Singapore (2.1%)</b>				<b>Total Investments</b>		11,932,963	100.3
Ascendas Real Estate Inv Trust	114,014	244,947	2.1	<b>Other net liabilities</b>		(30,918)	(0.3)
<b>Spain (0.6%)</b>							
Merlin Properties Socimi	5,270	69,027	0.6	<b>Net assets attributable to holders of redeemable units at 31 March 2019</b>		11,902,045	100.0
<b>United Kingdom (6.8%)</b>						=====	=====
Londonmetric Property	116,428	302,968	2.5	<b>Total investments, at cost</b>		11,237,234	
NewRiver REIT	22,314	69,347	0.6			=====	
Segro plc	7,589	66,592	0.6				
Taylor Wimpey	81,726	186,842	1.6				
Tritax Big Box REIT	73,282	137,124	1.2				



Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 *(Unaudited)*

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
United States	46.7	47.7
Japan	10.9	10.1
Australia	8.8	8.9
Canada	7.8	7.5
United Kingdom	6.8	6.4
Belgium	5.0	3.0
France	4.6	5.0
Hong Kong	3.5	3.6
Singapore	2.1	2.0
Netherlands	1.2	1.6
Germany	1.1	1.9
Austria	1.0	1.3
Spain	0.6	0.5
<b>Derivatives</b>		
Forward foreign exchange contracts	0.2	(0.2)
<b>Total Listed/Quoted Investments</b>	<u>100.3</u>	<u>99.3</u>
	---	---
<b>Unlisted/Unquoted Investments</b>		
<b>Equities</b>		
Malta	<u>0.0</u>	<u>0.0</u>
<b>Total Unlisted/Unquoted Investments</b>	<u>0.0</u>	<u>0.0</u>
	---	---
<b>Total investments</b>	100.3	99.3
<b>Other net (liabilities)/assets</b>	<u>(0.3)</u>	<u>0.7</u>
<b>Net assets attributable to holders of redeemable units</b>	<u><u>100.0</u></u>	<u><u>100.0</u></u>

Statement of Financial Position  
As at 31 March 2019 *(Unaudited)*

	31.3.2019 US\$	30.9.2018 US\$
<b>Assets</b>		
Cash at banks	118,747	443,155
Amounts due from brokers	2,537	-
Amounts receivable on allotment	1,102	5,169
Derivatives	34,316	75,954
Investments	11,904,867	20,652,269
Dividend and other accounts receivable	46,676	95,434
<b>Total assets</b>	<b>12,108,245</b>	<b>21,271,981</b>
	-----	-----
<b>Liabilities</b>		
Amounts payable on redemption	50,672	159,306
Distribution payable [Note 5]	127,690	192,070
Derivatives	6,220	113,351
Other accounts payable	21,618	51,693
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>206,200</b>	<b>516,420</b>
	-----	-----
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<b>11,902,045</b>	<b>20,755,561</b>
	=====	=====

Statement of Comprehensive Income  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Income</b>		
Net gains/(losses) on investments and derivatives [Note 4]	494,376	(720,660)
Dividend income	334,037	619,258
Interest on deposits	831	555
Net foreign currency exchange (losses)/gains	(61)	5,611
Other income	600	-
	-----	-----
	829,783	(95,236)
	-----	-----
<b>Expenses</b>		
Management fee	107,401	201,245
Transaction costs	18,805	23,280
Registrar's fee	10,764	12,740
Auditor's fee	6,437	6,052
Safe custody and bank charges	5,997	10,307
Valuation fee	4,780	8,470
Trustee's fee	4,300	8,056
Printing and publication expenses	288	96
Legal and professional expenses	-	2,755
Other operating expenses	376	473
	-----	-----
	159,148	273,474
	-----	-----
<b>Net operating profit/(loss)</b>	<b>670,635</b>	<b>(368,710)</b>
	-----	-----
<b>Finance costs</b>		
Distribution [Note 5]	(350,231)	(674,979)
Interest expense	(226)	(162)
	-----	-----
	(350,457)	(675,141)
	-----	-----
<b>Profit/(loss) before taxation</b>	<b>320,178</b>	<b>(1,043,851)</b>
Taxation	(82,305)	(129,185)
	-----	-----
<b>Increase/(decrease) in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>237,873</b>	<b>(1,173,036)</b>
	=====	=====

The notes on pages 141 to 144 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	20,755,561	31,831,464
	-----	-----
Allotment of redeemable units	356,297	2,219,070
Redemption of redeemable units	(9,447,686)	(10,387,510)
<b>Net redemption</b>	(9,091,389)	(8,168,440)
	-----	-----
	11,664,172	23,663,024
<b>Increase/(decrease) in net assets attributable to holders of redeemable units and total comprehensive income</b>	237,873	(1,173,036)
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	11,902,045	22,489,988
	=====	=====

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(993,185)	(3,280,580)
Proceeds from disposal of investments and derivatives	10,171,808	12,428,671
Dividend received	377,921	637,943
Interest received	834	557
Trustee's fee paid	(4,727)	(8,550)
Transaction costs paid	(19,874)	(25,248)
Registrar's fee paid	(21,437)	(25,864)
Tax paid	(82,108)	(129,297)
Management fee paid	(118,077)	(213,589)
Others	(24,688)	(30,503)
	-----	-----
<b>Net cash inflow from operating activities</b>	9,286,467	9,353,540
	-----	-----
<b>Financing activities</b>		
Interest paid	(226)	(162)
Receipts on allotment of redeemable units	360,364	2,211,926
Payments on redemption of redeemable units	(9,556,320)	(10,559,801)
Distribution paid	(414,611)	(718,756)
	-----	-----
<b>Net cash outflow from financing activities</b>	(9,610,793)	(9,066,793)
	-----	-----
<b>(Decrease)/increase in cash and cash equivalents</b>	(324,326)	286,747
Cash and cash equivalents at the beginning of the period	443,155	101,255
Exchange (losses)/gains on cash and cash equivalents	(82)	1,016
	-----	-----
<b>Cash and cash equivalents at the end of the period</b>	118,747	389,018
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	118,747	389,018
	=====	=====

The notes on pages 141 to 144 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Global Property Income Fund (the "Fund") was established under a Trust Deed dated 6 July 2005, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to achieve a high level of current income and long-term capital appreciation primarily through investing in securities that are listed on any stock exchange and are principally engaged in or related to the property industry or which own significant property assets. The Fund does not invest in real estate directly.

Pursuant to the Supplemental Trust Deed dated 4 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies****(a) Accounting policies of interim financial statements**

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the period/year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Foreign currency translation**

*Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(e) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

31.3.2019

	HKD Class (mth) Units	USD Class (div) Units	USD Class (mth) Units
Number of units in issue	<u>1,076,260.125</u>	<u>920,864.095</u>	<u>144,750.070</u>
	HK\$	US\$	US\$
Net assets attributable to holders of redeemable units	<u>10,191,951</u>	<u>9,247,800</u>	<u>1,355,899</u>
Net assets attributable to holders of redeemable units (per unit)	<u>9.47</u>	<u>10.04</u>	<u>9.37</u>

30.9.2018

	HKD Class (mth) Units	USD Class (div) Units	USD Class (mth) Units
Number of units in issue	4,007,790.264	1,191,877.163	511,690.116
	HK\$	US\$	US\$
Net assets attributable to holders of redeemable units	36,362,154	11,503,940	4,604,641
Net assets attributable to holders of redeemable units (per unit)	9.07	9.65	9.00

#### 4 Net gains/(losses) on investments and derivatives

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	631,699	(758,232)
Realized (losses)/ gains on sale of investments and derivatives	(137,323)	37,572
	494,376	(720,660)

#### 5 Distribution

It is the intention of the Manager have at least 85% of the income attributable to the distribution class(es) respectively in respect of each accounting period, after charging the expenses attributable to these distribution class(es) respectively, to be distributed to unitholders of these distribution class(es) respectively.

In the event that the amount available for distribution is insufficient to pay distributions as the Fund declares, the Manager may in its discretion determine that such distributions be paid from capital.

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Net operating profit/(loss)	670,635	(368,710)
Adjustments:		
Net (gains)/losses on investments and derivatives	(494,376)	720,660
Net foreign currency exchange losses/(gains)	61	(5,611)
Transaction costs	18,805	23,280
Interest expense	(226)	(162)
Taxation	(82,305)	(129,185)
Amount available for distribution	112,594	240,272

Distribution Class	Ex date	Pay date	Rate	Units	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
HKD Class (mth)	31.10.2018	8.11.2018	HK\$0.0394	3,463,335.876	(17,406)	
USD Class (mth)	31.10.2018	8.11.2018	US\$0.0390	360,218.812	(14,049)	
HKD Class (mth)	30.11.2018	10.12.2018	HK\$0.0394	1,632,926.992	(8,221)	
USD Class (mth)	30.11.2018	10.12.2018	US\$0.0390	256,484.281	(10,003)	
HKD Class (mth)	31.12.2018	9.1.2019	HK\$0.0393	1,482,982.056	(7,444)	
USD Class (div)	31.12.2018	9.1.2019	US\$0.1265	1,038,847.020	(131,414)	
USD Class (mth)	31.12.2018	9.1.2019	US\$0.0390	221,609.879	(8,643)	
HKD Class (mth)	31.1.2019	13.2.2019	HK\$0.0394	1,199,927.552	(6,025)	
USD Class (mth)	31.1.2019	13.2.2019	US\$0.0390	196,174.907	(7,651)	
HKD Class (mth)	28.2.2019	8.3.2019	HK\$0.0394	1,110,996.315	(5,576)	
USD Class (mth)	28.2.2019	8.3.2019	US\$0.0390	156,631.562	(6,109)	
HKD Class (mth)	29.3.2019	9.4.2019	HK\$0.0395	1,076,260.125	(5,416)	
USD Class (div)	29.3.2019	9.4.2019	US\$0.1266	921,242.778	(116,629)	
USD Class (mth)	29.3.2019	9.4.2019	US\$0.0390	144,750.070	(5,645)	
HKD Class (mth)	31.10.2017	8.11.2017	HK\$0.0392	5,845,308.273		(29,370)
USD Class (mth)	31.10.2017	8.11.2017	US\$0.0390	922,922.277		(35,993)
HKD Class (mth)	30.11.2017	8.12.2017	HK\$0.0393	5,197,642.063		(26,154)
USD Class (mth)	30.11.2017	8.12.2017	US\$0.0390	824,798.813		(32,167)
HKD Class (mth)	29.12.2017	9.1.2018	HK\$0.0393	4,397,030.792		(22,105)
USD Class (div)	29.12.2017	9.1.2018	US\$0.1266	1,492,280.239		(188,923)
USD Class (mth)	29.12.2017	9.1.2018	US\$0.0390	768,106.199		(29,956)
HKD Class (mth)	31.1.2018	8.2.2018	HK\$0.0393	3,801,764.331		(19,103)
USD Class (mth)	31.1.2018	8.2.2018	US\$0.0390	662,976.096		(25,856)
HKD Class (mth)	28.2.2018	8.3.2018	HK\$0.0393	3,611,246.519		(18,136)
USD Class (mth)	28.2.2018	8.3.2018	US\$0.0390	628,716.349		(24,520)
HKD Class (mth)	29.3.2018	11.4.2018	HK\$0.0394	3,527,310.176		(17,708)
USD Class (div)	29.3.2018	11.4.2018	US\$0.1266	1,438,483.167		(182,112)
USD Class (mth)	29.3.2018	11.4.2018	US\$0.0390	586,557.478		(22,876)
Total distribution to holders of redeemable units					(350,231)	(674,979)

## 6 Soft dollar arrangements/Commission sharing arrangements

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

# JPMORGAN GREATER CHINA SMALLER COMPANIES FUND

Semi-annual report for the period ended 31 March 2019

## UK Tax Information

The Fund will merge into JPMorgan Eastern Smaller Companies Fund (the "Receiving Fund") on 31 May 2019. The Receiving Fund is treated as a "special category transparent offshore fund" for UK tax purposes and the exchange of units in the Fund for units in the Receiving Fund may have UK tax implications to the UK tax resident unitholders of the Fund.

## Investment Portfolio As at 31 March 2019 (Unaudited)

	Holding	Fair value HK\$	% of net assets
<b>Listed/Quoted Investments (99.7%)</b>			
<b>Equities (99.7%)</b>			
<b>China (72.2%)</b>			
AK Medical Hldgs	380,000	1,641,600	2.5
Beijing Thunisoft Corp 'A'-C2	44,100	1,095,624	1.7
Bilibili Inc ADR	13,572	2,018,924	3.1
BOC Aviation	26,300	1,684,515	2.6
BTG Hotels Group 'A'-C1	31,520	809,225	1.2
China Conch Venture Hldgs	60,500	1,700,050	2.6
China Oilfield Services 'H'	88,000	746,240	1.1
China Resources Medical Hldgs	204,000	1,150,560	1.7
China Yongda Automobiles Services	194,500	1,209,790	1.8
China Yuhua Education	182,000	586,040	0.9
Country Garden Services Hldgs	225,000	3,289,501	5.0
Crystal Int Group	328,500	1,353,420	2.1
Haier Electronics Group	107,000	2,439,600	3.7
Haitian Intl Hldgs	87,000	1,552,080	2.4
Hangzhou Tigermed Consulting 'A'-C2	14,100	1,091,914	1.7
Hutchison China Meditech ADR	6,440	1,545,931	2.4
IMAX China Hldg	50,200	979,904	1.5
Innovent Biologics	75,500	2,163,075	3.3
Kingdee Intl Software	276,000	2,506,080	3.8
KWG Group Hldg	322,500	3,054,076	4.7
Lifetech Scientific	544,000	913,920	1.4
Maoyan Entertainment	41,200	711,112	1.1
Nexteer Automotive Group	109,000	1,057,300	1.6
Noah Hldgs ADR	6,829	2,597,810	4.0
Spring Airlines 'A' (C1)	21,400	1,014,835	1.5
Towngas China	249,000	1,536,330	2.3
Venustech Group 'A'-C2	33,747	1,162,032	1.8
Wisdom Education Intl	472,000	1,798,320	2.7
Wise Talent Information Technology	21,600	500,040	0.8
Wuxi Lead Intelligent Equip 'A'-C2	25,000	1,085,980	1.7
Xiabu Catering Mgt (China)	61,000	834,480	1.3
Yichang HEC ChangJiang Pharma 'H'	33,800	1,149,200	1.7
Zhejiang Weixing New Building 'A'-C2	14,954	352,130	0.5

(Continued)

	Holding	Fair value HK\$	% of net assets
<b>Hong Kong (4.3%)</b>			
Cafe de Coral Hldgs	70,000	1,398,600	2.2
Midland Hldgs	279,317	458,080	0.7
Minth Group	38,000	938,600	1.4
<b>Taiwan (23.2%)</b>			
AirTac Intl Group	11,000	1,117,874	1.7
Chailease Hldg	44,280	1,421,037	2.2
Chroma Ate	46,000	1,716,416	2.6
Hiwin Technologies	10,000	662,217	1.0
Inventec Corp	203,000	1,212,456	1.8
Land Mark Optoelectronics	20,000	1,439,049	2.2
Poya Intl	23,000	2,135,269	3.3
Silergy Corp	19,000	2,226,069	3.4
Taiwan Cement	165,000	1,733,545	2.6
Win Semiconductors	28,000	1,551,117	2.4

**Total Listed/Quoted Investments** 65,341,967 99.7

**Other net assets** 205,227 0.3

**Net assets attributable to holders of redeemable units at 31 March 2019** 65,547,194 100.0

**Total investments, at cost** 66,172,826



**Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 (*Unaudited*)**

	<b>% holdings of net assets</b>	
	<b>31.3.2019</b>	<b>30.9.2018</b>
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
China	72.2	73.1
Taiwan	23.2	18.7
Hong Kong	4.3	6.3
<b>Total Listed/Quoted Investments</b>	<b>99.7</b>	<b>98.1</b>
<b>Other net assets</b>	<b>0.3</b>	<b>1.9</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>100.0</b>	<b>100.0</b>

# JPMORGAN GREATER CHINA SMALLER COMPANIES FUND

Semi-annual report for the  
period ended 31 March 2019

## Statement of Financial Position As at 31 March 2019 *(Unaudited)*

	31.3.2019 HK\$	30.9.2018 HK\$
<b>Assets</b>		
Cash at banks	644,718	1,436,766
Amounts due from brokers	31,010	-
Amounts receivable on allotment	-	990
Investments	65,341,967	65,413,606
Dividend and interest receivable	11,648	172,793
<b>Total assets</b>	<u>66,029,343</u>	<u>67,024,155</u>
<b>Liabilities</b>		
Amounts payable on redemption	316,759	24,675
Other accounts payable	165,390	344,539
<b>Total liabilities</b>	<u>482,149</u>	<u>369,214</u>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>65,547,194</u>	<u>66,654,941</u>
<b>Equity</b>	<u>65,547,194</u>	<u>66,654,941</u>

## Statement of Comprehensive Income For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 HK\$	1.10.2017 to 31.3.2018 HK\$
<b>Income</b>		
Net gains on investments and derivatives [Note 4]	4,434,659	11,751,076
Dividend income	71,483	561,489
Net foreign currency exchange gains/(losses)	7,776	(18,154)
Interest on deposits	1,173	563
	<u>4,515,091</u>	<u>12,294,974</u>
<b>Expenses</b>		
Management fee	531,538	1,251,852
Transaction costs	60,654	465,665
Valuation fee	38,259	48,939
Registrar's fee	24,337	37,633
Trustee's fee	18,237	42,951
Legal and professional expenses	14,891	36,186
Auditor's fee	14,720	93,493
Safe custody and bank charges	8,293	17,427
Printing and publication expenses	2,113	103
Other operating expenses	18,026	3,560
	<u>731,068</u>	<u>1,997,809</u>
<b>Net operating profit</b>	<u>3,784,023</u>	<u>10,297,165</u>
<b>Finance costs</b>		
Interest expense	(46)	(465)
<b>Profit before taxation</b>	<u>3,783,977</u>	<u>10,296,700</u>
Taxation	(1,535)	-
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>3,782,442</u>	<u>10,296,700</u>

The notes on pages 149 to 151 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 HK\$	1.10.2017 to 31.3.2018 HK\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	66,654,941	254,845,136
	-----	-----
Allotment of redeemable units	1,699,298	8,798,356
Redemption of redeemable units	(6,589,487)	(187,535,929)
<b>Net redemption</b>	(4,890,189)	(178,737,573)
	-----	-----
	61,764,752	76,107,563
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	3,782,442	10,296,700
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	65,547,194	86,404,263
	=====	=====

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 HK\$	1.10.2017 to 31.3.2018 HK\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(10,050,592)	(15,487,630)
Proceeds from disposal of investments and derivatives	14,525,824	191,456,424
Dividend received	231,560	1,055,524
Interest received	2,241	581
Tax paid	(1,535)	-
Trustee's fee paid	(18,172)	(50,850)
Registrar's fee paid	(49,549)	(71,272)
Transaction costs paid	(65,176)	(468,949)
Management fee paid	(529,651)	(1,482,081)
Others	(244,621)	(367,765)
<b>Net cash inflow from operating activities</b>	3,800,329	174,583,982
	-----	-----
<b>Financing activities</b>		
Interest paid	(46)	(465)
Receipts on allotment of redeemable units	1,700,288	8,798,020
Payments on redemption of redeemable units	(6,297,403)	(188,168,304)
<b>Net cash outflow from financing activities</b>	(4,597,161)	(179,370,749)
	-----	-----
<b>Decrease in cash and cash equivalents</b>	(796,832)	(4,786,767)
Cash and cash equivalents at the beginning of the period	1,436,766	6,591,282
Exchange gains on cash and cash equivalents	4,784	51,939
<b>Cash and cash equivalents at the end of the period</b>	644,718	1,856,454
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	644,718	1,856,454
	=====	=====

*The notes on pages 149 to 151 form part of these financial statements.*

## Notes to the Financial Statements

### 1 The Fund

JPMorgan Greater China Smaller Companies Fund (the "Fund") was established under a Trust Deed dated 26 August 2009, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to provide investors with long-term capital growth by investing primarily in the securities of small to medium-sized companies in the People's Republic of China, Hong Kong and Taiwan ("Greater China").

Pursuant to the Supplemental Trust Deed dated 4 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

### 2 Summary of significant accounting policies

#### (a) Accounting policies of interim financial statements

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

#### (b) Investments and derivatives

##### *Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

##### *Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

##### *Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the period/year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Foreign currency translation**

*Functional and presentation currency*

The Fund has adopted Hong Kong dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(e) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

31.3.2019

	HKD Class (acc) Units
Number of units in issue	<u>6,208,141.916</u>
	HK\$
Net assets attributable to holders of redeemable units	<u>65,547,194</u>
Net assets attributable to holders of redeemable units (per unit)	<u>10.56</u>

30.9.2018

	HKD Class (acc) Units
Number of units in issue	6,714,503.736
	HK\$
Net assets attributable to holders of redeemable units	66,654,941
Net assets attributable to holders of redeemable units (per unit)	9.93

#### **4 Net gains on investments and derivatives**

	1.10.2018 to 31.3.2019 HK\$	1.10.2017 to 31.3.2018 HK\$
Change in unrealized gains/losses in value of investments and derivatives	6,705,270	(28,985,861)
Realized (losses)/gains on sale of investments and derivatives	(2,270,611)	40,736,937
	<u>4,434,659</u>	<u>11,751,076</u>

#### **5 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

#### **6 Distribution**

No distribution was made during the period (31 March 2018: nil).

#### **7 Subsequent events**

Pursuant to the resolutions passed at the general meeting of unitholders held on 8 April 2019, the Fund will merge into JPMorgan Eastern Smaller Companies Fund (the "Receiving Fund") on 31 May 2019 (the "Merger Date"). Units held by unitholders in the Fund will be exchanged for units in the Receiving Fund on the Merger Date.

## UK Tax Information

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 23 November 1989 to 30 September 2010.

## Investment Portfolio

As at 31 March 2019 *(Unaudited)*

	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments (96.0%)</b>			
<b>Equities (96.0%)</b>			
<b>India (96.0%)</b>			
<b>Auto Components (0.2%)</b>			
Endurance Technologies	119,057	1,995,053	0.2
<b>Automobiles (8.3%)</b>			
Bajaj Auto	238,887	10,038,599	1.3
Eicher Motors	20,000	5,932,212	0.7
Hero Motocorp (DEMAT)	178,787	6,589,246	0.8
Maruti Suzuki India	467,027	44,983,919	5.5
<b>Banks (29.5%)</b>			
Axis Bank	4,739,519	53,176,343	6.5
HDFC Bank	2,400,791	80,363,686	9.9
IndusInd Bank	1,801,564	46,290,638	5.7
Kotak Mahindra Bank	2,138,766	41,200,768	5.0
State Bank of India	4,277,275	19,804,200	2.4
<b>Beverages (1.2%)</b>			
United Spirits	1,232,060	9,851,144	1.2
<b>Construction &amp; Engineering (5.1%)</b>			
Larsen & Toubro	2,085,563	41,705,239	5.1
<b>Construction Materials (9.5%)</b>			
ACC Ltd	719,042	17,295,412	2.1
Ambuja Cements	5,867,884	19,930,900	2.5
Ultratech Cement	692,696	39,980,383	4.9

(Continued)

	Holding	Fair value US\$	% of net assets
<b>Consumer Finance (2.6%)</b>			
Mahindra & Mahindra Fin Services	2,944,409	17,902,347	2.2
Shriram Transport Finance	185,046	3,412,165	0.4
<b>Electrical Equipment (1.6%)</b>			
Bharat Heavy Electricals	11,984,761	12,966,551	1.6
<b>Hotels, Restaurants &amp; Leisure (2.7%)</b>			
Jubilant Foodworks	1,036,418	21,603,574	2.7
<b>Industrial Conglomerates (1.5%)</b>			
Godrej Industries	1,565,192	12,119,365	1.5
<b>Insurance (1.7%)</b>			
HDFC Life Insurance	2,581,548	14,104,885	1.7
<b>IT Services (7.9%)</b>			
MindTree Ltd	295,000	4,022,050	0.5
Tata Consultancy Services	2,085,584	60,261,411	7.4
<b>Machinery (3.7%)</b>			
Ashok Leyland	15,162,992	19,983,849	2.5
Cummins India	933,975	10,057,674	1.2
<b>Oil, Gas &amp; Consumable Fuels (1.0%)</b>			
Coal India	2,360,000	8,080,722	1.0
<b>Pharmaceuticals (1.4%)</b>			
DR Reddy's Laboratories	195,008	7,826,359	1.0
Lupin Ltd	303,086	3,235,834	0.4
<b>Textiles, Apparel &amp; Luxury Goods (2.6%)</b>			
Titan Co	1,297,983	21,394,470	2.6
<b>Thriffs &amp; Mortgage Finance (9.2%)</b>			
Housing Development Finance	2,638,022	74,951,812	9.2
<b>Tobacco (5.2%)</b>			
ITC Ltd	9,946,844	42,680,612	5.2
<b>Transportation Infrastructure (1.1%)</b>			
Gujarat Pipavav Port	6,147,509	8,829,695	1.1
<b>Total Listed/Quoted Investments</b>		782,571,117	96.0
<b>Other net assets</b>		32,470,998	4.0
<b>Net assets attributable to holders of redeemable units at 31 March 2019</b>		815,042,115	100.0
<b>Total investments, at cost</b>		501,449,972	

Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 *(Unaudited)*

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
<b>India</b>		
Banks	29.5	26.7
Construction Materials	9.5	11.3
Thriffs & Mortgage Finance	9.2	9.3
Automobiles	8.3	13.1
IT Services	7.9	7.0
Tobacco	5.2	5.1
Construction & Engineering	5.1	3.1
Machinery	3.7	4.5
Hotels, Restaurants & Leisure	2.7	2.6
Textiles, Apparel & Luxury Goods	2.6	0.7
Consumer Finance	2.6	5.6
Insurance	1.7	0.8
Electrical Equipment	1.6	1.7
Industrial Conglomerates	1.5	1.5
Pharmaceuticals	1.4	1.8
Beverages	1.2	1.2
Transportation Infrastructure	1.1	1.1
Oil, Gas & Consumable Fuels	1.0	-
Auto Components	0.2	-
Metals & Mining	-	1.5
<b>Total Listed/Quoted Investments</b>	<b>96.0</b>	<b>98.6</b>
<b>Other net assets</b>	<b>4.0</b>	<b>1.4</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>100.0</b>	<b>100.0</b>



**Statement of Financial Position  
As at 31 March 2019 (Unaudited)**

	31.3.2019 US\$	30.9.2018 US\$
<b>Assets</b>		
Cash at banks	40,775,559	14,424,689
Amounts due from brokers	-	861,274
Amounts receivable on allotment	1,140,705	2,731,113
Investments	782,571,117	729,051,314
Dividend and other accounts receivable	127,176	253,986
<b>Total assets</b>	<u>824,614,557</u>	<u>747,322,376</u>
<b>Liabilities</b>		
Amounts payable on redemption	5,539,812	4,371,027
Tax payable	3,025,186	2,524,820
Other accounts payable	1,007,444	1,076,454
<b>Total liabilities</b>	<u>9,572,442</u>	<u>7,972,301</u>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>815,042,115</u>	<u>739,350,075</u>
<b>Equity</b>	<u>815,042,115</u>	<u>739,350,075</u>

**Statement of Comprehensive Income  
For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 4]	68,533,452	31,103,055
Dividend income	1,477,689	1,249,641
Interest on deposits	411,883	24,546
Net foreign currency exchange losses	(238,051)	(410,025)
Other income	-	5
	<u>70,184,973</u>	<u>31,967,222</u>
<b>Expenses</b>		
Management fee	5,618,272	6,867,166
Transaction costs	503,359	582,370
Safe custody and bank charges	103,940	119,311
Trustee's fee	102,917	123,642
Registrar's fee	96,219	116,410
Auditor's fee	33,466	32,221
Legal and professional expenses	18,795	21,966
Valuation fee	8,050	8,120
Printing and publication expenses	3,918	148
Other operating expenses	8,912	4,993
	<u>6,497,848</u>	<u>7,876,347</u>
<b>Net operating profit</b>	<u>63,687,125</u>	<u>24,090,875</u>
<b>Finance costs</b>		
Interest expense	-	(18,891)
<b>Profit before taxation</b>	<u>63,687,125</u>	<u>24,071,984</u>
Taxation	(716,151)	-
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>62,970,974</u>	<u>24,071,984</u>

The notes on pages 156 to 158 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	739,350,075	923,346,380
	-----	-----
Allotment of redeemable units	108,038,073	146,598,006
Redemption of redeemable units	(95,317,007)	(214,785,625)
	-----	-----
<b>Net allotment/(redemption)</b>	12,721,066	(68,187,619)
	-----	-----
	752,071,141	855,158,761
	-----	-----
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	62,970,974	24,071,984
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	<u>815,042,115</u>	<u>879,230,745</u>

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(83,301,243)	(60,097,700)
Proceeds from disposal of investments and derivatives	99,178,661	152,690,824
Dividend received	1,604,291	1,322,772
Interest received	412,210	22,872
Trustee's fee paid	(101,945)	(125,866)
Registrar's fee paid	(180,978)	(229,541)
Tax paid	(197,173)	-
Transaction costs paid	(505,934)	(588,334)
Management fee paid	(5,563,033)	(6,997,497)
Others	(500,778)	(657,545)
	-----	-----
<b>Net cash inflow from operating activities</b>	10,844,078	85,339,985
	-----	-----
<b>Financing activities</b>		
Interest paid	-	(18,891)
Receipts on allotment of redeemable units	109,628,481	145,450,952
Payments on redemption of redeemable units	(94,148,222)	(217,338,813)
	-----	-----
<b>Net cash inflow/(outflow) from financing activities</b>	15,480,259	(71,906,752)
	-----	-----
<b>Increase in cash and cash equivalents</b>	26,324,337	13,433,233
Cash and cash equivalents at the beginning of the period	14,424,689	8,045,912
Exchange gains on cash and cash equivalents	26,533	239
	-----	-----
<b>Cash and cash equivalents at the end of the period</b>	<u>40,775,559</u>	<u>21,479,384</u>
	-----	-----
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	40,775,559	1,568,164
Short-term deposits	-	19,911,220
	-----	-----
	<u>40,775,559</u>	<u>21,479,384</u>
	-----	-----

The notes on pages 156 to 158 form part of these financial statements.

## Notes to the Financial Statements

### 1 The Fund

JPMorgan India Fund (the "Fund") was established under a Trust Deed dated 23 November 1989, as amended (the "Trust Deed") and is governed by the laws of the Republic of Mauritius. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to provide long-term capital growth through a portfolio consisting primarily of securities linked to the Indian economy. These include, but are not restricted to, securities traded on the stock exchanges of India and the rest of the Indian sub-continent including Pakistan, Bangladesh and Sri Lanka.

Pursuant to the Supplemental Trust Deed dated 7 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

### 2 Summary of significant accounting policies

#### (a) Accounting policies of interim financial statements

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

#### (b) Investments and derivatives

##### *Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

##### *Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

##### *Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value. When trading of financial instruments in markets that are not considered to be active, the financial instruments are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the period/year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Foreign currency translation**

*Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(e) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

31.3.2019

	USD Class (acc)
	Units
Number of units in issue	<u>2,995,460.225</u>
	US\$
Net assets attributable to holders of redeemable units	<u>815,042,115</u>
Net assets attributable to holders of redeemable units (per unit)	<u>272.09</u>

30.9.2018

	USD Class (acc) Units
Number of units in issue	2,940,215,856
	US\$
Net assets attributable to holders of redeemable units	739,350,075
Net assets attributable to holders of redeemable units (per unit)	251.46

**4 Net gains on investments and derivatives**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	60,148,370	(51,751,162)
Realized gains on sale of investments and derivatives	8,385,082	82,854,217
	68,533,452	31,103,055

**5 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**6 Distribution**

No distribution was made during the period (31 March 2018: nil).

**Investment Portfolio**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments (95.2%)</b>				<b>Hotels, Restaurants &amp; Leisure (8.3%)</b>			
<b>Equities (95.2%)</b>				ElH Ltd (DEMAT)	980,566	2,915,158	3.4
<b>India (90.9%)</b>				Jubilant Foodworks	85,150	1,774,906	2.1
<b>Air Freight &amp; Logistics (3.8%)</b>				Lemon Tree Hotels	414,830	482,945	0.5
Mahindra Logistics	52,459	398,620	0.5	Thomas Cook (India) (DEMAT)	539,944	2,001,554	2.3
TCI Express	95,499	1,029,018	1.2				
Transport Corp of India	390,998	1,832,935	2.1	<b>Household Durables (2.8%)</b>			
<b>Auto Components (2.8%)</b>				Crompton Greaves Consumer			
Balkrishna Industries	50,974	732,510	0.8	Electric	250,000	819,921	0.9
Endurance Technologies	100,758	1,688,415	2.0	Whirlpool Of India	73,181	1,600,527	1.9
<b>Automobiles (0.9%)</b>				<b>Industrial Conglomerates (1.9%)</b>			
Eicher Motors	2,600	771,188	0.9	Godrej Industries	211,738	1,639,499	1.9
<b>Banks (3.0%)</b>				<b>IT Services (1.7%)</b>			
IndusInd Bank	101,340	2,603,900	3.0	MindTree Ltd	64,000	872,580	1.0
<b>Capital Markets (6.2%)</b>				Persistent Systems	69,679	633,221	0.7
Hdfc Asset Management Co	57,892	1,281,855	1.5	<b>Machinery (14.3%)</b>			
Indian Energy Exchange	200,000	476,362	0.5	Ashok Leyland	1,118,918	1,474,662	1.7
Motilal Oswal Financial				Cummins India	173,304	1,866,255	2.2
Services	106,496	925,604	1.1	Greaves Cotton	770,938	1,549,110	1.8
Multi Commodity Exchange of				NRB Bearings (DEMAT)	541,680	1,486,443	1.7
India	231,899	2,700,104	3.1	SKF India (DEMAT)	123,000	3,630,431	4.2
<b>Chemicals (3.2%)</b>				Thermax Ltd (DEMAT)	162,464	2,278,366	2.7
Castrol India	1,154,780	2,773,806	3.2	<b>Media (2.3%)</b>			
<b>Construction Materials (4.3%)</b>				Navneet Education	1,285,636	2,017,303	2.3
HeidelbergCement India	403,398	1,057,191	1.2	<b>Oil, Gas &amp; Consumable Fuels (2.7%)</b>			
JK Cement	66,065	826,540	1.0	Great Eastern Shipping	561,991	2,311,241	2.7
JK Lakshmi Cement	148,321	743,264	0.9	<b>Pharmaceuticals (1.1%)</b>			
Shree Cement	3,850	1,037,466	1.2	Torrent Pharmaceuticals	32,655	919,077	1.1
<b>Consumer Finance (7.4%)</b>				<b>Professional Services (7.4%)</b>			
Mahindra & Mahindra Fin				L&T Technology Services	108,144	2,454,412	2.9
Services	395,000	2,401,646	2.8	TeamLease Services	88,800	3,878,935	4.5
MAS Financial Services	214,197	1,741,558	2.0	<b>Real Estate Management &amp; Development (1.6%)</b>			
Shriram Transport Finance	121,300	2,236,718	2.6	Godrej Properties	40,000	469,520	0.6
<b>Diversified Financial Services (3.1%)</b>				Nesco Ltd	126,650	882,391	1.0
Bajaj Hldgs & Investment	53,621	2,644,516	3.1	<b>Transportation Infrastructure (2.3%)</b>			
<b>Electrical Equipment (2.1%)</b>				Gujarat Pipavav Port	1,370,000	1,967,737	2.3
ABB India	95,196	1,808,415	2.1	<b>Singapore (4.3%)</b>			
<b>Food &amp; Staples Retailing (2.1%)</b>				<b>Real Estate Management &amp; Development (4.3%)</b>			
Avenue Supermarts	84,550	1,795,475	2.1	Ascendas India Trust	4,192,900	3,683,685	4.3
<b>Food Products (2.4%)</b>							
Godrej Agrovet	282,592	2,073,497	2.4	<b>Total Listed/Quoted Investments</b>		81,935,103	95.2
<b>Health Care Providers &amp; Services (3.2%)</b>				<b>Other net assets</b>		4,145,240	4.8
DR Lal Pathlabs	182,068	2,744,621	3.2				

Investment Portfolio (Continued)  
As at 31 March 2019 *(Unaudited)*

Holding	Fair value US\$	% of net assets
Net assets attributable to holders of redeemable units at 31 March 2019	86,080,343	100.0
Total investments, at cost	57,938,095	

Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 *(Unaudited)*

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
<b>India</b>		
Machinery	14.3	14.4
Hotels, Restaurants & Leisure	8.3	7.1
Consumer Finance	7.4	7.2
Professional Services	7.4	7.2
Capital Markets	6.2	6.0
Construction Materials	4.3	3.8
Air Freight & Logistics	3.8	3.3
Chemicals	3.2	2.9
Health Care Providers & Services	3.2	3.1
Diversified Financial Services	3.1	3.6
Banks	3.0	3.0
Auto Components	2.8	2.3
Household Durables	2.8	2.7
Oil, Gas & Consumable Fuels	2.7	2.8
Food Products	2.4	2.6
Media	2.3	2.5
Transportation Infrastructure	2.3	2.4
Electrical Equipment	2.1	2.4
Food & Staples Retailing	2.1	2.1
Industrial Conglomerates	1.9	1.9
IT Services	1.7	1.0
Real Estate Management & Development	1.6	1.4
Pharmaceuticals	1.1	2.8
Automobiles	0.9	1.1
Thriffs & Mortgage Finance	-	2.1
Road & Rail	-	1.5
<b>Singapore</b>		
Real Estate Management & Development	4.3	4.3
<b>Total Listed/Quoted Investments</b>	95.2	97.5
<b>Other net assets</b>	4.8	2.5
<b>Net assets attributable to holders of redeemable units</b>	100.0	100.0

**Statement of Financial Position  
As at 31 March 2019 *(Unaudited)***

	<b>31.3.2019</b>	<b>30.9.2018</b>
	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>		
Cash at banks	4,438,493	2,616,916
Amounts receivable on allotment	34,295	154,878
Investments	81,935,103	76,456,908
Dividend and interest receivable	-	19,493
<b>Total assets</b>	<b>86,407,891</b>	<b>79,248,195</b>
<b>Liabilities</b>		
Amounts payable on redemption	130,586	279,654
Tax payable	81,375	406,671
Other accounts payable	115,587	142,173
<b>Total liabilities</b>	<b>327,548</b>	<b>828,498</b>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<b>86,080,343</b>	<b>78,419,697</b>
<b>Equity</b>	<b>86,080,343</b>	<b>78,419,697</b>

**Statement of Comprehensive Income  
For the period ended 31 March 2019 *(Unaudited)***

	<b>1.10.2018 to 31.3.2019 US\$</b>	<b>1.10.2017 to 31.3.2018 US\$</b>
<b>Income</b>		
Net gains on investments and derivatives [Note 4]	8,850,555	8,613,594
Dividend income	286,364	365,960
Interest on deposits	15,090	17,782
Net foreign currency exchange gains/(losses)	6,281	(24,003)
	<b>9,158,290</b>	<b>8,973,333</b>
<b>Expenses</b>		
Management fee	591,005	765,835
Transaction costs	20,296	58,959
Trustee's fee	19,080	21,895
Legal and professional expenses	18,575	19,214
Safe custody and bank charges	16,767	24,556
Auditor's fee	11,325	10,856
Registrar's fee	10,127	13,983
Valuation fee	8,050	8,120
Printing and publication expenses	1,271	612
Other operating expenses	2,868	819
	<b>699,364</b>	<b>924,849</b>
<b>Net operating profit</b>	<b>8,458,926</b>	<b>8,048,484</b>
<b>Finance costs</b>		
Interest expense	-	(2,278)
<b>Profit before taxation</b>	<b>8,458,926</b>	<b>8,046,206</b>
Taxation	247,697	(775,041)
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>8,706,623</b>	<b>7,271,165</b>

*The notes on pages 163 to 165 form part of these financial statements.*



**Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units  
For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	78,419,697	98,276,170
	-----	-----
Allotment of redeemable units	3,144,213	18,447,644
Redemption of redeemable units	(4,190,190)	(23,666,766)
	-----	-----
<b>Net redemption</b>	(1,045,977)	(5,219,122)
	-----	-----
	77,373,720	93,057,048
	-----	-----
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	8,706,623	7,271,165
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	86,080,343	100,328,213
	=====	=====

**Statement of Cash Flows  
For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(1,862,784)	(7,690,413)
Proceeds from disposal of investments and derivatives	5,235,144	17,973,404
Dividend received	305,694	358,870
Interest received	15,253	17,586
Trustee's fee paid	(18,977)	(22,105)
Registrar's fee paid	(20,403)	(26,936)
Transaction costs paid	(20,536)	(59,872)
Tax paid	(77,599)	(3,248)
Management fee paid	(587,862)	(775,367)
Others	(71,891)	(105,936)
	-----	-----
<b>Net cash inflow from operating activities</b>	2,896,039	9,665,983
	-----	-----
<b>Financing activities</b>		
Interest paid	-	(2,278)
Receipts on allotment of redeemable units	3,264,796	18,575,340
Payments on redemption of redeemable units	(4,339,258)	(26,512,875)
	-----	-----
<b>Net cash outflow from financing activities</b>	(1,074,462)	(7,939,813)
	-----	-----
<b>Increase in cash and cash equivalents</b>	1,821,577	1,726,170
Cash and cash equivalents at the beginning of the period	2,616,916	2,998,229
Exchange gains on cash and cash equivalents	-	2,678
	-----	-----
<b>Cash and cash equivalents at the end of the period</b>	4,438,493	4,727,077
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	4,438,493	1,922,277
Short-term deposits	-	2,804,800
	-----	-----
	4,438,493	4,727,077
	=====	=====

The notes on pages 163 to 165 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan India Smaller Companies Fund (the "Fund") was established under a Trust Deed dated 13 April 2006, as amended (the "Trust Deed") and is governed by the laws of the Republic of Mauritius. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to provide investors with long-term capital growth by investing primarily in securities of small to medium-sized companies in India.

Pursuant to the Supplemental Trust Deed dated 31 August 2012, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies****(a) Accounting policies of interim financial statements**

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value. When trading of financial instruments in markets that are not considered to be active, the financial instruments are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the period/year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Foreign currency translation**

*Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(e) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

31.3.2019

	USD Class (acc)
	Units
Number of units in issue	<u>3,923,568.086</u>
	US\$
Net assets attributable to holders of redeemable units	<u>86,080,343</u>
Net assets attributable to holders of redeemable units (per unit)	<u>21.94</u>

30.9.2018

	USD Class (acc) Units
Number of units in issue	3,979,143.428
	US\$
Net assets attributable to holders of redeemable units	78,419,697
Net assets attributable to holders of redeemable units (per unit)	19.71

**4 Net gains on investments and derivatives**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	7,305,615	834,546
Realized gains on sale of investments and derivatives	1,544,940	7,779,048
	8,850,555	8,613,594

**5 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**6 Distribution**

No distribution was made during the period (31 March 2018: nil).

**UK Tax Information**

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 19 September 2006 to 30 September 2010.

**Investment Portfolio****As at 31 March 2019 (Unaudited)**

	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments (97.6%)</b>			
<b>Equities (97.6%)</b>			
<b>Indonesia (97.6%)</b>			
<b>Auto Components (1.3%)</b>			
Selamat Sempurna	6,111,800	695,303	1.3
<b>Automobiles (8.0%)</b>			
Astra Intl	8,312,300	4,275,814	8.0
<b>Banks (34.6%)</b>			
Bank Central Asia	2,688,300	5,238,787	9.8
Bank Danamon Indonesia	1,409,800	920,726	1.7
Bank Mandiri (Persero)	8,906,124	4,659,454	8.7
Bank Negara Indonesia (Persero)	3,742,700	2,470,602	4.6
Bank Rakyat Indonesia Persero	18,129,400	5,245,304	9.8
<b>Building Products (0.2%)</b>			
Arwana Citramulia	3,367,800	119,434	0.2
<b>Construction Materials (5.8%)</b>			
Indocement Tunggal Prakarsa	1,140,200	1,753,538	3.3
Semen Indonesia Persero	1,384,600	1,356,402	2.5
<b>Consumer Finance (2.4%)</b>			
BFI Finance Indonesia	28,129,300	1,303,746	2.4
<b>Diversified Telecommunication Services (9.8%)</b>			
Telekomunikasi Indonesia	18,824,500	5,221,683	9.8

(Continued)

	Holding	Fair value US\$	% of net assets
<b>Food Products (2.6%)</b>			
Charoen Pokphand Indonesia	1,028,200	462,112	0.9
Indofood Sukses Makmur	1,361,800	609,654	1.1
Mayora Indah	1,840,800	330,930	0.6
<b>Gas Utilities (2.4%)</b>			
Perusahaan Gas Negara	7,928,100	1,308,359	2.4
<b>Household Products (4.5%)</b>			
Unilever Indonesia	696,700	2,408,361	4.5
<b>Multiline Retail (1.2%)</b>			
Mitra Adiperkasa	9,125,100	621,583	1.2
<b>Oil, Gas &amp; Consumable Fuels (5.5%)</b>			
Adaro Energy	5,909,800	558,194	1.0
PT Bukit Asam 'B'	1,375,500	405,695	0.8
United Tractors	1,055,100	2,004,245	3.7
<b>Paper &amp; Forest Products (0.8%)</b>			
Indah Kiat Pulp & Paper	679,600	410,433	0.8
<b>Pharmaceuticals (2.0%)</b>			
Kalbe Farma	10,079,900	1,075,944	2.0
<b>Real Estate Management &amp; Development (2.9%)</b>			
Bumi Serpong Damai	6,971,000	687,799	1.3
Pakuwon Jati	18,042,500	874,250	1.6
<b>Specialty Retail (1.0%)</b>			
ACE Hardware Indonesia	4,272,200	534,025	1.0
<b>Tobacco (8.9%)</b>			
Gudang Garam	374,700	2,189,258	4.1
Hanjaya Mandala Sampoerna	9,732,000	2,562,851	4.8
<b>Trading Companies &amp; Distributors (1.3%)</b>			
AKR Corporindo	2,085,100	691,129	1.3
<b>Transportation Infrastructure (0.8%)</b>			
Jasa Marga (Persero)	1,003,100	420,893	0.8
<b>Wireless Telecommunication Services (1.6%)</b>			
XL Axiata	4,491,400	851,600	1.6
<b>Total Listed/Quoted Investments</b>		52,268,108	97.6
<b>Other net assets</b>		1,294,574	2.4
<b>Net assets attributable to holders of redeemable units at 31 March 2019</b>		53,562,682	100.0
<b>Total investments, at cost</b>		45,265,451	

Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 *(Unaudited)*

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
<b>Indonesia</b>		
Banks	34.6	32.0
Diversified Telecommunication Services	9.8	7.3
Tobacco	8.9	8.6
Automobiles	8.0	9.5
Construction Materials	5.8	6.2
Oil, Gas & Consumable Fuels	5.5	8.0
Household Products	4.5	4.1
Real Estate Management & Development	2.9	-
Food Products	2.6	3.5
Gas Utilities	2.4	1.9
Consumer Finance	2.4	3.0
Pharmaceuticals	2.0	3.3
Wireless Telecommunication Services	1.6	-
Auto Components	1.3	-
Trading Companies & Distributors	1.3	0.9
Multiline Retail	1.2	1.4
Specialty Retail	1.0	2.0
Transportation Infrastructure	0.8	-
Paper & Forest Products	0.8	1.4
Building Products	0.2	-
Hotels, Restaurants & Leisure	-	1.3
Household Durables	-	0.5
<b>Singapore</b>		
Distributors	-	3.4
<b>Total Listed/Quoted Investments</b>	<b>97.6</b>	<b>98.3</b>
<b>Other net assets</b>	<b>2.4</b>	<b>1.7</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>100.0</b>	<b>100.0</b>

**Statement of Financial Position  
As at 31 March 2019 (Unaudited)**

	31.3.2019 US\$	30.9.2018 US\$
<b>Assets</b>		
Cash at banks	1,699,351	1,530,766
Amounts due from brokers	172,094	-
Amounts receivable on allotment	355	1,770
Investments	52,268,108	54,800,018
Dividend and interest receivable	-	14,378
<b>Total assets</b>	<u>54,139,908</u>	<u>56,346,932</u>
<b>Liabilities</b>		
Amounts due to brokers	429,425	242,021
Amounts payable on redemption	72,821	242,867
Other accounts payable	74,980	95,078
<b>Total liabilities</b>	<u>577,226</u>	<u>579,966</u>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>53,562,682</u>	<u>55,766,966</u>
<b>Equity</b>	<u>53,562,682</u>	<u>55,766,966</u>

**Statement of Comprehensive Income  
For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 4]	8,408,354	2,032,427
Dividend income	118,971	451,146
Net foreign currency exchange gains/(losses)	4,353	(40,798)
Interest on deposits	2,320	1,767
	<u>8,533,998</u>	<u>2,444,542</u>
<b>Expenses</b>		
Management fee	423,725	536,411
Transaction costs	62,327	108,786
Trustee's fee	15,295	18,102
Safe custody and bank charges	10,413	13,390
Registrar's fee	8,897	12,751
Valuation fee	8,260	8,470
Auditor's fee	7,285	6,995
Printing and publication expenses	861	20
Legal and professional expenses	-	2,729
Other operating expenses	3,692	1,889
	<u>540,755</u>	<u>709,543</u>
<b>Net operating profit</b>	<u>7,993,243</u>	<u>1,734,999</u>
<b>Finance costs</b>		
Interest expense	(172)	(44)
<b>Profit before taxation</b>	<u>7,993,071</u>	<u>1,734,955</u>
Taxation	(24,024)	(90,229)
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>7,969,047</u>	<u>1,644,726</u>

The notes on pages 170 to 172 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	55,766,966	74,810,599
-----	-----	-----
Allotment of redeemable units	2,730,352	10,172,155
Redemption of redeemable units	(12,903,683)	(20,354,856)
<b>Net redemption</b>	(10,173,331)	(10,182,701)
-----	-----	-----
	45,593,635	64,627,898
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	7,969,047	1,644,726
-----	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	53,562,682	66,272,624
=====	=====	=====

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(7,987,052)	(18,641,852)
Proceeds from disposal of investments and derivatives	18,942,023	30,086,835
Dividend received	133,247	272,195
Interest received	2,422	1,847
Trustee's fee paid	(15,256)	(18,264)
Registrar's fee paid	(17,388)	(24,400)
Tax paid	(24,024)	(90,229)
Transaction costs paid	(63,404)	(112,164)
Management fee paid	(423,103)	(545,107)
Others	(104,206)	(24,264)
<b>Net cash inflow from operating activities</b>	10,443,259	10,904,597
-----	-----	-----
<b>Financing activities</b>		
Interest paid	(172)	(44)
Receipts on allotment of redeemable units	2,731,767	10,145,252
Payments on redemption of redeemable units	(13,073,729)	(20,468,072)
<b>Net cash outflow from financing activities</b>	(10,342,134)	(10,322,864)
-----	-----	-----
<b>Increase in cash and cash equivalents</b>	101,125	581,733
Cash and cash equivalents at the beginning of the period	1,530,766	2,430,830
Exchange gains/(losses) on cash and cash equivalents	67,460	(59,159)
<b>Cash and cash equivalents at the end of the period</b>	1,699,351	2,953,044
=====	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	1,699,351	2,953,044
=====	=====	=====

The notes on pages 170 to 172 form part of these financial statements.



## Notes to the Financial Statements

### 1 The Fund

JPMorgan Indonesia Fund (the "Fund") was established under a Trust Deed dated 19 September 2006, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to provide investors with long-term capital appreciation through a portfolio consisting primarily of securities linked to the Indonesian economy. These include, but are not restricted to, securities traded on the stock exchanges of Indonesia.

Pursuant to the Supplemental Trust Deed dated 4 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

### 2 Summary of significant accounting policies

#### (a) Accounting policies of interim financial statements

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

#### (b) Investments and derivatives

##### *Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

##### *Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

##### *Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the period/year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Foreign currency translation**

*Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(e) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

31.3.2019

	USD Class (acc)
	Units
Number of units in issue	<u>1,796,151.095</u>
	US\$
Net assets attributable to holders of redeemable units	<u>53,562,682</u>
Net assets attributable to holders of redeemable units (per unit)	<u>29.82</u>

30.9.2018

	USD Class (acc) Units
Number of units in issue	2,147,426.136
	US\$
Net assets attributable to holders of redeemable units	55,766,966
Net assets attributable to holders of redeemable units (per unit)	25.97

**4 Net gains on investments and derivatives**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	7,493,473	(524,864)
Realized gains on sale of investments and derivatives	914,881	2,557,291
	8,408,354	2,032,427

**5 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**6 Distribution**

No distribution was made during the period (31 March 2018: nil).

**UK Tax Information**

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 1 January 1984 to 30 September 2010.

The exchange of units in JPMorgan Japan Smaller Company (Yen) Fund (the "Terminating Fund") for units in the Fund on 14 June 2019 should not be a taxable event for UK capital gain purposes for UK tax resident unitholders of the Terminating Fund as confirmed by HMRC - since both funds are "special category transparent offshore fund".

(Continued)

**Investment Portfolio****As at 31 March 2019 (Unaudited)**

	Holding	Fair value JPY'000	% of net assets
<b>Listed/Quoted Investments (99.8%)</b>			
<b>(I) Equities (99.5%)</b>			
<b>Japan (99.5%)</b>			
<b>Chemicals (13.5%)</b>			
Kao Corp	142,500	1,242,315	5.1
Kureha Corp	9,800	60,858	0.3
Milbon Co	38,000	195,700	0.8
Nifco Inc	26,100	73,602	0.3
Shin-Etsu Chemical	48,100	446,368	1.8
Shiseido Co	160,400	1,281,115	5.2
<b>Electric Appliances (10.9%)</b>			
Keyence Corp	23,500	1,620,795	6.6
Lasertec Corp	38,400	177,600	0.7
Murata Manufacturing	40,200	221,582	0.9
Nidec Corp	26,200	367,455	1.5
Sysmex Corp	42,600	284,994	1.2
<b>Information &amp; Communication (20.4%)</b>			
Digital Garage	90,700	294,322	1.2
GMO Payment Gateway	105,800	831,588	3.4
Hikari Tsushin	47,600	998,172	4.1
Istyle Inc	97,000	89,046	0.4
Mercari Inc	135,700	461,380	1.9

	Holding	Fair value JPY'000	% of net assets
Money Forward	30,300	140,138	0.6
Nexon Co	201,100	348,707	1.4
Obic Co	44,900	501,084	2.0
SoftBank Group Corp	60,100	645,774	2.6
Square Enix Hldgs	81,400	315,832	1.3
Trend Micro	22,200	119,658	0.5
Zenrin Co	96,400	236,276	1.0
<b>Insurance (4.4%)</b>			
Tokio Marine Hldgs	199,200	1,068,110	4.4
<b>Internet (0.5%)</b>			
Uzabase	37,000	111,740	0.5
<b>Machinery (5.5%)</b>			
Daikin Industries	25,600	332,032	1.3
Makita Corp	61,700	237,854	1.0
Miura Co	151,600	386,732	1.6
Shima Seiki Mfg	34,800	118,320	0.5
SMC Corp	6,800	282,404	1.1
<b>Other Financing Business (3.0%)</b>			
Aruhi Corp	66,200	145,839	0.6
Japan Exchange Group	303,200	598,214	2.4
<b>Other Products (3.8%)</b>			
Nintendo Co	12,600	397,656	1.6
Pigeon Corp	95,500	432,138	1.8
Tomy Co	98,900	112,944	0.4
<b>Pharmaceuticals (2.9%)</b>			
PeptiDream Inc	102,400	556,032	2.3
Tsumura & Co	47,300	159,164	0.6
<b>Precision Instruments (1.2%)</b>			
Asahi Intecc	55,800	290,160	1.2
<b>Retail Trade (10.9%)</b>			
Cosmos Pharmaceutical	5,900	112,926	0.5
Fast Retailing	11,700	608,751	2.5
MonotaRO Co	281,100	691,787	2.8
Pan Pacific Intl Hldgs	127,500	934,575	3.8
ZOZO Inc	153,700	320,618	1.3
<b>Securities (1.1%)</b>			
SBI Hldgs	107,700	265,588	1.1
<b>Services (18.9%)</b>			
Cyber Agent	122,300	552,184	2.3
Infomart Corp	192,700	259,760	1.1
M3 Inc	586,200	1,088,573	4.4
Nihon M&A Center	203,600	616,908	2.5
Oriental Land	29,200	367,044	1.5
Recruit Hldgs	441,800	1,396,530	5.7
Relo Group	109,300	339,923	1.4
<b>Transportation Equipment (1.9%)</b>			
Suzuki Motor	93,700	458,943	1.9

Investment Portfolio (Continued)  
As at 31 March 2019 *(Unaudited)*

	Holding	Fair value JPY'000	% of net assets
<b>Wholesale Trade (0.6%)</b>			
Misumi Group	51,200	140,902	0.6
		<u>24,338,712</u>	<u>99.5</u>
<b>(II) Derivatives (0.3%)</b>			
<b>Forward foreign exchange contracts (0.3%)</b>		<u>65,816</u>	<u>0.3</u>
<b>Total Listed/Quoted Investments</b>		24,404,528	99.8
<b>Other net assets</b>		<u>48,139</u>	<u>0.2</u>
<b>Net assets attributable to holders of redeemable units at 31 March 2019</b>		<u><u>24,452,667</u></u>	<u><u>100.0</u></u>
<b>Total investments, at cost</b>		<u><u>19,908,235</u></u>	

Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 *(Unaudited)*

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
<b>Japan</b>		
Information & Communication	20.4	18.8
Services	18.9	20.7
Chemicals	13.5	13.7
Electric Appliances	10.9	12.0
Retail Trade	10.9	6.1
Machinery	5.5	8.5
Insurance	4.4	4.1
Other Products	3.8	4.1
Other Financing Business	3.0	2.5
Pharmaceuticals	2.9	2.8
Transportation Equipment	1.9	1.5
Precision Instruments	1.2	1.1
Securities	1.1	1.9
Wholesale Trade	0.6	1.0
Internet	0.5	0.4
<b>Derivatives</b>		
Forward foreign exchange contracts	0.3	0.9
<b>Total Listed/Quoted Investments</b>	<u>99.8</u>	<u>100.1</u>
<b>Other net assets/(liabilities)</b>	<u>0.2</u>	<u>(0.1)</u>
<b>Net assets attributable to holders of redeemable units</b>	<u><u>100.0</u></u>	<u><u>100.0</u></u>

Statement of Financial Position  
As at 31 March 2019 *(Unaudited)*

	31.3.2019 JPY'000	30.9.2018 JPY'000
<b>Assets</b>		
Cash at banks	405,027	192,370
Amounts due from brokers	-	385,487
Amounts receivable on allotment	94,736	215,014
Derivatives	99,419	457,033
Investments	24,338,712	33,249,941
Dividend and other accounts receivable	96,423	111,751
<b>Total assets</b>	<u>25,034,317</u>	<u>34,611,596</u>
	-----	-----
<b>Liabilities</b>		
Amounts due to brokers	284,398	-
Amounts payable on redemption	233,146	892,631
Derivatives	33,603	146,450
Other accounts payable	30,503	49,059
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<u>581,650</u>	<u>1,088,140</u>
	-----	-----
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>24,452,667</u>	<u>33,523,456</u>
	=====	=====

Statement of Comprehensive Income  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 JPY'000	1.10.2017 to 31.3.2018 JPY'000
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 4]	(4,238,771)	4,127,671
Dividend income	159,431	215,389
Interest on deposits	275	514
Net foreign currency exchange losses	(2,234)	(40,026)
	<u>(4,081,299)</u>	<u>4,303,548</u>
	-----	-----
<b>Expenses</b>		
Management fee	180,076	208,336
Registrar's fee	7,813	8,840
Transaction costs	6,772	10,147
Trustee's fee	3,701	4,185
Safe custody and bank charges	3,693	4,664
Auditor's fee	985	943
Valuation fee	881	879
Printing and publication expenses	229	6
Legal and professional expenses	-	349
Other operating expenses	466	68
	<u>204,616</u>	<u>238,417</u>
	-----	-----
<b>Net operating (loss)/profit</b>	(4,285,915)	4,065,131
<b>Finance costs</b>		
Interest expense	(76)	(19,999)
	<u>(4,285,991)</u>	<u>4,045,132</u>
	-----	-----
<b>(Loss)/profit before taxation</b>	(4,285,991)	4,045,132
Taxation	(15,943)	(21,539)
	<u>(4,301,934)</u>	<u>4,023,593</u>
	-----	-----
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>(4,301,934)</u>	<u>4,023,593</u>
	=====	=====

The notes on pages 177 to 180 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 JPY'000	1.10.2017 to 31.3.2018 JPY'000
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	33,523,456	23,160,144
	-----	-----
Allotment of redeemable units	7,436,549	20,306,658
Redemption of redeemable units	(12,205,404)	(14,879,136)
<b>Net (redemption)/allotment</b>	(4,768,855)	5,427,522
	-----	-----
	28,754,601	28,587,666
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	(4,301,934)	4,023,593
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	24,452,667	32,611,259
	=====	=====

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 JPY'000	1.10.2017 to 31.3.2018 JPY'000
<b>Operating activities</b>		
Purchase of investments and derivatives	(3,375,662)	(11,131,329)
Proceeds from disposal of investments and derivatives	8,962,823	4,859,369
Dividend received	174,685	170,312
Interest received	347	537
Trustee's fee paid	(3,848)	(4,011)
Transaction costs paid	(6,888)	(9,770)
Registrar's fee paid	(14,673)	(15,155)
Tax paid	(15,943)	(21,539)
Management fee paid	(189,401)	(198,289)
Others	(5,971)	(29,534)
	-----	-----
<b>Net cash inflow/(outflow) from operating activities</b>	5,525,469	(6,379,409)
	-----	-----
<b>Financing activities</b>		
Interest paid	(76)	(19,804)
Receipts on allotment of redeemable units	7,556,827	20,117,529
Payments on redemption of redeemable units	(12,864,889)	(14,667,727)
	-----	-----
<b>Net cash (outflow)/inflow from financing activities</b>	(5,308,138)	5,429,998
	-----	-----
<b>Increase/(decrease) in cash and cash equivalents</b>	217,331	(949,411)
Cash and cash equivalents at the beginning of the period	192,370	(4,693,726)
Exchange losses on cash and cash equivalents	(4,674)	(19,662)
	-----	-----
<b>Cash and cash equivalents at the end of the period</b>	405,027	(5,662,799)
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	405,027	844,385
Short-term bank loans - unsecured	-	(6,507,184)
	-----	-----
	405,027	(5,662,799)
	=====	=====

The notes on pages 177 to 180 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Japan (Yen) Fund (the "Fund") was established under a Trust Deed dated 1 August 1969, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to provide investors with long-term capital growth through investment primarily in Japanese securities and other securities whose performance is linked to that of the Japanese economy.

Pursuant to the Supplemental Trust Deed dated 20 June 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies****(a) Accounting policies of interim financial statements**

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.



Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

**(c) Securities lending and borrowing**

Securities lenders' agreements are entered into with institutions of appropriate financial standing who engage in such arrangements acceptable to the Trustee and on arm's length commercial terms. Securities lent are included in the investment portfolio of the Fund. Relevant securities lending income entitled by the Fund is accounted for in the Statement of Comprehensive Income. Collateral received for the purpose of securities lent generally consist of non-cash collateral which are off-balance sheet transactions and are therefore not included in the financial statements.

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the period/year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Foreign currency translation**

*Functional and presentation currency*

The Fund has adopted Japanese Yen as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(e) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**31.3.2019

	HKD Hedged Class (acc) Units	JPY Class (acc) Units	RMB Hedged Class (acc) Units	USD Hedged Class (acc) Units
Number of units in issue	<u>3,520,064.383</u>	<u>516,655.117</u>	<u>638,823.791</u>	<u>2,153,352.449</u>
	HK\$	JPY'000	CNY	US\$
Net assets attributable to holders of redeemable units	<u>70,653,253</u>	<u>18,392,305</u>	<u>9,603,773</u>	<u>44,323,769</u>
	HK\$	JPY	CNY	US\$
Net assets attributable to holders of redeemable units (per unit)	<u>20.07</u>	<u>35,599</u>	<u>15.03</u>	<u>20.58</u>

30.9.2018

	HKD Hedged Class (acc) Units	JPY Class (acc) Units	RMB Hedged Class (acc) Units	USD Hedged Class (acc) Units
Number of units in issue	<u>3,405,155.493</u>	<u>569,399.098</u>	<u>696,249.739</u>	<u>3,356,836.773</u>
	HK\$	JPY'000	CNY	US\$
Net assets attributable to holders of redeemable units	<u>77,611,247</u>	<u>23,326,322</u>	<u>11,805,441</u>	<u>78,139,809</u>
	HK\$	JPY	CNY	US\$
Net assets attributable to holders of redeemable units (per unit)	<u>22.79</u>	<u>40,967</u>	<u>16.96</u>	<u>23.28</u>

**4 Net (losses)/gains on investments and derivatives**

	1.10.2018 to 31.3.2019 JPY'000	1.10.2017 to 31.3.2018 JPY'000
Change in unrealized gains/losses in value of investments and derivatives	(5,128,285)	2,951,951
Realized gains on sale of investments and derivatives	<u>889,514</u>	<u>1,175,720</u>
	<u>(4,238,771)</u>	<u>4,127,671</u>

**5 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**6 Distribution**

No distribution was made during the period (31 March 2018: nil).

**7 Subsequent events**

JPMorgan Japan Smaller Company (Yen) Fund will merge into the Fund on 14 June 2019.

## UK Tax Information

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 1 January 1984 to 30 September 2010.

The exchange of units in the Fund for units in JPMorgan Japan (Yen) Fund (the "Receiving Fund") on 14 June 2019 should not be a taxable event for UK capital gain purposes for UK tax resident unitholders of the Fund as confirmed by HMRC - since both funds are "special category transparent offshore fund".

(Continued)

## Investment Portfolio

As at 31 March 2019 (*Unaudited*)

	Holding	Fair value JPY'000	% of net assets
<b>Listed/Quoted Investments (99.0%)</b>			
<b>Equities (99.0%)</b>			
<b>Japan (99.0%)</b>			
<b>Banks (1.9%)</b>			
Resona Hldgs	282,400	135,467	1.9
<b>Chemicals (14.6%)</b>			
Aica Kogyo Co	33,500	123,615	1.7
Daicel Corp	47,000	56,494	0.8
FP Corp	28,500	186,390	2.5
JSP Corp	14,100	34,446	0.5
Kansai Paint Co	40,800	86,129	1.2
Milbon Co	13,000	66,950	0.9
Mitsui Chemicals	50,300	134,351	1.8
Nifco Inc	20,400	57,528	0.8
Sakai Chemical Industry	15,000	36,465	0.5
Taiyo Nippon Sanso	77,500	130,665	1.8
Takara Bio	18,300	46,976	0.6
Tri Chemical Laboratories	21,100	111,197	1.5
<b>Construction (3.9%)</b>			
Kumagai Gumi	20,700	71,622	1.0
Nishimatsu Construction	43,800	107,441	1.4
Raito Kogyo	72,100	107,573	1.5

	Holding	Fair value JPY'000	% of net assets
<b>Electric Appliances (4.6%)</b>			
Iriso Electronics	13,300	67,298	0.9
Mabuchi Motor	11,000	42,350	0.6
SCREEN Hldgs	12,900	57,534	0.8
Taiyo Yuden Co	76,600	166,758	2.3
<b>Glass &amp; Ceramics Products (0.4%)</b>			
Nikkato Corp	32,700	29,692	0.4
<b>Information &amp; Communication (13.3%)</b>			
GMO Internet	27,100	48,888	0.7
GMO Payment Gateway	19,200	150,912	2.1
Hikari Tsushin	9,900	207,604	2.8
LINE Corp	19,200	74,976	1.0
Mercari Inc	47,300	160,820	2.2
Money Forward	20,800	96,200	1.3
Net One Systems	55,600	154,957	2.1
Square Enix Hldgs	21,400	83,032	1.1
<b>Internet (0.9%)</b>			
Uzabase	20,600	62,212	0.9
<b>Machinery (7.5%)</b>			
Disco Corp	6,000	94,620	1.3
Harmonic Drive Systems	11,900	45,101	0.6
Hirano Tecseed	16,900	29,237	0.4
Makita Corp	13,800	53,199	0.7
Miura Co	52,000	132,652	1.8
Nissei ASB Machine	17,100	64,724	0.9
Nittoku Engineering	21,100	59,080	0.8
Teikoku Electric Mfg	61,800	69,463	1.0
<b>Metal Products (2.0%)</b>			
Rinnai Corp	9,600	75,168	1.0
Sumco Corp	55,500	68,320	1.0
<b>Non Ferrous Metals (0.8%)</b>			
Dowa Hldgs	15,600	56,784	0.8
<b>Other Financing Business (1.7%)</b>			
Mitsubishi UFJ Lease & Finance Co	226,600	127,802	1.7
<b>Other Products (2.5%)</b>			
Fuji Seal Intl	32,400	129,600	1.8
Lintec Corp	21,700	51,950	0.7
<b>Pharmaceuticals (2.6%)</b>			
Gene Techno Science	42,200	36,798	0.5
PeptiDream Inc	28,700	155,841	2.1
<b>Precision Instruments (4.3%)</b>			
Asahi Intecc	23,200	120,640	1.7
Shimadzu Corp	37,400	119,680	1.6
Topcon Corp	58,500	76,401	1.0
<b>Real Estate Management &amp; Development (1.4%)</b>			
Star Mica Co	72,800	103,012	1.4

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)****Statement of Movements in Portfolio Holdings**  
**For the period ended 31 March 2019 (Unaudited)**

	Holding	Fair value JPY'000	% of net assets		% holdings of net assets	
					31.3.2019	30.9.2018
<b>Retail Trade (9.9%)</b>				<b>Listed/Quoted Investments</b>		
Cosmos Pharmaceutical	2,800	53,592	0.7	<b>Equities</b>		
Marui Group Co	39,300	87,836	1.2			
Monogatari Corp	11,500	103,615	1.4	<b>Japan</b>		
MonotaRO Co	26,000	63,986	0.9	Services	23.2	20.2
Nitori Hldgs	3,000	42,900	0.6	Chemicals	14.6	14.4
Pan Pacific Intl Hldgs	15,300	112,149	1.5	Information & Communication	13.3	12.8
Rakusl Inc	22,300	102,246	1.4	Retail Trade	9.9	9.9
San-A Co	16,200	71,766	1.0	Machinery	7.5	8.2
Seria Co	10,000	38,150	0.5	Electric Appliances	4.6	4.1
ZOZO Inc	23,900	49,855	0.7	Precision Instruments	4.3	4.2
				Construction	3.9	2.2
<b>Securities (1.2%)</b>				Pharmaceuticals	2.6	3.4
SBI Hldgs	35,200	86,803	1.2	Other Products	2.5	2.2
				Wholesale Trade	2.3	2.4
<b>Services (23.2%)</b>				Metal Products	2.0	3.4
Advantage Risk Management	64,400	55,255	0.8	Banks	1.9	2.9
Atrae Inc	42,400	164,300	2.2	Other Financing Business	1.7	2.6
Benefit One	140,100	304,298	4.1	Real Estate Management & Development	1.4	1.0
Bengo4.Com	46,000	201,940	2.8	Securities	1.2	1.4
Cyber Agent	30,700	138,610	1.9	Internet	0.9	0.8
Grace Technology	35,700	72,043	1.0	Non Ferrous Metals	0.8	0.6
Infomart Corp	108,800	146,662	2.0	Glass & Ceramics Products	0.4	0.5
Litalico Inc	54,100	97,813	1.3	Iron & Steel	-	1.1
M3 Inc	65,500	121,634	1.7	Insurance	-	0.9
Nihon M&A Center	12,000	36,360	0.5			
Persol Holdings Co	32,900	58,957	0.8	<b>Total Listed/Quoted Investments</b>	99.0	99.2
SMS Co	51,600	103,148	1.4			
Sprix Ltd	18,200	52,016	0.7	<b>Other net assets</b>	1.0	0.8
Tosho Co	48,600	149,202	2.0			
				<b>Net assets attributable to holders of redeemable units</b>	100.0	100.0
<b>Wholesale Trade (2.3%)</b>						
Misumi Group	60,900	167,597	2.3			
<b>Total Listed/Quoted Investments</b>		7,249,347	99.0			
<b>Other net assets</b>		76,461	1.0			
<b>Net assets attributable to holders of redeemable units at 31 March 2019</b>		7,325,808	100.0			
<b>Total investments, at cost</b>		5,793,168				

Statement of Financial Position  
As at 31 March 2019 *(Unaudited)*

	31.3.2019 JPY'000	30.9.2018 JPY'000
<b>Assets</b>		
Cash at banks	101,694	88,738
Amounts due from brokers	136,057	2,437
Amounts receivable on allotment	444	2,545
Investments	7,249,347	9,586,338
Dividend receivable	46,078	33,980
<b>Total assets</b>	<u>7,533,620</u>	<u>9,714,038</u>
	-----	-----
<b>Liabilities</b>		
Amounts payable on redemption	197,723	38,719
Other accounts payable	10,089	14,444
<b>Total liabilities</b>	<u>207,812</u>	<u>53,163</u>
	-----	-----
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>7,325,808</u>	<u>9,660,875</u>
	=====	=====
<b>Equity</b>	<u>7,325,808</u>	<u>9,660,875</u>
	=====	=====

Statement of Comprehensive Income  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 JPY'000	1.10.2017 to 31.3.2018 JPY'000
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 4]	(1,254,190)	1,717,530
Dividend income	60,132	93,111
Interest on deposits	11	2
Net foreign currency exchange losses	(91)	(26)
	<u>(1,194,138)</u>	<u>1,810,617</u>
	-----	-----
<b>Expenses</b>		
Management fee	57,343	84,073
Transaction costs	1,902	3,988
Registrar's fee	1,366	2,257
Auditor's fee	915	873
Trustee's fee	688	1,009
Safe custody and bank charges	638	1,298
Printing and publication expenses	105	28
Legal and professional expenses	-	303
Other operating expenses	294	57
	<u>63,251</u>	<u>93,886</u>
	-----	-----
<b>Net operating (loss)/profit</b>	<u>(1,257,389)</u>	<u>1,716,731</u>
	-----	-----
<b>Finance costs</b>		
Interest expense	(20)	(8,474)
	<u>(1,257,409)</u>	<u>1,708,257</u>
	-----	-----
<b>(Loss)/profit before taxation</b>	<u>(1,257,409)</u>	<u>1,708,257</u>
	-----	-----
Taxation	(6,013)	(9,311)
	<u>(1,263,422)</u>	<u>1,698,946</u>
	=====	=====
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>(1,263,422)</u>	<u>1,698,946</u>
	=====	=====

The notes on pages 185 to 187 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 JPY'000	1.10.2017 to 31.3.2018 JPY'000
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	9,660,875	11,204,698
-----	-----	-----
Allotment of redeemable units	59,792	914,098
Redemption of redeemable units	(1,131,437)	(2,760,769)
<b>Net redemption</b>	(1,071,645)	(1,846,671)
-----	-----	-----
	8,589,230	9,358,027
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	(1,263,422)	1,698,946
-----	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	7,325,808	11,056,973
=====	=====	=====

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 JPY'000	1.10.2017 to 31.3.2018 JPY'000
<b>Operating activities</b>		
Purchase of investments and derivatives	(614,066)	(2,098,517)
Proceeds from disposal of investments and derivatives	1,563,180	4,014,454
Dividend received	48,034	72,650
Interest received	11	2
Trustee's fee paid	(710)	(1,010)
Transaction costs paid	(1,772)	(3,920)
Registrar's fee paid	(2,677)	(4,062)
Tax paid	(6,013)	(9,311)
Management fee paid	(59,115)	(84,123)
Others	(3,274)	(3,665)
<b>Net cash inflow from operating activities</b>	923,598	1,882,498
-----	-----	-----
<b>Financing activities</b>		
Interest paid	(20)	(8,440)
Receipts on allotment of redeemable units	61,893	914,187
Payments on redemption of redeemable units	(972,433)	(2,760,224)
<b>Net cash outflow from financing activities</b>	(910,560)	(1,854,477)
-----	-----	-----
<b>Increase in cash and cash equivalents</b>	13,038	28,021
Cash and cash equivalents at the beginning of the period	88,738	(1,979,282)
Exchange losses on cash and cash equivalents	(82)	(201)
<b>Cash and cash equivalents at the end of the period</b>	101,694	(1,951,462)
=====	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	101,694	33,786
Short-term bank loans - unsecured	-	(1,985,248)
	101,694	(1,951,462)
=====	=====	=====

The notes on pages 185 to 187 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Japan Smaller Company (Yen) Fund (the "Fund") was established under a Trust Deed dated 5 June 1980, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to provide investors with long-term capital growth through investment primarily in the shares of small to medium sized Japanese companies.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies****(a) Accounting policies of interim financial statements**

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.



**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the period/year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Foreign currency translation***Functional and presentation currency*

The Fund has adopted Japanese Yen as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(e) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

	31.3.2019 Units	30.9.2018 Units
Number of units in issue	105,922,486	121,554,999
	JPY'000	JPY'000
Net assets attributable to holders of redeemable units	7,325,808	9,660,875
	JPY	JPY
Net assets attributable to holders of redeemable units (per unit)	69,162	79,477

**4 Net (losses)/gains on investments and derivatives**

	1.10.2018 to 31.3.2019 JPY'000	1.10.2017 to 31.3.2018 JPY'000
Change in unrealized gains/losses in value of investments and derivatives	(1,528,206)	(277,647)
Realized gains on sale of investments and derivatives	274,016	1,995,177
	<u>(1,254,190)</u>	<u>1,717,530</u>

**5 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**6 Distribution**

No distribution was made during the period (31 March 2018: nil).

**7 Subsequent events**

Pursuant to the resolutions passed at the general meeting of unitholders held on 9 April 2019, the Fund will merge into JPMorgan Japan (Yen) Fund (the "Receiving Fund") on 14 June 2019 (the "Merger Date"). Units held by unitholders in the Fund will be exchanged for units in the Receiving Fund on the Merger Date.

## UK Tax Information

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 11 December 1991 to 30 September 2010.

Investment Portfolio  
As at 31 March 2019 *(Unaudited)*

	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments (95.0%)</b>			
<b>(I) Equities (95.0%)</b>			
<b>Korea (95.0%)</b>			
<b>Aerospace &amp; Defense (0.9%)</b>			
LIG Nex1	53,900	1,868,527	0.9
<b>Air Freight &amp; Logistics (1.3%)</b>			
Hyundai Glovis	23,600	2,671,659	1.3
<b>Auto Components (6.2%)</b>			
Hankook Tire	123,200	4,064,699	1.9
Hyundai Mobis	49,450	9,083,187	4.3
<b>Banks (5.8%)</b>			
Hana Financial Group	184,900	5,929,310	2.8
Shinhan Financial Group	167,863	6,211,123	3.0
<b>Beverages (0.9%)</b>			
Hite Jinro	111,000	1,809,092	0.9
<b>Biotechnology (2.0%)</b>			
Hugel Inc	11,870	3,952,832	1.9
Naturalendo Tech	57,000	358,039	0.1
<b>Building Products (1.9%)</b>			
KCC Corp	14,500	4,068,584	1.9
<b>Capital Markets (2.4%)</b>			
Korea Investment Hldgs	92,214	5,044,921	2.4
<b>Chemicals (6.7%)</b>			
Duk San Neolux Co	67,500	1,052,550	0.5

(Continued)

	Holding	Fair value US\$	% of net assets
<b>Hanwha Chemical</b>			
	215,000	3,958,682	1.9
<b>Kolon Industries</b>			
	44,500	1,983,702	0.9
<b>Lotte Chemical</b>			
	5,709	1,461,073	0.7
<b>SK Materials</b>			
	23,600	3,526,174	1.7
<b>Wonik Materials Co</b>			
	99,967	2,192,915	1.0
<b>Construction &amp; Engineering (1.7%)</b>			
<b>Daelim Industrial</b>			
	43,000	3,651,837	1.7
<b>Construction Materials (0.8%)</b>			
<b>Ssangyong Cement Ind</b>			
	307,865	1,735,826	0.8
<b>Electric Utilities (3.9%)</b>			
<b>Korea Electric Power</b>			
	309,300	8,147,361	3.9
<b>Electrical Equipment (1.4%)</b>			
<b>Vitzrocell Co</b>			
	313,000	2,853,978	1.4
<b>Electronic Equipment, Instruments &amp; Components (3.0%)</b>			
<b>Samsung Electro-Mechanics</b>			
	42,700	3,931,063	1.9
<b>Samsung SDI</b>			
	12,600	2,381,024	1.1
<b>Entertainment (2.7%)</b>			
<b>NCsoft Corp</b>			
	12,800	5,593,164	2.7
<b>Food &amp; Staples Retailing (4.1%)</b>			
<b>E-MART Co</b>			
	35,500	5,379,262	2.5
<b>GS Retail</b>			
	95,200	3,283,482	1.6
<b>Food Products (5.2%)</b>			
<b>CJ CheilJedang</b>			
	13,900	3,955,334	1.9
<b>Easy Bio</b>			
	147,510	894,079	0.4
<b>Farmsco</b>			
	319,045	2,279,495	1.1
<b>Nong Shim Co</b>			
	8,900	2,422,782	1.1
<b>Nong Shim Hldgs</b>			
	18,500	1,401,639	0.7
<b>Health Care Equipment &amp; Supplies (1.6%)</b>			
<b>Osstem Implant Co</b>			
	39,856	1,899,577	0.9
<b>Suheung Co</b>			
	68,221	1,544,604	0.7
<b>Hotels, Restaurants &amp; Leisure (0.8%)</b>			
<b>Kangwon Land</b>			
	58,100	1,637,917	0.8
<b>Industrial Conglomerates (6.1%)</b>			
<b>Samsung C&amp;T</b>			
	67,500	6,362,876	3.0
<b>SK Holdings Co</b>			
	27,600	6,577,218	3.1
<b>Insurance (6.1%)</b>			
<b>Orange Life Insurance</b>			
	115,907	3,676,022	1.7
<b>Samsung Fire &amp; Marine Insurance</b>			
	16,425	4,355,497	2.1
<b>Samsung Life Insurance</b>			
	54,200	4,015,699	1.9
<b>Tongyang Life Insurance</b>			
	221,237	895,590	0.4
<b>Interactive Media &amp; Services (4.4%)</b>			
<b>AfreecaTV Co</b>			
	52,500	2,529,953	1.2
<b>NAVER Corp</b>			
	62,650	6,843,979	3.2
<b>IT Services (1.1%)</b>			
<b>NHN KCP</b>			
	192,550	2,103,445	1.0

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

	Holding	Fair value US\$	% of net assets
<b>IT Services (Continued)</b>			
NHN KCP Await Cert	10,376	113,349	0.1
<b>Machinery (1.5%)</b>			
Hyundai Heavy Industries	29,200	3,061,228	1.5
<b>Media (1.5%)</b>			
D&C Media Co	93,606	1,443,137	0.7
Nasmedia Co	58,108	1,668,858	0.8
<b>Metals &amp; Mining (2.1%)</b>			
Korea Zinc Co	10,700	4,383,314	2.1
<b>Oil, Gas &amp; Consumable Fuels (3.3%)</b>			
S-Oil Corp	87,600	6,914,774	3.3
<b>Personal Products (0.5%)</b>			
Neopharm Co	20,424	1,063,394	0.5
<b>Pharmaceuticals (1.1%)</b>			
Hana Pharm Co	106,866	2,316,011	1.1
<b>Real Estate Management &amp; Development (0.9%)</b>			
SK D&D Co	68,165	1,831,585	0.9
<b>Road &amp; Rail (1.3%)</b>			
CJ Logistics	18,700	2,726,500	1.3
<b>Semiconductors &amp; Semiconductor Equipment (1.3%)</b>			
SK Hynix	42,300	2,765,096	1.3
<b>Technology Hardware Storage &amp; Peripherals (9.7%)</b>			
Samsung Electronics	412,600	16,229,926	7.7
Samsung Electronics GDR	4,400	4,316,400	2.0
<b>Textiles, Apparel &amp; Luxury Goods (0.8%)</b>			
Hwaseung Enterprise Co	159,564	1,651,728	0.8
		200,075,072	95.0
<b>(II) Derivatives (-0.0%)</b>			
<b>Futures (-0.0%)</b>			
KOSPI 200 (KFE) Fut 06/19	66	(8,722)	(0.0)
<b>Total Listed/Quoted Investments</b>			
		200,066,350	95.0
<b>Other net assets</b>			
		10,638,403	5.0
<b>Net assets attributable to holders of redeemable units at 31 March 2019</b>			
		210,704,753	100.0
<b>Total investments, at cost</b>			
		218,516,328	

**Statement of Movements in Portfolio Holdings**  
**For the period ended 31 March 2019 (Unaudited)**

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
<b>Korea</b>		
Technology Hardware Storage & Peripherals	9.7	9.6
Chemicals	6.7	9.1
Auto Components	6.2	6.5
Insurance	6.1	6.4
Industrial Conglomerates	6.1	4.3
Banks	5.8	8.9
Food Products	5.2	6.7
Interactive Media & Services	4.4	4.6
Food & Staples Retailing	4.1	4.3
Electric Utilities	3.9	5.1
Oil, Gas & Consumable Fuels	3.3	-
Electronic Equipment, Instruments & Components	3.0	0.9
Entertainment	2.7	1.8
Capital Markets	2.4	2.1
Metals & Mining	2.1	1.9
Biotechnology	2.0	1.6
Building Products	1.9	2.5
Construction & Engineering	1.7	4.0
Health Care Equipment & Supplies	1.6	0.8
Media	1.5	0.9
Machinery	1.5	5.0
Electrical Equipment	1.4	1.2
Semiconductors & Semiconductor Equipment	1.3	1.1
Road & Rail	1.3	1.1
Air Freight & Logistics	1.3	2.9
Pharmaceuticals	1.1	0.8
IT Services	1.1	0.9
Aerospace & Defense	0.9	0.9
Real Estate Management & Development	0.9	0.1
Beverages	0.9	0.8
Construction Materials	0.8	0.7
Textiles, Apparel & Luxury Goods	0.8	-
Hotels, Restaurants & Leisure	0.8	-
Personal Products	0.5	-
Multiline Retail	-	1.0
Containers & Packaging	-	0.0
<b>Derivatives</b>		
Futures	(0.0)	-
<b>Total Listed/Quoted Investments</b>		
	95.0	98.5
<b>Other net assets</b>		
	5.0	1.5
<b>Net assets attributable to holders of redeemable units</b>		
	100.0	100.0

Statement of Financial Position  
As at 31 March 2019 *(Unaudited)*

	31.3.2019 US\$	30.9.2018 US\$
<b>Assets</b>		
Cash at banks	8,789,088	5,115,726
Amounts due from brokers	3,175,175	2,642,252
Amounts receivable on allotment	162,322	1,232,144
Margin deposits	332,560	-
Investments	200,075,072	227,375,757
Dividend and other accounts receivable	2,214,059	853
<b>Total assets</b>	<u>214,748,276</u>	<u>236,366,732</u>
	-----	-----
<b>Liabilities</b>		
Amounts due to brokers	3,146,381	4,204,250
Amounts payable on redemption	602,882	1,082,479
Derivatives	8,722	-
Other accounts payable	285,538	354,207
<b>Total liabilities</b>	<u>4,043,523</u>	<u>5,640,936</u>
	-----	-----
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>210,704,753</u>	<u>230,725,796</u>
	=====	=====
<b>Equity</b>	<u>210,704,753</u>	<u>230,725,796</u>
	=====	=====

Statement of Comprehensive Income  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 4]	(8,918,393)	31,011,912
Dividend income	3,434,794	4,231,754
Interest on deposits	64,278	11,460
Net foreign currency exchange losses	(139,555)	(113,145)
Other income	250	15
	<u>(5,558,626)</u>	<u>35,141,996</u>
	-----	-----
<b>Expenses</b>		
Management fee	1,563,017	1,923,446
Transaction costs	483,610	655,592
Registrar's fee	45,239	62,531
Trustee's fee	35,290	41,250
Safe custody and bank charges	31,759	42,503
Auditor's fee	14,666	14,087
Valuation fee	8,190	8,050
Printing and publication expenses	2,102	85
Legal and professional expenses	-	2,729
Other operating expenses	6,181	3,164
	<u>2,190,054</u>	<u>2,753,437</u>
	-----	-----
<b>Net operating (loss)/profit</b>	<u>(7,748,680)</u>	<u>32,388,559</u>
	-----	-----
<b>Finance costs</b>		
Interest expense	-	(510)
	<u>(7,748,680)</u>	<u>32,388,049</u>
	-----	-----
<b>(Loss)/profit before taxation</b>	<u>(7,748,680)</u>	<u>32,388,049</u>
	-----	-----
Taxation	(755,678)	(929,883)
	<u>(8,504,358)</u>	<u>31,458,166</u>
	=====	=====
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>(8,504,358)</u>	<u>31,458,166</u>
	=====	=====

The notes on pages 192 to 194 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	230,725,796	253,097,062
	-----	-----
Allotment of redeemable units	19,296,618	56,916,851
Redemption of redeemable units	(30,813,303)	(88,601,134)
<b>Net redemption</b>	(11,516,685)	(31,684,283)
	-----	-----
	219,209,111	221,412,779
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	(8,504,358)	31,458,166
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	<u>210,704,753</u>	<u>252,870,945</u>

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(74,995,565)	(115,770,802)
Proceeds from disposal of investments and derivatives	91,811,271	148,944,911
Dividend received	1,225,745	1,184,731
Interest received	64,492	11,900
Trustee's fee paid	(35,322)	(41,424)
Registrar's fee paid	(88,686)	(121,711)
Increase in margin deposits	(332,560)	-
Transaction costs paid	(502,213)	(637,275)
Tax paid	(755,678)	(929,883)
Management fee paid	(1,567,997)	(1,933,900)
Others	(223,658)	(250,476)
<b>Net cash inflow from operating activities</b>	<u>14,599,829</u>	<u>30,456,071</u>
	-----	-----
<b>Financing activities</b>		
Interest paid	-	(510)
Receipts on allotment of redeemable units	20,366,440	57,023,574
Payments on redemption of redeemable units	(31,292,900)	(89,039,162)
<b>Net cash outflow from financing activities</b>	<u>(10,926,460)</u>	<u>(32,016,098)</u>
	-----	-----
<b>Increase/(decrease) in cash and cash equivalents</b>	3,673,369	(1,560,027)
Cash and cash equivalents at the beginning of the period	5,115,726	4,551,716
Exchange (losses)/gains on cash and cash equivalents	(7)	39,104
<b>Cash and cash equivalents at the end of the period</b>	<u>8,789,088</u>	<u>3,030,793</u>
	-----	-----
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	<u>8,789,088</u>	<u>3,030,793</u>
	-----	-----

The notes on pages 192 to 194 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Korea Fund (the "Fund") was established under a Trust Deed dated 11 December 1991, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to provide investors with long-term capital appreciation through investment primarily in companies whose shares are listed on the Korea Stock Exchange or traded on the Korean over-the-counter market.

Pursuant to the Supplemental Trust Deed dated 4 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies****(a) Accounting policies of interim financial statements**

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

**(c) Securities lending and borrowing**

Securities lenders' agreements are entered into with institutions of appropriate financial standing who engage in such arrangements acceptable to the Trustee and on arm's length commercial terms. Securities lent are included in the investment portfolio of the Fund. Relevant securities lending income entitled by the Fund is accounted for in the Statement of Comprehensive Income. Collateral received for the purpose of securities lent generally consist of non-cash collateral which are off-balance sheet transactions and are therefore not included in the financial statements.

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the period/year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Foreign currency translation**

*Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(e) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

31.3.2019

	USD Class (acc) Units
Number of units in issue	<u>3,582,164.689</u>
	US\$
Net assets attributable to holders of redeemable units	<u>210,704,753</u>
Net assets attributable to holders of redeemable units (per unit)	<u>58.82</u>



30.9.2018

	USD Class (acc) Units
Number of units in issue	3,784,630,932
	US\$
Net assets attributable to holders of redeemable units	230,725,796
Net assets attributable to holders of redeemable units (per unit)	60.96

**4 Net (losses)/gains on investments and derivatives**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	(9,733,615)	2,260,012
Realized gains on sale of investments and derivatives	815,222	28,751,900
	<u>(8,918,393)</u>	<u>31,011,912</u>

**5 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**6 Distribution**

No distribution was made during the period (31 March 2018: nil).

## UK Tax Information

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 12 December 1989 to 30 September 2010.

## Investment Portfolio

As at 31 March 2019 *(Unaudited)*

	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments (97.1%)</b>			
<b>Equities (97.1%)</b>			
<b>Malaysia (94.4%)</b>			
<b>Chemicals (4.3%)</b>			
Petronas Chemicals	1,182,500	2,653,203	4.3
<b>Construction (1.7%)</b>			
Gamuda Bhd	882,900	622,842	1.0
IJM Corp	843,600	458,737	0.7
<b>Consumer Products (13.8%)</b>			
Axiata Group	1,337,375	1,359,487	2.2
Bioalpha Hldgs	3,544,299	177,975	0.3
British American Tobacco (M) (CDS)	57,100	505,473	0.8
Carlsberg Brewery Malaysia	87,100	570,497	0.9
Hartalega Hldgs	1,348,400	1,529,233	2.5
IHH Healthcare-MY List	951,900	1,345,368	2.2
Mynews Hldgs	3,902,000	1,309,428	2.1
PPB Group	374,900	1,682,344	2.8
<b>Finance (35.1%)</b>			
Alliance Bank Malaysia	516,100	517,048	0.8
AMMB Hldgs	780,600	871,901	1.4
Bursa Malaysia	471,800	793,941	1.3
CIMB Group Hldgs	3,033,986	3,827,319	6.2
Hong Leong Bank (CDS)	458,400	2,279,368	3.7
Hong Leong Financial Group	326,544	1,534,137	2.5
Malayan Banking	2,601,055	5,906,130	9.6
Public Bank	1,036,110	5,877,846	9.6
RHB Capital Await Cert	238,206	0	0.0

(Continued)

	Holding	Fair value US\$	% of net assets
<b>Hotels (0.4%)</b>			
Airasia Group	356,100	232,021	0.4
<b>Industrial Products (4.9%)</b>			
Lotte Chemical Titan Hldg	175,300	176,051	0.3
Mah Sing Group	1,327,200	302,338	0.5
Maxis Bhd	374,000	491,032	0.8
Petronas Gas	296,900	1,281,415	2.1
Scientex Bhd (CDS)	191,300	400,641	0.6
TOP Glove Corp	337,600	382,048	0.6
<b>Plantations (5.9%)</b>			
IOI Corp (CDS)	638,500	697,541	1.2
Kuala Lumpur Kepong	134,100	814,618	1.3
Sime Darby Plantation	964,989	1,186,588	1.9
Yinson Hldgs	814,800	918,085	1.5
<b>Property (0.5%)</b>			
Sime Darby Property	1,054,789	286,789	0.5
<b>Technology (1.8%)</b>			
Globetronics Technology	862,800	367,734	0.6
Inari Amertron	911,700	350,611	0.6
Mi Equipment Hldgs	716,600	394,942	0.6
<b>Trading Services (26.0%)</b>			
Dialog Group	3,475,206	2,698,445	4.4
Digi.com Bhd	1,251,300	1,394,590	2.3
Genting Bhd	1,518,200	2,469,283	4.0
Genting Malaysia	1,469,900	1,152,157	1.9
Hap Seng Consolidated (CDS)	219,300	531,799	0.9
Malaysia Airports Hldgs	574,698	1,019,183	1.6
MISC Bhd	340,300	557,650	0.9
Petronas Dagangan (CDS)	50,200	307,410	0.5
Sime Darby	921,889	503,567	0.8
Tenaga Nasional	1,581,500	4,904,296	8.0
Westports Hldgs	503,700	463,910	0.7
<b>Singapore (2.7%)</b>			
<b>Electronics (1.0%)</b>			
Venture Corp (CDP)	42,900	568,199	1.0
<b>Healthcare (1.7%)</b>			
ISEC Healthcare	3,047,300	686,177	1.1
Wilmar Intl	151,900	371,199	0.6
<b>Total Listed/Quoted Investments</b>		59,732,596	97.1
<b>Other net assets</b>		1,812,186	2.9
<b>Net assets attributable to holders of redeemable units at 31 March 2019</b>		61,544,782	100.0
<b>Total investments, at cost</b>		57,883,249	

Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 (*Unaudited*)

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
<b>Malaysia</b>		
Finance	35.1	33.0
Trading Services	26.0	29.5
Consumer Products	13.8	12.6
Plantations	5.9	4.5
Industrial Products	4.9	5.5
Chemicals	4.3	4.0
Technology	1.8	2.2
Construction	1.7	2.5
Property	0.5	0.4
Hotels	0.4	0.7
<b>Singapore</b>		
Healthcare	1.7	2.5
Electronics	1.0	0.7
Automobiles	-	0.9
<b>Total Listed/Quoted Investments</b>	<b>97.1</b>	<b>99.0</b>
<b>Other net assets</b>	<b>2.9</b>	<b>1.0</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>100.0</b>	<b>100.0</b>

**Statement of Financial Position  
As at 31 March 2019 (Unaudited)**

	31.3.2019 US\$	30.9.2018 US\$
<b>Assets</b>		
Cash at banks	1,817,137	1,583,694
Amounts due from brokers	-	4,948,446
Amounts receivable on allotment	32,529	77,203
Investments	59,732,596	82,111,233
Dividend and interest receivable	253,057	606,803
<b>Total assets</b>	<u>61,835,319</u>	<u>89,327,379</u>
<b>Liabilities</b>		
Amounts payable on redemption	203,165	6,205,158
Other accounts payable	87,372	156,056
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<u>290,537</u>	<u>6,361,214</u>
<b>Net assets attributable to holders of redeemable units</b> [Note 3]	<u>61,544,782</u>	<u>82,966,165</u>

**Statement of Comprehensive Income  
For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 4]	(6,492,537)	14,475,097
Dividend income	854,344	1,412,265
Interest on deposits	1,515	2,642
Net foreign currency exchange gains/(losses)	144	(49,851)
Other income	314	1
	<u>(5,636,220)</u>	<u>15,840,154</u>
<b>Expenses</b>		
Management fee	512,599	766,690
Transaction costs	37,736	76,459
Registrar's fee	24,370	34,226
Trustee's fee	17,631	22,238
Safe custody and bank charges	13,919	21,867
Auditor's fee	8,432	7,986
Valuation fee	8,260	8,260
Printing and publication expenses	936	28
Legal and professional expenses	-	2,829
Other operating expenses	3,909	1,625
	<u>627,792</u>	<u>942,208</u>
<b>Net operating (loss)/profit</b>	<u>(6,264,012)</u>	<u>14,897,946</u>
<b>Finance costs</b>		
Interest expense	(1,223)	(894)
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>(6,265,235)</u>	<u>14,897,052</u>

The notes on pages 199 to 201 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	82,966,165	105,870,262
	-----	-----
Allotment of redeemable units	2,707,546	30,627,738
Redemption of redeemable units	(17,863,694)	(52,509,902)
<b>Net redemption</b>	(15,156,148)	(21,882,164)
	-----	-----
	67,810,017	83,988,098
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	(6,265,235)	14,897,052
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	61,544,782	98,885,150
	=====	=====

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(989,008)	(13,191,967)
Proceeds from disposal of investments and derivatives	21,830,456	36,344,601
Dividend received	1,207,988	1,669,691
Interest received	1,617	2,963
Trustee's fee paid	(18,230)	(26,279)
Transaction costs paid	(45,208)	(78,523)
Registrar's fee paid	(49,226)	(61,812)
Management fee paid	(541,066)	(782,822)
Others	(64,959)	(227,556)
	-----	-----
<b>Net cash inflow from operating activities</b>	21,332,364	23,648,296
	-----	-----
<b>Financing activities</b>		
Interest paid	(1,223)	(894)
Receipts on allotment of redeemable units	2,752,220	29,902,279
Payments on redemption of redeemable units	(23,865,687)	(52,030,219)
	-----	-----
<b>Net cash outflow from financing activities</b>	(21,114,690)	(22,128,834)
	-----	-----
<b>Increase in cash and cash equivalents</b>	217,674	1,519,462
Cash and cash equivalents at the beginning of the period	1,583,694	531,926
Exchange gains on cash and cash equivalents	15,769	122,712
	-----	-----
<b>Cash and cash equivalents at the end of the period</b>	1,817,137	2,174,100
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	1,817,137	2,174,100
	=====	=====

The notes on pages 199 to 201 form part of these financial statements.

## Notes to the Financial Statements

### 1 The Fund

JPMorgan Malaysia Fund (the "Fund") was established under a Trust Deed dated 12 December 1989, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to provide long-term capital growth by investing primarily in securities linked to the Malaysian economy. These include, but are not restricted to, securities listed on the Kuala Lumpur Stock Exchange.

Pursuant to the Supplemental Trust Deed dated 4 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

### 2 Summary of significant accounting policies

#### (a) Accounting policies of interim financial statements

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

#### (b) Investments and derivatives

##### *Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

##### *Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

##### *Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the period/year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Foreign currency translation**

*Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(e) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

31.3.2019

	USD Class (acc) Units	USD C Class (acc) Units
Number of units in issue	<u>1,106,778.096</u>	<u>10,036.000</u>
	US\$	US\$
Net assets attributable to holders of redeemable units	<u>61,455,206</u>	<u>89,576</u>
Net assets attributable to holders of redeemable units (per unit)	<u>55.53</u>	<u>8.93</u>

30.9.2018

	USD Class (acc) Units	USD C Class (acc) Units
Number of units in issue	1,309,221.773	439,119.000
	US\$	US\$
Net assets attributable to holders of redeemable units	78,719,232	4,246,933
Net assets attributable to holders of redeemable units (per unit)	60.13	9.67

**4 Net (losses)/gains on investments and derivatives**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	(5,400,320)	8,905,015
Realized (losses)/gains on sale of investments and derivatives	(1,092,217)	5,570,082
	<u>(6,492,537)</u>	<u>14,475,097</u>

**5 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**6 Distribution**

No distribution was made during the period (31 March 2018: nil).



Investment Portfolio  
As at 31 March 2019 *(Unaudited)*

(Continued)

			HK\$ portfolio fair value HK\$	% of net assets				HK\$ portfolio fair value HK\$	% of net assets
Holding					Holding				
Listed/Quoted Investments (73.0%)					China Dev Bank CD FRN 17/04/19				
(I) Debt Securities (11.2%)					China Everbright Bk CD 0% 8/19-RegS				
Canada (1.1%)					China Merchants Bk HK CD FRN 01/20				
Bank of Nova Scotia 2% 04/19-RegS					ICBC Ltd Sydney FRN 26/04/19-RegS				
China (1.1%)					France (9.8%)				
BK of Comm HK 3.2% 09/04/19					Banque Feder Cr ECP 0% 14/08/19-HKD				
Hong Kong (2.6%)					Bred Banque Popul ECP 0% 05/19-HKD				
HK Mortgage FRN 03/07/19					LMA SA ECP 0% 20/05/19- HKD				
Wheelock Finance 3% 23/05/19					Hong Kong (13.8%)				
Korea (0.8%)					Bank of East Asia CD 0% 05/19-RegS				
Export-Imp Bk Kor 1.5%02/08/19-RegS					Canadian Imperial Bank CD 0% 04/19				
Netherlands (3.0%)					Cathay United Bank FRN 13/01/20				
Cooperative Rabobank FRN 29/05/19					HK Exchange Fd Bill No91 0% 3/04/19				
ING Bank NV 2% 27/05/19-RegS					Taishin Intl Bk (HK) CD0% 5/19-RegS				
Singapore (1.2%)					Japan (6.9%)				
DBS Bank 1.43% 09/09/19-RegS					China Const Bk Tky ECP 0% 19/08/19-HKD				
HK Land Try Serv 4.1875% 23/10/19					Mitsubishi UFJ Trust CD 0% 14/05/19				
United States (1.4%)					Macau (3.4%)				
BMW US Capital 2% 17/05/19-RegS					Bank of China Macau 1.25% 21/05/19				
Caterpillar Fin 1.4% 11/07/19-RegS					Taiwan (2.6%)				
					Taipei Fubon Bk/HK CD 0% 08/19-RegS				
(II) Money Market (61.8%)					United Kingdom (5.4%)				
Australia (3.4%)					Hitachi Capital (UK) ECP 0%5/19-HKD				
Credit Suisse Syd ECD 0% 06/19-HKD					Toronto Dom Bk Ldn ECD FRN12/19-HKD				
Canada (3.4%)									
Canadian Imperial Bk HK CD 0% 07/19									
China (13.1%)					Total Listed/Quoted Investments				
Agricult Bk CN HK CD FRN 05/19-RegS					Other net assets				
China Dev Bank CD FRN 16/05/19-RegS									

Investment Portfolio (Continued)  
As at 31 March 2019 *(Unaudited)*

Holding	HK\$ portfolio fair value HK\$	% of net assets
Net assets attributable to holders of redeemable units at 31 March 2019	2,328,584,329	100.0
	<u>2,328,584,329</u>	<u>100.0</u>
Total investments, at cost	1,695,432,872	
	<u>1,695,432,872</u>	

Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 *(Unaudited)*

	HK\$ portfolio % holdings of net assets	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>			
<b>Debt Securities</b>			
Netherlands	3.0	3.7	
Hong Kong	2.6	3.4	
United States	1.4	-	
Singapore	1.2	-	
Canada	1.1	1.2	
China	1.1	-	
Korea	0.8	-	
United Kingdom	-	0.8	
Malaysia	-	0.6	
<b>Money Market</b>			
Hong Kong	13.8	-	
China	13.1	13.9	
France	9.8	6.1	
Japan	6.9	6.7	
United Kingdom	5.4	-	
Macau	3.4	-	
Australia	3.4	3.7	
Canada	3.4	-	
Taiwan	2.6	3.0	
Luxembourg	-	3.1	
<b>Total Listed/Quoted Investments</b>	73.0	46.2	
<b>Other net assets</b>	27.0	53.8	
<b>Net assets attributable to holders of redeemable units</b>	100.0	100.0	

Statement of Financial Position  
As at 31 March 2019 *(Unaudited)*

	HK\$ portfolio	
	31.3.2019 HK\$	30.9.2018 HK\$
<b>Assets</b>		
Cash at banks	188,336,366	275,481,176
Short-term deposits	520,144,054	700,424,869
Amounts receivable on allotment	712,192	1,058,243
Investments	1,700,285,376	752,979,286
Interest and other accounts receivable	378,813	564,750
<b>Total assets</b>	<u>2,409,856,801</u>	<u>1,730,508,324</u>
<b>Liabilities</b>		
Amounts due to brokers	79,658,668	99,359,848
Amounts payable on redemption	636,819	1,180,611
Other accounts payable	976,985	765,805
<b>Total liabilities</b>	<u>81,272,472</u>	<u>101,306,264</u>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>2,328,584,329</u>	<u>1,629,202,060</u>
<b>Equity</b>	<u>2,328,584,329</u>	<u>1,629,202,060</u>

Statement of Comprehensive Income  
For the period ended 31 March 2019 *(Unaudited)*

	HK\$ portfolio	
	1.10.2018 to 31.3.2019 HK\$	1.10.2017 to 31.3.2018 HK\$
<b>Income</b>		
Net gains on investments [Note 4]	12,748,917	5,331,045
Interest on deposits	4,196,544	423,451
Net foreign currency exchange gains/(losses)	243	(481)
	<u>16,945,704</u>	<u>5,754,015</u>
<b>Expenses</b>		
Management fee	2,413,204	1,925,086
Registrar's fee	723,961	577,526
Trustee's fee	173,751	138,606
Safe custody and bank charges	78,382	69,675
Auditor's fee	68,126	64,763
Printing and publication expenses	6,632	2,269
Transaction costs	5,682	4,102
Legal and professional expenses	-	19,478
Other operating expenses	10,067	11,221
	<u>3,479,805</u>	<u>2,812,726</u>
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>13,465,899</u>	<u>2,941,289</u>

The notes on pages 206 to 207 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	HK\$ portfolio	
	1.10.2018 to 31.3.2019 HK\$	1.10.2017 to 31.3.2018 HK\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	1,629,202,060	1,596,580,300
	-----	-----
Allotment of redeemable units	1,064,963,455	483,730,592
Redemption of redeemable units	(379,047,085)	(515,306,863)
	-----	-----
<b>Net allotment/(redemption)</b>	685,916,370	(31,576,271)
	-----	-----
	2,315,118,430	1,565,004,029
	-----	-----
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	13,465,899	2,941,289
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	2,328,584,329	1,567,945,318
	=====	=====

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	HK\$ portfolio	
	1.10.2018 to 31.3.2019 HK\$	1.10.2017 to 31.3.2018 HK\$
<b>Operating activities</b>		
Purchase of investments	(2,132,238,201)	(1,612,634,033)
Proceeds from disposal of investments	1,177,979,847	1,826,285,401
Interest received	4,393,393	406,478
Transaction costs paid	(5,682)	(4,924)
Trustee's fee paid	(162,895)	(138,868)
Registrar's fee paid	(629,405)	(590,009)
Management fee paid	(2,262,429)	(1,928,725)
Others	(219,107)	(227,052)
	-----	-----
<b>Net cash (outflow)/inflow from operating activities</b>	(953,144,479)	211,168,268
	-----	-----
<b>Financing activities</b>		
Receipts on allotment of redeemable units	1,065,309,506	489,006,347
Payments on redemption of redeemable units	(379,590,877)	(515,698,472)
	-----	-----
<b>Net cash inflow/(outflow) from financing activities</b>	685,718,629	(26,692,125)
	-----	-----
<b>(Decrease)/increase in cash and cash equivalents</b>	(267,425,850)	184,476,143
Cash and cash equivalents at the beginning of the period	975,906,045	373,056,848
Exchange gains on cash and cash equivalents	225	565
	-----	-----
<b>Cash and cash equivalents at the end of the period</b>	708,480,420	557,533,556
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	188,336,366	327,316,106
Short-term deposits	520,144,054	230,217,450
	-----	-----
	708,480,420	557,533,556
	=====	=====

The notes on pages 206 to 207 form part of these financial statements.

## Notes to the Financial Statements

### 1 The Fund

JPMorgan Money Fund (the "Fund") was established under a Trust Deed dated 13 June 1983, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The Fund currently comprises the HK\$ portfolio ("Portfolio").

The investment objective of the Portfolio is to provide an efficient vehicle for holding liquid assets currently denominated in the currency of Hong Kong.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

### 2 Summary of significant accounting policies

#### (a) Accounting policies of interim financial statements

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

#### (b) Investments

##### *Classification*

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

##### *Recognition, derecognition and measurement*

Purchases and sales of investments are accounted for on the trade date basis. Investments are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments are recognized in the Statement of Comprehensive Income. Investments are derecognized when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

##### *Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities and money market are fair valued based on quoted prices inclusive of accrued interest.

#### (c) Foreign currency translation

##### *Functional and presentation currency*

The Fund has adopted Hong Kong dollar as its functional and presentation currency.

##### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments".

**(d) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

	31.3.2019 Units	30.9.2018 Units
Number of units in issue	<u>14,238,083,995</u>	<u>10,030,890,963</u>
	HK\$	HK\$
Net assets attributable to holders of redeemable units	<u>2,328,584,329</u>	<u>1,629,202,060</u>
Net assets attributable to holders of redeemable units (per unit)	<u>163.55</u>	<u>162.42</u>

**4 Net gains on investments**

	1.10.2018 to 31.3.2019 HK\$	1.10.2017 to 31.3.2018 HK\$
Change in unrealized gains/losses in value of investments	2,413,643	505,249
Realized gains on sale of investments	<u>10,335,274</u>	<u>4,825,796</u>
	<u>12,748,917</u>	<u>5,331,045</u>

**5 Soft dollar arrangements/Commission sharing arrangements**

During the period, the Investment Manager and its Connected Persons did not enter into any soft dollar arrangements/commission sharing arrangements in connection with directing transactions of the Fund through a broker or dealer (31 March 2018: nil).

**6 Distribution**

No distribution was made during the period (31 March 2018: nil).

Investment Portfolio  
As at 31 March 2019 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments</b> (98.6%)				<b>(II) Debt Securities</b> (35.8%)			
<b>(I) Equities</b> (36.1%)				<b>Australia</b> (3.9%)			
<b>China</b> (1.8%)				Australian Gov No142			
China Mobile	80,000	815,292	0.4	4.25%4/26-RegS	AUD7,160,000	6,073,496	3.1
Ping An Insurance (Group) 'H'	240,500	2,693,004	1.4	Australian Gov No149	AUD1,582,000	1,180,516	0.6
				2.25%5/28-RegS			
<b>France</b> (2.3%)				Australian Govt No137	AUD550,000	420,338	0.2
BNP Paribas	31,525	1,508,302	0.8	2.75% 21/4/24			
Danone SA	39,633	3,056,836	1.5	<b>Canada</b> (0.7%)			
<b>Germany</b> (2.6%)				Canada Govt Of 2%			
SAP SE	43,968	5,085,056	2.6	01/06/28	CAD350,000	273,691	0.1
				Canada Govt Of 2%	CAD1,603,000	1,229,351	0.6
				01/09/23			
<b>Netherlands</b> (1.9%)				<b>France</b> (3.6%)			
ING Groep NV	87,906	1,064,437	0.5	France OAT 0.75%			
Unilever NV CVA	47,310	2,750,659	1.4	25/11/28-RegS	EUR1,518,000	1,788,363	0.9
<b>Switzerland</b> (1.2%)				France OAT 2.75%			
Nestle SA-Regd	23,886	2,276,113	1.2	25/10/27-RegS	EUR1,690,000	2,353,622	1.2
<b>United Kingdom</b> (0.6%)				France OAT 3.25%			
Diageo plc	30,325	1,239,980	0.6	25/05/45-RegS	EUR668,000	1,119,089	0.6
				France OAT 4.75%			
<b>United States</b> (25.7%)				25/04/35	EUR329,000	612,652	0.3
Abbott Laboratories	10,903	871,586	0.4	France OAT 8.5%	EUR741,000	1,201,047	0.6
Accenture PLC 'A'	2,279	401,150	0.2	25/04/23			
Alexion				<b>Germany</b> (2.7%)			
Pharmaceuticals	3,658	494,488	0.3	Bundesrep Deut 0.5%			
Alphabet Inc 'A'	4,271	5,026,498	2.5	15/02/28-RegS	EUR3,775,000	4,495,061	2.3
Amgen Inc	3,362	638,713	0.3	Bundesrep Deut 1.25%			
Bank Of America	39,914	1,101,227	0.6	15/08/48-RegS	EUR650,000	868,555	0.4
Becton Dickinson & Co	4,706	1,175,229	0.6	<b>Italy</b> (3.4%)			
Citigroup Inc-US List	17,740	1,103,783	0.6	Italy Rep Of (BTP) 2%			
Cognizant Technology Solutions 'A'	3,041	220,320	0.1	01/02/28-RegS	EUR2,490,000	2,742,242	1.4
Gilead Sciences	6,282	408,393	0.2	Italy Rep Of (BTP)			
Global Payments	33,490	4,572,055	2.3	2.3% 10/21-RegS	EUR1,500,000	1,765,820	0.9
Illumina Inc	1,490	462,928	0.2	Italy Rep Of (BTP)			
Johnson & Johnson	41,342	5,779,199	2.9	2.45% 10/23-RegS	EUR900,000	1,064,832	0.5
Mastercard Inc 'A'	3,400	800,530	0.4	Italy Rep Of (BTP)			
Medtronic plc	34,367	3,130,146	1.6	4.75% 09/44-RegS	EUR843,000	1,154,666	0.6
Microsoft Corp	70,038	8,260,283	4.2	<b>Japan</b> (3.5%)			
Paypal Hldgs	56,722	5,890,013	3.0	JGB No164 (20Yr)			
Procter & Gamble Regeneron	11,235	1,169,002	0.6	0.5% 20/03/38	JPY277,000,000	2,592,852	1.3
Pharmaceuticals	2,594	1,065,148	0.5	JGB No352 (10Yr) 0.1%			
Stryker Corp	5,920	1,169,318	0.6	20/09/28	JPY200,600,000	1,848,838	0.9
Thermo Fisher Scientific	21,793	5,965,181	3.0	JGB No58 (30Yr) 0.8%	JPY252,400,000	2,466,337	1.3
Vertex				20/03/48			
Pharmaceuticals	2,639	485,444	0.2	<b>Spain</b> (3.6%)			
Visa Inc 'A'	4,854	758,146	0.4	Spain Kingdom Of			
				4.4% 31/10/23- RegS	EUR5,315,000	7,249,405	3.6
		71,438,459	36.1	<b>United Kingdom</b> (1.9%)			
				UK Treasury 1.5%			
				22/07/26-RegS	GBP946,000	1,295,255	0.6

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

Holding		Fair value US\$	% of net assets
<b>United Kingdom</b> (continued)			
UK Treasury 1.5%			
22/07/47-RegS	GBP1,968,000	2,538,397	1.3
<b>United States</b> (12.5%)			
US Treasury 1.75%			
15/05/23	USD1,930,000	1,906,896	1.0
US Treasury 2.125%			
15/05/25	USD7,300,000	7,286,278	3.7
US Treasury 2.25%			
15/08/27	USD4,700,000	4,669,818	2.3
US Treasury 3.625%			
15/08/43	USD3,267,000	3,772,793	1.9
US Treasury 3.75%			
15/08/41	USD5,519,100	6,493,208	3.3
US Treasury 4.5%			
15/05/38	USD437,000	570,046	0.3
		71,033,464	35.8
		-----	----
<b>(III) Collective Investment Schemes</b> (26.6%)			
<b>International</b> (26.6%)			
JPMF-JPM Global Corp			
Bd'X'(acc)-USD**	447,070	52,754,260	26.6
		-----	----
<b>(IV) Derivatives</b> (0.1%)			
<b>Forward foreign exchange contracts</b> (0.2%)			
		308,380	0.2
<b>Futures</b> (-0.1%)			
Euro Stoxx 50 (EUX)			
Fut 06/19	(228)	(123,907)	(0.1)
Euro-Bund (EUX) Fut			
06/19	(13)	(52,987)	(0.0)
		131,486	0.1
		-----	----
<b>Total Listed/Quoted Investments</b>		195,357,669	98.6
<b>Other net assets</b>		2,683,817	1.4
		-----	----
<b>Net assets attributable to holders of redeemable units at 31 March 2019</b>		198,041,486	100.0
		=====	=====
<b>Total investments, at cost</b>		185,747,924	
		=====	

**Statement of Movements in Portfolio Holdings**  
**For the period ended 31 March 2019 (Unaudited)**

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
United States	25.7	18.2
Germany	2.6	-
France	2.3	1.6
Netherlands	1.9	1.6
China	1.8	7.1
Switzerland	1.2	-
United Kingdom	0.6	2.6
Japan	-	1.9
Hong Kong	-	0.9
Canada	-	0.6
<b>Debt Securities</b>		
United States	12.5	19.5
Australia	3.9	3.6
Spain	3.6	2.9
France	3.6	4.6
Japan	3.5	1.9
Italy	3.4	2.9
Germany	2.7	3.1
United Kingdom	1.9	4.2
Canada	0.7	3.0
<b>Collective Investment Schemes</b>		
International	26.6	23.2
<b>Derivatives</b>		
Forward foreign exchange contracts	0.2	(0.6)
Futures	(0.1)	0.0
	-----	----
<b>Total Listed/Quoted Investments</b>	98.6	102.8
<b>Other net assets/(liabilities)</b>	1.4	(2.8)
	-----	----
<b>Net assets attributable to holders of redeemable units</b>	100.0	100.0
	=====	=====

\* Issued and managed by a Connected Person of the Manager

# Not authorized in Hong Kong and not available to Hong Kong residents



Statement of Financial Position  
As at 31 March 2019 *(Unaudited)*

	31.3.2019 US\$	30.9.2018 US\$
<b>Assets</b>		
Cash at banks	1,085,894	1,036,415
Amounts due from brokers	4,884,638	2,242,959
Amounts receivable on allotment	126,128	2,542,189
Margin deposits	889,741	16,161
Derivatives	696,685	1,172,425
Investments	195,226,183	337,616,591
Dividend and other accounts receivable	31,733	193,662
<b>Total assets</b>	<b>202,941,002</b>	<b>344,820,402</b>
<b>Liabilities</b>		
Short-term bank loans - unsecured	-	7,529,773
Amounts due to brokers	1,275,759	3,373,494
Amounts payable on redemption	2,488,816	3,340,169
Distribution payable [Note 5]	319,731	587,327
Derivatives	565,199	3,068,292
Other accounts payable	260,563	399,413
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>4,910,068</b>	<b>18,298,468</b>
<b>Net assets attributable to holders of redeemable units (In accordance with HKFRS) [Note 3]</b>	<b>198,030,934</b>	<b>326,521,934</b>
Fair value adjustment of units of the Fund [Note 3]	10,552	23,435
<b>Net assets attributable to holders of redeemable units (In accordance with the Trust Deed) [Note 3]</b>	<b>198,041,486</b>	<b>326,545,369</b>

Statement of Comprehensive Income  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 4]	3,896,453	7,207,436
Dividend income	363,964	974,857
Net foreign currency exchange gains	194,702	53,095
Interest on deposits	43,657	28,242
	<b>4,498,776</b>	<b>8,263,630</b>
<b>Expenses</b>		
Management fee	1,581,625	1,999,708
Transaction costs	141,761	231,541
Trustee's fee	40,872	49,150
Safe custody and bank charges	26,427	25,636
Auditor's fee	21,469	8,380
Registrar's fee	9,869	15,420
Valuation fee	8,400	8,540
Legal and professional expenses	1,900	2,706
Printing and publication expenses	588	562
Other operating expenses	1,505	5,845
	<b>1,834,416</b>	<b>2,347,488</b>
<b>Net operating profit</b>	<b>2,664,360</b>	<b>5,916,142</b>
<b>Finance costs</b>		
Distribution [Note 5]	(2,556,972)	(3,261,743)
Interest expense	(2,109)	(426)
	<b>(2,559,081)</b>	<b>(3,262,169)</b>
<b>Profit before taxation</b>	<b>105,279</b>	<b>2,653,973</b>
Taxation	(83,881)	(150,483)
	<b>21,398</b>	<b>2,503,490</b>
Change in cumulative difference arising from the fair value adjustment of units of the Fund	(12,883)	(13,043)
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>8,515</b>	<b>2,490,447</b>

The notes on pages 212 to 216 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	326,545,369	246,696,346
	-----	-----
Allotment of redeemable units	44,377,985	474,665,603
Redemption of redeemable units	(172,890,383)	(319,273,273)
	-----	-----
<b>Net (redemption)/allotment</b>	(128,512,398)	155,392,330
	-----	-----
	198,032,971	402,088,676
	-----	-----
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	8,515	2,490,447
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	<u>198,041,486</u>	<u>404,579,123</u>

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(121,313,139)	(392,032,866)
Proceeds from disposal of investments and derivatives	260,830,155	256,094,150
Dividend received	525,749	689,238
Interest received	43,891	28,251
Registrar's fee paid	(22,163)	(29,388)
Trustee's fee paid	(43,027)	(46,057)
Tax paid	(84,733)	(141,185)
Transaction costs paid	(140,837)	(235,700)
Increase in margin deposits	(873,580)	(57,706)
Management fee paid	(1,691,473)	(1,845,411)
Others	131,567	(69,045)
	-----	-----
<b>Net cash inflow/(outflow) from operating activities</b>	137,362,410	(137,645,719)
	-----	-----
<b>Financing activities</b>		
Interest paid	(3,864)	(426)
Receipts on allotment of redeemable units	46,794,046	472,937,083
Payments on redemption of redeemable units	(173,741,736)	(317,651,846)
Distribution paid	(2,824,568)	(3,007,696)
	-----	-----
<b>Net cash (outflow)/inflow from financing activities</b>	(129,776,122)	152,277,115
	-----	-----
<b>Increase in cash and cash equivalents</b>	7,586,288	14,631,396
Cash and cash equivalents at the beginning of the period	(6,493,358)	12,987,303
Exchange (losses)/gains on cash and cash equivalents	(7,036)	43,601
	-----	-----
<b>Cash and cash equivalents at the end of the period</b>	<u>1,085,894</u>	<u>27,662,300</u>
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	<u>1,085,894</u>	<u>27,662,300</u>
	=====	=====

The notes on pages 212 to 216 form part of these financial statements.

## Notes to the Financial Statements

### 1 The Fund

JPMorgan Multi Balanced Fund (the "Fund") was established under a Trust Deed dated 23 February 2017 (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

Prior to 3 April 2019, the investment objective of the Fund is to achieve capital growth in excess of its reference benchmark by investing primarily in securities globally. At least 70% of the Fund's total net asset value will be invested in debt and equity securities globally.

With effect from 3 April 2019, the investment objective of the Fund is to provide regular income by investing primarily in a conservatively constructed portfolio of income generating securities globally.

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

### 2 Summary of significant accounting policies

#### (a) Accounting policies of interim financial statements

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

#### (b) Investments and derivatives

##### *Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

##### *Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

##### *Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

### (c) Foreign currency translation

#### *Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

#### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

### (d) Formation expenses

Formation expenses are recognized as an expense in the period in which they are incurred.

### (e) Proceeds and payments on allotment and redemption of units

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

## 3 Net assets attributable to holders of redeemable units and number of units in issue

### Fair value adjustment of units of the Fund

As stated in Note 2(e), units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to the holders of redeemable units and is carried at the redemption amount that would be payable at the Statement of Financial Position date, if the holders of redeemable units exercised the right to redeem units of the Fund. The redemption amount is determined based on the net assets attributable to holders of redeemable units calculated in accordance with the provisions of the Trust Deed ("Trust Deed NAV").

	31.3.2019 US\$	30.9.2018 US\$
Net assets attributable to holders of redeemable units (In accordance with HKFRS)	198,030,934	326,521,934
Fair value adjustment of units of the Fund:		
Unamortized formation expenses as at the end of the period [Note 3(a)]	10,552	23,435
Net assets attributable to holders of redeemable units (In accordance with the Trust Deed)	198,041,486	326,545,369

Note:

- (a) In accordance with the provisions of the Trust Deed, the formation expenses (including legal, accounting, and other professional fees and expenses) or costs incidental to the establishment of the Fund will be paid out of the assets of the Fund and amortized over the first three financial years. However, as stated in Note 2(d), the accounting policy of the Fund for the purpose of compliance with HKAS 38 "Intangible Assets" and for reporting purposes is to expense the expenditure incurred in the formation of the Fund in the period in which they arose.

#### Number of units in issue

##### 31.3.2019

	AUD Hedged Class (mth) Units	EUR Hedged Class (mth) Units	HKD Class (mth) Units	RMB Hedged Class (mth) Units	USD Class (mth) Units
Number of units in issue	<u>2,768,896.211</u>	<u>642,124.419</u>	<u>30,636,859.724</u>	<u>14,027,239.530</u>	<u>10,225,290.992</u>
	A\$	EUR	HK\$	CNY	US\$
Net assets attributable to holders of redeemable units (In accordance with the Trust Deed)	<u>28,851,410</u>	<u>6,623,200</u>	<u>324,066,895</u>	<u>146,771,657</u>	<u>106,988,449</u>
Net assets attributable to holders of redeemable units (per unit)	<u>10.42</u>	<u>10.31</u>	<u>10.58</u>	<u>10.46</u>	<u>10.46</u>

##### 30.9.2018

	AUD Hedged Class (mth) Units	EUR Hedged Class (mth) Units	HKD Class (mth) Units	RMB Hedged Class (mth) Units	USD Class (mth) Units
Number of units in issue	<u>4,208,742.536</u>	<u>829,308.282</u>	<u>61,645,342.856</u>	<u>18,396,205.626</u>	<u>17,098,884.908</u>
	A\$	EUR	HK\$	CNY	US\$
Net assets attributable to holders of redeemable units (In accordance with the Trust Deed)	<u>43,224,229</u>	<u>8,474,087</u>	<u>639,771,015</u>	<u>189,465,102</u>	<u>176,109,949</u>
Net assets attributable to holders of redeemable units (per unit)	<u>10.27</u>	<u>10.22</u>	<u>10.38</u>	<u>10.30</u>	<u>10.30</u>

## 4 Net gains on investments and derivatives

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	15,492,815	(1,417,447)
Realized (losses)/gains on sale of investments and derivatives	<u>(11,596,362)</u>	<u>8,624,883</u>
	<u>3,896,453</u>	<u>7,207,436</u>

## 5 Distribution

It is the intention of the Manager to have at least 85% of the income attributable to the distribution class(es) respectively in respect of each accounting period, after charging the expenses attributable to these distribution class(es) respectively, to be distributed to unitholders of these distribution class(es) respectively.

In the event that the amount available for distribution is insufficient to pay distributions as the Fund declares, the Manager may in its discretion determine that such distributions be paid from capital.

					1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Net operating profit					2,664,360	5,916,142
Adjustments:						
Net gains on investments and derivatives					(3,896,453)	(7,207,436)
Interest income included in net gains on investments and derivatives (at coupon rate)					1,267,122	1,500,536
Net foreign currency exchange gains					(194,702)	(53,095)
Transaction costs					141,761	231,541
Interest expense					(2,109)	(426)
Taxation					(83,881)	(150,483)
Amount available for distribution					(103,902)	236,779
					1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Distribution Class	Ex date	Pay date	Rate	Units		
AUD Hedged Class (mth)	31.10.2018	8.11.2018	A\$0.0156	3,829,605.682	(42,342)	
EUR Hedged Class (mth)	31.10.2018	8.11.2018	EUR0.0020	794,091.174	(1,799)	
HKD Class (mth)	31.10.2018	8.11.2018	HK\$0.0182	55,574,723.743	(129,023)	
RMB Hedged Class (mth)	31.10.2018	8.11.2018	CNY0.0364	17,352,559.301	(90,561)	
USD Class (mth)	31.10.2018	8.11.2018	US\$0.0180	15,950,708.650	(287,114)	
AUD Hedged Class (mth)	30.11.2018	10.12.2018	A\$0.0143	3,678,213.611	(38,410)	
EUR Hedged Class (mth)	30.11.2018	10.12.2018	EUR0.0020	803,459.355	(1,819)	
HKD Class (mth)	30.11.2018	10.12.2018	HK\$0.0181	43,130,772.963	(99,756)	
RMB Hedged Class (mth)	30.11.2018	10.12.2018	CNY0.0278	17,546,414.660	(70,127)	
USD Class (mth)	30.11.2018	10.12.2018	US\$0.0180	14,575,710.404	(262,363)	
AUD Hedged Class (mth)	31.12.2018	9.1.2019	A\$0.0129	3,508,127.350	(31,859)	
EUR Hedged Class (mth)	31.12.2018	9.1.2019	EUR0.0020	773,715.234	(1,769)	
HKD Class (mth)	31.12.2018	9.1.2019	HK\$0.0181	37,633,620.809	(87,002)	
RMB Hedged Class (mth)	31.12.2018	9.1.2019	CNY0.0239	17,084,566.774	(59,432)	
USD Class (mth)	31.12.2018	9.1.2019	US\$0.0180	14,128,851.932	(254,319)	
AUD Hedged Class (mth)	31.1.2019	13.2.2019	A\$0.0130	4,116,634.203	(39,021)	
EUR Hedged Class (mth)	31.1.2019	13.2.2019	EUR0.0020	764,127.287	(1,754)	
HKD Class (mth)	31.1.2019	13.2.2019	HK\$0.0182	35,070,120.771	(81,343)	
RMB Hedged Class (mth)	31.1.2019	13.2.2019	CNY0.0201	16,068,786.555	(48,150)	
USD Class (mth)	31.1.2019	13.2.2019	US\$0.0180	12,954,522.678	(233,181)	
AUD Hedged Class (mth)	28.2.2019	8.3.2019	A\$0.0134	3,089,512.436	(29,454)	
EUR Hedged Class (mth)	28.2.2019	8.3.2019	EUR0.0020	711,624.032	(1,621)	
HKD Class (mth)	28.2.2019	8.3.2019	HK\$0.0182	35,106,314.570	(81,395)	
RMB Hedged Class (mth)	28.2.2019	8.3.2019	CNY0.0137	15,819,965.116	(32,371)	
USD Class (mth)	28.2.2019	8.3.2019	US\$0.0180	12,847,522.100	(231,256)	
AUD Hedged Class (mth)	29.3.2019	9.4.2019	A\$0.0130	2,768,896.211	(25,570)	
EUR Hedged Class (mth)	29.3.2019	9.4.2019	EUR0.0020	642,124.419	(1,442)	
HKD Class (mth)	29.3.2019	9.4.2019	HK\$0.0182	30,636,859.724	(71,031)	
RMB Hedged Class (mth)	29.3.2019	9.4.2019	CNY0.0170	14,054,385.053	(35,551)	
USD Class (mth)	29.3.2019	9.4.2019	US\$0.0180	10,340,978.625	(186,137)	
AUD Hedged Class (mth)	31.10.2017	8.11.2017	A\$0.0211	1,810,801.876		(29,296)
EUR Hedged Class (mth)	31.10.2017	8.11.2017	EUR0.0020	436,876.101		(1,018)
HKD Class (mth)	31.10.2017	8.11.2017	HK\$0.0171	49,629,846.432		(108,779)
RMB Hedged Class (mth)	31.10.2017	8.11.2017	CNY0.0365	8,340,367.139		(45,905)
USD Class (mth)	31.10.2017	8.11.2017	US\$0.0170	14,400,472.008		(244,808)

Distribution Class	Ex date	Pay date	Rate	Units	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
AUD Hedged Class (mth)	30.11.2017	8.12.2017	A\$0.0205	2,636,161.529		(41,026)
EUR Hedged Class (mth)	30.11.2017	8.12.2017	EUR0.0020	453,230.583		(1,081)
HKD Class (mth)	30.11.2017	8.12.2017	HK\$0.0171	60,243,192.590		(131,899)
RMB Hedged Class (mth)	30.11.2017	8.12.2017	CNY0.0370	10,155,081.327		(56,820)
USD Class (mth)	30.11.2017	8.12.2017	US\$0.0170	17,865,122.903		(303,707)
AUD Hedged Class (mth)	29.12.2017	9.1.2018	A\$0.0188	2,704,606.302		(39,770)
EUR Hedged Class (mth)	29.12.2017	9.1.2018	EUR0.0020	453,752.253		(1,090)
HKD Class (mth)	29.12.2017	9.1.2018	HK\$0.0171	50,052,232.789		(109,487)
RMB Hedged Class (mth)	29.12.2017	9.1.2018	CNY0.0374	10,287,695.924		(59,084)
USD Class (mth)	29.12.2017	9.1.2018	US\$0.0170	15,539,311.219		(264,168)
AUD Hedged Class (mth)	31.1.2018	8.2.2018	A\$0.0177	2,802,445.264		(40,166)
EUR Hedged Class (mth)	31.1.2018	8.2.2018	EUR0.0020	554,910.710		(1,383)
HKD Class (mth)	31.1.2018	8.2.2018	HK\$0.0171	60,152,644.169		(131,511)
RMB Hedged Class (mth)	31.1.2018	8.2.2018	CNY0.0360	10,448,041.124		(59,757)
USD Class (mth)	31.1.2018	8.2.2018	US\$0.0170	16,663,319.323		(283,276)
AUD Hedged Class (mth)	28.2.2018	8.3.2018	A\$0.0184	4,072,940.661		(58,399)
EUR Hedged Class (mth)	28.2.2018	8.3.2018	EUR0.0020	658,280.345		(1,606)
HKD Class (mth)	28.2.2018	8.3.2018	HK\$0.0171	74,926,770.116		(163,731)
RMB Hedged Class (mth)	28.2.2018	8.3.2018	CNY0.0367	10,704,578.162		(62,069)
USD Class (mth)	28.2.2018	8.3.2018	US\$0.0170	20,980,370.252		(356,666)
AUD Hedged Class (mth)	29.3.2018	11.4.2018	A\$0.0166	3,392,379.168		(43,195)
EUR Hedged Class (mth)	29.3.2018	11.4.2018	EUR0.0020	640,186.415		(1,575)
HKD Class (mth)	29.3.2018	11.4.2018	HK\$0.0172	82,703,281.706		(181,249)
RMB Hedged Class (mth)	29.3.2018	11.4.2018	CNY0.0361	12,244,705.771		(70,342)
USD Class (mth)	29.3.2018	11.4.2018	US\$0.0170	21,698,822.757		(368,880)
Total distribution to holders of redeemable units					(2,556,972)	(3,261,743)

## 6 Soft dollar arrangements/Commission sharing arrangements

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

## 7 Subsequent events

With effect from 3 April 2019, the Investment Manager appointed J.P. Morgan Investment Management Inc. as a Sub-Manager of the Fund.

Investment Portfolio  
As at 31 March 2019 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments (98.8%)</b>				China Pacific Insurance (Group) 'H'	3,522,600	13,821,245	0.2
<b>(I) Equities, Convertibles and Warrants (38.8%)</b>				China Petroleum & Chemical 'H'	6,312,000	4,977,265	0.1
<b>Australia (0.4%)</b>				China Resources Power Hldgs	4,756,000	7,149,192	0.1
Dexus Stapled Sec	484,261	4,382,494	0.1	CNOOC Ltd	4,668,000	8,741,406	0.2
Goodman Group Stapled Sec	1,254,796	11,899,447	0.2	Ctrip.com Intl CB 1%			
Mirvac Group Stapled Sec	3,647,943	7,126,120	0.1	01/07/20-144A	USD1,960,000	2,002,160	0.0
<b>Austria (0.1%)</b>				Fuyao Group Glass Industries 'A'-C1	2,612,737	9,458,593	0.2
Erste Group Bank	220,003	8,092,715	0.1	Guangdong Investment	2,086,000	4,028,530	0.1
<b>Belgium (0.2%)</b>				Henan Shuanghui Inv 'A'-C2	528,856	2,034,167	0.0
Ageas NV	13,008	628,059	0.0	Huayu Automotive Systems 'A' (C1)	2,875,468	8,719,698	0.2
KBC Group	16,491	1,153,234	0.0	Inner Mongolia Yili Ind 'A' (C1)	2,532,503	10,969,350	0.2
Proximus	32,902	949,831	0.0	Jiangsu Yanghe Brewery 'A'-C2	321,904	6,246,824	0.1
Shurgard Self Storage	113,011	3,735,137	0.1	Midea Group 'A'-C2	1,868,819	13,550,408	0.2
Telenet Group Hldg	12,403	597,177	0.0	Ping An Insurance (Group) 'H'	1,602,500	17,944,031	0.3
Warehouses De Pauw	22,829	3,665,597	0.1	SAIC Motor Corp 'A' (C1)	893,863	3,467,374	0.1
<b>Bermuda (0.0%)</b>				Zhejiang Expressway CB 0%04/22-RegS	EUR800,000	891,202	0.0
BW Group CB 1.75% 10/09/19-RegS	USD1,200,000	1,175,910	0.0	<b>Cyprus (0.0%)</b>			
Nabors Industries Cnv Pref 6% 05/21	26,012	707,006	0.0	Abigrove Ltd CB 0% 16/02/22-RegS	USD1,000,000	1,085,370	0.0
<b>Brazil (0.6%)</b>				Volcan Hldgs EB(AAL)4.125%4/20- RegS	GBP400,000	811,768	0.0
Ambev SA ADR	2,346,688	10,090,758	0.2	<b>Czech Republic (0.2%)</b>			
BB Seguridade Participacoes	1,338,743	9,122,868	0.2	Komerční Banka	185,174	7,566,385	0.2
Engie Brasil Energia	168,898	1,853,594	0.0	Moneta Money Bank AS	451,386	1,557,934	0.0
Itau Unibanco Hldg Pref	1,209,919	10,704,194	0.2	<b>Denmark (0.2%)</b>			
<b>Canada (0.4%)</b>				Novo Nordisk 'B'	159,985	8,383,472	0.2
Allied Properties REIT	157,688	5,819,094	0.1	Tryg A/S	23,856	655,186	0.0
Canadian Apartment Properties REIT	117,160	4,505,041	0.1	<b>Finland (0.2%)</b>			
Frontera Energy	37,156	315,115	0.0	Elisa Oyj	20,401	921,330	0.0
TransCanada Corp	319,779	14,366,657	0.2	Fortum Oyj	42,449	868,912	0.0
<b>Cayman Islands (0.1%)</b>				Konecranes Oyj	124,241	4,420,882	0.1
Harvest Intl CB 0% 21/11/22-RegS	HKD13,000,000	1,680,687	0.1	Metso Oyj	26,520	912,993	0.0
Momo CB 1.25% 01/07/25- 144A	USD1,615,000	1,561,552	0.0	Nokia Oyj	214,155	1,220,114	0.1
Telford Offshore Hldg Ltd	27,767	34,709	0.0	Orion Oyj 'B'	18,037	676,850	0.0
Weibo CB 1.25% 15/11/22- 144A	USD985,000	916,626	0.0	Sampo Oyj 'A'	19,664	892,242	0.0
Zhongsheng Group CB 0% 05/23-RegS	HKD12,000,000	1,501,401	0.0	Stora Enso 'R'	65,588	802,368	0.0
<b>Chile (0.1%)</b>				UPM-Kymmene Oyj	35,708	1,042,463	0.0
Banco Santander-Chile ADR	120,083	3,572,469	0.1	<b>France (2.7%)</b>			
<b>China (2.9%)</b>				Airbus SE-FR List	91,278	12,083,748	0.2
China Construction Bank 'H'	19,978,000	17,127,745	0.3	Amundi SA	14,922	939,965	0.0
China Life Insurance 'H'	1,327,000	3,566,863	0.1	AXA SA	71,398	1,798,196	0.1
China Mobile	891,500	9,085,408	0.2	Bouygues SA	24,957	892,532	0.0
China Overseas Land & Investment	4,026,000	15,283,511	0.3	Capgemini SE	60,501	7,343,617	0.2
				Casino Guichard Perrachon	20,636	895,564	0.0



# JPMORGAN MULTI INCOME FUND

Semi-annual report for the  
period ended 31 March 2019

## Investment Portfolio (Continued) As at 31 March 2019 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>France</b> (Continued)				<b>Hungary</b> (0.2%)			
CNP Assurances	42,009	925,472	0.0	OTP Bank	301,945	13,282,001	0.2
Covivio SA	56,622	6,014,480	0.1				
Engie SA-FR List	97,101	1,447,917	0.1	<b>India</b> (0.5%)			
Eutelsat Communications	51,433	900,635	0.0	Coal India	818,526	2,802,661	0.0
Gecina SA	6,802	1,006,639	0.0	Infosys Ltd ADR	772,886	8,447,644	0.2
ICADE SA	1,413	119,629	0.0	ITC Ltd	1,132,442	4,859,161	0.1
Klepierre	20,889	731,334	0.0	Tata Consultancy Services	385,283	11,132,468	0.2
LVMH Moët Hennessy Louis Vuitton	32,597	12,001,645	0.2				
Michelin-Regd	9,981	1,181,235	0.0	<b>Indonesia</b> (0.2%)			
Orange	678,194	11,041,897	0.2	Telekomunikasi Indonesia	43,287,900	12,007,528	0.2
Orpar SA CB 0% 20/06/24- RegS	EUR1,400,000	1,636,835	0.1				
Peugeot SA	35,718	871,903	0.0	<b>Ireland</b> (0.0%)			
Publicis Groupe	20,430	1,094,918	0.0	AIB Group	210,635	946,519	0.0
Renault SA	13,880	918,122	0.0	Smurfit Kappa Group- IE List	30,001	838,123	0.0
Sanofi	204,110	18,046,020	0.3				
Schneider Electric	226,762	17,808,103	0.3	<b>Italy</b> (0.4%)			
SCOR SE	23,643	1,007,745	0.0	Assicurazioni Generali	72,887	1,350,379	0.0
SES SA FDR-FR List	27,606	429,779	0.0	Enel SpA	1,960,800	12,558,407	0.3
Societe BIC	10,212	911,017	0.0	ENI SpA	98,652	1,745,093	0.1
Suez SA (France List)	65,875	873,559	0.0	Mediobanca SpA	86,386	898,400	0.0
Total SA	468,391	26,044,194	0.5	Poste Italiane	105,289	1,025,236	0.0
Veolia Environnement	49,804	1,114,534	0.0	Snam SpA	215,191	1,106,411	0.0
Vinci SA	211,015	20,547,280	0.4	Terna-Rete Elettrica Nazionale	123,791	785,065	0.0
<b>Germany</b> (1.2%)				<b>Japan</b> (1.2%)			
Allianz SE-Regd	93,722	20,866,144	0.4	Daiwa House REIT Investment	975	2,164,318	0.0
Aroundtown SA	466,602	3,850,842	0.1	Invesco Office J-REIT	16,065	2,551,590	0.1
Bayer Capit CB 5.625% 22/11/19-RegS	EUR1,100,000	933,942	0.0	Japan Exchange Group	553,200	9,860,989	0.2
Daimler AG-Regd	29,567	1,734,664	0.1	Japan Hotel REIT			
Deutsche Lufthansa-Regd	28,111	617,558	0.0	Investment	4,800	3,872,611	0.1
Deutsche Telekom-Regd	534,150	8,873,602	0.2	JXTG Hldgs	1,359,300	6,220,224	0.1
E.ON SE	100,127	1,114,382	0.0	Kenedix Office			
Evonik Industries	30,186	822,955	0.0	Investment	465	3,230,655	0.1
Hannover Rueckversicherung-Regd	4,558	655,098	0.0	Kenedix Retail REIT	627	1,531,175	0.0
Hugo Boss	9,016	616,326	0.0	Mitsubishi Electric	535,700	6,884,702	0.1
Metro AG	49,742	826,063	0.0	Mitsui Fudosan	218,800	5,500,393	0.1
Muenchener Rueck-Regd	53,083	12,576,496	0.2	Mitsui Fudosan Logistics Park	445	1,425,238	0.0
RWE AG	44,549	1,195,522	0.0	Nippon Accommodations Fund	548	2,782,455	0.1
Volkswagen AG Pref	44,261	6,973,688	0.1	Nippon Prologis REIT	1,244	2,650,180	0.1
Vonovia SE	93,528	4,853,928	0.1	ORIX JREIT	1,420	2,438,831	0.0
<b>Hong Kong</b> (1.0%)				T&D Hldgs	188,800	1,985,483	0.0
China Overs Fin V CB 0% 5/1/23-RegS	USD3,600,000	3,945,600	0.1	Tokio Marine Hldgs	101,200	4,902,511	0.1
Hang Seng Bank	441,700	10,899,087	0.2	Toyota Motor	130,900	7,671,756	0.1
HKT Trust & HKT Stapled Uts	9,121,000	14,663,408	0.3				
Hong Kong Exchanges & Clearing	211,500	7,371,563	0.1	<b>Jersey C.I.</b> (0.0%)			
New World Development	1,929,000	3,199,457	0.0	Intu Jer EB(Intu Prop)2.875%22- RegS	GBP600,000	670,679	0.0
PB Issuer No 4 CB 3.25% 3/7/21-RegS	USD693,000	691,548	0.0	Remgro			
Sands China	1,539,200	7,735,265	0.1	JerseyEB(MED)2.625 %3/21-RegS	GBP1,400,000	1,777,228	0.0
WH Group	4,669,000	4,996,159	0.1				
Wharf Real Estate Investment	476,000	3,544,252	0.1				

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	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Korea (0.7%)</b>				<b>Singapore (0.3%)</b>			
KT & G	91,590	8,351,304	0.2	Ascendas Real Estate Inv			
Orange Life Insurance	30,200	957,801	0.0	Trust	1,579,323	3,393,008	0.1
Samsung Electronics	455,444	17,915,227	0.3	CapitaLand Ltd CB			
Samsung Fire & Marine Insurance	27,800	7,371,862	0.1	1.85%19/6/20-RegS	SGD3,250,000	2,380,431	0.0
SK Telecom ADR	173,371	4,245,856	0.1	CapitaLand Ltd			
				CB2.95%20/06/22-RegS	SGD2,500,000	1,859,402	0.0
				City Developments	136,100	909,343	0.0
				DBS Group Hldgs	435,300	8,108,246	0.2
<b>Marshall Island (0.0%)</b>				<b>South Africa (0.5%)</b>			
Scorpio Tanlers CB 2.375% 7/19-144A	USD1,311,000	1,300,454	0.0	Absa Group	748,490	7,894,276	0.1
				AVI Ltd	597,737	3,742,371	0.1
<b>Mexico (0.5%)</b>				Bid Corp	188,167	3,888,274	0.1
Bolsa Mexicana de Valores	837,294	1,733,508	0.1	Brait SE CB 2.75%			
Cemex SAB de CV CB 3.72% 15/03/20	USD617,000	613,836	0.0	18/09/20-RegS	GBP1,300,000	1,554,918	0.0
Fibra Uno Administracion	4,715,812	6,520,329	0.1	Firststrand Ltd			
Kimberly-Clark de Mexico				Spar Group	174,582	2,322,877	0.0
'A'	4,099,025	6,960,788	0.1	Vodacom Group	582,964	4,504,442	0.1
Walmart de Mexico	3,679,377	9,848,344	0.2				
				<b>Spain (0.8%)</b>			
<b>Netherlands (0.6%)</b>				ACS Actividades de			
ABN AMRO Group CVA	37,110	837,546	0.0	Construction	16,555	727,937	0.0
Aegon NV	214,665	1,032,601	0.0	Aena SME	6,125	1,103,832	0.0
Akzo Nobel	72,995	6,474,213	0.1	Banco Bilbao Vizcaya			
Eurocommercial Properties				Argentaria	294,762	1,685,648	0.0
CVA	68,970	1,991,833	0.1	Bankinter SA	79,822	608,575	0.0
ING Groep NV	132,843	1,608,571	0.1	Enagas SA	33,928	988,212	0.0
Koninklijke Ahold Delhaize	47,101	1,254,753	0.0	Endesa SA	39,356	1,004,901	0.0
KPN (Koninklijke)	314,851	999,077	0.0	Iberdrola SA	2,772,744	24,365,277	0.5
NN Group	27,486	1,142,844	0.0	Industria de Diseno Textil-			
Unilever NV CVA	270,783	15,743,641	0.3	Inditex	163,356	4,805,716	0.1
				Inmobiliaria Colonial Socimi	86,999	895,300	0.0
<b>Norway (0.4%)</b>				Intl Consolidated Airlines	76,935	512,445	0.0
Aker BP	23,952	853,879	0.0	Merlin Properties Socimi	301,919	3,954,549	0.1
DNB ASA	65,914	1,215,470	0.0	Naturgy Energy Group			
Equinor ASA	64,336	1,410,871	0.0	Red Electrica Corp	48,779	1,040,659	0.0
Gjensidige Forsikring	50,493	873,642	0.0	Repsol SA	80,260	1,375,230	0.0
Mowi ASA	40,246	899,642	0.0	Telefonica SA	202,623	1,699,311	0.1
Norsk Hydro	876,231	3,556,165	0.1				
Telenor ASA	463,227	9,289,714	0.2	<b>Sweden (0.3%)</b>			
Telenor East CB 0.25% 20/09/19-RegS	USD1,800,000	1,772,526	0.1	Boliden AB	33,602	958,577	0.0
				Electrolux AB 'B'	32,370	833,740	0.0
<b>Portugal (0.0%)</b>				ICA Gruppen	10,543	423,980	0.0
EDP-Energias de Portugal	277,510	1,092,165	0.0	Lundin Petroleum	29,472	1,000,268	0.0
Galp Energia SGPS	34,912	559,789	0.0	Millicom Intl Cellular SDR	15,545	946,077	0.0
				Skandinaviska Enskilda			
<b>Russia (0.7%)</b>				Banken 'A'	125,584	1,089,668	0.1
Alrosa PJSC	3,650,744	5,135,686	0.1	Skanska AB 'B'	37,482	682,534	0.0
Moscow Exchange MICEX-				SKF AB 'B'	42,740	711,466	0.0
RTS	6,721,761	9,341,250	0.2	Svenska Handelsbanken 'A'	474,668	5,020,315	0.1
Sberbank of Russia (CLS				Swedbank AB 'A'	20,034	283,707	0.0
USD)	6,540,791	21,347,485	0.4	Swedish Match	19,914	1,017,460	0.0
Severstal Cherepovets GDR-				Tele2 AB 'B'	75,296	1,005,402	0.0
RegS	141,114	2,201,378	0.0	Telia Co	219,586	993,136	0.0
				Volvo AB 'B'	91,155	1,415,191	0.1
<b>Saudi Arabia (0.2%)</b>				<b>Switzerland (1.5%)</b>			
Al Rajhi Bank	470,032	13,585,790	0.2	Nestle SA-Regd	102,686	9,785,020	0.2
				Novartis AG-Regd	295,967	28,464,423	0.5
				Roche Hldg (Genusschein)	108,664	29,934,701	0.5

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	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Switzerland</b> (continued)				Carnival plc	14,004	687,034	0.0
Swiss Life Hldg-Regd	1,932	850,670	0.0	Compass Group	59,316	1,394,729	0.0
Swiss Re	145,821	14,243,867	0.3	Diageo plc	365,596	14,949,114	0.3
Zurich Insurance Group- Regd	5,650	1,869,907	0.0	Direct Line Insurance Group	163,606	752,549	0.0
<b>Taiwan</b> (1.8%)				Ferguson PLC	109,619	6,976,259	0.1
Asustek Computer	664,000	4,804,335	0.1	GlaxoSmithKline plc	150,679	3,135,193	0.1
Chicony Electronics	501,019	1,165,557	0.0	Glencore plc-UK List	441,874	1,830,705	0.0
Delta Electronics	956,886	4,936,483	0.1	Imperial Brands	280,850	9,604,662	0.2
MediaTek Inc	653,000	5,985,383	0.1	Legal & General Group	367,023	1,316,620	0.0
Mega Financial Hldg	5,934,000	5,400,584	0.1	Lloyds Banking Group	2,602,871	2,107,584	0.1
Novatek Microelectronics	982,000	6,308,658	0.1	Meggitt plc	84,964	556,662	0.0
President Chain Store	375,000	3,692,753	0.1	Micro Focus Intl	39,947	1,039,237	0.0
Quanta Computer	3,813,000	7,150,805	0.1	Mondi plc	24,573	543,697	0.0
Taiwan Mobile	2,818,300	10,195,826	0.2	National Grid	147,859	1,639,217	0.0
Taiwan Semiconductor Mfg ADR	1,112,241	45,557,392	0.8	NewRiver REIT	643,759	2,000,658	0.1
Vanguard Intl Semiconductor	2,241,000	4,835,304	0.1	Next plc	14,977	1,088,981	0.0
<b>Thailand</b> (0.4%)				Persimmon plc	36,270	1,025,577	0.0
Siam Cement (F)	493,500	7,495,415	0.1	Prudential plc	637,714	12,776,213	0.2
Siam Commercial Bank (F)	2,590,700	10,775,875	0.2	RELX PLC	66,312	1,418,385	0.0
Thai Oil (F)	1,040,800	2,279,363	0.1	Rio Tinto-UK List	264,494	15,374,788	0.3
<b>Turkey</b> (0.1%)				Royal Bank of Scotland Group	362,522	1,166,789	0.0
Tofas Turk Otomobil Fabrikasi	327,923	993,126	0.0	Royal Dutch Shell 'B'-UK List	208,800	6,606,026	0.1
Tupras-Turkiye Petrol Rafinerileri	92,619	2,045,959	0.1	Safestore Hldgs	371,705	2,889,149	0.1
<b>United Arab Emirates</b> (0.2%)				Sainsbury (J)	188,056	577,574	0.0
Aabar Inv PJSC CB 0.5%				Segro plc	516,299	4,530,389	0.1
03/20-RegS	EUR2,300,000	2,488,157	0.0	Severn Trent	36,954	951,502	0.0
Aabar Inv PJSC CB 1%				Taylor Wimpey	4,649,243	10,629,105	0.2
27/03/22-RegS	EUR1,400,000	1,413,951	0.0	Tritax Big Box REIT	1,580,781	2,957,925	0.1
DP World CB 1.75%				Tritax EuroBox	455,995	578,576	0.0
19/06/24-RegS	USD2,800,000	2,718,623	0.1	Unilever plc	73,937	4,234,302	0.1
Emaar Development	1,311,438	1,392,450	0.0	Unité Group	288,229	3,445,917	0.1
First Abu Dhabi Bank PJSC	1,381,471	5,716,795	0.1	United Utilities Group	91,616	972,233	0.0
<b>United Kingdom</b> (2.8%)				Vodafone Group CB 1.5%			
3i Group	75,084	963,511	0.0	12/3/22-RegS	GBP400,000	548,048	0.0
Admiral Group	34,620	978,922	0.0	Workspace Group	168,470	2,142,562	0.1
Anglo American-UK List	56,915	1,522,939	0.0	<b>United States</b> (14.2%)			
AstraZeneca plc	33,208	2,654,718	0.1	Advanz Pharma (6month Restrict Stk)	77,370	1,401,171	0.0
Aviva plc	193,602	1,040,374	0.0	Advanz Pharma (US list)- USD	7,412	128,821	0.0
Barclays PLC	589,222	1,187,611	0.0	Altria Group	158,298	9,091,054	0.2
Barclays Pref VRN 7.75%				Americold Realty Trust	91,412	2,788,980	0.1
Perp	USD1,720,000	1,713,120	0.0	AMG Capital Cnv Pref 5.15%			
Barratt Developments	127,807	997,901	0.0	15/10/37	23,580	1,190,790	0.0
Berkeley Group Hldgs	19,707	947,306	0.0	Analog Devices	92,341	9,720,737	0.2
BHP Group plc (GB Trading)	81,616	1,965,981	0.1	Ares Capital CB 3.75%			
BP plc	1,764,014	12,837,672	0.2	01/02/22-144A	USD2,001,000	2,007,705	0.0
British American Tobacco- UK List	57,376	2,387,956	0.1	AT&T Inc	263,624	8,267,249	0.2
British Land White CB 0%				Automatic Data Processing	68,043	10,869,189	0.2
06/20-RegS	GBP900,000	1,144,599	0.0	Avalonbay Communities	64,771	13,001,483	0.2
BT Group	472,370	1,372,306	0.0	Avaya Hldgs Corp	83,494	1,405,204	0.0
				Bank of America 6% Cum Pref	112,000	2,971,360	0.1
				Bank of America Conv Pref 7.25%Perp	3,927	5,112,443	0.1
				Bank of America Pref 5.875% Perp	94,000	2,436,480	0.1

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	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)				EnLink Midstream Partners Pref 'C'	USD5,247,000	4,341,893	0.1
Bank of America VRN 5.875% Perp	USD9,975,000	9,980,985	0.2	Enscs Jersey EB (Enscs) 3%01/24-144A	USD3,016,000	2,348,206	0.0
BB&T Corp Deposit Pref 'F'	146,150	3,595,290	0.1	EOG Resources	48,113	4,579,395	0.1
Becton Dick NoA Cnv Pref 6.125%5/20	19,306	1,193,304	0.0	Equinix Inc	16,783	7,605,384	0.1
BlackRock Capital Inv CB 5% 15/6/22	USD1,212,000	1,214,509	0.0	Equity Lifestyle Properties	50,115	5,728,145	0.1
BlackRock TCP 4.625% 01/03/22-144A	USD886,000	875,691	0.0	Essex Property Trust	22,066	6,382,370	0.1
Brandywine Realty Trust	233,521	3,703,643	0.1	Federal Realty Inv Trust	37,437	5,160,690	0.1
Bristol Myers Squibb	131,164	6,257,834	0.1	Finisar Corp CB 0.5%			
Brixmor Property Group REIT	186,719	3,430,028	0.1	15/12/36	USD2,091,000	2,050,115	0.0
Bunge Ltd Conv Pref 4.875% Perp	12,055	1,193,445	0.0	Fireeye Inc NoB CB 1.625% 01/06/35	USD2,593,000	2,439,779	0.1
Caesars Entertainment	114,336	993,580	0.0	Gilead Sciences	100,378	6,525,574	0.1
Camden Property Trust	40,507	4,111,461	0.1	Glencore Funding CB 0% 27/3/25-Reg5	USD1,400,000	1,267,700	0.0
Capital One Financial Pref 'D'	37,250	954,718	0.0	Golar LNG CB 2.75% 15/02/22-144A	USD923,000	881,922	0.0
Chesapeake Energy CB 5.5% 9/26-144A	USD977,000	905,753	0.0	Goldman Sachs Group Pref 'J'	83,000	2,127,290	0.0
Cisco Systems	111,560	6,023,124	0.1	Goldman Sachs Non Cum Pref 'P'	USD8,840,000	8,137,220	0.2
Citigroup Inc Pref 'T'	USD2,660,000	2,799,650	0.1	Halcon Resources	76,900	103,815	0.0
Citigroup Inc-US List	160,332	9,975,857	0.2	Hartford Fin Non Cum Pref 6% Perp	15,875	430,054	0.0
Citizens Fin Pref VRN 6.375% Perp	USD2,390,000	2,401,950	0.0	Healthcare Trust of America Cl 'A'	181,684	5,194,346	0.1
Claire's Stor Cnv Pref 14% 21/08/38	1,356	2,118,750	0.0	Hercules Cap CB 4.375% 1/2/22-144A	USD1,357,000	1,337,787	0.0
Claire's Stores	2,298	1,826,910	0.0	Highwoods Properties	92,033	4,305,304	0.1
Coca-Cola Co	874,371	40,973,026	0.7	Home Depot	18,676	3,583,738	0.1
Colony Capital CB 3.875% 15/01/21	USD659,000	637,115	0.0	Intl Business Machines	65,206	9,200,567	0.2
Colony Capital CB 5% 15/04/23	USD1,670,000	1,604,423	0.0	Intl Flavors Conv Pref 6% 15/09/21	17,500	873,950	0.0
Comcast Corp 'A'	234,526	9,376,349	0.2	Invitation Homes	358,821	8,730,115	0.2
Crown Cas Intl Cnv Pref 6.875% 8/20	1,294	1,533,131	0.0	Iron Mountain	184,298	6,535,207	0.1
CVS Health	69,420	3,743,821	0.1	Jack Cooper Ent Wts 29/10/27	206	0	0.0
Diamondback Energy	45,171	4,586,212	0.1	Kilroy Realty	66,834	5,076,711	0.1
Digital Realty Trust	118,826	14,140,294	0.3	Liberty Expedia CB 1% 30/06/47-144A	USD1,212,000	1,187,077	0.0
Discover Fin VRN 5.5% Non Cum Pref	USD3,424,000	3,220,306	0.1	Liberty Inter EB 1.75% 30/9/46-144A	USD1,179,000	1,360,595	0.0
DISH Network CB 2.375% 15/3/24-144A	USD2,208,000	1,822,180	0.0	Liberty Inter EB 4% 15/11/29-Regd	USD3,128,000	2,194,453	0.0
DISH Network CB 3.375%15/08/26-144A	USD1,110,000	945,505	0.0	Liberty Inter EB Sprint 3.75% 02/30	USD150,000	100,509	0.0
Dominion Ene Cnv Pref 6.75% 08/19-A	35,407	1,767,517	0.0	Lilly (Eli) & Co	84,546	10,970,689	0.2
Dominion Energy Pref 'A'	76,000	1,919,000	0.0	Live Nation Ent CB 2.5% 15/03/23	USD905,000	1,043,864	0.0
Douglas Emmett	113,566	4,590,338	0.1	Macquarie Infrast CB 2% 01/10/23	USD1,221,000	1,089,743	0.0
Dowdupont Inc	82,112	4,377,391	0.1	Mandatory Exch Cv Prf 5.75% 19-144A	5,131	1,044,338	0.0
DTE Energy Cnv Pref 6.5% 01/10/19	21,769	1,204,914	0.0	Marathon Petroleum	159,278	9,532,788	0.2
Duke Energy Preference 'A'	113,400	2,888,298	0.1	Medtronic plc	64,514	5,875,935	0.1
Eaton Corp	108,902	8,773,145	0.2	Merck & Co	439,972	36,592,471	0.7
Energizer Hldgs Conv Pref 7.5% 1/22	9,200	895,896	0.0	Microsoft Corp	55,262	6,517,600	0.1
				Mid-America Apartment Communities	70,501	7,707,874	0.1

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	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)				Unitedhealth Group	51,229	12,666,883	0.2
Mondelez Intl 'A'	166,559	8,314,625	0.2	US Bancorp Pref 5.5% Perp	115,000	2,922,150	0.1
Morgan Stanley	245,519	10,360,902	0.2	Veeco Instruments CB 2.7%			
Morgan Stanley Pref 'I'	145,000	3,868,600	0.1	15/01/23	USD1,562,000	1,344,215	0.0
Morgan Stanley Pref 'K'	152,400	3,896,868	0.1	Ventas Inc	131,695	8,403,458	0.2
Nabors Ind CB 0.75%				VEREIT Inc CB 3.75%			
15/01/24-144A	USD2,912,000	2,089,081	0.0	15/12/20	USD941,000	949,136	0.0
NextEra Energy	81,769	15,807,583	0.3	Verizon Communications	380,509	22,499,497	0.4
NextEra Energy Capital Pref				VICI Properties	475,491	10,403,743	0.2
'N'	51,650	1,319,528	0.0	Vishay Intertech CB 2.25%			
NextEra Energy Conv Pref				6/25-144A	USD1,287,000	1,208,100	0.0
6.123%9/19	32,683	2,021,770	0.0	Visra Energy	75,882	1,975,208	0.0
NII Hldgs	113,798	223,044	0.0	Visra Energy Right	208,475	161,568	0.0
Norfolk Southern	66,542	12,436,034	0.2	Vornado Realty Trust REIT	114,431	7,717,227	0.1
Northern Trust VRN 4.6%				Walt Disney	122,222	13,570,309	0.3
Perpetual	USD1,659,000	1,624,012	0.0	Wells Fargo & Co Pref 'Y'	110,250	2,789,325	0.1
Occidental Petroleum	86,353	5,716,569	0.1	Wells Fargo Conv Pref 7.5%			
Park Hotels & Resorts	261,706	8,133,822	0.2	Perp-L	3,940	5,091,859	0.1
Pebblebrook Hotel Trust	88,409	2,745,984	0.1	Whiting Petroleum CB			
Penn Virginia	3,396	149,764	0.0	1.25%4/20-144A	USD2,314,000	2,254,546	0.0
Penn Virginia Corp - Accred				Xcel Energy	314,367	17,670,569	0.3
Inv	1,771	78,101	0.0				
Pepsico Inc	69,932	8,570,167	0.2	<b>Virgin Islands</b> (0.0%)			
Pfizer Inc	878,446	37,307,602	0.7	China Conch Vent CB 0%			
Philip Morris Intl	268,459	23,729,091	0.4	09/23-RegS	HKD7,000,000	906,323	0.0
Plains All Amer Cum Pref							
'B'	USD1,275,000	1,201,688	0.0			2,162,394,053	38.8
PNC Financial Services Dep						-----	----
Pref 'S'	USD3,625,000	3,584,038	0.1	<b>(II) Debt Securities</b> (59.6%)			
Prologis Inc	304,743	21,926,259	0.4	<b>Angola</b> (0.1%)			
Public Storage	46,613	10,151,379	0.2	Angola Rep Of 7%			
Rexford Industrial Realty	138,091	4,945,039	0.1	17/08/19-RegS	USD4,110,000	521,225	0.0
Rovi Corp CB 0.5%				Angola Rep Of 8.25%			
01/03/20	USD1,614,000	1,568,583	0.0	09/05/28-RegS	USD720,000	764,727	0.0
RWT Hldgs CB 5.625%				Angola Rep Of 9.375%			
15/11/19-144A	USD1,025,000	1,056,423	0.0	08/05/48-RegS	USD1,500,000	1,650,547	0.1
SCE Trust II Preferred Secs	15,800	327,850	0.0	Angola Rep Of 9.5%			
Sempra Energy Cnv				12/11/25-RegS	USD1,180,000	1,378,764	0.0
Pref6.75%15/07/21	9,950	1,056,292	0.0				
Spirit Realty Cap CB 3.75%				<b>Argentina</b> (0.1%)			
15/05/21	USD828,000	840,230	0.0	Argentina Rep Of 5.875%			
Stanley Black Cnv Pref				11/01/28	USD745,000	581,226	0.0
5.375% 5/20	22,418	2,185,755	0.0	Argentina Rep Of 6.875%			
Starwood Propert CB				11/01/48	USD850,000	633,138	0.0
4.375% 01/04/23	USD1,752,000	1,780,840	0.0	Argentina Rep Of 6.875%			
State Street Pref 'D'	93,500	2,460,920	0.1	22/04/21	USD640,000	604,996	0.0
State Street Pref 'E'	110,000	2,813,800	0.1	Argentina Rep Of 7.125%			
State Street Pref 'G'	94,000	2,395,120	0.0	28/06/17	USD458,000	346,593	0.0
State Street Pref VRN				Argentina Rep Of			
5.625% Perp	USD976,000	978,440	0.0	8.28%31/12/33	USD1,415,000	1,681,639	0.1
SunPower Corp CB 0.875%				Pampa Energia			
1/6/21-144A	USD1,451,000	1,250,251	0.0	7.375%7/23-RegS	USD682,000	657,820	0.0
Sunstone Hotel Investors	203,190	2,925,936	0.1	Prov Buenos Aires 10.875%			
Texas Instruments	118,024	12,518,806	0.2	1/21-RegS	USD732,000	484,383	0.0
TPG Specialty Lend CB				Prov Buenos Aires 9.95%			
4.5% 01/08/22	USD553,000	565,443	0.0	9/6/21-RegS	USD860,000	832,163	0.0
Twitter Inc CB 1% 15/09/21-				YPF SA 8.5% 23/03/21-			
144A	USD1,845,000	1,740,223	0.0	RegS	USD440,000	445,555	0.0
UCI Intl Hldgs	24,132	555,036	0.0	YPF SA 8.75% 04/04/24-			
Union Pacific	31,392	5,248,742	0.1	RegS	USD1,390,000	1,449,372	0.0
United Parcel Service 'B'	106,200	11,866,788	0.2				

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Armenia (0.0%)</b>				<b>Belgium (0.0%)</b>			
Armenia Rep Of 6%				Barry Callebaut 2.375%			
30/09/20-RegS	USD300,000	316,600	0.0	05/24-RegS	EUR600,000	733,065	0.0
Armenia Rep Of 7.15%							
26/03/25-RegS	USD470,000	523,459	0.0				
<b>Australia (0.2%)</b>				<b>Bermuda (0.0%)</b>			
ANZ Banking Grp 5.1%				Weatherford Intl 5.95%			
13/01/20-144A	USD461,000	474,849	0.0	15/04/42	USD853,000	505,233	0.0
ANZ Banking Grp VRN				Weatherford Intl 6.5%			
6.75% Perp-144A	USD5,916,000	6,415,680	0.1	01/08/36	USD126,000	72,555	0.0
BHP Billiton VRN				Weatherford Intl 6.75%			
6.75%19/10/75-144A	USD1,163,000	1,319,205	0.1	15/09/40	USD274,000	157,053	0.0
Commonwealth Bk AU				Weatherford Intl 7%			
1.75% 11/19-144A	USD469,000	469,492	0.0	15/03/38	USD567,000	325,064	0.0
Commonwealth Bk AU				Weatherford Intl 8.25%			
2.25% 03/20-144A	USD370,000	368,862	0.0	15/06/23	USD67,000	49,213	0.0
FMG Res (Aug2006) 4.75%				Weatherford Intl 9.875%			
05/22-144A	USD560,000	570,123	0.0	15/02/24	USD290,000	212,539	0.0
FMG Res (Aug2006) 5.125%							
05/24-144A	USD498,000	507,090	0.0	<b>Brazil (0.2%)</b>			
National Aust Bk FRN				Cemig Geracao E			
10/01/20-144A	USD359,000	362,794	0.0	Tran9.25%12/24-RegS	USD1,400,000	1,559,338	0.0
Scentre Grp Tru 1/2				Fed Rep of Brazil 4.25%			
2.375%4/21-144A	USD17,000	16,858	0.0	07/01/25	USD1,020,000	1,049,003	0.0
Scentre Grp Tru1/2				Fed Rep of Brazil 6%			
2.375%11/19-144A	USD369,000	371,545	0.0	07/04/26	USD1,240,000	1,409,343	0.0
Suncorp Metway 2.35%				Fed Rep of Brazil 8.25%			
27/04/20-144A	USD427,000	428,438	0.0	20/01/34	USD985,000	1,271,783	0.0
Westpac Banking 2.15%				Nexa Resources 5.375%			
06/03/20	USD474,000	472,532	0.0	04/05/27-RegS	USD1,550,000	1,636,625	0.1
Westpac Banking 2.65%				Votorantim Cimentos			
25/01/21	USD400,000	402,281	0.0	7.25% 4/41-RegS	USD1,370,000	1,614,060	0.1
<b>Austria (0.0%)</b>				<b>Canada (1.9%)</b>			
Suzano Austria 6%				1011778 BC/New Red			
15/01/29-RegS	USD655,000	705,162	0.0	Fi4.25%5/24-144A	USD1,144,000	1,144,389	0.0
<b>Azerbaijan (0.1%)</b>				Advanz Pharma 8%			
Rep of Azerbaijan				06/09/24	USD1,432,000	1,425,954	0.0
4.75%18/3/24-RegS	USD530,000	564,687	0.0	Alimentation Co 2.35%			
Southern Gas 6.875%				13/12/19-144A	USD389,000	389,924	0.0
24/03/26-RegS	USD720,000	809,480	0.0	Automation Tool 6.5%			
State Oil Co Azerb 6.95%				15/06/23-144A	USD668,000	704,285	0.0
3/30-RegS	USD1,530,000	1,728,369	0.1	Bausch Health 8.5%			
State Oil Co				31/01/27-144A	USD1,938,000	2,081,735	0.1
Azerb4.75%13/3/23-RegS	USD1,057,000	1,087,872	0.0	Bausch Health Cos 5.5%			
<b>Bahrain (0.0%)</b>				1/11/25-144A	USD2,034,000	2,121,293	0.1
Bahrain Kingdom 6%				Bausch Health Cos 5.625%			
19/09/44-RegS	USD200,000	186,313	0.0	12/21-144A	USD290,000	295,438	0.0
Bahrain Kingdom 7.5%				Bausch Health Cos			
20/09/47-RegS	USD890,000	952,612	0.0	5.75%15/8/27-144A	USD157,000	161,527	0.0
<b>Belarus (0.0%)</b>				Bausch Health Cos 5.875%			
Rep of Belarus 6.875%				5/23-144A	USD6,099,000	6,319,220	0.1
28/02/23-RegS	USD260,000	274,857	0.0	Bausch Health Cos 6.125%			
Republic of Belarus 6.2%				04/25-144A	USD14,017,000	14,187,492	0.3
02/30-RegS	USD1,050,000	1,036,303	0.0	Bausch Health Cos 9%			
				15/12/25-144A	USD4,685,000	5,220,261	0.1
				Bombardier Inc 6%			
				15/10/22-144A	USD2,003,000	2,076,276	0.0
				Bombardier Inc 6.125%			
				15/01/23-144A	USD1,181,000	1,211,234	0.0
				Bombardier Inc 7.5%			
				01/12/24-144A	USD747,000	794,621	0.0

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>Canada (Continued)</b>			Royal Bank Canada 2.15%		
Bombardier Inc 7.5%			06/03/20	USD300,000	298,918 0.0
15/03/25-144A	USD3,397,000	3,506,695 0.1	Royal Bank Canada 2.5%		
Bombardier Inc 7.875%			19/01/21	USD400,000	402,710 0.0
15/04/27-144A	USD1,611,000	1,671,000 0.0	Seven Generati 5.375%		
Bombardier Inc 8.75%			30/09/25-144A	USD151,000	147,414 0.0
01/12/21-144A	USD1,044,000	1,189,290 0.0	Toronto-Dominion Bk		
Canadian Imperial FRN			2.55% 25/01/21	USD400,000	401,538 0.0
06/09/19	USD195,000	195,938 0.0	Transcanada Pipelines		
Emera Inc No16-A VRN			2.125% 11/19	USD42,000	42,180 0.0
6.75% 15/06/76	USD8,090,000	8,798,381 0.2	Transcanada Trust VRN		
Enbridge Inc VRN 5.5%			5.3% 15/03/77	USD950,000	884,690 0.0
15/07/77	USD4,627,000	4,398,028 0.1	Transcanada Trust VRN		
Enbridge Inc VRN 6%			5.625% 05/75	USD2,445,000	2,440,416 0.1
15/01/77	USD1,305,000	1,311,960 0.0	Transcanada Trust VRN		
Enbridge VRN 6.25%			5.875% 08/76	USD430,000	441,640 0.0
01/03/78	USD4,322,000	4,352,164 0.1	Videotron Ltd 5.125%		
Garda World Sec 7.25%			15/04/27-144A	USD840,000	876,770 0.0
15/11/21-144A	USD94,000	96,593 0.0	Videotron Ltd 5.375%		
Garda World Sec 8.75%			15/06/24-144A	USD3,595,000	3,805,220 0.1
05/25-144A	USD5,115,000	5,042,360 0.1			
Gateway Casinos 8.25%			<b>Cayman Islands (0.9%)</b>		
01/03/24-144A	USD1,979,000	2,087,969 0.1	ABQ Finance 3.625%		
Hudbay Minerals 7.25%			13/04/21-RegS	USD1,100,000	1,117,289 0.0
15/01/23-144A	USD530,000	556,769 0.0	Avolon Hldgs 5.25%		
Hudbay Minerals 7.625%			15/05/24-144A	USD586,000	606,400 0.0
15/1/25-144A	USD380,000	395,697 0.0	Avolon Hldgs Fund 5.125%		
Intertape Polymer 7%			10/23-144A	USD1,514,000	1,584,417 0.0
15/10/26-144A	USD656,000	692,062 0.0	BLUEM 2012-2A DR2 FRN		
Masonite Intl 5.75%			20/11/28	USD2,460,000	2,426,447 0.1
15/09/26-144A	USD1,295,000	1,324,416 0.0	BLUEM 2015-1A C FRN		
Mattamy Group 6.875%			13/04/27	USD465,000	471,637 0.0
15/12/23-144A	USD720,000	735,397 0.0	BLUEM 2018-3A D FRN		
MEG Energy 6.375%			25/10/30	USD2,090,000	2,055,126 0.1
30/01/23-144A	USD4,232,000	3,961,064 0.1	CIFC 2014-5A BR2 FRN		
MEG Energy 6.5%			17/10/31	USD1,534,000	1,543,333 0.0
15/01/25-144A	USD2,892,000	2,888,827 0.1	CIFC 2014-5A DR2 FRN		
MEG Energy 7% 31/03/24-144A	USD448,000	416,640 0.0	17/10/31	USD455,000	452,832 0.0
National Bk Canada 2.15%			Energuate Trust 5.875%		
12/06/20	USD350,000	350,069 0.0	3/05/27-RegS	USD451,000	452,947 0.0
NOVA Chemicals 4.875%			HPHT Fin (15) 2.875%		
01/06/24-144A	USD2,152,000	2,133,170 0.1	17/03/20-144A	USD200,000	199,734 0.0
Nova Chemicals 5%			KREF 2018-FL1 D FRN		
01/05/25-144A	USD910,000	901,658 0.0	15/06/36	USD900,000	911,002 0.0
NOVA Chemicals 5.25%			LCM 28A B FRN 20/10/30	USD1,520,000	1,522,868 0.0
01/06/27-144A	USD1,320,000	1,320,000 0.0	MAF Global Sec VRN		
Nova Chemicals 5.25%			6.375% Perp-RegS	USD661,000	622,216 0.0
01/08/23-144A	USD745,000	752,450 0.0	Noble Hldg Int 7.875%		
Open Text 5.625%			01/02/26-144A	USD800,000	756,500 0.0
15/01/23-144A	USD305,000	316,676 0.0	Noble Hldg Intl 5.25%		
Open Text 5.875%			15/03/42	USD413,000	248,824 0.0
01/06/26-144A	USD1,429,000	1,521,290 0.0	Noble Hldg Intl		
Precision Dril 7.125%			6.2%01/08/40	USD563,000	361,915 0.0
15/01/26-144A	USD1,917,000	1,931,837 0.0	Noble Hldg Intl 7.95%		
Precision Drilling 5.25%			01/04/25	USD147,000	133,028 0.0
15/11/24	USD108,000	103,721 0.0	Noble Hldg Intl VRN 8.95%		
Precision Drilling 7.75%			01/04/45	USD185,000	154,429 0.0
15/12/23	USD745,000	784,511 0.0	Park Aerospace 5.5%		
Quebecor Media 5.75%			15/02/24-144A	USD1,565,000	1,630,443 0.0
15/01/23	USD1,680,000	1,786,294 0.0	Park Aerospace Hldgs		
			4.5%03/23-144A	USD1,292,000	1,288,286 0.0

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Cayman Islands (Continued)</b>				Rep of Colombia 3.875%			
Shelf Drill Hldgs 8.25%				25/04/27	USD420,000	433,734	0.0
2/25-144A	USD2,786,000	2,669,743	0.1	Rep of Colombia 5%			
Telford Offshore 1%				15/06/45	USD1,000,000	1,062,361	0.0
2/24(Pay in kd)	USD542,791	270,555	0.0	Rep of Colombia 5.2%			
Transocean Guard 5.875%				15/05/49	USD330,000	357,174	0.0
01/24-144A	USD919,000	893,480	0.0	Rep of Colombia 6.125%			
Transocean Inc 6.8%				18/01/41	USD700,000	831,313	0.0
15/03/38	USD1,616,000	1,273,749	0.0	Rep of Colombia 7.375%			
Transocean Inc 7.25%				18/09/37	USD750,000	981,351	0.0
01/11/25-144A	USD1,598,000	1,632,546	0.0				
Transocean Inc 7.5%				<b>Costa Rica (0.1%)</b>			
15/01/26-144A	USD2,470,000	2,484,923	0.1	Costa Rica Rep Of 4.375%			
Transocean Inc 7.5%				04/25-RegS	USD1,120,000	1,048,289	0.1
15/04/31	USD872,000	780,258	0.0	Costa Rica Rep Of 7%			
Transocean Inc 9%				04/04/44-RegS	USD250,000	247,528	0.0
15/07/23-144A	USD1,344,000	1,458,912	0.0	Costa Rica Rep Of 7.158%			
Transocean Inc 9.35%				03/45-RegS	USD760,000	745,960	0.0
15/12/41	USD1,133,000	1,092,258	0.0	Costa Rica Rep Of 4.25%			
Transocean Phoenix 7.75%				26/1/23-RegS	USD700,000	667,934	0.0
10/24-144A	USD382,000	333,395	0.0	Instituto Costarr 6.95%			
Transocean Pon 6.125%				11/21-RegS	USD760,000	774,185	0.0
01/08/25-144A	USD1,544,000	1,494,037	0.0				
Transocean Pos 6.875%				<b>Croatia (0.1%)</b>			
01/02/27-144A	USD505,000	532,249	0.0	Hrvatska Elekt 5.875%			
Transocean Proteus 6.25%				23/10/22-RegS	USD450,000	490,747	0.0
12/24-144A	USD277,000	232,034	0.0	Rep of Croatia 6%			
TRTX 2018-FL1 C FRN				26/01/24-RegS	USD1,400,000	1,583,680	0.1
15/02/35	USD500,000	502,132	0.0	Republic of Croatia			
UPCB Finance IV 4%				5.5%4/4/23-RegS	USD640,000	712,572	0.0
15/01/27-RegS	EUR1,785,000	1,908,583	0.1				
UPCB Finance IV 5.375%				<b>Denmark (0.1%)</b>			
15/1/25-144A	USD4,067,000	4,184,929	0.1	DKT Finance 7% 17/06/23-			
Upcb Finance VII 3.625%				RegS	EUR3,190,000	3,965,214	0.1
06/29-RegS	EUR1,040,000	1,223,938	0.0	DKT Finance 9.375%			
VOYA 2016-3A CR FRN				17/06/23-144A	USD950,000	1,048,129	0.0
18/10/31	USD1,725,000	1,728,003	0.1	TDC A/S VRN 6.875%			
VOYA 2019-1A A FRN				23/02/23-RegS	GBP850,000	1,260,683	0.0
15/04/29	USD2,225,000	2,227,828	0.1				
VOYA 2019-1A D FRN				<b>Dominican Republic (0.1%)</b>			
15/04/29	USD1,945,000	1,948,853	0.1	Dominican Republic 5.5%			
				01/25-RegS	USD1,130,000	1,176,478	0.0
<b>Chile (0.1%)</b>				Dominican Republic 5.95%			
Codeico 4.875% 04/11/44-				01/27-RegS	USD770,000	817,797	0.0
RegS	USD1,000,000	1,113,742	0.0	Dominican Republic			
Empresa Elec Angam				6.875% 1/26-RegS	USD1,380,000	1,535,638	0.0
4.875% 5/29-RegS	USD498,000	467,972	0.0	Dominican Republic 7.45%			
Empresa Nacional del				04/44-RegS	USD2,820,000	3,269,665	0.1
3.75%8/26-RegS	USD1,200,000	1,196,505	0.1	Dominican Republic 7.5%			
Rep of Chile 3.125%				6/5/21-RegS	USD390,000	417,697	0.0
21/01/26	USD400,000	408,465	0.0				
				<b>Ecuador (0.1%)</b>			
<b>Colombia (0.1%)</b>				Ecuador Rep Of 10.5%			
Ecopetrol SA 5.375%				24/03/20-RegS	USD700,000	735,478	0.0
26/06/26	USD1,220,000	1,332,927	0.0	Ecuador Rep Of 10.75%			
Ecopetrol SA 5.875%				28/03/22-RegS	USD1,730,000	1,922,366	0.0
18/09/23	USD450,000	492,496	0.0	Ecuador Rep Of 7.875%			
Ecopetrol SA 7.375%				23/01/28-RegS	USD2,680,000	2,539,551	0.1
18/09/43	USD1,197,000	1,435,344	0.1				



**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Ecuador</b> (Continued)				Arkema SA VRN 4.75%			
Ecuador Rep Of 8.75%				Perp-RegS	EUR2,000,000	2,437,238	0.1
02/06/23-RegS	USD1,480,000	1,578,667	0.0	Banque Fed Credit 2.2%			
				20/7/20-144A	USD352,000	350,909	0.0
<b>Egypt</b> (0.1%)				BNP Paribas 5% 15/01/21	USD350,000	367,309	0.0
Egypt Rep Of 5.875%				BNP Paribas VRN 6.625%			
11/06/25-RegS	USD940,000	948,756	0.0	Perp-144A	USD1,600,000	1,601,661	0.0
Egypt Rep Of 7.5%				BPCE SA 2.25% 27/01/20	USD281,000	280,765	0.0
31/01/27-RegS	USD1,730,000	1,836,136	0.1	BPCE SA 2.5% 15/07/19	USD250,000	251,149	0.0
Egypt Rep Of 7.6003%				Burger King France 6%			
01/03/29-RegS	USD710,000	731,407	0.0	01/05/24-RegS	EUR1,050,000	1,288,403	0.0
Egypt Rep Of 8.5% 01/47-RegS	USD646,000	668,556	0.0	Casino Guichard 1.865%			
				13/6/22-RegS	EUR600,000	650,683	0.0
Egypt Rep Of 8.7002%				Casino Guichard 4.498%			
01/03/49-RegS	USD510,000	532,899	0.0	03/24-RegS	EUR1,200,000	1,343,745	0.0
				CMA CGM 6.5% 15/07/22-RegS	EUR400,000	434,297	0.0
<b>El Salvador</b> (0.1%)				CMA CGM SA 5.25%			
Rep of El Salvador 5.875%				15/01/25-RegS	EUR430,000	415,353	0.0
1/25-RegS	USD600,000	587,321	0.0	Credit Agri 8.125% Perp-144A	USD3,660,000	4,122,921	0.1
Rep of El Salvador 6.375%				Credit Agricole Ldn FRN			
1/27-RegS	USD1,405,000	1,398,824	0.1	06/20-144A	USD357,000	359,977	0.0
Rep of El Salvador 7.375%12/19-RegS	USD1,040,000	1,074,667	0.0	Crown Euro Hldgs			
Rep of El Salvador 7.75% 01/23-RegS	USD1,000,000	1,072,189	0.0	2.625%30/9/24-RegS	EUR1,000,000	1,181,771	0.0
				Crown Euro Hldgs 2.875%			
<b>Ethiopia</b> (0.0%)				1/2/26-RegS	EUR800,000	933,440	0.0
Rep Of Ethiopia 6.625%				Crown Euro Hldgs 3.375%			
12/24-RegS	USD1,843,000	1,908,292	0.0	05/25-RegS	EUR375,000	456,836	0.0
				Elis SA 1.875% 15/02/23-RegS	EUR3,300,000	3,789,746	0.1
<b>Finland</b> (0.1%)				Europcar Mobility 4.125%			
Nokia OYJ 2% 15/03/24-RegS	EUR2,210,000	2,558,745	0.1	11/24-RegS	EUR1,995,000	2,280,963	0.1
Nokia OYJ 3.375%				Faurecia SA 2.625%			
12/06/22	USD215,000	215,863	0.0	15/06/25-RegS	EUR600,000	686,579	0.0
Nokia OYJ 4.375%				Faurecia SA 3.125%			
12/06/27	USD245,000	249,696	0.0	15/06/26-RegS	EUR380,000	431,796	0.0
Nokia OYJ 6.625%				Fnac Darty 3.25%			
15/05/39	USD455,000	501,066	0.0	30/09/23-RegS	EUR470,000	552,850	0.0
Nordea Bank 1.625%				La Finac Atalian 4%			
30/09/19-144A	USD249,000	249,535	0.0	15/05/24-RegS	EUR1,715,000	1,595,186	0.0
Nordea Bank 2.125%				La Finac Atalian 5.125%			
29/05/20-144A	USD500,000	500,405	0.0	05/25-RegS	EUR915,000	850,419	0.0
Nordea Bank 6.625%				Loxam SAS 4.25%			
29/12/49-144A	USD1,650,000	1,651,739	0.0	15/04/24-RegS	EUR1,370,000	1,630,280	0.1
				Loxam SAS 6% 15/04/25-RegS	EUR990,000	1,203,034	0.0
<b>France</b> (1.4%)				NEW Areva Holding 3.5%			
Accor SA VRN 4.125%				22/03/21	EUR1,200,000	1,427,330	0.0
Perp-RegS	EUR1,300,000	1,559,591	0.0	NEW Areva Holding 4.875%			
Air Liquide Fin 1.375%				23/09/24	EUR1,250,000	1,570,764	0.0
09/19-144A	USD314,000	311,642	0.0	Novafives SAS 4.875%			
Altice France 5.625%				15/04/25-RegS	EUR300,000	305,834	0.0
15/05/24-RegS	EUR2,840,000	3,321,692	0.1	Novafives SAS FRN			
Altice France 5.875%				15/06/25-RegS	EUR625,000	614,673	0.0
01/02/27-RegS	EUR935,000	1,095,263	0.0	Orange SA 1.625% 03/11/19	USD333,000	333,258	0.0
Altice France 6.25%				Orano SA 3.125%			
15/05/24-144A	USD2,932,000	2,963,254	0.1	20/03/23-RegS	EUR600,000	704,919	0.0
Altice France 7.375%				Paprec Hldg 4% 31/03/25-RegS	EUR500,000	479,494	0.0
01/5/26-144A	USD1,522,000	1,485,205	0.0				
Altice France 8.125%							
01/02/27-144A	USD1,980,000	2,028,989	0.1				

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>France (Continued)</b>				Tele Columbus 3.875%			
Parts Europe 4.375%				02/05/25-RegS	EUR1,685,000	1,736,661	0.0
01/05/22-RegS	EUR700,000	796,786	0.0	ThyssenKrupp AG 1.375%			
Picard Groupe FRN				3/3/22-RegS	EUR2,214,000	2,475,771	0.1
30/11/23-RegS	EUR1,320,000	1,462,055	0.0	ThyssenKrupp AG 2.75%			
Rexel SA 2.125% 15/06/25-				08/03/21-RegS	EUR2,085,000	2,417,939	0.1
RegS	EUR2,327,000	2,613,044	0.1	ThyssenKrupp AG 2.875%			
Rexel SA 2.625%				22/2/24-RegS	EUR1,219,000	1,379,353	0.0
15/06/24-RegS	EUR350,000	408,174	0.0	Unitymedia GmbH 3.75%			
Societe Genera VRN				15/01/27-RegS	EUR2,485,000	2,958,036	0.1
7.375% Prep-144A	USD6,390,000	6,640,439	0.1	Unitymedia Hes/NRW			
Societe Generale VRN				3.5%15/1/27-RegS	EUR2,410,000	2,872,589	0.1
6.75%Perp-144A	USD4,610,000	4,424,217	0.1	Unitymedia Kab 6.125%			
Societe Generale VRN 8%				15/01/25-144A	USD1,404,000	1,473,288	0.0
Perp-144A	USD2,105,000	2,245,228	0.1	Wepa Hygienepro 3.75%			
Solvay Finance VRN				15/05/24-RegS	EUR835,000	964,133	0.0
5.118% Perp-RegS	EUR400,000	506,377	0.0				
Solvay Finance VRN				<b>Ghana (0.0%)</b>			
5.425% Perp-RegS	EUR3,390,000	4,375,749	0.1	Ghana Rep Of 10.75%			
SPIE SA 3.125% 22/03/24-				14/10/30-RegS	USD1,221,000	1,540,678	0.0
RegS	EUR1,900,000	2,198,812	0.1	Ghana Rep Of 7.875%			
Vallourec SA 2.25%				26/03/27-RegS	USD230,000	231,567	0.0
30/09/24-RegS	EUR1,200,000	892,236	0.0	Ghana Rep Of 8.627%			
Vallourec SA 6.375%				16/06/49-RegS	USD250,000	248,000	0.0
15/10/23-RegS	EUR715,000	668,020	0.0	Ghana Rep Of 8.95%			
				26/03/51-RegS	USD200,000	198,688	0.0
<b>Gabon (0.0%)</b>							
Gabonese Republic 6.375%				<b>Honduras (0.1%)</b>			
12/24-RegS	USD860,000	840,890	0.0	Rep of Honduras 7.5%			
Gabonese Republic 6.95%				15/03/24-RegS	USD1,070,000	1,176,082	0.0
06/25-RegS	USD905,000	891,076	0.0	Rep of Honduras 8.75%			
				16/12/20-RegS	USD1,330,000	1,460,691	0.1
<b>Germany (0.6%)</b>							
ADLER Real Estate 1.5%				<b>Hong Kong (0.0%)</b>			
6/12/21-RegS	EUR875,000	993,515	0.0	CITIC Ltd 3.5% 11/07/23-			
Ceramtec BondCo 5.25%				RegS	USD783,000	790,262	0.0
15/12/25-RegS	EUR2,000,000	2,249,752	0.1				
Douglas GmbH 6.25%				<b>Hungary (0.1%)</b>			
15/07/22-RegS	EUR460,000	487,337	0.0	Hungarian Dev Bk			
Hapag-Lloyd 6.75%				6.25%21/10/20-RegS	USD620,000	666,749	0.0
01/02/22-RegS	EUR410,000	301,619	0.0	Rep of Hungary 5.375%			
IHO Verwaltungs 3.75%				25/03/24	USD590,000	647,935	0.0
15/09/26-RegS	EUR800,000	928,795	0.0	Rep of Hungary 5.75%			
IHO Verwaltungs				22/11/23	USD1,680,000	1,895,315	0.1
4.5%9/23-144A	USD1,100,000	1,105,088	0.0	Rep of Hungary 7.625%			
K+S AG 2.625% 06/04/23-				29/03/41	USD530,000	787,493	0.0
RegS	EUR1,407,000	1,687,581	0.0				
Lanxess AG VRN 4.5%				<b>Indonesia (0.2%)</b>			
06/12/76-RegS	EUR545,000	681,173	0.0	Indonesia Asahan			
Nidda BondCo 5%				6.53%15/11/28-RegS	USD570,000	666,587	0.0
30/09/25-RegS	EUR1,885,000	2,072,077	0.0	Indonesia Asahan 6.75%			
Nidda BondCo 7.25%				11/48-RegS	USD410,000	484,441	0.0
30/09/25-RegS	EUR361,000	426,534	0.0	Indonesia Asahan5.71%			
Nidda Healthcare 3.5%				15/11/23-144A	USD560,000	616,969	0.0
30/09/24-RegS	EUR1,960,000	2,226,193	0.1	Indonesia Asahan6.53%			
Progroup AG 3% 31/03/26-				15/11/28-144A	USD300,000	351,885	0.0
RegS	EUR1,525,000	1,785,549	0.0	Pertamina Persero 4.3%			
RWE AG VRN 3.5%				20/5/23-RegS	USD1,380,000	1,444,055	0.1
21/04/75	EUR1,135,000	1,350,368	0.0	Pertamina Persero 6%			
Techem Verwaltungsges				03/05/42-RegS	USD510,000	567,877	0.0
6% 07/26-RegS	EUR1,350,000	1,590,023	0.0				

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Indonesia (Continued)</b>				<b>Israel (0.0%)</b>			
Pertamina Persero 6.45% 05/44-144A	USD500,000	581,554	0.0	State of Israel 4.125% 17/01/48	USD922,000	964,637	0.0
Pertamina Persero 6.45%30/5/44-RegS	USD1,240,000	1,447,214	0.1	State of Israel 4.5% 30/01/43	USD1,238,000	1,353,196	0.0
Pertamina Persero 6.5% 27/5/41-RegS	USD450,000	526,261	0.0	<b>Italy (0.8%)</b>			
Perusahaan Lis 4.125% 15/05/27-RegS	USD510,000	509,744	0.0	Buzzi Unicem 2.125% 28/4/23-RegS	EUR690,000	808,762	0.0
Rep of Indonesia 4.35% 8/1/27-RegS	USD750,000	784,125	0.0	EVOCA 7% 15/10/23-RegS	EUR1,710,000	2,099,163	0.0
Rep of Indonesia 3.5% 11/01/28	USD500,000	491,238	0.0	Guala Closures Spa FRN15/04/24-RegS	EUR786,000	898,083	0.0
Rep of Indonesia 4.125%15/1/25-RegS	USD440,000	455,520	0.0	Intesa Sanpa 3.928% 15/09/26-RegS	EUR1,910,000	2,300,576	0.1
Rep of Indonesia 6.75% 15/1/44-RegS	USD530,000	688,092	0.0	Intesa Sanpaolo 6.625% 13/9/23-RegS	EUR2,000,000	2,753,231	0.1
<b>International (0.1%)</b>				Leonardo SpA 4.5% 19/01/21	EUR1,585,000	1,927,748	0.0
African Export-Imp 4.125% 6/24-RegS	USD650,000	652,754	0.0	Leonardo SpA 4.875% 24/03/25	EUR1,526,000	2,000,759	0.0
JBS USA Lux/Fin 6.75% 15/02/28-144A	USD3,308,000	3,457,067	0.1	Nexi Capital 4.125% 01/11/23-RegS	EUR1,700,000	2,014,460	0.0
<b>Iraq (0.0%)</b>				Rossini Sarl 6.75% 30/10/25-RegS	EUR1,600,000	1,950,166	0.0
Rep of Iraq 5.8% 15/01/28- RegS	USD1,710,000	1,662,301	0.0	Telecom Italia 2.375% 12/10/27-RegS	EUR1,070,000	1,129,575	0.0
Rep of Iraq 6.752% 09/03/23-RegS	USD330,000	335,400	0.0	Telecom Italia 2.5% 19/07/23-RegS	EUR820,000	953,823	0.0
<b>Ireland (0.5%)</b>				Telecom Italia 3.625% 19/01/24-RegS	EUR3,385,000	3,998,494	0.1
Allied Irish VRN 4.125% 11/25-RegS	EUR1,675,000	1,987,864	0.1	Telecom Italia 3.625% 25/05/26-RegS	EUR2,140,000	2,550,406	0.1
Ardagh Pkg/Hldgs 4.25% 15/9/22-144A	USD325,000	324,840	0.0	Telecom Italia 4.5% 25/01/21-RegS	EUR600,000	725,779	0.0
Ardagh Pkg/Hldgs 6% 15/02/25-144A	USD6,350,000	6,391,804	0.1	Telecom Italia 4.875% 25/09/20-RegS	EUR2,125,000	2,602,852	0.1
Ardagh Pkg/Hldgs 6.75% 15/5/24-RegS	EUR3,535,000	4,316,338	0.1	Telecom Italia 5.303% 30/05/24-144A	USD805,000	820,473	0.0
Ardagh Pkg/Hldgs 7.25% 15/5/24-144A	USD3,200,000	3,456,289	0.1	Telecom Italia SpA 3% 30/09/25-RegS	EUR730,000	844,510	0.0
Ardagh Pkg/Hldgs USA 2.75%3/24-RegS	EUR1,480,000	1,706,851	0.0	Unicredit Spa 6.95% 31/10/22-RegS	EUR2,446,000	3,247,430	0.1
Bank Of Ireland 10% 19/12/22-RegS	EUR400,000	585,665	0.0	Unicredit Spa VRN 4.375% 01/27-RegS	EUR1,340,000	1,569,615	0.0
Bank Of Ireland VRN7.375% Perp-RegS	EUR500,000	603,263	0.0	Unicredit Spa VRN 5.75% 10/25-RegS	EUR1,055,000	1,274,658	0.0
Eircom Finance 4.5% 31/05/22-RegS	EUR630,000	731,235	0.0	Wind Tre 2.625% 20/01/23- RegS	EUR1,935,000	2,121,656	0.1
Endo Dac/Fin LLC 5.875% 10/24-144A	USD618,000	620,938	0.0	Wind Tre 3.125% 20/01/25- RegS	EUR1,915,000	2,046,830	0.0
Endo Dac/Fin LLC 6% 15/07/23-144A	USD4,240,000	3,319,213	0.1	Wind Tre Spa 5% 20/01/26- 144A	USD2,859,000	2,639,286	0.1
James Hardie Intl 4.75% 01/25-144A	USD505,000	502,556	0.0	<b>Ivory Coast (0.0%)</b>			
Smurfit Kappa Acq 2.375% 02/24-RegS	EUR1,475,000	1,738,365	0.0	Ivory Coast 5.75% 31/12/32- RegS	USD1,780,000	1,551,095	0.0
Smurfit Kappa Acq 2.75% 2/25-RegS	EUR1,170,000	1,390,106	0.0	Ivory Coast 6.125% 15/06/33-RegS	USD700,000	654,223	0.0
Smurfit Kappa Acq 3.25% 06/21-RegS	EUR845,000	1,012,932	0.0				

# JPMORGAN MULTI INCOME FUND

Semi-annual report for the  
period ended 31 March 2019

## Investment Portfolio (Continued) As at 31 March 2019 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Jamaica</b> (0.0%)				Kenya Rep Of 7.25%			
Jamaica Govt Of 7.875%				28/02/28-RegS	USD1,120,000	1,133,269	0.0
28/07/45	USD600,000	727,650	0.0				
Jamaica Govt Of 8%				<b>Korea</b> (0.0%)			
15/03/39	USD1,412,000	1,703,194	0.0	Heungkuk Life VRN 4.475%			
				11/47-RegS	USD1,200,000	1,149,331	0.0
<b>Japan</b> (0.0%)							
Mizuho Bank 2.7%				<b>Lebanon</b> (0.2%)			
20/10/20-144A	USD200,000	201,590	0.0	Lebanese Rep Of 6.85%			
Mufg Bank 2.3% 05/03/20-				23/3/27-RegS	USD2,120,000	1,717,757	0.1
144A	USD295,000	293,990	0.0	Lebanese Rep Of 5.45%			
Nomura Hldgs 6.7%				28/11/19-RegS	USD658,000	655,810	0.0
04/03/20	USD315,000	327,553	0.0	Lebanese Rep Of 6%			
Suntory Hldgs 2.55%				20/05/19-RegS	USD2,850,000	2,904,578	0.1
29/09/19-144A	USD426,000	424,300	0.0	Lebanese Rep Of 6%			
				27/01/23-RegS	USD800,000	693,787	0.0
<b>Jersey C.I.</b> (0.3%)				Lebanese Rep Of 6.375%			
Adient Global 3.5%				09/03/20	USD1,630,000	1,583,745	0.0
15/08/24-RegS	EUR211,000	180,380	0.0	Lebanese Rep Of 6.65%			
Adient Global 4.875%				03/11/28-RegS	USD2,030,000	1,657,066	0.0
15/08/26-144A	USD2,285,000	1,682,593	0.0	Lebanese Rep Of 6.65%			
Avis Budget Fin 4.5%				22/04/24-RegS	USD620,000	540,612	0.0
15/05/25-RegS	EUR375,000	444,575	0.0				
CPUK Finance 4.25%				<b>Luxembourg</b> (1.8%)			
28/08/22-RegS	GBP2,195,000	2,877,519	0.1	Altice Financing			
Delphi Technologies				6.625%15/2/23-144A	USD2,875,000	3,034,922	0.1
5%01/10/25-144A	USD2,805,000	2,530,845	0.0	Altice Financing 7.5%			
International Game				15/5/26-144A	USD2,525,000	2,502,380	0.1
6.5%15/2/25-144A	USD3,815,000	4,004,743	0.1	Altice Finco 4.75%			
Lincoln Financ 6.875%				15/01/28-RegS	EUR2,230,000	2,127,635	0.1
15/04/21-RegS	EUR2,235,000	2,641,428	0.1	Altice Finco 9% 15/06/23-			
				RegS	EUR750,000	897,424	0.0
<b>Jordan</b> (0.0%)				Altice Lux 7.25% 15/05/22-			
Jordan (Kingdom Of) 7.5%				RegS	EUR3,780,000	4,340,148	0.1
10/47-RegS	USD530,000	539,877	0.0	Altice Lux 7.625%			
Jordan Kingdom Of 6%				15/02/25-144A	USD1,700,000	1,556,563	0.0
31/01/27-RegS	USD470,000	465,410	0.0	Altice Lux 7.75% 15/05/22-			
Jordan Kingdom Of 6.125%				144A	USD6,202,000	6,243,355	0.1
01/26-RegS	USD690,000	703,916	0.0	Altice NV 6.25% 15/02/25-			
				RegS	EUR1,895,000	2,029,390	0.1
<b>Kazakhstan</b> (0.1%)				ARD Finance 6.625%			
Kazakhstan Temir				15/09/23	EUR490,000	560,583	0.0
4.85%17/11/27-RegS	USD480,000	497,850	0.0	Camelot Finance			
KazmunayGas Natl 4.75%				7.875%15/10/24-144A	USD1,413,000	1,545,866	0.0
19/4/27-RegS	USD340,000	356,764	0.0	Cirsa Finance Intl 6.25%			
KazmunayGas Natl 4.75%				12/23-RegS	EUR1,705,000	2,060,836	0.1
24/4/25-RegS	USD230,000	242,718	0.0	Crystal Almond 10%			
KazmunayGas Natl 5.375%				01/11/21-RegS	EUR1,179,000	1,475,640	0.0
04/30-RegS	USD750,000	805,643	0.0	Dana Financing Lux 6.5%			
KazmunayGas Natl 6.375%				1/6/26-144A	USD2,775,000	2,880,643	0.1
10/48-RegS	USD598,000	670,286	0.0	eDreams ODIGEO 5.5%			
KazmunayGaz Natl 4.4%				01/09/23-144A	EUR625,000	695,775	0.0
30/04/23-RegS	USD910,000	949,292	0.1	eDreams ODIGEO 5.5%			
Tengizchevroil Fin 4%				01/09/23-RegS	EUR1,250,000	1,396,112	0.0
15/08/26-RegS	USD600,000	589,483	0.0	FAGE Intl /USA 5.625%			
				8/26-144A	USD710,000	582,977	0.0
<b>Kenya</b> (0.1%)				Fiat Chrysler Fin 4.75%			
Kenya Rep Of 5.875%				03/21-RegS	EUR1,250,000	1,520,967	0.0
24/06/19-RegS	USD620,000	631,869	0.0	Fiat Chrysler Fin 4.75%			
Kenya Rep Of 6.875%				7/22-RegS	EUR2,300,000	2,963,445	0.1
24/06/24-RegS	USD1,953,000	2,040,036	0.1				

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Luxembourg (Continued)</b>				Telenet Intl Fin 3.5%			
Garfunkelux Holdc 2 11%				01/03/28-RegS	EUR1,500,000	1,702,041	0.0
11/23-RegS	GBP455,000	544,765	0.0	Trinseo Materials 5.375%			
Garfunkelux Holdc 3 7.5%				09/25-144A	USD2,781,000	2,696,865	0.1
08/22-RegS	EUR700,000	725,466	0.0				
Garfunkelux Holdc 3 8.5%				<b>Mexico (0.3%)</b>			
11/22-RegS	GBP220,000	270,307	0.0	Alfa SAB 6.875% 25/03/44-			
Gestamp Funding 3.5%				RegS	USD516,000	562,820	0.0
15/05/23-RegS	EUR965,000	1,108,222	0.0	America Movil 5%			
Horizon Parent Hldgs				30/03/20	USD478,000	487,334	0.0
8.25%/22-RegS	EUR960,000	1,121,184	0.0	BBVA Bancomer 6.75%			
INEOS Group 5.375%				30/09/22-RegS	USD600,000	669,585	0.0
01/08/24-RegS	EUR1,270,000	1,480,220	0.0	Cemex SAB de CV 6.125%			
INEOS Group 5.625%				5/05/25-144A	USD1,730,000	1,829,493	0.1
01/08/24-144A	USD4,360,000	4,397,605	0.1	Cemex SAB de CV 7.75%			
Intelsat Connect Fin				16/04/26-144A	USD4,408,000	4,951,225	0.1
9.5%/02/23-144A	USD2,078,000	1,897,705	0.0	Grupo KUO SAB 5.75%			
Intelsat Jackson 5.5%				07/07/27-RegS	USD940,000	919,862	0.0
01/08/23-144A	USD7,594,000	6,809,287	0.1	Petroleos Mexicanos 5.35%			
Intelsat Jackson 8%				12/02/28	USD690,000	656,073	0.0
15/02/24-144A	USD4,664,000	4,910,933	0.1	Petroleos Mexicanos			
Intelsat Jackson 8.5%				5.375% 13/03/22	USD1,790,000	1,828,551	0.1
15/10/24-144A	USD6,048,000	6,157,284	0.1	Petroleos Mexicanos			
Intelsat Jackson 9.75%				5.625% 23/01/46	USD1,324,000	1,111,539	0.0
07/25-144A	USD965,000	999,599	0.0	Petroleos Mexicanos 6.35%			
Intelsat Lux 7.75%				12/02/48	USD360,000	320,659	0.0
01/06/21-144A	USD156,000	144,040	0.0	Petroleos Mexicanos 6.5%			
Intelsat Lux 8.125%				13/03/27	USD1,130,000	1,141,787	0.0
01/06/23-144A	USD1,025,000	742,698	0.0	Petroleos Mexicanos 6.75%			
Intralot Capital 5.25%				21/09/47	USD1,050,000	979,709	0.0
15/9/24-RegS	EUR600,000	390,940	0.0	United Mexican States			
Intralot Capital 6.75%				4.6% 23/01/46	USD1,005,000	981,098	0.0
15/9/21-RegS	EUR150,000	127,043	0.0	United Mexican			
JSL Europe 7.75%				States5.55% 21/01/45	USD900,000	995,801	0.0
26/07/24-RegS	USD1,276,000	1,299,872	0.0				
Lincoln Financing				<b>Mongolia (0.0%)</b>			
3.625%/14/24-RegS	EUR652,000	738,453	0.0	Mongolia 5.125% 05/12/22-			
Mallinckrodt Intl 5.5%				RegS	USD635,000	647,513	0.0
15/4/25-144A	USD1,885,000	1,518,394	0.0	Mongolia 5.625%			
Mallinckrodt Intl 5.625%				01/05/23-RegS	USD610,000	631,098	0.0
10/23-144A	USD2,245,000	1,921,930	0.0	Mongolia Govt Int 10.875%			
Matterhorn Tele 4.875%				4/21-RegS	USD350,000	409,786	0.0
1/5/23-RegS	EUR2,270,000	2,625,877	0.1				
MOL Group Fin 6.25%				<b>Morocco (0.0%)</b>			
26/09/19-RegS	USD680,000	690,772	0.0	OCF SA 5.625% 25/04/24-			
Monitchem Holdco				RegS	USD1,400,000	1,506,234	0.0
5.25%/15/06/21-RegS	EUR600,000	686,614	0.0				
Nielsen Co Lux 5%				<b>Netherlands (1.2%)</b>			
01/02/25-144A	USD905,000	879,735	0.0	ABN Amro Bank 1.8%			
Picard Bondco 5.5%				20/09/19-144A	USD466,000	464,048	0.0
30/11/24-RegS	EUR200,000	214,352	0.0	ABN Amro Bank 2.45%			
SES SA VRN 4.625% Perp-				04/06/20-144A	USD200,000	200,036	0.0
RegS	EUR3,445,000	4,094,808	0.1	Alcoa Nederland Hldg			
Telecom Italia Capital 6%				6.75%/9/24-144A	USD3,616,000	3,823,920	0.1
30/09/34	USD1,044,000	1,001,538	0.0	Alcoa Nederland Hldg 7%			
Telecom Italia Capital				09/26-144A	USD650,000	702,000	0.0
6.375% 11/33	USD2,550,000	2,584,770	0.1	Axalta Coating 3.75%			
Telecom Italia Fin 7.75%				15/01/25-RegS	EUR1,050,000	1,237,495	0.0
24/01/33	EUR2,040,000	3,002,596	0.1	CBR Fashion Fin			
Telenet Finance 4.875%				5.125%/01/10/22-RegS	EUR780,000	856,183	0.0
15/7/27-RegS	EUR1,300,000	1,428,590	0.0				

**Investment Portfolio** (Continued)  
**As at 31 March 2019** *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Netherlands</b> (Continued)				Stars Grp Hlds/US-Bor 7%			
CEVA Logistics Fin 5.25%				07/26-144A	USD1,431,000	1,513,243	0.0
08/25-RegS	EUR500,000	572,906	0.0	Sunshine Mid 6.5%			
Constellium N.V. 6.625%				15/05/26-RegS	EUR1,980,000	2,320,590	0.1
03/25-144A	USD1,807,000	1,854,114	0.1	Telefonica Eur VRN 2.625%			
Constellium NV 4.25%				Perp-RegS	EUR1,400,000	1,546,259	0.0
15/02/26-RegS	EUR1,085,000	1,252,037	0.0	Telefonica Eur VRN 5.875%			
Cooperatieve Rab				Perp-RegS	EUR3,000,000	3,943,403	0.1
VRN6.625%Perp-RegS	EUR800,000	994,558	0.0	Telefonica Euro VRN 3%			
Cooperatieve Rabo 4.75%				Perp-RegS	EUR2,000,000	2,207,520	0.1
01/20-144A	USD350,000	359,432	0.0	Telefonica Euro VRN			
Deutsche Telekom 2.225%				3.875%Perp-RegS	EUR2,300,000	2,537,173	0.1
01/20-144A	USD407,000	406,363	0.0	Ziggo Bond Co 4.625%			
Dufry One 2.5% 15/10/24-				15/01/25-RegS	EUR1,420,000	1,658,133	0.0
RegS	EUR1,195,000	1,386,015	0.0	Ziggo Bond Co 5.875%			
Fiat Chry Auto 3.75%				15/01/25-144A	USD1,105,000	1,095,404	0.0
29/03/24-RegS	EUR250,000	306,975	0.0	Ziggo BV 3.75% 1/25-RegS	EUR2,250,000	2,610,595	0.1
Hema Bondco I FRN				Ziggo BV 4.25% 15/01/27-			
15/07/22-RegS	EUR675,000	715,324	0.0	RegS	EUR1,155,000	1,348,171	0.0
Hertz Hldgs 5.5%				Ziggo BV 5.5% 01/27-144A	USD820,000	822,594	0.0
30/03/23-RegS	EUR425,000	507,420	0.0				
ING Bank 2.45% 16/03/20-				<b>New Zealand</b> (0.0%)			
144A	USD350,000	349,644	0.0	ANZ NZ Intl Ldn 2.85%			
ING Bank FRN 15/08/19-				06/08/20-144A	USD375,000	376,325	0.0
144A	USD252,000	253,370	0.0				
ING Groep VRN 6.875%				<b>Nigeria</b> (0.1%)			
Perp-RegS	USD2,154,000	2,291,644	0.1	Rep of Nigeria 6.375%			
InterXion Hldg 4.75%				12/07/23-rEGs	USD540,000	565,713	0.0
15/06/25-RegS	EUR670,000	810,251	0.0	Rep of Nigeria 6.5%			
Kazakhstan Temir 6.95%				28/11/27-RegS	USD700,000	704,472	0.0
10/7/42-RegS	USD1,300,000	1,513,305	0.0	Rep of Nigeria 7.625%			
Minejesa Capital 4.625%				28/11/47-RegS	USD750,000	743,223	0.0
08/30-RegS	USD441,000	431,885	0.0	Rep of Nigeria 7.696%			
Naturgy Finance VRN				23/02/38-RegS	USD501,000	500,543	0.0
4.125%Perp-RegS	EUR1,400,000	1,691,530	0.0	Rep of Nigeria 7.875%			
NXP BV/NXP Fdg 4.625%				16/02/32-RegS	USD1,100,000	1,154,409	0.0
18/5/23-144A	USD2,150,000	2,274,091	0.1	Rep of Nigeria 8.747%			
OI European Group 4%				21/01/31-RegS	USD1,570,000	1,752,671	0.1
15/03/23-144A	USD482,000	473,270	0.0				
Petrobras Global 5.999%				<b>Norway</b> (0.1%)			
27/01/28	USD570,000	583,869	0.0	Aker BP ASA 5.875%			
Petrobras Global Fin 6.85%				31/03/25-144A	USD1,617,000	1,685,157	0.1
05/06/15	USD200,000	198,153	0.0	Aker BP ASA 6% 01/07/22-			
Petrobras Global Fin 6.9%				144A	USD161,000	168,664	0.0
19/03/49	USD830,000	823,660	0.0	DNB Bank FRN 02/10/20-			
Repsol Int Fin 4.5%				144A	USD200,000	201,664	0.0
25/03/75-RegS	EUR3,825,000	4,698,238	0.1	DNB Bank VRN 6.5% Perp-			
Saipem Finance Intl 2.75%				RegS	USD486,000	501,398	0.0
05/04/22	EUR2,055,000	2,454,208	0.1	Equinor ASA 2.25%			
Saipem Finance Intl 3.75%				08/11/19	USD369,000	371,528	0.0
08/09/23	EUR1,435,000	1,749,074	0.0				
Schaeffler Fin 4.75%				<b>Oman</b> (0.1%)			
15/05/23-144A	USD855,000	868,852	0.0	Oman Govt Intl Bd 4.75%			
Sensata Tech 4.875%				6/26-RegS	USD1,050,000	973,316	0.0
15/10/23-144A	USD2,900,000	3,056,207	0.1	Oman Govt Intl Bd 5.375%			
Sensata Tech 5% 01/10/25-				03/27-RegS	USD540,000	503,487	0.0
144A	USD160,000	166,400	0.0	Oman Govt Intl Bd			
Sensata Tech 5.625%				5.625%17/1/28-Reg	USD1,100,000	1,043,481	0.0
01/11/24-144A	USD250,000	271,484	0.0	Oman Govt Intl Bd			
Sigma Holdco 5.75%				6.5%08/03/47-RegS	USD1,310,000	1,139,678	0.0
15/05/26-RegS	EUR1,650,000	1,783,285	0.0				

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Oman</b> (Continued)							
Oman Govt Intl Bd 6.75% 01/48-RegS	USD2,200,000	1,961,438	0.1	State of Qatar 5.103% 23/04/48-RegS	USD1,860,000	2,082,620	0.1
<b>Pakistan</b> (0.0%)				<b>Romania</b> (0.0%)			
Islamic Rep Pakistan 8.25%4/24-RegS	USD600,000	664,603	0.0	Romania 4.375% 22/08/23- RegS	USD1,100,000	1,146,927	0.0
Islamic Rep Pakistan 8.25%9/25-RegS	USD300,000	333,693	0.0	Romania 6.125% 22/01/44- RegS	USD876,000	1,018,665	0.0
Islamic Rep Pakistan6.875%12/27Re gS	USD680,000	686,898	0.0	<b>Russia</b> (0.1%)			
<b>Panama</b> (0.1%)				Russian Feder 12.75% 24/06/28-RegS	USD1,041,000	1,712,974	0.0
Rep of Panama 3.75% 16/03/25	USD300,000	310,625	0.0	Russian Feder 4.875% 16/09/23-RegS	USD600,000	631,090	0.0
Rep of Panama 4.3% 29/04/53	USD1,040,000	1,081,106	0.1	Russian Feder 5.1% 28/03/35-RegS	USD1,200,000	1,218,980	0.0
Rep of Panama 4.5% 15/05/47	USD910,000	977,454	0.0	Russian Feder 5.875% 16/09/43-RegS	USD2,400,000	2,695,827	0.1
Rep of Panama 6.7% 26/01/36	USD690,000	909,271	0.0	<b>Saudi Arabia</b> (0.1%)			
Rep of Panama of 3.875% 17/03/28	USD800,000	830,812	0.0	Saudi Arabia 3.25% 26/10/26-RegS	USD500,000	494,842	0.0
<b>Paraguay</b> (0.1%)				Saudi Intl Bond 4.375% 16/4/29-RegS	USD520,000	547,553	0.0
Paraguay Rep of 4.7% 27/03/27-RegS	USD1,110,000	1,153,737	0.0	Saudi Intl Bond 5% 17/04/49-RegS	USD550,000	583,944	0.1
Paraguay Rep of 5.6% 13/03/48-RegS	USD220,000	233,850	0.0	Saudi Intl Bond 5.25% 16/01/50-144A	USD450,000	486,353	0.0
Paraguay Rep of 6.1% 11/08/44-RegS	USD1,730,000	1,959,038	0.1	Saudi Intl Bond 5.25% 16/01/50-RegS	USD530,000	572,868	0.0
<b>Peru</b> (0.1%)				<b>Senegal</b> (0.0%)			
BBVA Banco Contin 5% 26/08/22-RegS	USD720,000	765,000	0.0	Senegal (Republic) 6.75% 3/48-RegS	USD500,000	458,406	0.0
Consorcio Tran 4.375% 07/05/23-RegS	USD657,000	676,790	0.0	<b>Serbia</b> (0.1%)			
Petroleos Del Peru 4.75% 06/32-144A	USD1,200,000	1,244,808	0.1	Rep of Serbia 4.875% 25/02/20-RegS	USD1,350,000	1,372,627	0.0
Rep of Peru 6.35% 12/08/28	PEN2,874,000	943,882	0.0	Rep of Serbia 7.25% 28/09/21-RegS	USD1,580,000	1,719,681	0.1
<b>Philippines</b> (0.0%)				<b>Singapore</b> (0.0%)			
Philippines Rep of 10.625% 16/03/25	USD890,000	1,271,429	0.0	Temasek Fin I 4.3% 25/10/19-144A	USD624,000	641,443	0.0
<b>Portugal</b> (0.0%)				<b>South Africa</b> (0.1%)			
Energias De VRN 5.375% 09/75-RegS	EUR1,500,000	1,813,374	0.0	Eskom Hldgs SOC 5.75% 26/01/21-RegS	USD220,000	219,514	0.0
<b>Qatar</b> (0.1%)				Eskom Hldgs SOC 6.75% 06/08/23-RegS	USD370,000	369,482	0.0
ABQ Finance 3.5% 22/02/22-RegS	USD1,410,000	1,402,793	0.0	Eskom Hldgs SOC 7.125% 11/2/25-RegS	USD500,000	499,272	0.0
Ras Laffan Liq 5.298% 30/09/20-RegS	USD2,175,000	380,978	0.0	Rep of South Africa 4.875% 14/04/26	USD2,430,000	2,465,235	0.1
State of Qatar 3.875% 23/04/23-RegS	USD380,000	397,847	0.0	Rep of South Africa 5.875% 16/09/25	USD1,690,000	1,786,349	0.0
State of Qatar 4% 14/03/29-RegS	USD260,000	268,957	0.0	Rep of South Africa 5.875% 30/05/22	USD360,000	386,518	0.0
State of Qatar 4.817% 14/03/49-RegS	USD270,000	283,651	0.0	Rep of South Africa 6.25% 08/03/41	USD1,160,000	1,204,505	0.0

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Spain (0.2%)</b>				<b>Volvo Car 2% 24/01/25-RegS</b>			
Banco Bilbao VRN 8.875% Perp-RegS	EUR600,000	753,964	0.0		EUR1,265,000	1,407,439	0.0
Bankia SA VRN 3.375% 15/03/27-RegS	EUR1,500,000	1,725,738	0.0	<b>Switzerland (0.4%)</b>			
Bankinter SA VRN 2.5% 06/04/27-RegS	EUR1,500,000	1,754,354	0.0	Credit Suisse 7.5% Perp-144A	USD1,280,000	1,336,736	0.0
CaixaBank SA VRN 2.75% 14/7/28-RegS	EUR1,300,000	1,508,334	0.0	Credit Suisse VRN 6.25% Perp-144A	USD4,070,000	4,138,806	0.1
CaixaBank SA VRN 3.5% 15/02/27-RegS	EUR2,100,000	2,475,684	0.1	Credit Suisse VRN 7.25% Perp-144A	USD2,180,000	2,194,994	0.0
Cellnex Telecom 2.375% 01/24-RegS	EUR300,000	343,905	0.0	Credit Suisse VRN 7.5% Perp-144A	USD2,665,000	2,885,196	0.0
Cellnex Telecom 2.875% 18/4/25-RegS	EUR500,000	597,559	0.0	UBS Group Fund FRN 24/09/20-144A	USD250,000	253,302	0.0
Cellnex Telecom 3.125% 27/7/22-RegS	EUR600,000	729,044	0.0	UBS Group Fund VRN 7% 29/12/99-144A	USD5,265,000	5,394,607	0.1
Grifols Sa 3.2% 01/05/25-RegS	EUR2,435,000	2,820,083	0.1	UBS Group VRN 6.875% Perpetual-RegS	USD1,000,000	1,047,378	0.0
Grupo-Antolin Irausa 3.25%4/24-RegS	EUR400,000	377,759	0.0	UBS Group VRN 6.875% Perp-RegS	USD2,900,000	2,982,823	0.1
				UBS Group VRN 7% Perp-RegS	USD3,346,000	3,559,512	0.1
<b>Sri Lanka (0.1%)</b>				<b>Tajikistan (0.0%)</b>			
Rep of Sri Lanka 5.875%25/7/22-RegS	USD1,650,000	1,669,939	0.0	Rep of Tajikistan 7.125% 09/27-RegS	USD500,000	470,806	0.0
Rep of Sri Lanka 6.25% 27/7/21-RegS	USD930,000	956,770	0.0				
Rep of Sri Lanka 6.25% 4/10/20-RegS	USD500,000	522,951	0.0	<b>Trinidad &amp; Tobago (0.0%)</b>			
Rep of Sri Lanka 6.75% 18/4/28-RegS	USD1,000,000	1,017,500	0.0	Petroleum Trinidad 9.75% 08/19-RegS	USD1,147,000	1,155,603	0.0
Rep of Sri Lanka 6.85% 3/11/25-RegS	USD1,616,000	1,679,511	0.1				
Rep of Sri Lanka 7.85% 14/3/29-RegS	USD320,000	335,640	0.0	<b>Tunisia (0.0%)</b>			
				Central Bk of Tunisia5.75%1/25-RegS	USD600,000	530,912	0.0
<b>Supranational (0.0%)</b>				<b>Turkey (0.1%)</b>			
Starfruit US Hld/Fin 6.5%10/26-RegS	EUR1,000,000	1,165,687	0.0	KOC Hldg 5.25% 15/03/23-RegS	USD800,000	756,303	0.0
Starfruit US Hold/Fin 8% 10/26-144A	USD470,000	491,150	0.0	Rep of Turkey 3.25% 23/03/23	USD380,000	334,557	0.0
				Rep of Turkey 4.25% 14/04/26	USD445,000	382,635	0.0
<b>Sweden (0.2%)</b>				Rep of Turkey 4.875% 09/10/26	USD450,000	398,096	0.0
Corral Petrol 11.75% 05/21-RegS-PIK	EUR850,000	1,045,307	0.0	Rep of Turkey 5.2% 16/02/26	EUR520,000	575,427	0.0
Intrum AB 2.75% 15/07/22-RegS	EUR1,360,000	1,509,258	0.0	Rep of Turkey 6% 14/01/41	USD1,440,000	1,193,760	0.1
Skandinaviska 2.45% 27/05/20-144A	USD311,000	312,504	0.0	Rep of Turkey 6% 25/03/27	USD650,000	596,338	0.0
Skandinaviska Ens 1.5% 13/09/19	USD376,000	374,173	0.0	Rep of Turkey 6.625% 17/02/45	USD1,100,000	957,749	0.0
Svenska Handels VRN 6.25% Perp-RegS	USD600,000	607,917	0.0	Turkiye Is Bankasi 5% 30/4/20-RegS	USD650,000	641,070	0.0
Svenska Handelsbanken 1.5% 06/09/19	USD298,000	296,661	0.0				
Svenska Handelsbk 5.125% 03/20-144A	USD421,000	443,549	0.0	<b>Ukraine (0.1%)</b>			
Telefon AB 1.875% 01/03/24-RegS	EUR1,560,000	1,793,227	0.1	Ukraine Govt 7.375% 25/09/32-RegS	USD1,820,000	1,623,320	0.1
Verisure Midhol 5.75% 01/12/23-RegS	EUR3,225,000	3,747,088	0.1	Ukraine Govt 7.75% 01/09/20-RegS	USD685,000	688,599	0.0
				Ukraine Govt 7.75% 01/09/21-RegS	USD460,000	460,761	0.0



**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Ukraine (Continued)</b>				Jaguar Land Rover 4.5%01/10/27-144A	USD1,798,000	1,469,326	0.0
Ukraine Govt 7.75% 01/09/22-RegS	USD1,030,000	1,024,854	0.0	KCA Deutag UK Fin 7.25% 05/21-144A	USD597,000	526,578	0.0
Ukraine Govt 7.75% 01/09/23-RegS	USD1,190,000	1,168,228	0.0	KCA Deutag UK Fin 9.625% 04/23-144A	USD200,000	176,875	0.0
<b>United Arab Emirates (0.0%)</b>				KCA Deutag UK Fin 9.875% 04/22-144A	USD480,000	429,420	0.0
ABU Dhabi (Govt Of)4.125%10/47-RegS	USD1,100,000	1,135,303	0.0	Lloyds Banking Group VRN 7.5% Perp	USD7,720,000	7,888,609	0.2
<b>United Kingdom (1.5%)</b>				Merlin Enter 2.75% 15/03/22-RegS	EUR2,165,000	2,541,454	0.1
Afren plc 6.625% 09/12/20-RegS	USD1,893,000	2,309	0.0	Merlin Enter 5.75% 15/06/26-144A	USD305,000	319,744	0.0
Algeco Global Fin 6.5% 15/2/23-RegS	EUR825,000	975,435	0.0	Nationwide Bldg 2.35% 21/01/20-144A	USD415,000	413,915	0.0
Arqiva Broadca Fin 6.75% 09/23-RegS	GBP1,470,000	2,041,427	0.1	Nomad Foods 3.25% 15/05/24-RegS	EUR1,795,000	2,086,297	0.1
Barclays Bank 4.375% 11/09/24	USD1,649,000	1,654,099	0.0	OTE PLC 2.375% 18/07/22- RegS	EUR1,735,000	2,067,805	0.1
Barclays Bank 4.836% 09/05/28	USD509,000	515,719	0.0	OTE PLC 3.5% 09/07/20- RegS	EUR930,000	1,111,560	0.0
Barclays Bank 5.125% 08/01/20	USD323,000	331,659	0.0	Royal Bk Scotland 6% 19/12/23	USD183,000	198,532	0.0
Barclays Bank 5.2% 12/05/26	USD1,147,000	1,193,823	0.0	Santander UK VRN 7.375% Perp-RegS	GBP500,000	674,372	0.0
Barclays Bank 6.75% 22/05/19	USD100,000	103,158	0.0	Sensata Tech UK 6.25% 15/02/26-144A	USD3,192,000	3,409,566	0.1
Barclays PLC VRN 7.25% Perp-RegS	GBP1,469,000	1,987,928	0.1	Standard Chartered 2.25% 04/20-144A	USD321,000	321,714	0.0
Barclays PLC VRN 7.875% Perp-RegS	USD3,293,000	3,426,099	0.1	Synlab Bondco 6.25% 01/07/22-RegS	EUR1,330,000	1,566,380	0.0
Barclays PLC VRN 8% Perp BAT Intl Fin 2.75% 15/06/20-144A	USD2,270,000	2,329,272	0.1	Synlab Bondco FRN 01/07/22-RegS	EUR875,000	993,252	0.0
EC Finance 2.375% 15/11/22-RegS	EUR1,660,000	1,909,948	0.0	Synlab Unsecure 8.25% 01/07/23-RegS	EUR840,000	1,022,587	0.0
Ensko PLC 5.2% 15/03/25	USD224,000	174,629	0.0	TESCO PLC 5% 24/03/23	GBP1,336,000	1,919,389	0.0
Ensko PLC 5.75% 01/10/44	USD973,000	653,126	0.0	TESCO PLC 5.125% 10/04/47-RegS	EUR430,000	625,904	0.0
Ensko PLC 8% 31/01/24	USD289,000	271,034	0.0	Tesco PLC 6.125% 24/02/22	GBP300,000	437,098	0.0
HSBC Hldgs 2.95% 25/05/21	USD200,000	202,317	0.0	Tesco Treasury 1.375% 24/10/23-RegS	EUR1,581,000	1,801,570	0.0
HSBC Hldgs VRN 6% Perp- RegS	EUR2,000,000	2,502,471	0.1	Tesco Treasury 2.125% 12/11/20-RegS	EUR790,000	916,458	0.0
HSBC Hldgs VRN 6.375% Perp	USD2,770,000	2,870,738	0.0	Titan Global Fin 2.375% 11/24-RegS	EUR945,000	1,064,725	0.0
HSBC Hldgs VRN 6.5% 23/03/28	USD3,460,000	3,433,099	0.1	Travelport Fin 6% 15/03/26-144A	USD411,000	443,503	0.0
HSBC Hldgs VRN 6.875% Perp	USD1,600,000	1,704,827	0.0	Tronox Finance 5.75% 01/10/25-144A	USD690,000	659,813	0.0
Iceland Bondco 4.625% 15/03/25-RegS	GBP1,680,000	1,960,152	0.0	Tullow Oil 7% 01/03/25- 144A	USD2,125,000	2,144,479	0.1
Ineos Finance 4% 01/05/23-RegS	EUR460,000	532,945	0.0	Virgin Media Fin 4.5% 15/01/25-RegS	EUR1,975,000	2,321,913	0.1
International Game 6.25% 01/27-144A	USD856,000	888,843	0.0	Virgin Media Fin 5.25% 15/02/22	USD395,000	403,632	0.0
Intl Game Tech 3.5% 15/07/24-RegS	EUR1,200,000	1,398,603	0.0	Virgin Media Fin 6.375% 10/24-RegS	GBP200,000	280,357	0.0
Intl Game Tech 4.75% 15/02/23-RegS	EUR546,000	670,982	0.0				

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>United Kingdom (Continued)</b>				ADT Corp 4.125% 15/06/23	USD3,405,000	3,330,806	0.1
Virgin Media Secure 5.25% 1/26-144A	USD1,675,000	1,697,996	0.0	AECOM 5.125% 15/03/27	USD1,620,000	1,573,053	0.0
Virgin Media Secure 5.5% 08/26-144A	USD1,475,000	1,507,716	0.0	Aercap Global Av VRN 6.5%06/45-144A	USD1,980,000	2,040,528	0.1
Vodafone Group VRN 7% 04/04/79	USD1,335,000	1,358,363	0.0	AES Corp 5.5% 15/04/25	USD1,730,000	1,839,014	0.0
Worldpay Financ 3.75% 15/11/22-RegS	EUR2,290,000	2,879,939	0.1	AES Corp 6% 15/05/26	USD886,000	964,370	0.0
				Ahern Rentals 7.375% 15/05/23-144A	USD1,450,000	1,378,321	0.0
				AHMA 2006-2 2A1 FRN 25/09/46	USD10,753,000	2,046,517	0.1
<b>United States (43.5%)</b>				Air Medical Grp 6.375% 15/5/23-144A	USD2,060,000	1,800,976	0.0
ABFC 2002-OPT1 M1 FRN 25/05/32	USD3,750,000	394,725	0.0	AK Steel 6.375% 15/10/25	USD1,015,000	884,139	0.0
ABSHE 2001-HE3 A1 FRN 15/11/31	USD64,190,000	445,367	0.0	AK Steel 7% 15/03/27	USD1,091,000	924,410	0.0
ABSHE 2003-HE5 M2 FRN 15/09/33	USD17,000,000	768,726	0.0	Albertsons Cos 7.5% 15/03/26-144A	USD1,379,000	1,431,574	0.0
ABSHE 2003-HE6 M2 FRN 25/11/33	USD12,500,000	956,764	0.0	Allegheny Tech 5.95% 15/01/21	USD413,000	427,032	0.0
ABSHE 2003-HE7 M1 FRN 15/12/33	USD4,000,000	1,647,794	0.0	Alliance Data 5.375% 01/08/22-144A	USD1,379,000	1,408,591	0.0
ABSHE 2006-HE6 A4 FRN 25/11/36	USD2,305,000	728,970	0.0	Alliance Data 5.875% 01/11/21-144A	USD682,000	712,335	0.0
Acadia Healthcare 5.625% 15/02/23	USD917,000	935,197	0.0	Allison Trans 5.875% 01/06/29-144A	USD595,000	600,587	0.0
Acadia Healthcare 6.5% 01/03/24	USD635,000	655,262	0.0	Allison Transmi 4.75% 01/10/27-144A	USD855,000	836,831	0.0
ACAR 2017-4 E 5.02% 10/12/24	USD655,000	663,767	0.0	Allison Transmi 5% 01/10/24-144A	USD1,808,000	1,848,680	0.0
ACAR 2018-3 D 4.14% 15/10/24	USD2,978,000	3,008,751	0.1	Allstate Corp VRN 5.75% 15/08/53	USD6,850,000	6,969,923	0.1
ACAR 2018-3 E 5.17% 15/10/24	USD2,535,000	2,581,280	0.1	Ally Financial 4.125% 13/02/22	USD870,000	886,499	0.0
ACAR 2018-3 F 6.44% 12/06/25	USD1,965,000	2,012,501	0.0	Ally Financial 4.625% 19/05/22	USD3,658,000	3,793,664	0.1
ACAR 2018-4 D 4.4% 13/01/25	USD5,355,000	5,497,279	0.1	Ally Financial 4.625% 30/03/25	USD899,000	916,941	0.0
ACAR 2018-4 E 5.38% 13/01/25	USD1,190,000	1,223,773	0.0	Ally Financial 5.125% 30/09/24	USD306,000	322,535	0.0
ACAR 2018-4 F 6.94% 13/10/25	USD1,660,000	1,706,996	0.0	Ally Financial 5.75% 20/11/25	USD705,000	765,766	0.0
ACAR 2019-1 D 3.81% 14/04/25	USD3,635,000	3,676,255	0.1	Ally Financial 8% 01/11/31	USD1,005,000	1,280,956	0.0
ACAR 2019-1 E 4.84% 14/04/25	USD2,375,000	2,408,675	0.1	AMC Entertainment Hldg 5.875% 11/26	USD579,000	537,287	0.0
ACAR 2019-1 F 6.06% 12/12/25	USD1,530,000	1,550,364	0.0	AMC Entertainment Hldgs 5.75% 06/25	USD3,156,000	3,005,783	0.1
ACC 2018-1 B 4.82% 20/05/21	USD1,500,000	1,508,713	0.0	AMC Entertainment Hldgs 5.875% 2/22	USD473,000	484,125	0.0
ACC 2018-1 C 6.81% 21/02/23	USD1,175,000	1,193,326	0.0	AMC Entertainment Hldgs 6.125% 5/27	USD707,000	655,431	0.0
ACC 2019-1 A 3.75% 20/05/22	USD855,000	831,171	0.0	AMC Networks 5% 01/04/24	USD2,786,000	2,865,290	0.1
ACC 2019-1 B 4.47% 20/10/22	USD730,000	739,218	0.0	AMCAR 2019-1 C 3.36% 18/02/25	USD870,000	880,280	0.0
ACCO Brands 5.25% 15/12/24-144A	USD2,321,000	2,310,797	0.1	AMCAR 2019-1 D 3.62% 18/03/25	USD1,120,000	1,136,508	0.0
Ace Cash Express 12% 15/12/22-144A	USD1,203,000	1,173,727	0.0	American Axle & Mfg 6.25% 01/04/25	USD5,234,000	5,276,709	0.1
ACI Worldwide 5.75% 15/08/26-144A	USD1,219,000	1,257,102	0.0	American Axle & Mfg 6.25% 15/03/26	USD2,455,000	2,375,388	0.1

**Investment Portfolio** (Continued)  
**As at 31 March 2019** *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)							
American Axle & Mfg 6.5% 01/04/27	USD3,608,000	3,609,371	0.1	ARSI 2004-W7 M4 FRN 25/05/34	USD5,000,000	478,925	0.0
American Axle & Mfg 6.625% 15/10/22	USD156,000	165,412	0.0	ARSI 2004-W7 M9 FRN 25/05/34	USD2,000,000	427,454	0.0
American Express VRN 4.9% Perp	USD910,000	904,143	0.0	Ashtead Capital 4.125% 15/8/25-144A	USD1,020,000	1,008,918	0.0
American Honda Fin FRN 13/11/19	USD210,000	210,746	0.0	Ashtead Capital 4.375% 15/8/27-144A	USD580,000	563,013	0.0
American Intl Grp VRN 5.75% 1/04/48	USD2,410,000	2,419,038	0.1	Ashtead Capital 5.625% 1/10/24-144A	USD445,000	473,091	0.0
American Woodmark 4.875% 3/26-144A	USD1,745,000	1,711,936	0.0	Athene Global 2.75% 20/04/20-144A	USD444,000	448,895	0.0
AmeriGas Partners 5.5% 20/05/25	USD2,159,000	2,197,142	0.1	Avantor 6% 01/10/24-144A	USD1,710,000	1,823,288	0.0
AmeriGas Partners 5.625% 20/05/24	USD358,000	371,663	0.0	Avaya 7% 01/04/19 - 144A (New)	USD4,758,000	476	0.0
AmeriGas Partners 5.75% 20/05/27	USD556,000	562,162	0.0	Avis Budget Car 5.25% 15/03/25-144A	USD1,695,000	1,627,165	0.0
AmeriGas Partners 5.875% 20/08/26	USD1,323,000	1,338,220	0.0	Avis Budget Car 6.375% 01/4/24-RegS	USD4,831,000	5,057,453	0.1
AMIT 2005-1 M5 FRN 25/06/35	USD1,000,000	938,166	0.0	B&G Foods 5.25% 01/04/25	USD1,359,000	1,357,790	0.0
Amkor Tech 6.375% 01/10/22	USD3,284,000	3,443,356	0.1	BACM 2003-2 L FRN 11/03/41	USD6,820,844	0	0.0
Amkor Tech 6.625% 15/09/27-144A	USD953,000	970,276	0.0	BACM 2017-BNK3 D 3.25% 15/02/50	USD1,215,000	1,055,184	0.0
Andeavor Logist/Fin 6.25% 15/10/22	USD676,000	714,189	0.0	Ball Corp 4.375% 15/12/23	EUR700,000	903,837	0.0
Andeavor Logist/Fin 6.375% 01/05/24	USD1,430,000	1,539,484	0.0	Banff Merger Sub 9.75% 09/26-144A	USD1,730,000	1,706,537	0.0
Andeavor Logist/Fin VRN 6.875% Perp	USD1,355,000	1,373,937	0.0	BANK 2017-BNK7 B 3.949% 15/09/60	USD2,470,000	2,530,533	0.1
Anixter Inc 5.5% 01/03/23	USD1,345,000	1,407,262	0.0	BANK 2017-BNK8 D 2.6% 15/11/50	USD4,050,000	3,314,596	0.1
Anixter Inc 6% 01/12/25- 144A	USD740,000	797,843	0.0	BANK 2017-BNK9 D 2.8% 15/11/54	USD2,430,000	1,981,862	0.0
Antero Midstream Part/Fin5.375%9/24	USD865,000	876,105	0.0	BANK 2019-BN16 E 3% 15/02/52	USD1,962,000	1,509,639	0.0
Antero Resources 5.125% 01/12/22	USD1,314,000	1,347,419	0.0	Bank of America NoAA VRN 6.1% Perp	USD7,036,000	7,471,962	0.1
Antero Resources 5.375% 01/11/21	USD3,499,000	3,602,206	0.1	Bank of America NoX VRN 6.25% Perp	USD4,060,000	4,337,856	0.1
Antero Resources 5.625% 01/06/23	USD2,372,000	2,461,976	0.1	Bank of America NoZ VRN 6.5% Perp	USD4,020,000	4,492,183	0.1
ANTLR 2018-RTL1 A1 4.335% 25/07/22	USD1,265,000	1,264,187	0.0	Bank of America VRN 5.125% Perp	USD2,235,000	2,263,939	0.1
AOMT 2018-2 A1 FRN 27/07/48	USD6,000,000	5,003,601	0.1	Bank of America VRN 6.3% Perp	USD2,694,000	2,949,768	0.1
Aramark Services 5% 01/02/28-144A	USD2,335,000	2,342,783	0.1	Bank of New York FRN 04/12/20	USD398,000	399,879	0.0
Arconic Inc 5.125% 01/10/24	USD2,013,000	2,115,411	0.1	Bank of New York NoD VRN4.5% 06/23	USD2,378,000	2,278,243	0.1
Arconic Inc 5.9% 01/02/27	USD3,905,000	4,103,504	0.1	Bank of New York VRN 4.625% Perp	USD7,340,000	6,960,094	0.1
ARRW 2018-1 A1 FRN 25/04/48	USD2,000,000	1,710,712	0.0	Bausch Health 9.25% 01/04/26-144A	USD937,000	1,064,666	0.0
ARRW 2019-1 A1 FRN 25/01/49	USD1,000,000	993,607	0.0	Bausch Health Cos 4.5% 15/5/23-RegS	EUR2,000,000	2,309,871	0.1
ARSI 2003-W9 M2 FRN 25/01/34	USD5,000,000	290,779	0.0	Bausch Health Cos 6.5% 15/3/22-144A	USD336,000	348,371	0.0
				Bausch Health Cos 7% 15/03/24-144A	USD2,799,000	2,962,197	0.1
				BB&T Corp 2.45% 15/01/20	USD206,000	206,684	0.0

**Investment Portfolio** (Continued)  
**As at 31 March 2019** *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)				BX 2018-EXCL C FRN 15/09/37	USD1,550,000	1,450,794	0.0
BBCMS 2018-C2 C FRN 15/12/51	USD4,775,000	5,092,639	0.1	BX 2018-IND E FRN 15/11/35	USD1,055,000	867,097	0.0
Belden Inc 2.875% 15/09/25-RegS	EUR360,000	412,940	0.0	BX 2018-MCSF A FRN 15/04/35	USD3,500,000	3,456,118	0.1
Berkley (WR) 6.15% 15/08/19	USD443,000	451,461	0.0	BX 2018-MCSF B FRN 15/04/35	USD1,500,000	1,474,804	0.0
Berry Global 5.125% 15/07/23	USD650,000	669,508	0.0	BX 2018-MCSF C FRN 15/04/35	USD1,000,000	979,558	0.0
Berry Global 5.5% 15/05/22	USD155,000	161,150	0.0	CAALT 2019-1A B 3.75% 17/04/28	USD4,605,000	4,666,442	0.1
Big River Steel LLC 7.25% 9/25-144A	USD638,000	669,355	0.0	Cablevision Systems 8% 15/04/20	USD1,833,000	1,986,076	0.0
Blue Racer Mid 6.125% 15/11/22-144A	USD3,390,000	3,519,868	0.1	Caleres Inc 6.25% 15/08/23	USD450,000	471,672	0.0
Blue Racer Mid 6.625% 15/07/26-144A	USD675,000	698,065	0.0	Calfrac LP 8.5% 15/06/26- 144A	USD545,000	433,419	0.0
BMARK 2018-B1 D 2.75% 15/01/51	USD2,195,000	1,807,876	0.0	California Resources 8% 12/22-144A	USD1,176,000	951,123	0.0
BMIR 2018-3A M1B FRN 25/10/27	USD2,425,000	2,439,527	0.1	Callon Petroleum 6.125% 01/10/24	USD427,000	442,938	0.0
BMIR 2018-3A M2 FRN 25/10/28	USD2,240,000	2,246,856	0.1	Calpine Corp 5.25% 01/06/26-144A	USD1,275,000	1,290,938	0.0
BMIR 2019-1A M2 FRN 25/03/29	USD1,000,000	1,003,698	0.0	Calpine Corp 5.5% 01/02/24	USD725,000	726,861	0.0
BMW US Capital 1.45% 13/09/19-144A	USD105,000	104,550	0.0	Calpine Corp 5.75% 15/01/25	USD780,000	794,955	0.0
BMW US Capital FRN 06/04/20-144A	USD400,000	403,493	0.0	Calpine Corp 6% 15/01/22- 144A	USD1,000,000	1,024,083	0.0
BOMFT 2018-RN5 A1 3.8195% 28/04/33	USD4,000,000	869,709	0.0	CAMB 2019-LIFE E FRN 15/12/37	USD4,365,000	4,403,691	0.1
Booz Allen Hamilton 5.125%5/25-144A	USD696,000	709,993	0.0	CAMB 2019-LIFE G FRN 15/12/37	USD3,920,000	3,972,652	0.1
Boyd Gaming 6% 15/08/26	USD1,563,000	1,617,194	0.0	Capital One NA 1.85% 13/09/19	USD412,000	410,520	0.0
Boyd Gaming 6.375% 01/04/26	USD1,590,000	1,702,962	0.0	Carrizo Oil&Gas 6.25% 15/04/23	USD1,136,000	1,150,476	0.0
Boyd Gaming 6.875% 15/05/23	USD1,713,000	1,826,166	0.0	CAS 2018-C03 1M2 FRN 25/10/30	USD3,168,000	3,170,738	0.1
Boyne USA 7.25% 01/05/25-144A	USD1,606,000	1,768,942	0.0	CAS 2019-R01 2M2 FRN 25/07/31	USD1,000,000	1,005,885	0.0
Brambles USA 5.35% 01/04/20-144A	USD140,000	146,712	0.0	CAS 2019-R02 1M2 FRN 25/09/31	USD2,000,000	2,017,850	0.0
Brazos Val Longhrn 6.875% 01/02/25	USD1,805,000	1,843,732	0.0	Catalent Pharm 4.875% 15/01/26-144A	USD693,000	691,563	0.0
Brink's Co 4.625% 15/10/27-144A	USD700,000	692,268	0.0	Caterpillar Fin 1.85% 04/09/20	USD300,000	297,267	0.0
Bristow Group 6.25% 15/10/22	USD293,000	63,139	0.0	CB T-Mobile USA Escrow 6.375% 03/25	USD3,098,000	0	0.0
Bruin E&P Part 8.875% 01/08/23-144A	USD388,000	377,249	0.0	CB T-Mobile USA Escrow 6.5% 15/1/24	USD995,000	0	0.0
BSABS 2004-AC3 M1 FRN 25/06/34	USD7,323,000	441,756	0.0	CB T-Mobile USA Escrow 6.5% 15/1/26	USD7,842,000	0	0.0
BSABS 2004-HE5 M2 FRN 25/07/34	USD3,400,000	261,135	0.0	CBASS 2004-CB2 M1 FRN 25/07/33	USD3,572,000	1,542,630	0.0
Buckeye Partners VRN 6.375% 01/78	USD3,190,000	2,880,716	0.1	CBASS 2004-CB6 M1 FRN 25/07/35	USD10,000,000	902,202	0.0
Bway Hldg 5.5% 15/04/24- 144A	USD2,720,000	2,768,998	0.1	CBASS 2006-CB6 A23 FRN 25/07/36	USD16,440,000	3,993,403	0.1
BWX Tech 5.375% 15/07/26-144A	USD510,000	523,513	0.0	CBS Outdoor Amer 5.25% 15/02/22	USD669,000	689,056	0.0
BX 2018-BIOA D FRN 15/03/37	USD1,500,000	1,501,440	0.0				

Investment Portfolio (Continued)  
As at 31 March 2019 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
United States (Continued)				CFX Escrow 6.375%			
CBS Outdoor Amer 5.875%				15/02/26-144A	USD221,000	236,767	0.0
15/03/25	USD340,000	350,365	0.0	CGCMT 2015-P1 C FRN			
CBS Radio 7.25% 01/11/24-144A	USD1,380,000	1,414,788	0.0	15/09/48	USD1,850,000	1,896,336	0.0
CCM Merger 6% 15/03/22-144A	USD297,000	305,638	0.0	CGCMT 2016-C1 D FRN			
CCO Hldgs LLC/Cap 5%				10/05/49	USD2,870,000	2,824,754	0.1
01/02/28-144A	USD2,698,000	2,680,013	0.1	CGCMT 2016-P6 D 3.25%	USD1,000,000	880,841	0.0
CCO Hldgs LLC/Cap 5.125%				10/12/49			
05/27-144A	USD11,009,000	11,285,372	0.2	CGCMT 2017-P7 B FRN	USD1,490,000	1,539,635	0.0
CCO Hldgs LLC/Cap 5.375%				14/04/50			
05/25-144A	USD495,000	520,936	0.0	CGCMT 2019-SMRT D FRN	USD4,500,000	4,698,689	0.1
CCO Hldgs LLC/Cap 5.5%				10/01/24			
1/5/26-144A	USD3,170,000	3,345,671	0.1	Charles Schwab VRN 5%	USD4,695,000	4,540,143	0.1
CCO Hldgs LLC/Cap 5.75%				Perp			
01/09/23	USD3,000	3,080	0.0	CHEC 2004-1 M2 FRN	USD2,284,328	247,972	0.0
CCO Hldgs LLC/Cap 5.75%				25/07/34-144A	EUR550,000	636,232	0.0
2/26-144A	USD5,790,000	6,086,778	0.1	Chemours Co 4% 15/05/26			
CCO Hldgs LLC/Cap 5.875%				15/05/23	USD2,105,000	2,233,746	0.1
4/24-144A	USD10,408,000	11,156,075	0.2	Chemours Co 6.625%	USD995,000	1,079,962	0.0
CCO Hldgs LLC/Cap 5.875%				15/05/25			
5/27-144A	USD325,000	344,331	0.0	Chemours Co 7% 15/05/25	USD720,000	766,413	0.0
CD 2017-CD4 C FRN				30/06/27			
10/05/50	USD1,265,000	1,296,946	0.0	Cheniere Corpus 5.125%	USD2,140,000	2,356,884	0.1
CD 2017-CD5 D 3.35%				31/03/25			
15/08/50	USD543,000	463,077	0.0	Cheniere Corpus 7%	USD890,000	1,020,652	0.0
CDW LLC/CDW Fin 5%				30/06/24			
01/09/23	USD155,000	158,948	0.0	Cheniere Energy 5.25%	USD492,000	515,985	0.0
CDW LLC/CDW Fin 5%				01/10/25			
01/09/25	USD2,300,000	2,375,977	0.1	Cheniere Energy 5.625%	USD586,000	619,054	0.0
CDW LLC/CDW Fin 5.5%				1/10/26-144A			
01/12/24	USD636,000	683,270	0.0	Chesapeake Energy 7%	USD769,000	794,740	0.0
Centene Corp 4.75%				01/10/24			
15/01/25	USD1,030,000	1,061,786	0.0	Chesapeake Energy 8%	USD1,637,000	1,701,843	0.0
Centene Corp 5.625%				15/01/25			
15/02/21	USD724,000	742,711	0.0	Chesapeake Energy 8%	USD3,626,000	3,672,985	0.1
Centene Corp 6.125%				15/06/27			
15/02/24	USD1,290,000	1,361,204	0.0	Chesapeake Energy FRN	USD352,000	356,486	0.0
CenterPoint Energy VRN				15/04/19			
6.125% Perp	USD2,313,000	2,371,090	0.1	CHMSR 2018-GT1 A FRN	USD6,005,000	6,049,636	0.1
Central Garden & Pet				25/05/23			
5.125%01/02/28	USD3,955,000	3,702,045	0.1	CHMSR 2018-GT1 B FRN	USD1,305,000	1,316,202	0.0
Central Garden & Pet				25/05/23			
6.125%15/11/23	USD270,000	288,038	0.0	CHS/Community 5.125%	USD1,579,000	1,572,339	0.0
CenturyLink Inc 5.625%				01/08/21			
01/04/25	USD359,000	358,327	0.0	CHS/Community 6.25%	USD1,513,000	1,422,674	0.0
CenturyLink Inc 5.8%				31/03/23			
15/03/22	USD1,465,000	1,501,023	0.0	CHS/Community 8%	USD858,000	829,710	0.0
CenturyLink Inc 6.875%				15/03/26-144A			
15/01/28	USD337,000	322,989	0.0	CHS/Community 8.125%	USD2,441,000	1,868,128	0.0
CenturyLink Inc 7.5%				30/06/24-144A			
01/04/24	USD2,992,000	3,283,720	0.1	CHS/Community 8.625%	USD2,516,000	2,562,415	0.1
CenturyLink Inc NoW 6.75%				15/01/24-144A			
01/12/23	USD3,445,000	3,684,738	0.1	Cincinnati Bell 7%	USD2,090,000	1,954,092	0.0
CFAB 2003-2 1M1 5.239%				15/07/24-144A			
25/07/32	USD1,000,000	176,960	0.0	Cincinnati Bell 8%	USD821,000	779,631	0.0
CFMSI 2004-1 AF4 5.07%				15/10/25-144A			
25/04/34	USD2,000,000	1,611,891	0.0	Cinemark USA 4.875%	USD2,630,000	2,715,607	0.1
CFX Escrow 6% 15/02/24-144A	USD1,298,000	1,362,251	0.0	01/06/23			
				Citgo Petroleum 6.25%	USD886,000	886,585	0.0
				15/08/22-144A			

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(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
United States (Continued)							
Citibank NA FRN 20/10/20	USD410,000	412,459	0.0	Cogent Comm 5.375%	USD2,315,000	2,390,069	0.1
Citigroup Inc NoD VRN				01/03/22-144A			
5.35% Perp	USD3,575,000	3,603,099	0.1	Cogent Comm 5.625%	USD500,000	519,297	0.0
Citigroup Inc NoN VRN				15/04/21-144A			
5.8% Perp	USD4,797,000	4,950,850	0.1	COLD 2017-ICE3 B FRN	USD5,650,000	5,667,345	0.1
Citigroup Inc NoO VRN				15/04/36			
5.875% Perp	USD1,890,000	1,913,296	0.0	COLT 2018-2 A1 FRN	USD4,000,000	2,566,251	0.1
Citigroup Inc VRN 5.9%				27/07/48			
Perp	USD4,335,000	4,457,736	0.1	COMM 2014-CR20 D 3.222%	USD2,250,000	2,052,989	0.1
Citigroup Inc VRN 5.95%				10/11/47			
Perp	USD7,253,000	7,487,047	0.1	COMM 2015-CR23 CME FRN	USD7,549,000	7,525,732	0.1
Citigroup Inc VRN 6.125%				10/05/48			
Perp	USD2,090,000	2,187,434	0.1	COMM 2015-LC21 D FRN	USD4,000,000	3,760,397	0.1
Citigroup Inc VRN 6.3%				10/07/48			
Perp	USD5,800,000	6,040,555	0.1	COMM 2016-CR28 D FRN	USD1,100,000	1,062,657	0.0
Citizens Bank NA 2.25%				10/02/49			
02/03/20	USD301,000	300,165	0.0	Commercial Metals 4.875%	USD544,000	556,812	0.0
Citizens Bank NA FRN				15/05/23			
14/02/22	USD270,000	271,350	0.0	Commercial Metals 5.375%	USD344,000	335,055	0.0
Civic 2018-2 A1 4.3493%				15/07/27			
30/11/22	USD3,600,000	3,100,717	0.1	Commscope Finance 5.5%	USD702,000	720,652	0.0
Civic 2018-2 A2 5.178%				1/03/24-144A			
30/11/22	USD1,255,000	1,080,594	0.0	CommScope Finance 6%	USD1,349,000	1,392,393	0.0
Clear Channel 6.5%				01/03/26-144A			
15/11/22-Ser A	USD1,666,000	1,746,778	0.0	CommScope Finance 8.25%	USD2,246,000	2,352,357	0.1
Clear Channel 6.5%				1/3/27-144A			
15/11/22-Ser B	USD14,030,000	14,730,463	0.3	Commscope Inc 5.5%	USD920,000	915,489	0.0
Clear Channel 9.25%				15/06/24-144A			
15/02/24-144A	USD7,024,000	7,535,679	0.1	Commscope Tech Fin 5%	USD673,000	598,035	0.0
Clearwater Pap 4.5%				15/03/27-144A			
01/02/23	USD850,000	824,458	0.0	Commscope Tech Fin 6%	USD6,636,000	6,571,852	0.1
Clearwater Pap 5.375%				15/06/25-144A			
01/02/25-144A	USD1,338,000	1,259,671	0.0	Compass Bank 2.75%	USD357,000	356,359	0.0
Clearway Energy 5.75%				29/09/19			
15/10/25-144A	USD340,000	351,475	0.0	Comstock Resources 9.75%	USD357,000	334,769	0.0
Clearway Energy Oper 5%				08/26-144A			
15/09/26	USD834,000	792,184	0.0	CONN 2018-A B 4.65%	USD3,080,000	2,397,386	0.1
Cleveland-Cliff 4.875%				15/01/23			
15/1/24-144A	USD570,000	573,093	0.0	CONN 2018-A C 6.02%	USD1,445,000	1,128,329	0.0
Cleveland-Cliff 5.75%				15/01/23			
01/03/25	USD575,000	557,503	0.0	Constellation Merger 8.5%	USD965,000	884,436	0.0
CLUB 2017-NP1 C 5.13%				9/25-144A			
17/04/23	USD1,130,000	579,369	0.0	Cooper-Standard	USD2,465,000	2,209,641	0.1
CLUB 2018-NP1 C 4.74%				5.625%11/26-144A			
15/05/24	USD2,855,000	2,881,303	0.1	CoreCivic Inc 4.625%	USD2,420,000	2,369,835	0.1
CMLT1 2005-6 A1 FRN				01/05/23			
25/09/35	USD7,517,000	274,657	0.0	Coty Inc 6.5% 15/04/26-	USD2,030,000	2,045,535	0.1
CMLT1 2005-9 2A2 5.5%				144A			
25/11/35	USD9,324,000	174,921	0.0	Covanta Hldg 5.875%	USD250,000	257,430	0.0
CNG Hldgs 9.375%				01/03/24			
15/05/20-144A	USD2,365,000	2,413,901	0.1	Covanta Hldg 5.875%	USD572,000	590,411	0.0
CNG Hldgs 9.375%				01/07/25			
15/05/20-RegS	USD349,000	356,216	0.0	Covey Park Energy 7.5%	USD1,565,000	1,496,205	0.0
CNO Financial 5.25%				05/25-144A			
30/05/25	USD1,016,000	1,077,439	0.0	CP5 2018-D D 4.34%	USD1,215,000	1,239,876	0.0
CNX Midstream Part 6.5%				16/09/24			
03/26-144A	USD330,000	320,288	0.0	CP5 2019-A D 4.35%	USD2,554,000	2,609,586	0.1
Coeur Mining 5.875%				16/12/24			
01/06/24	USD418,000	411,138	0.0	Credit Acceptance 6.625%	USD720,000	734,113	0.0
				03/26-144A			

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(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)			CWALT 2007-8CB A9 6%		
Crestwood Mids/Fin 5.75% 01/04/25	USD915,000	968,756 0.0	25/05/37	USD2,200,000	441,514 0.0
Crestwood Midstream 6.25% 01/04/23	USD1,712,000	1,818,914 0.0	CWHL 2004-HYB6 A2 FRN 20/11/34	USD8,900,000	408,286 0.0
Crown Amer LLC/Cap 4.25% 30/09/26	USD405,000	392,972 0.0	CWHL 2005-26 1A11 5.5% 25/11/35	USD16,400,000	944,044 0.0
Crown Amer LLC/Cap 4.75% 01/02/26	USD147,000	149,237 0.0	CWHL 2005-31 2A1 FRN 25/01/36	USD20,000,000	906,333 0.0
CSAIL 2019-C15 C FRN 15/03/52	USD3,710,000	3,923,157 0.1	CWHL 2005-HYB3 2A2A FRN 20/06/35	USD7,735,000	618,776 0.0
CSC Hldgs 10.875% 15/10/25-144A	USD1,750,000	2,059,768 0.1	CWHL 2006-19 1A4 6% 25/01/37	USD8,000,000	1,706,285 0.0
CSC Hldgs 5.25% 01/06/24- 144A	USD782,000	809,104 0.0	CWHL 2006-HYB1 2A2C FRN 20/03/36	USD2,444,000	1,088,054 0.0
CSC Hldgs 5.375% 01/02/28-144A	USD330,000	332,956 0.0	CWHL 2007-2 A16 6% 25/03/37	USD20,096,100	4,290,255 0.1
CSC Hldgs 5.375% 15/07/23-144A	USD2,115,000	2,178,971 0.1	CWHL 2007-9 A11 5.75% 25/07/37	USD5,000,000	885,984 0.0
CSC Hldgs 5.5% 15/04/27- 144A	USD397,000	414,573 0.0	CWL 2004-6 M3 FRN 25/09/34	USD17,000,000	1,535,594 0.0
CSC Hldgs 5.5% 15/05/26- 144A	USD1,394,000	1,458,027 0.0	CWL 2004-6 M5 FRN 25/08/34	USD3,000,000	272,462 0.0
CSC Hldgs 6.5% 01/02/29- 144A	USD1,035,000	1,113,488 0.0	CWL 2004-BC1 M1 FRN 25/02/34	USD5,500,000	1,461,013 0.0
CSC Hldgs 6.625% 15/10/25-144A	USD3,820,000	4,103,330 0.1	CWL 2005-12 M2 FRN 25/02/36	USD1,000,000	998,423 0.0
CSC Hldgs 6.75% 15/11/21	USD1,604,000	1,753,473 0.0	DAE Funding 5% 01/08/24- 144A	USD1,164,000	1,183,885 0.0
CSC Hldgs 7.5% 1/04/28- 144A	USD795,000	855,453 0.0	DAE Funding LLC 5.75% 15/11/23-144A	USD332,000	347,618 0.0
CSC Hldgs 7.75% 15/07/25- 144A	USD330,000	358,570 0.0	Daimler Finance 1.5% 05/07/19-144A	USD340,000	340,009 0.0
CSI Compressco LP/Fin7.5% 4/25-144A	USD906,000	903,735 0.0	Daimler Finance FRN 22/02/21-144A	USD333,000	332,452 0.0
CSMC 2007-C1 AM 5.416% 15/02/40	USD1,449,000	7,299 0.0	Dana Inc 5.5% 15/12/24	USD615,000	625,238 0.0
Cumberland Farm 6.75% 01/05/25-144A	USD307,000	327,147 0.0	Dana Inc 6% 15/09/23	USD535,000	553,395 0.0
Curo Group Hldg 8.25% 01/09/25-144A	USD1,939,000	1,677,356 0.0	Darling Ingredi 5.25% 15/04/27-144A	USD401,000	401,000 0.0
CVR Partners/Nit 8.25% 1/6/23-144A	USD4,591,000	4,935,293 0.1	DaVita Inc 5% 01/05/25	USD4,800,000	4,705,888 0.1
CWALT 2004-30CB 3A1 5% 25/02/20	USD28,065,000	430,981 0.0	DaVita Inc 5.125% 07/24	USD1,418,000	1,421,562 0.0
CWALT 2005-23CB A4 5.5% 25/07/35	USD12,960,000	3,824,506 0.1	DaVita Inc 5.75% 08/22	USD363,000	372,985 0.0
CWALT 2005-64CB 1A11 5.5% 25/12/35	USD4,000,000	1,580,626 0.0	DBGS 2018-5BP B FRN 15/06/33	USD4,050,000	3,997,495 0.1
CWALT 2005-J2 1A5 FRN 25/04/35	USD20,000,000	1,163,699 0.0	DBJPM 2017-C6 D FRN 10/06/50	USD2,430,000	2,118,900 0.1
CWALT 2005-J6 1A4 5.5% 25/07/35	USD3,700,000	1,117,750 0.0	DCP Midstream Oper 3.875% 15/03/23	USD1,747,000	1,741,462 0.0
CWALT 2006-14CB A1 6% 25/06/36	USD7,000,000	1,054,090 0.0	DCP Midstream Oper 5.375% 15/07/25	USD1,060,000	1,122,854 0.0
CWALT 2006-41CB 1A7 6% 25/01/37	USD11,000,000	1,544,927 0.0	DCP Midstream Oper 6.75% 09/37-144A	USD265,000	274,457 0.0
CWALT 2006-4CB 2A4 5.5% 25/04/36	USD11,944,000	2,883,527 0.1	DCP Midstream Oper VRN 7.375% Perp	USD1,187,000	1,190,763 0.0
CWALT 2006-4CB 2A6 5.5% 25/04/36	USD6,937,000	1,898,006 0.0	Dean Foods 6.5% 15/03/23-144A	USD814,000	535,669 0.0
			Delek Logistics 6.75% 15/05/25	USD1,595,000	1,612,047 0.0
			Dell Intl LLC/EMC 5.875% 6/21-144A	USD770,000	797,883 0.0

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(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
United States (Continued)				EART 2018-2A D 4.04%			
Dell Intl LLC/EMC				15/03/24	USD900,000	916,492	0.0
6.02%15/6/26-144A	USD1,860,000	2,030,030	0.1	EART 2018-4A C 3.97%			
Dell Intl LLC/EMC 7.125%				15/09/23	USD4,800,000	4,876,891	0.1
06/24-144A	USD1,869,000	2,018,384	0.0	EART 2018-4A D 4.35%			
Denbury Resourc 9.25%				16/09/24	USD1,950,000	2,004,548	0.0
31/03/22-144A	USD1,698,000	1,642,815	0.0	EART 2018-4A E 5.38%			
Diamond Offshore 5.7%				15/07/25	USD1,725,000	1,777,755	0.0
15/10/39	USD451,000	321,189	0.0	EART 2019-1A C 3.82%			
Diamond Offshore Dr				16/12/24	USD2,035,000	2,061,384	0.1
7.875% 08/25	USD873,000	862,237	0.0	EART 2019-1A D 4.13%			
Diamondback Energy				16/12/24	USD3,805,000	3,898,383	0.1
5.375% 31/05/25	USD280,000	297,641	0.0	EART 2019-1A E 5.2%			
Diebold Nixdorf 8.5%				15/01/26	USD2,770,000	2,844,777	0.1
15/04/24	USD1,557,000	1,456,465	0.0	EFMT 2018-1 A1FX FRN			
Dish DBS 5% 15/03/23	USD5,559,000	5,037,072	0.1	25/10/58	USD3,000,000	2,783,641	0.1
Dish DBS 5.875% 15/07/22	USD2,281,000	2,232,679	0.1	Eldorado Resorts 6%			
Dish DBS 5.875% 15/11/24	USD9,755,000	8,532,285	0.2	01/04/25	USD2,125,000	2,225,938	0.1
Dish DBS 6.75% 01/06/21	USD4,216,000	4,452,096	0.1	Eldorado Resorts 6%			
Dish DBS 7.75% 01/07/26	USD4,179,000	3,728,399	0.1	15/09/26	USD382,000	388,889	0.0
Dole Food 7.25% 15/06/25-144A	USD1,730,000	1,544,542	0.0	Embarq Corp 7.995%			
Dominion Energy Inc 2.8%				01/06/36	USD5,964,000	5,966,386	0.1
15/11/20	USD317,000	320,574	0.0	EMC 3.375% 01/06/23	USD883,000	866,091	0.0
Dominion Energy VRN				EMI Music Pub 7.625%			
5.75%1/10/54	USD2,933,000	3,048,941	0.1	15/06/24-144A	USD856,000	928,900	0.0
Dowdupont FRN 15/11/20	USD173,000	174,871	0.0	Encompass Health 5.75%			
Downstream Dev 10.5%				01/11/24	USD757,000	789,027	0.0
15/02/23-144A	USD2,302,000	2,408,372	0.1	Encompass Health 5.75%			
DRIVE 2018-4 D 4.09%				15/09/25	USD2,155,000	2,198,564	0.1
15/01/26	USD3,150,000	3,211,698	0.1	Endo Dac/Fin LLC VRN 6%			
DRIVE 2018-5 D 4.3%				02/25-144A	USD1,040,000	759,200	0.0
15/04/26	USD3,000,000	3,101,825	0.1	Endo Fin/Fin Stp Cpn			
DRIVE 2019-1 D 4.09%				7.25%1/22-144A	USD431,000	437,683	0.0
15/06/26	USD2,765,000	2,830,963	0.1	Endo Finance 5.75%			
DRMT 2018-2A A1 FRN				15/01/22-144A	USD302,000	291,369	0.0
25/04/58	USD4,500,000	3,228,989	0.1	Energizer Hldgs 5.5%			
DRMT 2019-1A B1 FRN				15/06/25-144A	USD2,024,000	2,036,847	0.1
25/08/58	USD500,000	508,790	0.0	Energizer Hldgs 6.375%			
DTAOT 2017-4A E 5.15%				15/7/26-144A	USD310,000	321,977	0.0
15/11/24	USD2,505,000	2,564,915	0.1	Energizer Hldgs 7.75%			
DTAOT 2018-1A E 5.42%				15/01/27-144A	USD2,300,000	2,481,189	0.1
17/03/25	USD100,000	102,424	0.0	Energy Transfer 5.875%			
DTAOT 2018-2A E 5.54%				15/01/24	USD607,000	672,578	0.0
16/06/25	USD1,125,000	1,159,432	0.0	Energy Transfer VRN 6.25%			
DTAOT 2018-3A D 4.19%				Perp	USD5,131,000	4,865,008	0.1
15/07/24	USD4,282,000	4,375,294	0.1	Energy Transfer VRN			
DTAOT 2018-3A E 5.33%				6.625% Perp	USD4,733,000	4,525,455	0.1
17/11/25	USD3,340,437	3,428,095	0.1	EnLink Midstream 5.6%			
DTAOT 2019-1A D 3.87%				01/04/44	USD455,000	421,966	0.0
15/11/24	USD4,910,000	4,980,049	0.1	EnLink Midstream Part			
DTAOT 2019-1A E 4.94%				4.4% 01/04/24	USD1,719,000	1,739,112	0.0
17/02/26	USD4,930,000	5,020,504	0.1	EnLink Midstream Part			
DTE Energy 1.5% 01/10/19	USD430,000	430,172	0.0	4.85% 15/8/26	USD1,037,000	1,040,187	0.0
EART 2016-2A D 8.25%				EnPro Industries			
17/04/23	USD1,535,000	1,638,532	0.0	5.75%15/10/26-144A	USD1,059,000	1,094,852	0.0
EART 2018-1A E 4.64%				Entegris Inc 4.625%			
15/10/24	USD100,000	100,526	0.0	10/02/26-144A	USD3,026,000	3,014,012	0.1
				Enterprise Dev Auth 12%			
				07/24-144A	USD2,248,000	2,336,609	0.1



Investment Portfolio (Continued)  
As at 31 March 2019 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)				FHMS K054 X3 FRN			
Enterprise Prod VRN				25/04/43-10	USD14,730,830	1,392,594	0.0
4.875% 16/08/77	USD461,000	429,154	0.0	FHMS K059 X3 FRN			
Enterprise Prod VRN 5.25%				25/11/44-10	USD20,885,000	2,595,980	0.1
16/08/77	USD3,365,000	3,124,733	0.1	FHMS K064 X3 FRN			
Enterprise Prods Oper				25/05/27-10	USD22,815,019	3,288,329	0.1
5.25% 31/1/20	USD380,000	390,537	0.0	FHMS K065 X3 FRN			
Enterprise Prods Oper				25/07/45-10	USD26,209,531	3,911,913	0.1
5.375% 02/78	USD829,000	741,649	0.0	FHMS K067 X3 FRN			
Envision Healthcare8.75%				25/09/44-10	USD34,106,048	5,086,637	0.1
10/26-144A	USD4,719,000	4,401,942	0.1	FHMS K078 X1 FRN			
EOG Resources 2.45%				25/06/28-10	USD98,961,725	1,064,920	0.0
01/04/20	USD424,000	427,975	0.0	FHMS K081 X3 FRN			
EP Energy/Everest 7.75%				25/12/28-10	USD2,791,100	480,265	0.0
05/26-144A	USD6,244,000	5,257,405	0.1	FHMS K082 X1 FRN			
EP Energy/Everest 8%				25/09/28-10	USD654,286,500	3,484,579	0.1
15/02/25-144A	USD1,164,000	419,557	0.0	FHMS K082 X3 FRN			
EP Energy/Everest 8%				25/10/28-10	USD14,380,000	2,452,096	0.1
29/11/24-144A	USD2,517,000	1,465,174	0.0	FHMS K083 X1 FRN			
EP Energy/Everest 9.375%				25/09/28-10	USD204,074,500	1,430,771	0.0
05/24-144A	USD3,992,000	1,573,098	0.0	FHMS K084 X3 FRN			
Equinix Inc 5.375%				25/11/28-10	USD13,220,000	2,307,076	0.1
01/04/23	USD550,000	575,094	0.0	FHMS K087 X3 2.31526%			
Equinix Inc 5.75% 01/01/25	USD1,693,000	1,795,215	0.0	25/04/29-10	USD8,880,000	1,615,344	0.0
Equinix Inc 5.875%				FHMS K153 X3 FRN			
15/01/26	USD2,711,000	2,891,189	0.1	25/04/35-10	USD8,362,500	2,888,430	0.1
Escrow GCB Texas 11.5%				FHMS K716 X3 FRN			
1/10/20-144A	USD12,173,000	79,125	0.0	25/08/42-10	USD25,719,613	1,028,289	0.0
ESH Hospitality 5.25%				FHMS K721 X3 FRN			
01/05/25-144A	USD2,064,000	2,093,670	0.1	25/09/22-10	USD18,000,000	770,113	0.0
Estee Lauder Cos 1.8%				FHMS K723 X3 FRN			
07/02/20	USD60,000	59,712	0.0	25/10/34-10	USD10,661,704	843,502	0.0
Eversource Energy 4.5%				FHMS K726 X3 FRN			
15/11/19	USD314,000	323,010	0.0	25/07/44-10	USD23,810,530	2,287,409	0.1
Exela Intermediate/Fin10%				FHMS K727 X3 FRN			
7/23-144A	USD2,230,000	2,319,510	0.1	25/10/44-10	USD33,817,571	3,319,419	0.1
Exelon Generation 2.95%				FHMS K728 X3 FRN			
15/01/20	USD250,000	251,445	0.0	25/11/45-10	USD13,257,718	1,254,957	0.0
Extraction Oil 5.625%				FHMS KC03 X1 FRN			
01/02/26-144A	USD116,000	89,828	0.0	25/11/24-10	USD46,200,000	1,193,528	0.0
Extraction Oil 7.375%				FHR 4068 DS FRN			
15/05/24-144A	USD77,000	66,456	0.0	15/06/42-10	USD6,850,000	457,476	0.0
Fair Isaac 5.25% 15/05/26-				FHR 4097 ES FRN			
144A	USD571,000	598,111	0.0	15/08/42-10	USD10,440,000	672,563	0.0
FCAT 2018-4 C 4.11%				FHR 4103 SB FRN			
15/10/24	USD1,330,000	1,366,174	0.0	15/09/42-10	USD9,860,000	702,192	0.0
FFML 2003-FF4 M1 FRN				FHR 4116 BP 3% 15/10/42	USD4,505,910	4,451,555	0.1
25/10/33	USD10,250,000	2,185,910	0.1	FHR 4425 SA FRN			
FHAMS 2005-FA10 1A5				15/01/45-10	USD6,380,000	649,005	0.0
5.5% 25/01/36	USD9,557,000	495,255	0.0	FHR 4566 PB 3% 15/04/46	USD5,192,200	4,988,211	0.1
FHLT 2004-1 M4 FRN				FHR 4567 KB 3% 15/04/46	USD5,047,124	4,889,368	0.1
25/02/34	USD1,250,000	67,022	0.0	FHR 4614 HB 2.5%			
FHLT 2004-2 M7 FRN				15/09/46	USD9,838,000	8,925,399	0.2
25/07/34	USD3,679,000	268,063	0.0	FHR 4616 HS FRN			
FHLT 2004-A M1 FRN				15/09/46-10	USD5,514,872	734,015	0.0
25/01/34	USD7,500,000	1,576,083	0.0	FHR 4703 SA FRN			
FHLT 2004-D M1 FRN				15/07/47-10	USD8,610,000	1,283,355	0.0
25/11/34	USD850,000	462,244	0.0				

Investment Portfolio (Continued)  
As at 31 March 2019 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)			FNA 2016-M4 X2 FRN 25/01/39-10	USD11,235,000	459,477 0.0
FHR 4768 SG FRN 15/03/48-10	USD3,310,000	580,187 0.0	FNA 2019-M4 A2 3.61% 25/02/31	USD1,100,000	1,152,457 0.0
FHR 4808 BY 3.5% 15/07/48	USD6,737,000	6,960,435 0.1	FNR 2011-126 SM FRN 25/12/41-10	USD25,000,000	1,049,134 0.0
FHS 264 S1 FRN 15/07/42- 10	USD5,950,000	444,264 0.0	FNR 2012-139 BC 3% 25/12/42	USD6,468,000	6,311,207 0.1
FHS 274 S1 FRN 15/08/42- 10	USD8,270,000	573,769 0.0	FNR 2012-35 SN FRN 25/04/42-10	USD9,060,000	426,087 0.0
FHS 278 S1 FRN 15/09/42- 10	USD7,042,903	486,684 0.0	FNR 2012-75 DS FRN 25/07/42-10	USD9,650,000	656,903 0.0
FHS 279 S6 FRN 15/09/42- 10	USD6,300,000	399,841 0.0	FNR 2013-75 ZG 3.25% 25/07/43-AI	USD9,167,000	11,166,338 0.2
FHS 300 S1 FRN 15/01/43- 10	USD6,650,000	557,390 0.0	FNR 2016-30 PY 3% 25/05/46	USD5,125,053	4,949,614 0.1
FHS 311 S1 FRN 15/08/43- 10	USD3,420,000	305,363 0.0	FNR 2016-77 SA FRN 25/10/46-10	USD4,570,000	600,172 0.0
FHS 316 S7 FRN 15/11/43-10	USD5,090,000	499,063 0.0	FNR 2016-83 PE 2.5% 25/11/46	USD4,722,000	4,263,053 0.1
FHS 326 S2 FRN 15/03/44- 10	USD6,520,000	611,963 0.0	FNR 2017-37 AS FRN 25/05/47-10	USD6,210,000	804,370 0.0
FHS 336 S1 FRN 15/08/44- 10	USD3,720,000	367,657 0.0	FNR 2017-51 DB 3% 25/02/47	USD4,578,690	4,391,630 0.1
FHS 337 S1 FRN 15/09/44- 10	USD2,130,000	260,609 0.0	FNR 2017-69 GY 3% 25/09/47	USD13,000,000	12,684,679 0.2
Fidelity & Guaranty 5.5% 05/25-144A	USD811,000	831,613 0.0	FNR 2018-14 PY 3.5% 25/03/48	USD8,627,000	8,917,886 0.2
Fifth Third Bancorp VRN 5.1% Perp	USD3,020,000	2,936,980 0.1	FNR 2018-14 SA FRN 25/03/48-10	USD8,810,000	1,249,856 0.0
Fifth Third Bank/Cin FRN 30/10/20	USD355,000	354,696 0.0	FNR 2018-15 JS FRN 25/03/48-10	USD4,430,000	765,061 0.0
Financial&Risk 8.25% 15/11/26-144A	USD363,000	371,621 0.0	FNR 2018-16 SN FRN 25/03/48-10	USD2,100,000	365,953 0.0
First Data 5% 15/01/24- 144A	USD1,534,000	1,591,532 0.0	FNR 2018-27 SE FRN 25/05/48-10	USD2,600,000	474,044 0.0
First Data 5.375% 15/08/23	USD5,215,000	5,355,896 0.1	FNR 2018-80 GC 3.5% 25/10/48	USD5,949,000	6,078,886 0.1
First Data 5.75% 15/01/24- 144A	USD9,782,000	10,183,538 0.2	Ford Motor Credit 4.687% 09/06/25	USD3,265,000	3,167,024 0.1
FirstCash Inc 5.375% 01/06/24-144A	USD272,000	282,993 0.0	FREED 2018-2 B 4.61% 20/10/25	USD1,860,000	1,899,521 0.0
Flex Acquisition 6.875% 01/25-144A	USD267,000	259,245 0.0	Freeport-Mcmoran 3.875% 15/3/23	USD7,325,000	7,261,491 0.1
FN AN3747 2.87% 01/02/32	USD1,200,000	1,154,007 0.0	Freeport-Mcmoran 4.55% 14/11/24	USD2,780,000	2,790,263 0.1
FN AN5455 3.52% 01/07/42	USD10,000,000	9,858,156 0.2	Freeport-Mcmoran 5.4% 14/11/34	USD164,000	152,848 0.0
FN AN5942 3.1% 01/07/32	USD22,500,000	22,391,614 0.4	Freeport-Mcmoran 5.45% 15/03/43	USD476,000	418,023 0.0
FN AN6122 3.06% 01/08/32	USD2,110,000	2,070,821 0.1	FREMF 2012-K19 C FRN 25/05/45	USD735,000	755,651 0.0
FN AN8095 3.24% 01/01/33	USD1,760,000	1,760,420 0.0	FREMF 2016-K60 B FRN 25/12/49	USD555,000	549,700 0.0
FN AN8802 3.43% 01/04/33	USD11,818,000	12,061,379 0.2	FREMF 2017-K65 B FRN 25/07/50	USD1,500,000	1,549,369 0.0
FN AN8806 3.47% 01/04/33	USD21,070,000	21,605,702 0.4	FREMF 2017-K67 C FRN 25/09/49	USD1,195,000	1,161,866 0.0
FN BL0685 3.95% 01/12/33	USD16,537,000	17,875,356 0.3	FREMF 2017-K71 B FRN 25/11/50	USD1,275,000	1,280,500 0.0
FN BL0740 4.08% 01/12/33	USD24,078,000	26,357,537 0.5			

Investment Portfolio (Continued)  
As at 31 March 2019 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
United States (Continued)				Gates Global 6% 15/07/22-144A			
FREMF 2017-KF31 B FRN 25/04/24	USD3,412,500	2,178,624	0.1	GCAR 2018-3A C 4.18% 15/07/24	USD1,855,000	1,883,443	0.0
FREMF 2017-KF32 B FRN 25/05/24	USD7,370,000	4,670,350	0.1	GCAR 2018-3A D 5.34% 15/08/25	USD1,330,000	1,357,453	0.0
FREMF 2017-KF33 B FRN 25/06/27	USD2,320,000	1,235,647	0.0	GCAR 2019-1A C 3.87% 16/12/24	USD1,410,000	1,454,381	0.0
FREMF 2017-KF36 B FRN 25/08/24	USD1,215,000	1,147,314	0.0	GCAR 2019-1A D 4.94% 15/12/25	USD2,435,000	2,479,959	0.1
FREMF 2017-KF38 B FRN 25/09/24	USD4,545,000	3,647,112	0.1	GCB T-Mobile USA Esc 4.75% 02/28	USD830,000	846,091	0.0
FREMF 2017-KF40 B FRN 25/11/27	USD750,000	662,513	0.0	GCB T-Mobile USA Escr 4.5% 01/02/26	USD1,288,000	0	0.0
FREMF 2018-K731 C 3.90982% 25/02/25	USD5,000,000	4,956,843	0.1	GCI Inc 6.75% 01/06/21	USD1,778,000	0	0.0
FREMF 2018-K74 B FRN 25/02/51	USD4,692,000	4,810,520	0.1	GCI Inc 6.875% 15/04/25	USD2,260,000	2,324,975	0.1
FREMF 2018-K75 B FRN 25/04/51	USD1,165,000	1,178,935	0.0	GCP Applied Tech 5.5% 15/04/26-144A	USD530,000	570,090	0.0
FREMF 2018-K82 B FRN 25/09/28	USD1,415,000	1,437,278	0.0	General Elec Cap NoD VRN 5% Perp	USD1,570,000	1,625,757	0.0
FREMF 2018-KF42 B FRN 25/12/24	USD1,030,000	1,020,244	0.0	General Motors Fin VRN 5.75% Perp	USD21,237,000	19,996,995	0.4
FREMF 2018-KF43 B FRN 25/01/28	USD1,900,000	1,490,392	0.0	General Motors Fin VRN 6.5% Perp	USD6,185,000	5,554,157	0.1
FREMF 2018-KF45 B FRN 25/03/25	USD2,555,000	2,455,863	0.1	Genesis Energy/Fin 5.625% 15/06/24	USD4,395,000	4,129,188	0.1
FREMF 2018-KF46 B FRN 25/03/28	USD1,125,000	1,084,985	0.0	Genesis Energy/Fin 6% 15/05/23	USD573,000	559,660	0.0
FREMF 2018-KF47 B FRN 25/05/25	USD5,505,000	5,493,299	0.1	Genesis Energy/Fin 6.25% 15/5/26	USD658,000	683,381	0.0
FREMF 2018-KF49 B FRN 25/06/25	USD1,030,000	1,013,150	0.0	Genesys/Greeneden 10% 30/11/24-144A	USD435,000	425,284	0.0
FREMF 2018-KF53 B FRN 25/10/25	USD4,205,000	4,005,780	0.1	GEO Group 5.875% 15/01/22	USD1,739,000	1,954,443	0.0
FREMF 2019-K87 B FRN 25/01/51	USD2,400,000	2,516,171	0.1	GEO Group 5.875% 15/10/24	USD2,375,000	2,356,608	0.1
FREMF 2019-K87 C FRN 25/12/28	USD1,174,800	1,173,025	0.0	GETTY Images 9.75% 01/03/27-144A	USD900,000	816,528	0.0
FREMF 2019-KF58 B FRN 25/01/26	USD2,525,000	2,521,421	0.1	Global Part/GLP 6.25% 15/07/22	USD185,000	188,542	0.0
FREMF 2019-KF59 B FRN 25/02/29	USD3,264,000	3,263,141	0.1	Global Part/GLP 7% 15/06/23	USD752,000	754,533	0.0
Frontier Comm 10.5% 15/09/22	USD877,000	677,446	0.0	GLP Capital/Fin 5.75% 01/06/28	USD983,000	994,104	0.0
Frontier Comm 11%15/09/25	USD5,479,000	3,699,390	0.1	GNR 2012-44 IO FRN 16/03/49-IO	USD1,200,000	1,313,000	0.0
Frontier Comm 6.875% 15/01/25	USD1,030,000	561,046	0.0	GNR 2014-186 IO FRN 16/08/54-IO	USD35,345,000	170,118	0.0
Frontier Comm 8% 01/04/27-144A	USD1,075,000	1,115,396	0.0	GNR 2014-25 HS FRN 20/02/44-IO	USD37,960,000	1,342,964	0.0
Frontier Comm 8.5% 01/04/26-144A	USD2,095,000	2,032,150	0.1	GNR 2014-27 MZ 3.5% 20/12/43-AI	USD4,760,000	487,690	0.0
FSMT 2018-6RR 1A2 FRN 25/10/48	USD2,900,000	2,710,296	0.1	GNR 2015-149 GS FRN 20/10/45-IO	USD3,300,000	4,068,360	0.1
FXI Hldgs 7.875% 01/11/24-144A	USD218,000	209,621	0.0	GNR 2016-111 PB 2.5% 20/08/46	USD6,550,000	693,269	0.0
Gartner Inc 5.125% 01/04/25-144A	USD1,295,000	1,339,516	0.0	GNR 2016-120 NS FRN 20/09/46-IO	USD5,777,122	5,290,464	0.1
				GNR 2017-11 AS FRN 20/01/47-IO	USD5,430,000	885,384	0.0
					USD3,080,000	431,755	0.0

# JPMORGAN MULTI INCOME FUND

Semi-annual report for the  
period ended 31 March 2019

## Investment Portfolio (Continued) As at 31 March 2019 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
United States (Continued)							
GNR 2017-112 S FRN				Goodman Networks 8%			
20/07/47-IO	USD7,400,000	1,097,114	0.0	11/05/22	USD331,825	183,204	0.0
GNR 2017-120 QS FRN				Goodyear Tire 5% 31/05/26	USD725,000	698,773	0.0
20/08/47-IO	USD3,580,000	547,346	0.0	Goodyear Tire 5.125%			
GNR 2017-134 SB FRN				15/11/23	USD1,379,000	1,411,687	0.0
20/09/47 -IO	USD7,120,000	916,869	0.0	Goodyear Tire&Rubber			
GNR 2017-156 LP 2.5%				4.875%15/03/27	USD1,679,000	1,549,385	0.0
20/10/47	USD3,008,424	2,690,175	0.1	GPMT 2018-FL1 AS FRN			
GNR 2017-55 AS FRN				21/11/35	USD1,500,000	1,498,702	0.0
20/04/47-IO	USD10,000,000	1,349,050	0.0	GPMT 2018-FL1 B FRN			
GNR 2017-56 SC FRN				21/11/35	USD4,100,000	4,103,122	0.1
20/04/47-IO	USD4,920,000	644,118	0.0	Graham Hldgs 5.75%			
GNR 2017-67 ST FRN				01/06/26-144A	USD410,000	438,358	0.0
20/05/47-IO	USD6,860,000	1,119,380	0.0	Gray Television			
GNR 2017-68 SA FRN				5.125%15/10/24-144A	USD635,000	651,684	0.0
20/05/47-IO	USD3,800,000	631,096	0.0	Gray Television 5.875%			
GNR 2017-69 IO FRN				15/7/26-144A	USD690,000	710,746	0.0
16/07/59-IO	USD4,870,000	319,741	0.0	Gray Television 7%			
GNR 2017-75 SD FRN				15/05/27-144A	USD1,783,000	1,937,130	0.0
20/05/47-IO	USD5,000,000	601,971	0.0	GRCE 2014-GRCE B 3.52%			
GNR 2017-80 AS FRN				10/06/28	USD1,800,000	1,819,983	0.0
20/05/47-IO	USD5,000,000	737,877	0.0	GRCE 2014-GRCE F FRN			
GNR 2017-86 IO FRN				10/06/28	USD2,244,000	2,229,861	0.1
16/05/59-IO	USD8,900,000	583,055	0.0	Greif 6.5% 01/03/27-144A	USD1,663,000	1,715,731	0.0
GNR 2017-93 SE FRN				Group 1 Auto 5.25%			
20/06/47-IO	USD3,110,000	481,012	0.0	15/12/23-144A	USD719,000	735,612	0.0
GNR 2018-104 HC 3.5%				GSMS 2013-GC14 D FRN			
20/08/48	USD8,613,577	8,923,409	0.2	10/08/46	USD1,500,000	1,513,322	0.0
GNR 2018-11 SA FRN				GSMS 2015-GC32 C FRN			
20/01/48-IO	USD6,460,000	838,525	0.0	10/07/48	USD2,970,000	3,074,268	0.1
GNR 2018-115 DS FRN				GSMS 2016-GS4 D FRN			
20/08/48 -IO	USD8,550,000	1,427,437	0.0	10/11/49	USD985,000	851,122	0.0
GNR 2018-146 S FRN				GSMS 2017-GS5 D FRN			
20/10/48-IO	USD4,740,000	673,939	0.0	10/03/50	USD3,250,000	2,817,371	0.1
GNR 2018-36 SG FRN				GSMS 2019-GC38 D 3%			
20/03/48-IO	USD6,500,000	1,185,081	0.0	10/02/52	USD1,833,000	1,584,588	0.0
GNR 2018-65 SE FRN				GSR 2005-6F 3A18 5.5%			
20/05/48-IO	USD5,590,000	997,756	0.0	25/07/35	USD2,200,000	1,320,882	0.0
GNR 2018-92 SH FRN				GSR 2005-AR4 2A1 FRN			
20/07/48-IO	USD3,760,000	565,280	0.0	25/07/35	USD45,935,000	2,920,132	0.1
GNR 2018-97 VZ 3.5%				Gulfport Energ 6.375%			
20/06/48-IO	USD14,901,220	15,326,950	0.3	15/05/25	USD375,000	348,473	0.0
GNR 2019-16 SB FRN				Gulfport Energy 6%			
20/02/49-IO	USD7,270,000	1,176,609	0.0	15/10/24	USD375,000	350,750	0.0
GNR 2019-22 SM FRN				Gulfport Energy 6.375%			
20/02/49-IO	USD13,690,000	2,545,760	0.1	15/01/26	USD660,000	596,399	0.0
GNR 2019-38 SN FRN				Gulfport Energy 6.625%			
20/03/49-IO	USD6,370,000	1,265,572	0.0	01/05/23	USD445,000	446,715	0.0
Goldman Sachs Group 6%				H&E Equipment 5.625%			
15/06/20	USD250,000	263,733	0.0	01/09/25	USD690,000	693,558	0.0
Goldman Sachs Group FRN				Halcon Resource 6.75%			
23/04/20	USD381,000	385,697	0.0	15/02/25	USD1,360,000	833,085	0.0
Goldman Sachs Group VRN				Hanesbrands Inc 4.875%			
5.3% Perp	USD2,860,000	2,934,090	0.1	15/5/26-144A	USD1,225,000	1,229,351	0.0
Goldman Sachs NoL VRN				Harland Clarke 8.375%			
5.7% Perp	USD5,865,000	6,032,055	0.1	15/08/22-144A	USD584,000	532,715	0.0
Goldman Sachs VRN				HCA Healthcare 6.25%			
5.375% Perp	USD4,890,000	5,063,993	0.1	15/02/21	USD1,155,000	1,226,044	0.0
				HCA Inc 5.375% 01/02/25	USD15,572,000	16,645,819	0.3

# JPMORGAN MULTI INCOME FUND

Semi-annual report for the  
period ended 31 March 2019

## Investment Portfolio (Continued) As at 31 March 2019 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
United States (Continued)				Hughes Satellite 5.25%			
HCA Inc 5.375% 01/09/26	USD1,898,000	2,018,442	0.0	01/08/26	USD1,962,000	1,978,971	0.0
HCA Inc 5.625% 01/09/28	USD2,217,000	2,356,485	0.1	Hughes Satellite 6.625%			
HCA Inc 5.875% 01/02/29	USD1,193,000	1,297,528	0.0	01/08/26	USD744,000	740,013	0.0
HCA Inc 5.875% 15/02/26	USD9,298,000	10,113,157	0.2	Huntington Bancshare VRN			
HCA Inc 7.5% 15/02/22	USD1,447,000	1,609,486	0.0	5.7% Perp	USD1,120,000	1,104,053	0.0
HCA Inc No1 5.875%				Huntington National Bk			
01/05/23	USD2,700,000	2,951,719	0.1	2.375% 03/20	USD500,000	499,057	0.0
HCP Inc 2.625% 01/02/20	USD314,000	314,369	0.0	Icahn Ent/Fin 6.25%			
HEAT 2004-3 M1 FRN				01/02/22	USD872,000	905,805	0.0
25/08/34	USD3,750,000	1,123,059	0.0	Icahn Ent/Fin 6.75%			
HEAT 2004-4 M2 FRN				01/02/24	USD769,000	810,334	0.0
25/10/34	USD19,500,000	1,069,853	0.0	Icahn Entp/Fin 6.375%			
Hecla Mining 6.875%				15/12/25	USD892,000	935,510	0.0
01/05/21	USD1,297,000	1,340,379	0.0	iHeartCommunications 9%			
Herc Rentals 7.5%				15/12/19	USD5,097,000	3,593,385	0.1
01/06/22-144A	USD392,000	418,460	0.0	ILFC E-Capital FRN			
Herc Rentals 7.75%				21/12/65-144A	USD3,276,000	2,572,271	0.1
01/06/24-144A	USD1,883,000	2,054,039	0.1	ILFC E-Capital VRN 4.8%			
Hertz Corp 5.5% 15/10/24-144A	USD5,850,000	5,055,944	0.1	12/65-144A	USD1,160,000	915,219	0.0
Hertz Corp 6.25% 15/10/22	USD1,026,000	999,317	0.0	IMM 2004-10 2A FRN			
Hertz Corp 7.375% 15/01/21	USD789,000	800,854	0.0	25/03/35	USD35,000,000	1,457,445	0.0
Hertz Corp 7.625%				IMM 2005-1 1A2 FRN			
01/06/22-144A	USD2,761,000	2,893,298	0.1	25/04/35	USD18,095,000	1,437,366	0.0
Hess Infrastru 5.625%				IMM 2005-4 1A1A FRN			
15/02/26-144A	USD615,000	630,279	0.0	25/05/35	USD13,500,000	725,203	0.0
Hilcorp Energy/Fin 5%				IMM 2005-8 1AM FRN			
01/12/24-144A	USD1,459,000	1,435,899	0.0	25/02/36	USD6,000,000	850,970	0.0
Hilcorp Energy/Fin 6.25%				IMM 2007-A M3 FRN			
11/28-144A	USD900,000	928,188	0.0	25/05/37	USD4,500,000	673,995	0.0
Hillman Group 6.375%				Infor Software 7.125%			
15/07/22-144A	USD310,000	282,064	0.0	01/05/21-144A	USD3,106,000	3,198,209	0.1
Hill-Rom Hldgs 5%				Infor US 6.5% 15/05/22	USD7,932,000	8,267,017	0.2
15/02/25-144A	USD355,000	362,642	0.0	Ingevity 4.5% 01/02/26-144A			
Hill-Rom Hldgs 5.75%					USD743,000	729,998	0.0
01/09/23-144A	USD1,999,000	2,072,005	0.1	INHEL 2004-C M1 FRN			
Hilton Domestic Op 5.125%				25/03/35	USD7,360,000	4,297,317	0.1
5/26-144A	USD1,772,000	1,834,205	0.0	Iqvia Inc 3.25%03/25-RegS	EUR1,325,000	1,525,915	0.0
Hilton Domestic Oper				Iqvia Inc 4.875% 05/23-144A			
4.25% 01/09/24	USD170,000	171,458	0.0		USD275,000	284,914	0.0
Hilton Grand Vac 6.125%				Iqvia Inc 5% 13/09/26-144A			
01/12/24	USD1,134,000	1,213,853	0.0		USD2,330,000	2,439,381	0.1
Hilton Worldwide 4.625%				IRB Hldg 6.75% 15/02/26-144A			
01/04/25	USD1,330,000	1,376,517	0.0		USD2,482,000	2,410,798	0.1
Hilton Worldwide 4.875%				Iron Mountain 3%			
01/04/27	USD690,000	714,581	0.0	15/01/25-RegS	EUR650,000	738,988	0.0
HOF 2018-1 A1 FRN				Iron Mountain 4.875%			
25/06/48	USD3,900,000	3,244,565	0.1	15/09/27-144A	USD1,407,000	1,353,959	0.0
HOF 2018-2 A1 FRN				Iron Mountain 5.25%			
25/11/58	USD4,500,000	4,353,031	0.1	15/03/28-144A	USD551,000	535,836	0.0
HOF 2019-1 M1 FRN				Iron Mountain 5.75%			
25/01/59	USD1,000,000	999,957	0.0	15/08/24	USD1,337,000	1,350,272	0.0
Holly Energy Part 6%				Ithaca Merger 7.125%			
01/08/24-144A	USD758,000	792,110	0.0	15/07/23-144A	USD2,143,000	2,215,840	0.1
Hologic 4.375% 15/10/25-144A				Jack Ohio Finance 6.75%			
	USD2,624,000	2,654,294	0.1	11/21-144A	USD4,379,000	4,622,856	0.1
				Jackson Natl Life 2.2%			
				30/1/20-144A	USD106,000	105,946	0.0

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>United States (Continued)</b>				Level 3 Fin 5.625%			
Jackson Natl Life FRN				01/02/23	USD1,703,000	1,750,631	0.0
27/04/20-144A	USD52,000	52,328	0.0	LFT 2017-2A C 4.33%			
Jagged Peak Energy				20/05/26	USD1,070,000	1,072,007	0.0
5.875% 01/05/26	USD570,000	579,137	0.0	LFT 2018-1A C 5.03%			
JB Poindexter 7.125%				21/12/26	USD1,800,000	1,841,053	0.0
15/04/26-144A	USD1,059,000	1,091,355	0.0	LHOME 2019-RTL1 A1			
JBS USA Lux/Fin 5.75%				4.58% 25/10/23	USD2,725,000	2,755,167	0.1
15/06/25-144A	USD3,330,000	3,478,486	0.1	Liberty Inter 8.25%			
JBS USA Lux/Fin 5.875%				01/02/30	USD360,000	372,488	0.0
15/7/24-144A	USD2,163,000	2,249,663	0.1	Liberty Mutual 7.8%			
Jeld-Wen Inc 4.625%				07/03/87-Reg5	USD750,000	863,388	0.0
15/12/25-144A	USD805,000	773,803	0.0	Lions Gate Capital 6.375%			
Jeld-Wen Inc 4.875%				2/24-144A	USD427,000	451,668	0.0
15/12/27-144A	USD650,000	617,168	0.0	Live Nation Ent 4.875%			
John Deere Capital 1.95%				11/24-144A	USD960,000	983,100	0.0
22/06/20	USD251,000	250,495	0.0	Live Nation Ent 5.625%			
John Deere Capital FRN				3/26-144A	USD280,000	288,444	0.0
07/01/20	USD300,000	302,115	0.0	LPL Hldgs 5.75% 15/09/25-			
JPMAC 2007-CH1 AF6				144A	USD1,241,000	1,258,331	0.0
4.90862% 11/36	USD12,500,000	761,267	0.0	LTF Merger Sub 8.5%			
JPMBB 2013-C17 D FRN				15/06/23-144A	USD2,095,000	2,202,922	0.1
15/01/47	USD2,750,000	2,789,458	0.1	MABS 2004-WMC3 M5 FRN			
Kaiser Aluminum 5.875%				25/10/34	USD3,920,000	261,885	0.0
15/05/24	USD389,000	409,756	0.0	MagnaChip Semi Stp Cpn			
Kennedy-Wilson 5.875%				6.625% 07/21	USD995,000	968,324	0.0
01/04/24	USD611,000	625,496	0.0	Manufact & Traders 2.1%			
Keycorp VRN 5% Perp	USD3,970,000	3,885,960	0.1	06/02/20	USD250,000	249,657	0.0
Kinetics Concept				Mariposa Bor/Merger			
7.875%15/2/21-144A	USD1,597,000	1,651,348	0.0	8%15/10/21-144A	USD4,082,000	2,314,948	0.1
Koppers Inc 6% 15/02/25-				Marriott Owners 6.5%			
144A	USD811,000	798,092	0.0	15/09/26-144A	USD3,144,000	3,299,060	0.1
Kronos Acquisition 9%				Martin Midst/Fin 7.25%			
15/08/23-144A	USD830,000	723,553	0.0	15/02/21	USD1,607,000	1,584,044	0.0
L Brands 6.75% 01/07/36	USD1,665,000	1,441,082	0.0	Mastec Inc 4.875%			
Ladder Cap Fin 5.25%				15/03/23	USD2,057,000	2,086,625	0.1
01/10/25-144A	USD373,000	369,736	0.0	Matador Resources 5.875%			
Ladder Cap Fin 5.25%				15/09/26	USD904,000	907,891	0.0
15/03/22-144A	USD679,000	690,868	0.0	Mattel 6.75% 31/12/25-			
Lamar Media 5.75%				144A	USD5,493,000	5,496,433	0.1
01/02/26	USD1,477,000	1,568,697	0.0	Mattel Inc 3.15% 15/03/23	USD475,000	429,798	0.0
Laredo Petroleum 5.625%				MCMLT 2018-2 A1 FRN			
15/01/22	USD47,000	43,629	0.0	25/05/58	USD4,000,000	3,511,439	0.1
LBCMT 2007-C3 AJ FRN				Meredith 6.875% 01/02/26	USD705,000	749,315	0.0
15/07/44	USD9,065,000	1,523,713	0.0	MET Life Glob 2.05%			
LBUBS 2006-C6 AJ FRN				12/06/20-144A	USD450,000	449,444	0.0
15/09/39	USD2,870,000	1,006,063	0.0	MET Life Glob 2.4%			
Lennar Corp 5.25%				08/01/21-144A	USD160,000	159,400	0.0
01/06/26	USD471,000	492,195	0.0	Metlife Inc VRN 5.25%			
Lennar Corp 5.875%				Perpetual	USD5,816,000	5,954,736	0.1
15/11/24	USD1,955,000	2,125,784	0.1	Metlife Inc VRN 5.875%			
Lennar No7YR 4.5%				Perp	USD3,125,000	3,215,701	0.1
30/04/24	USD270,000	279,855	0.0	Metlife Inc VRN 6.4%			
Level 3 Fin 5.125%				15/12/66	USD4,285,000	4,707,896	0.1
01/05/23	USD1,371,000	1,389,437	0.0	MFIT 2018-AA A 4.2%			
Level 3 Fin 5.375%				20/11/30	USD3,375,000	3,439,741	0.1
01/05/25	USD2,749,000	2,780,605	0.1	MFRA 2017-NPL1 A1			
Level 3 Fin 5.375%				3.3515% 25/11/47	USD2,800,000	2,208,323	0.1
15/01/24	USD1,153,000	1,186,202	0.0				

Investment Portfolio (Continued)  
As at 31 March 2019 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)			MSC 2006-T23 D FRN 12/08/41	USD3,485,000	2,971,775 0.1
MFRA 2018-NPL1 A1 3.875% 25/05/48	USD5,000,000	4,651,729 0.1	MSC 2007-T27 AJ FRN 11/06/42	USD590,000	445,658 0.0
MFRA 2018-NPL2 A1 4.1637% 25/07/48	USD5,000,000	4,395,341 0.1	MSC 2018-MP D FRN 11/07/40	USD1,190,000	1,200,392 0.0
MGM Growth Lp/Mg 4.5% 01/09/26	USD395,000	385,273 0.0	MSC 2019-L2 D 3% 15/03/52	USD7,615,000	6,411,533 0.1
MGM Growth Lp/Mg 4.5% 15/01/28	USD270,000	257,074 0.0	MSC 2019-L2 E 3% 15/03/52	USD2,425,000	1,902,977 0.0
MGM Growth Lp/Mg 5.625% 01/05/24	USD720,000	769,995 0.0	MSCI Inc 5.375% 15/05/27- 144A	USD905,000	975,549 0.0
MGM Growth Lp/Mg 5.75% 1/02/27-144A	USD1,137,000	1,184,699 0.0	Mueller Water 5.5% 15/06/26-144A	USD640,000	661,662 0.0
MGM Resorts Intl 4.625% 01/09/26	USD1,035,000	1,014,186 0.0	Nabors Industries 5.75% 01/02/25	USD2,633,000	2,391,589 0.1
MGM Resorts Intl 5.5% 15/04/27	USD1,685,000	1,710,275 0.0	National Aust Bk FRN 04/11/21-144A	USD300,000	303,424 0.0
MGM Resorts Intl 5.75% 15/06/25	USD5,216,000	5,513,783 0.1	Nationstar Mort/Cap 6.5% 01/06/22	USD313,000	313,913 0.0
MGM Resorts Intl 6% 15/03/23	USD6,840,000	7,250,628 0.1	Nationstar Mort/Cap 6.5% 01/07/21	USD455,000	464,100 0.0
MHL 2005-1 1B1 FRN 25/02/35	USD10,000,000	576,462 0.0	Nationstar Mortgage 8.125%7/23-144A	USD1,226,000	1,284,086 0.0
Mississippi Power FRN 27/03/20	USD185,000	184,870 0.0	Nationstar Mortgage 9.125%7/26-144A	USD696,000	720,894 0.0
MLCC 2004-C A1 FRN 25/07/29	USD61,068,000	1,246,442 0.0	Natl Rural Utilities 5.25% 20/04/46	USD843,000	859,268 0.0
MLMI 2003-OPT1 M1 FRN 25/07/34	USD8,907,901	626,107 0.0	NCHET 2003-3 M2 FRN 25/07/33	USD4,000,000	42,289 0.0
MLMI 2005-A6 2A3 FRN 25/08/35	USD800,000	210,704 0.0	NCHET 2004-2 M5 FRN 25/08/34	USD5,000,000	423,248 0.0
Morgan Stanley 5.625% 23/09/19	USD375,000	379,277 0.0	NCHET 2004-3 M1 FRN 25/11/34	USD2,380,000	1,742,051 0.0
Morgan Stanley NoH VRN 5.45% Perp	USD8,765,000	8,895,221 0.2	NCHET 2004-4 M1 FRN 25/02/35	USD3,189,000	1,412,957 0.0
Morgan Stanley VRN 5.55% Perp	USD2,631,000	2,698,014 0.1	NCHET 2006-2 A2B FRN 25/08/36	USD6,000,000	1,457,769 0.0
MPH Acquisition 7.125% 1/6/24-144A	USD2,959,000	3,021,879 0.1	Neiman Marcus 8.75% 15/10/21-144A	USD3,229,175	1,874,828 0.0
MSAC 2004-HE7 M4 FRN 25/08/34	USD6,435,000	449,065 0.0	Netflix 4.875% 15/04/28- 144A	USD2,700,000	2,723,934 0.1
MSAC 2004-HE8 M1 FRN 25/09/34	USD2,000,000	1,681,841 0.0	Netflix Inc 3.625% 15/05/27-RegS	EUR900,000	1,061,442 0.0
MSAC 2004-NC7 M2 FRN 25/07/34	USD2,350,000	450,333 0.0	Netflix Inc 4.375% 15/11/26-144A	USD154,000	153,484 0.0
MSAC 2004-NC8 M1 FRN 25/09/34	USD4,750,000	2,937,107 0.1	Netflix Inc 5.75% 01/03/24	USD53,000	57,233 0.0
MSAC 2004-NC8 M6 FRN 25/09/34	USD5,066,000	459,943 0.0	Netflix Inc 5.875% 15/02/25-144A	USD360,000	400,411 0.0
MSAC 2004-OP1 B1 FRN 25/11/34	USD3,000,000	27,093 0.0	Netflix Inc 5.875% 15/11/28-144A	USD2,294,000	2,477,193 0.1
MSAC 2004-WMC2 M2 FRN 25/07/34	USD19,000,000	599,655 0.0	Nevada Power 2.75% 15/04/20	USD306,000	310,497 0.0
MSAC 2004-WMC3 M2 FRN 25/01/35	USD2,000,000	1,485,794 0.0	New Albertsons 5.75% 15/03/25	USD1,885,000	1,802,372 0.0
MSAC 2005-WMC6 M3 FRN 25/07/35	USD1,222,000	751,490 0.0	New Albertsons 6.625% 01/06/28	USD178,000	149,001 0.0
MSBAM 2014-C15 D FRN 15/04/47	USD570,000	586,073 0.0	New Albertsons 6.625% 15/06/24	USD5,880,000	6,068,107 0.1

Investment Portfolio (Continued)  
As at 31 March 2019 (Unaudited)

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
United States (Continued)				Nuance Comms 5.625%			
New Albertsons 7.75%				15/12/26-144A	USD1,161,000	1,209,435	0.0
15/06/26	USD665,000	621,299	0.0	NVA Hldgs 6.875%			
New Albertsons 8%				01/04/26-144A	USD1,148,000	1,175,983	0.0
01/05/31	USD3,133,000	2,894,245	0.1	NZES 2018-FNT1 E 4.89%			
New Albertsons 8.7%				25/05/23	USD700,000	556,989	0.0
01/05/30	USD184,000	177,100	0.0	Oasis Petroleum 6.25%			
New Home NoWI 7.25%				01/05/26-144A	USD1,917,000	1,875,864	0.0
01/04/22	USD820,000	767,725	0.0	Oasis Petroleum 6.875%			
New York Life Glo 1.95%				15/01/23	USD1,405,000	1,425,660	0.0
02/20-144A	USD250,000	249,091	0.0	Oasis Petroleum 6.875%			
New York Life Glo FRN				15/03/22	USD661,000	671,408	0.0
06/08/21-144A	USD294,000	297,118	0.0	OBX 2018-EXP1 2A1B FRN			
Nexstar Broad 5.625%				25/04/48	USD3,475,000	3,439,423	0.1
01/08/24-144A	USD1,110,000	1,137,056	0.0	OMFIT 2015-1A C 5.12%			
Nexstar Broad 6.125%				18/03/26	USD1,260,000	1,275,442	0.0
15/02/22-144A	USD955,000	976,962	0.0	OMFIT 2015-3A C 5.82%			
Nexstar Broadcasting				20/11/28	USD1,470,000	1,545,950	0.0
5.875% 15/11/2	USD316,000	331,360	0.0	OMFIT 2019-1A B 3.79%			
NextEra Energy 4.25%				14/02/31	USD1,625,000	1,645,139	0.0
15/09/24-144A	USD217,000	215,808	0.0	ONDK 2018-1A C 4.52%			
Nextera Energy Capital FRN				18/04/22	USD285,000	286,058	0.0
03/09/19	USD260,000	260,404	0.0	Owens-Brockway 5.375%			
NextEra Energy Oper 4.5%				15/01/25-144A	USD480,000	499,168	0.0
09/27-144A	USD482,000	472,179	0.0	Owens-Brockway 5.875%			
NHEL 2003-1 A1 FRN				15/08/23-144A	USD597,000	629,190	0.0
25/05/33	USD81,500,000	928,896	0.0	Paccar Financial FRN			
NHEL 2003-3 M1 FRN				13/11/20	USD496,000	497,598	0.0
25/12/33	USD3,000,000	126,951	0.0	Panther BF Aggre/Fin			
Niagara Mohawk 4.881%				6.25%6/26-144A	USD570,000	579,776	0.0
15/08/19-144A	USD250,000	253,402	0.0	Par Pharm 7.5% 01/04/27-			
Nielsen Finance 5%				144A	USD2,016,000	2,027,760	0.0
15/04/22-144A	USD3,756,000	3,786,778	0.1	Parsley Energy 5.25%			
NiSource Inc VRN 5.65%				15/08/25-144A	USD1,145,000	1,141,398	0.0
Perp	USD2,275,000	2,262,017	0.1	Parsley Energy 5.375%			
Nissan Motor Ac 2.25%				15/01/25-144A	USD545,000	551,266	0.0
13/01/20-144A	USD73,000	72,910	0.0	Parsley Energy 5.625%			
Northern Oil and 9.5%				15/10/27-144A	USD85,000	86,793	0.0
15/05/23-PIK	USD1,008,548	1,067,800	0.0	PART 2018-1A D 4.14%			
Northwest Acq/Dom				15/10/24	USD1,415,000	1,458,085	0.0
7.125% 11/22-144A	USD360,000	325,688	0.0	PART 2018-1A E 5.03%			
Novelis Corp 5.875%				15/01/26	USD1,040,000	1,073,935	0.0
30/09/26-144A	USD2,625,000	2,670,564	0.1	Party City Hldgs 6.625%			
Novelis Corp 6.25%				08/26-144A	USD1,143,000	1,151,334	0.0
15/08/24-144A	USD1,840,000	1,896,414	0.0	PBF Hldg 7% 15/11/23	USD709,000	754,900	0.0
NRG Energy 5.75%				PBF Hldg 7.25% 15/06/25	USD737,000	776,834	0.0
15/01/28	USD642,000	693,057	0.0	PBF Logistics 6.875%			
NRG Energy 6.25%				15/05/23	USD565,000	588,257	0.0
01/05/24	USD645,000	682,805	0.0	Peabody Energy 6%03/22-			
NRG Energy 6.625%				144A	USD323,000	325,826	0.0
15/01/27	USD730,000	797,788	0.0	Peabody Energy			
NRG Energy 7.25%				6.375%03/25-144A	USD350,000	341,250	0.0
15/05/26	USD315,000	355,515	0.0	Penske Automotive Grp			
NRZT 2018-2A A1 FRN				5.5% 15/05/26	USD2,048,000	2,075,506	0.1
25/02/58	USD4,000,000	3,393,927	0.1	PetSmart Inc 5.875%			
NRZT 2018-NQM1 A1 FRN				01/06/25-144A	USD3,235,000	2,764,577	0.1
25/11/48	USD2,750,000	2,599,907	0.1	PetSmart Inc 7.125%			
NRZT 2019-NQM1 A1 FRN				15/03/23-144A	USD4,310,000	3,225,451	0.1
25/01/49	USD2,500,000	2,437,891	0.1	PetSmart Inc 8.875%			
				01/06/25-144A	USD1,185,000	917,881	0.0



Investment Portfolio (Continued)  
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(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)				PRPM 2017-2A A1 3.47% 25/09/22	USD3,750,000	1,999,192	0.0
PGT Escrow Issu 6.75% 01/08/26-144A	USD1,546,000	1,609,773	0.0	PRPM 2019-1A A1 FRN 25/01/24	USD3,900,000	3,866,963	0.1
Philip Morris Intl 2% 21/02/20	USD282,000	280,451	0.0	Prudential Fin VRN 5.2% 15/03/44	USD5,987,000	6,083,005	0.1
Pilgrim's Pride 5.75% 15/03/25-144A	USD2,307,000	2,342,102	0.1	Prudential Fin VRN 5.625% 15/06/43	USD7,637,000	8,143,858	0.2
Pilgrim's Pride 5.875%30/09/27-144A	USD1,035,000	1,043,100	0.0	Prudential Fin VRN 5.875% 15/09/42	USD3,337,000	3,552,651	0.1
Pitney Bowes 4.95% 01/04/23	USD751,000	736,588	0.0	Prudential Financial VRN 5.7% 09/48	USD3,064,000	3,125,132	0.1
Plantronics Inc 5.5% 31/05/23-144A	USD2,320,000	2,380,159	0.1	Public Service Ent 1.6% 15/11/19	USD87,000	86,903	0.0
PNC Bank 2.3% 01/06/20	USD300,000	301,214	0.0	QEP Resources 5.25% 01/05/23	USD615,000	593,091	0.0
PNC Financial NoR VRN 4.85% Perp	USD2,410,000	2,418,837	0.1	QEP Resources 5.375% 01/10/22	USD982,000	993,367	0.0
PNMSR 2018-FT1 A FRN 25/04/23	USD2,545,000	2,560,703	0.1	QEP Resources 5.625% 01/03/26	USD200,000	182,809	0.0
PNMSR 2018-GT1 A FRN 25/02/23	USD6,095,000	6,121,479	0.1	Qorvo 5.5% 15/07/26-144A	USD1,107,000	1,156,000	0.0
Polaris Intermed 8.5% 01/12/22-144A	USD1,555,500	1,584,018	0.0	Quad Graphics 7% 01/05/22	USD450,000	465,375	0.0
Post Hldgs 5% 15/08/26- 144A	USD749,000	733,292	0.0	Quicken Loans 5.25% 15/01/28-144A	USD1,309,000	1,238,614	0.0
Post Hldgs 5.5% 01/03/25- 144A	USD1,170,000	1,187,599	0.0	Quicken Loans 5.75% 01/05/25-144A	USD1,439,000	1,478,177	0.0
Post Hldgs 5.625% 15/01/28-144A	USD690,000	692,264	0.0	Qwest Capital Fdg 7.75% 15/02/31	USD468,000	431,472	0.0
Post Hldgs 5.75% 01/03/27-144A	USD2,680,000	2,704,176	0.1	Qwest Corp 6.875% 15/09/33	USD233,000	233,500	0.0
PPSI 2004-WWFI M4 FRN 25/12/34	USD6,800,000	5,614,696	0.1	Rackspace Hosting 8.625% 11/24-144A	USD1,584,000	1,477,592	0.0
PPSI 2005-WCHI M4 FRN 25/01/36	USD680,000	681,946	0.0	Radian Group 4.5% 01/10/24	USD1,062,000	1,072,620	0.0
Prestige Brand 6.375% 01/03/24-144A	USD1,020,000	1,041,261	0.0	Rain Cii Carbon 7.25% 01/04/25-144A	USD1,975,000	1,814,531	0.0
PRET 2018-NPL2 A1 3.7% 27/03/33	USD5,000,000	3,658,242	0.1	RALI 2006-QS10 A13 FRN 25/08/36	USD33,000,000	3,831,898	0.1
PRET 2018-NPL3 A1 4.125% 27/08/33	USD2,000,000	1,680,217	0.0	RALI 2007-QS5 A2 FRN 25/03/37	USD37,500,000	6,565,341	0.1
PRET 2018-NPL4 A1 4.8264% 27/09/58	USD4,000,000	3,750,675	0.1	RAMC 2003-3 M1 FRN 25/12/33	USD3,000,000	408,995	0.0
PRET 2019-NPL1 A1 4.2132% 25/07/60	USD2,950,000	2,869,712	0.1	RAMC 2004-1 M4 FRN 25/05/34	USD4,250,000	615,144	0.0
Pricoa Global Fund 1.45% 09/19-144A	USD239,000	237,809	0.0	RAMC 2005-2 AV3 FRN 25/08/35	USD1,940,000	593,138	0.0
Prime Security 5.25% 15/04/24-144A	USD1,032,000	1,032,000	0.0	RAMP 2005-RS6 M4 FRN 25/06/35	USD2,400,000	2,425,150	0.1
Prime Security 5.75% 15/04/26-144A	USD1,068,000	1,068,000	0.0	RAMP 2006-RZ3 M1 FRN 25/08/36	USD1,400,000	1,390,235	0.0
Prime Security 9.25% 15/05/23-144A	USD3,383,000	3,675,465	0.1	Range Resources 4.875% 15/05/25	USD2,580,000	2,450,489	0.1
Principal Life 2.2% 08/04/20-144A	USD422,000	424,103	0.0	RASC 2005-AHL2 M1 FRN 25/10/35	USD2,000,000	1,996,930	0.0
Principal Life FRN 02/03/21-144A	USD219,000	219,394	0.0	RBS Global Inc/Rex 4.875%12/25-144A	USD700,000	701,393	0.0
Progressive Corp VRN 5.375% 15/9/66	USD2,675,000	2,674,808	0.1	Refinity US Hldgs 6.25% 05/26-144A	USD1,083,000	1,131,735	0.0
Protective Life 2.262% 8/04/20-144A	USD305,000	306,815	0.0				

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(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)				Sealed Air 5.25% 01/04/23-144A	USD192,000	204,240	0.0
Reliance Hldgs USA 5.4% 02/22-RegS	USD660,000	697,455	0.0	Sealed Air 5.5% 15/09/25-144A	USD155,000	163,540	0.0
Reliance Stand 2.5% 15/01/20-144A	USD207,000	207,352	0.0	Semgroup Corp 6.375% 15/03/25	USD85,000	80,156	0.0
Republic Services 5% 01/03/20	USD325,000	332,694	0.0	Semgroup Corp 7.25% 15/03/26	USD1,268,000	1,234,301	0.0
Revlon Consumer 6.25% 01/08/24	USD1,303,000	684,618	0.0	Semgroup/Rose Rock 5.625% 15/07/22	USD352,000	352,279	0.0
Reynolds Grp 5.125% 15/07/23-144A	USD365,000	374,020	0.0	Semgroup/Rose Rock 5.625% 15/11/23	USD716,000	686,577	0.0
Reynolds Grp 5.75% 15/10/20	USD5,521,000	5,506,535	0.1	SEMT 2018-2 A4 FRN 25/02/48	USD2,000,000	1,823,415	0.0
Reynolds Grp 6.875% 15/02/21	USD300,000	105,154	0.0	Service Corp 5.375% 15/05/24	USD2,495,000	2,614,348	0.1
RHP Hotel Prop/Fin 5% 15/04/21	USD2,260,000	2,312,419	0.1	Service Corp 7.5% 01/04/27	USD780,000	926,250	0.0
RHP Hotel Prop/Fin 5% 15/04/23	USD937,000	964,589	0.0	Service Corp 8% 15/11/21	USD800,000	892,356	0.0
Rite Aid 6.125% 01/04/23-144A	USD3,110,000	2,597,498	0.1	SESI LLC 7.75% 15/09/24	USD222,000	186,871	0.0
Ryder System 2.875% 01/09/20	USD95,000	95,015	0.0	Silgan Hldgs 3.25% 15/03/25	EUR525,000	611,181	0.0
SABR 2004-NC1 M2 FRN 25/02/34	USD11,000,000	659,663	0.0	Sinclair TV 5.125% 15/02/27-144A	USD505,000	486,916	0.0
Sabre Global 5.375% 15/04/23-144A	USD2,935,000	3,081,556	0.1	Sinclair TV 5.375% 01/04/21	USD1,280,000	1,314,400	0.0
SAIL 2004-6 M2 FRN 25/07/34	USD16,000,000	28,110	0.0	Sinclair TV 5.625% 01/08/24-144A	USD2,235,000	2,267,128	0.1
SAIL 2004-8 M9 FRN 25/09/34	USD3,250,000	614,428	0.0	Sinclair TV 5.875% 15/03/26-144A	USD88,000	88,904	0.0
SARM 2004-12 3A1 FRN 25/09/34	USD8,125,000	333,420	0.0	Sinclair TV 6.125% 01/10/22	USD1,650,000	1,735,858	0.0
SARM 2005-19XS 1A1 FRN 25/10/35	USD43,383,750	2,794,072	0.1	Sirius XM Radio 4.625% 15/5/23-144A	USD1,170,000	1,203,755	0.0
SASC 2002-AL1 A3 3.45% 25/02/32	USD14,700,000	651,034	0.0	Sirius XM Radio 5% 01/08/27-144A	USD740,000	746,167	0.0
SASC 2006-BC6 A4 FRN 25/01/37	USD2,500,000	1,539,800	0.0	Sirius XM Radio 5.375% 15/7/26-144A	USD1,525,000	1,573,032	0.0
SAST 2003-3 M1 FRN 25/12/33	USD2,500,000	509,254	0.0	Sirius XM Radio 6% 15/07/24-144A	USD4,835,000	5,072,318	0.1
SAST 2004-2 MF1 4.16359% 25/08/35	USD950,000	323,767	0.0	Sirius XM Radio 5.375% 15/04/25-144A	USD3,581,000	3,759,814	0.1
SBA Comms 4% 01/10/22	USD153,000	156,615	0.0	SIX Flags Ent 4.875% 31/7/24-144A	USD560,000	556,150	0.0
Scientific Games Intl 10% 01/12/22	USD1,924,000	2,093,184	0.1	SM Energy 5% 15/01/24	USD70,000	65,674	0.0
Scientific Games Intl 5% 10/25-144A	USD1,867,000	1,872,964	0.0	SM Energy 5.625% 01/06/25	USD1,750,000	1,659,683	0.0
Scotts Miracle-Gro 5.25% 15/12/26	USD960,000	955,780	0.0	SM Energy 6.625% 15/01/27	USD1,472,000	1,426,618	0.0
Scotts Miracle-Gro 6% 15/10/23	USD2,915,000	3,112,734	0.1	SM Energy 6.75% 15/09/26	USD548,000	529,882	0.0
SDART 2016-3 E 4.29% 15/02/24	USD3,005,000	3,045,603	0.1	Solera LLC/Fin 10.5% 1/3/24-144A	USD773,000	845,179	0.0
SDART 2019-1 C 3.42% 15/04/25	USD2,006,000	2,025,623	0.0	Sotheby's 4.875% 15/12/25-144A	USD1,045,000	1,028,792	0.0
SDART 2019-1 D 3.65% 15/04/25	USD5,705,000	5,783,217	0.1	Southern Copper 5.875% 23/04/45	USD1,340,000	1,539,590	0.0
Sealed Air 5.125% 01/12/24-144A	USD240,000	252,500	0.0	Southwestern Energy 6.2% 23/01/25	USD2,034,000	2,036,204	0.1

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Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)			Standard Ind 5% 15/02/27-144A	USD330,000	321,017 0.0
Southwestern Energy 7.5% 01/04/26	USD1,119,000	1,198,035 0.0	Standard Ind 6% 15/10/25-144A	USD1,505,000	1,612,733 0.0
Southwestern Energy 7.75% 01/10/27	USD565,000	600,623 0.0	Staples Inc 8.5% 15/09/25-144A	USD4,941,000	5,411,699 0.1
Spectrum Brands 5.75% 15/07/25	USD3,401,000	3,499,964 0.1	STAR 2018-IMCI A1 FRN 25/03/48	USD4,900,000	4,050,366 0.1
Spectrum Brands 6.125% 15/12/24	USD700,000	720,618 0.0	State Street NoF VRN 5.25% 15/09/20	USD1,230,000	1,263,799 0.0
Spectrum Brands 6.625% 15/11/22	USD1,324,000	1,396,849 0.0	Station Casinos 5% 01/10/25-144A	USD715,000	720,363 0.0
Springleaf Finance 5.625% 15/03/23	USD3,036,000	3,097,194 0.1	Steel Dynamics 4.125% 15/09/25	USD1,085,000	1,057,493 0.0
Springleaf Finance 6.125% 15/05/22	USD740,000	784,999 0.0	Steel Dynamics 5% 15/12/26	USD350,000	361,274 0.0
Springleaf Finance 6.875% 15/03/25	USD425,000	440,724 0.0	Steel Dynamics 5.25% 15/04/23	USD135,000	140,650 0.0
Springleaf Finance 7.125% 15/03/26	USD1,300,000	1,339,396 0.0	Sterigenics-Nord 6.5% 15/05/23-144A	USD750,000	774,177 0.0
Sprint Capital 8.75% 15/03/32	USD6,311,000	6,747,292 0.1	Stevens Hldg 6.125% 01/10/26-144A	USD657,000	696,831 0.0
Sprint Commun 6% 15/11/22	USD926,000	956,496 0.0	STWH 2018-NPB1 A1 4.0162% 16/05/23	USD5,000,000	4,146,369 0.1
Sprint Commun 7% 01/03/20-144A	USD1,002,000	1,035,985 0.0	STWH 2018-NPB2 A1 4.5% 18/10/23	USD3,000,000	2,698,927 0.1
Sprint Corp 7.125% 15/06/24	USD7,804,000	8,084,765 0.2	Summit Mater/Fin 5.125% 06/25-144A	USD370,000	361,521 0.0
Sprint Corp 7.25% 15/09/21	USD1,329,000	1,400,133 0.0	Summit Materials 6.125% 07/23	USD670,000	693,806 0.0
Sprint Corp 7.625% 01/03/26	USD405,000	415,971 0.0	Summit Mid Hldgs 5.5% 15/08/22	USD265,000	265,578 0.0
Sprint Corp 7.625% 15/02/25	USD14,941,000	15,414,814 0.3	Summit Mid Hldgs 5.75% 15/04/25	USD1,985,000	1,931,353 0.0
Sprint Corp 7.875% 15/09/23	USD5,916,000	6,241,195 0.1	Sunoco LP/Finance 5.5% 15/02/26	USD372,000	372,811 0.0
SPX Flow 5.625% 15/08/24-144A	USD985,000	995,927 0.0	Sunoco LP/Finance 5.875% 15/03/28	USD204,000	203,546 0.0
SPX Flow 5.875% 15/08/26-144A	USD925,000	936,720 0.0	Sunoco LP/Finance 6% 15/04/27-144A	USD1,261,000	1,272,664 0.0
SS&C Tech 5.5% 30/09/27-144A	USD1,535,000	1,539,776 0.0	Sunoco LP/Sunoco Fin4.875% 15/01/23	USD740,000	757,595 0.0
STACR 2016-DNA3 M2 FRN 25/12/28	USD1,000,000	622,438 0.0	Suntrust Banks NoG VRN 5.05% Perp	USD3,735,000	3,711,693 0.1
STACR 2017-DNA1 M2 FRN 25/07/29	USD800,000	860,314 0.0	Suntrust Banks VRN 5.125% Perp	USD4,705,000	4,494,370 0.1
STACR 2017-DNA2 M2 FRN 25/10/29	USD2,000,000	2,166,162 0.1	SVHE 2005-OPT1 M2 FRN 25/06/35	USD1,000,000	743,944 0.0
STACR 2017-DNA3 M1 FRN 25/03/30	USD1,000,000	900,766 0.0	Symantec Corp 5% 15/04/25-144A	USD1,217,000	1,244,912 0.0
STACR 2017-DNA3 M2 FRN 25/03/30	USD1,000,000	1,026,223 0.0	Talen Energy Supply 6.5% 01/06/25	USD1,138,000	1,026,438 0.0
STACR 2018-DNA2 M2 FRN 25/12/30	USD2,000,000	1,991,000 0.0	Tallgrass Ener/ Fin Co5.5% 9/24-144A	USD760,000	782,874 0.0
STACR 2018-DNA3 M2 FRN 25/09/48	USD1,000,000	986,719 0.0	Tallgrass Energy/Fin 5.5% 1/28-144A	USD1,485,000	1,508,038 0.0
STACR 2018-HQA1 M2 FRN 25/09/30	USD6,500,000	6,521,637 0.1	Targa Res 4.25% 15/11/23-144A	USD1,546,000	1,567,139 0.0
Standard Ind 4.75% 15/01/28-144A	USD3,390,000	3,297,316 0.1	Targa Res 5% 15/01/28-144A	USD1,230,000	1,223,167 0.0

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	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)				T-Mobile USA 4.75%			
Targa Res 5.125%				01/02/28	USD2,568,000	2,575,490	0.1
01/02/25-144A	USD850,000	876,385	0.0	T-Mobile USA 5.125%			
Targa Res 6.5% 15/07/27-				15/04/25	USD400,000	421,390	0.0
144A	USD1,330,000	1,452,748	0.0	T-Mobile USA 6% 15/04/24	USD288,000	308,561	0.0
Targa Res 6.75% 15/03/24-				T-Mobile USA 6.375%			
144A	USD3,900,000	4,092,611	0.1	01/03/25	USD3,098,000	3,249,411	0.1
Targa Res 6.875%				T-Mobile USA 6.5%			
15/01/29-144A	USD875,000	965,189	0.0	15/01/24	USD995,000	1,044,902	0.0
Targa Resource 5.875%				T-Mobile USA 6.5%			
15/04/26-144A	USD1,582,000	1,720,035	0.0	15/01/26	USD7,842,000	8,485,223	0.2
TAST 2018-2A A 3.96%				T-Mobile USA Escrow 6%			
15/10/21	USD3,660,000	2,853,119	0.1	15/04/24	USD288,000	0	0.0
TECO Finance 5.15%				TMST 2007-4 3A1 FRN			
15/03/20	USD137,000	140,137	0.0	25/09/37	USD8,198,000	150,760	0.0
Tegna Inc 5.5% 15/09/24-				Toll Brothers Fin 4.875%			
144A	USD320,000	329,898	0.0	15/11/25	USD420,000	431,992	0.0
Tegna Inc 6.375%				Toll Brothers Fin 5.625%			
15/10/23-144A	USD2,443,000	2,600,752	0.1	15/01/24	USD275,000	292,059	0.0
Teleflex Inc 4.875%				Transdigm Inc 6% 15/07/22	USD474,000	488,615	0.0
01/06/26	USD158,000	164,170	0.0	Transdigm Inc 6.25%			
Teleflex Inc 5.25%				15/03/26-144A	USD2,337,000	2,444,518	0.1
15/06/24	USD925,000	957,934	0.0	Transdigm Inc 6.5%			
Tempur Sealy Intl 5.5%				15/05/25	USD2,257,000	2,343,863	0.1
15/06/26	USD2,726,000	2,764,565	0.1	Transmontaigne Part 6.125%			
Tempur Sealy Intl 5.625%				15/02/26	USD488,000	462,622	0.0
15/10/23	USD2,436,000	2,547,310	0.1	Treehouse Foods 6%			
Tenet Healthcar 6.25%				15/02/24-144A	USD1,960,000	2,051,303	0.1
01/02/27-144A	USD2,842,000	2,980,251	0.1	TriMas Corp 4.875%			
Tenet Healthcare 4.375%				15/10/25-144A	USD1,120,000	1,125,728	0.0
01/10/21	USD1,324,000	1,359,996	0.0	Triumph Group 4.875%			
Tenet Healthcare 4.5%				01/04/21	USD365,000	365,151	0.0
01/04/21-144A	USD1,270,000	1,317,625	0.0	Triumph Group 5.25%			
Tenet Healthcare 4.625%				01/06/22	USD1,435,000	1,415,556	0.0
07/24-144A	USD4,400,000	4,454,526	0.1	Triumph Group 7.75%			
Tenet Healthcare 5.125%				15/08/25	USD740,000	714,261	0.0
1/5/25-144A	USD2,464,000	2,516,617	0.1	TRK 2018-1 A1 4.3356%			
Tenet Healthcare 6%				25/08/21	USD3,000,000	2,995,119	0.1
01/10/20-144A	USD361,000	385,808	0.0	Tronox Inc 6.5% 15/04/26-			
Tenet Healthcare 6.75%				144A	USD799,000	781,145	0.0
15/06/23	USD5,195,000	5,472,945	0.1	Tutor Perini 6.875%			
Tenet Healthcare 8.125%				01/05/25-144A	USD1,513,000	1,544,994	0.0
01/04/22	USD2,797,000	3,133,269	0.1	UGI Intl 3.25% 01/11/25-			
Tenn Health Hldgs 6.375%				RegS	EUR300,000	355,003	0.0
02/25-144A	USD2,717,000	2,239,827	0.1	Ultra Resources 11%			
Tennant Co 5.625%				12/07/24	USD3,737,000	2,341,459	0.1
01/05/25	USD1,240,000	1,281,463	0.0	Unit Corp 6.625% 15/05/21	USD1,170,000	1,160,303	0.0
Tenneco Inc 5% 06/06/26	USD1,720,000	1,394,394	0.0	United Continental 5%			
Tenneco Inc 5.375%				01/02/24	USD1,265,000	1,285,029	0.0
15/12/24	USD160,000	147,356	0.0	United Rentals 5.5%			
Terex Corp 5.625%				15/07/25	USD470,000	487,171	0.0
01/02/25-144A	USD1,545,000	1,553,691	0.0	United Rentals NA 4.625%			
Terraform Global 6.125%				15/10/25	USD3,845,000	3,881,354	0.1
03/26-144A	USD741,000	726,635	0.0	United Rentals NA 4.875%			
TerraForm Power 4.25%				15/01/28	USD1,365,000	1,345,108	0.0
31/01/23-144A	USD725,000	717,448	0.0	United Rentals NA 5.5%			
TerraForm Power 5%				15/05/27	USD3,150,000	3,228,689	0.1
31/01/28-144A	USD1,140,000	1,115,300	0.0				
T-Mobile USA 4.5%							
01/02/26	USD2,522,000	2,539,536	0.1				

# JPMORGAN MULTI INCOME FUND

Semi-annual report for the  
period ended 31 March 2019

## Investment Portfolio (Continued) As at 31 March 2019 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of Net assets		Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)							
United Rentals NA 5.75% 15/11/24	USD945,000	996,627	0.0	Verscend Escrow 9.75% 15/08/26- 144A	USD161,000	162,647	0.0
United Rentals NA 5.875% 15/9/26	USD2,081,000	2,157,444	0.1	Vertiv Group 9.25% 15/10/24-144A	USD4,453,000	4,599,547	0.1
United Rentals NA 6.5% 15/12/26	USD1,532,000	1,657,232	0.0	VERUS 2018-2 A1 FRN 01/06/58	USD2,000,000	1,630,107	0.0
United States Steel 6.25% 15/03/26	USD1,092,000	1,022,157	0.0	VERUS 2018-INV1 A2 FRN 25/03/58	USD2,000,000	1,553,703	0.0
United States Steel 6.875% 15/08/25	USD208,000	206,809	0.0	VERUS 2018-INV1 A3 FRN 25/03/58	USD3,250,000	2,568,177	0.1
Uniti Group/CSL Cap 6.0% 04/23-144A	USD1,335,000	1,300,401	0.0	Viacom Inc VRN 5.875% 28/02/57	USD2,936,000	2,922,931	0.1
Uniti Group/CSL Cap 8.25% 15/10/23	USD2,325,000	2,198,917	0.1	Viacom Inc VRN 6.25% 28/02/57	USD3,867,000	3,910,824	0.1
Univar USA Inc 6.75% 15/07/23-144A	USD770,000	798,442	0.0	VICI Properties 8% 15/10/23	USD2,938,462	3,330,339	0.1
Univision Comm 5.125% 15/02/25-144A	USD369,000	346,100	0.0	Viking Cruises 6.25% 15/05/25-144A	USD399,000	412,979	0.0
Univision Comm 5.125% 15/05/23-144A	USD305,000	294,936	0.0	Vista Outdoor 5.875% 01/10/23	USD3,345,000	3,209,109	0.1
Univision Comm 6.75% 15/09/22-RegS	USD61,000	62,269	0.0	Vistra Energy 5.875% 01/06/23	USD1,315,000	1,371,589	0.0
UPGR 2018-1A A 3.76% 15/11/24	USD1,675,000	1,245,924	0.0	Vistra Energy 7.625% 01/11/24	USD1,785,000	1,953,809	0.0
US Bank NA FRN 24/07/20	USD440,000	443,120	0.0	VOC Escrow 5% 15/02/28-144A	USD437,000	427,835	0.0
US Cellular 6.7% 15/12/33	USD750,000	814,623	0.0	VOLT 2017-NP11 A1 3.375% 25/10/47	USD1,480,000	875,398	0.0
US Treasury 1.25% 31/10/19	USD2,500,000	2,496,032	0.1	VOLT 2017-NPL9 A1 3.125% 25/09/47	USD300,000	189,418	0.0
US Treasury 1.625% 31/07/19	USD1,000,000	1,000,232	0.0	VOLT 2018-NPL1 A1 3.75% 25/04/48	USD5,000,000	4,003,731	0.1
US Treasury 2% 31/01/20*	USD17,125,000	17,126,245	0.3	VOLT 2019-NPL1 A1A 4.3357% 25/01/49	USD2,000,000	1,977,867	0.0
US Treasury 2% 31/01/20	USD9,830,000	9,830,715	0.2	VOLT 2019-NPL2 A1 FRN 25/02/49	USD2,000,000	1,992,296	0.0
US Treasury 3% 15/11/44	USD19,610,000	20,586,403	0.4	VOLT 2019-NPL3 A1 3.9672% 25/03/49	USD3,700,000	3,718,587	0.1
US Treasury 3.125% 15/08/44	USD19,290,000	20,552,476	0.4	VOLT 2019-NPL3 A2 6.1703% 25/03/49	USD3,000,000	3,023,114	0.1
US Treasury 3.375% 15/05/44	USD18,330,000	20,528,872	0.4	Voya Financial VRN 5.65% 15/05/53	USD3,355,000	3,395,902	0.1
US Treasury 3.625% 15/02/44	USD17,790,000	20,574,802	0.4	W&T Offshore 9.75% 01/11/23-144A	USD1,229,000	1,278,979	0.0
USA Com Part/Fin 6.875% 01/04/26	USD303,000	321,082	0.0	Wabash National 5.5% 01/10/25-144A	USD1,140,000	1,094,400	0.0
USA Com Part/Fin 6.875% 01/09/ 27-144A	USD104,000	106,577	0.0	WAMU 2005-AR3 A2 FRN 25/03/35	USD11,500,000	970,332	0.0
USG Corp 4.875% 01/06/27-144A	USD255,000	261,694	0.0	WEA Fin/Westfiel 2.7% 17/09/19-144A	USD230,000	229,993	0.0
Vantiv LLC/Issuer 4.375% 11/25-144A	USD1,525,000	1,588,515	0.0	Weatherford Intl 6.8% 15/06/37	USD6,000	3,511	0.0
VCC 2018-2 A FRN 26/10/48	USD4,000,000	3,738,626	0.1	Weatherford Intl 9.875% 01/03/25	USD290,000	216,382	0.0
VCC 2018-2 M2 4.6% 26/10/48	USD550,000	555,590	0.0	WEC Energy Group 2.45% 15/06/20	USD300,000	301,228	0.0
VCC 2018-2 M3 4.75% 26/10/48	USD790,000	799,313	0.0	Welbilt Inc 9.5% 15/02/24	USD1,140,000	1,245,339	0.0
VDC 2018-1A A2 4.072% 16/02/43	USD1,135,000	1,142,555	0.0				
Venator Fin Sarl 5.75% 15/7/25-144A	USD1,465,000	1,299,892	0.0				

# JPMORGAN MULTI INCOME FUND

Semi-annual report for the  
period ended 31 March 2019

## Investment Portfolio (Continued) As at 31 March 2019 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)			WMG Acquisition 5.5% 15/04/26-144A	USD1,373,000	1,444,072 0.0
Wellcare Health Plan 5.25% 01/04/25	USD858,000	913,770 0.0	WMG Acquisition 5.625% 15/4/22- 144A	USD1,299,000	1,349,133 0.0
Wells Fargo & Co FRN 22/07/20	USD436,000	441,673 0.0	WPX Energy 5.75% 01/06/26	USD1,323,000	1,368,203 0.0
Wells Fargo & Co VRN 5.875% Prep	USD1,498,000	1,629,018 0.0	WPX Energy 6% 15/01/22	USD525,000	550,963 0.0
Wells Fargo & Co VRN 5.9% Perp-SerS	USD12,296,000	12,848,166 0.2	Wyndham Destinations 4.25% 01/03/22	USD74,000	74,621 0.0
Wesco Distribution 5.375% 15/06/24	USD1,035,000	1,067,215 0.0	Wyndham Destinations 5.4% 01/04/24	USD426,000	443,636 0.0
West Street Me 6.375% 01/09/25- 144A	USD190,000	185,885 0.0	Wyndham Destinations 5.75% 01/04/27	USD308,000	314,360 0.0
Western Digital 4.75% 15/02/26	USD3,073,000	2,965,419 0.1	Wyndham Destinations 6.35% 01/10/25	USD267,000	287,492 0.0
WFCM 2018-C48 C FRN 15/01/52	USD1,540,000	1,643,836 0.0	Wynn Las Vegas/Cap 5.5% 1/3/25-144A	USD4,230,000	4,198,451 0.1
WFBMS 2004-O A1 FRN 25/08/34	USD14,100,000	231,670 0.0	Xerox Corp VRN 4.125% 15/03/23	USD1,052,000	1,029,769 0.0
WFBMS 2005-17 2A1 5.5% 25/01/36	USD14,000,000	1,677,440 0.0	XPO Logistics 6.125% 01/09/23-144A	USD1,612,000	1,633,141 0.0
WFBMS 2006-2 1A12 5.75% 25/03/36	USD20,000,000	987,786 0.0	XPO Logistics 6.5% 15/06/22-144A	USD1,917,000	1,992,375 0.0
WFBMS 2006-AR2 2A1 FRN 25/03/36	USD8,400,000	645,192 0.0	XPO Logistics 6.75% 15/08/24-144A	USD1,350,000	1,387,125 0.0
WFBMS 2007-3 3A1 5.5% 25/04/22	USD77,630,000	378,127 0.0	Zayo Group/Cap 5.75% 15/01/27- 144A	USD962,000	967,819 0.0
WFRBS 2014-C22 D FRN 15/09/57	USD1,605,000	1,324,526 0.0	Zayo Group/Cap 6% 01/04/23	USD2,865,000	2,989,484 0.1
Whiting Petrol 6.625% 15/01/26	USD2,949,000	2,957,464 0.1	Zayo Group/Cap 6.375% 15/05/25	USD2,495,000	2,573,344 0.1
Whiting Petroleum 5.75% 15/03/21	USD391,000	395,972 0.0	<b>Uruguay</b> (0.1%)		
Whiting Petroleum 6.25% 01/04/23	USD392,000	406,210 0.0	Rep Orient Uruguay 4.375% 27/10/27	USD880,000	944,008 0.0
William Carter 5.625% 15/03/27-144A	USD1,050,000	1,089,703 0.0	Rep Orient Uruguay 5.1% 18/06/50	USD2,745,000	2,954,947 0.1
Windstream Serv/Fin 9% 30/6/25-144A	USD8,972,000	6,100,960 0.1	Rep Orient Uruguay 7.625% 21/03/36	USD550,000	759,484 0.0
Windstream Serv/Fin8.625%10/ 25-144A	USD750,000	737,578 0.0	Rep Orient Uruguay 7.875% 15/01/33	USD500,000	701,547 0.0
Wisconsin Power&Light 4.6% 15/06/20	USD386,000	396,062 0.0	Republica Orient Ur 4.975% 20/04/55	USD945,000	1,009,295 0.0
WLAKE 2018-3A F 6.02% 18/02/25	USD2,530,000	2,588,135 0.1	<b>Virgin Islands</b> (0.0%)		
WLAKE 2019-1A C 3.45% 15/03/24	USD2,880,000	2,900,829 0.1	GTL Trade Fin 5.893% 29/04/24-RegS	USD367,000	401,845 0.0
WLAKE 2019-1A D 3.67% 15/03/24	USD7,840,000	7,915,922 0.2			
WLAKE 2019-1A E 4.49% 15/07/24	USD4,055,000	4,097,159 0.1			
WLAKE 2019-1A F 5.67% 17/02/26	USD2,472,000	2,510,603 0.1			
WMG Acquisition 4.875%01/11/24- 144A	USD840,000	865,463 0.0			

**Investment Portfolio (Continued)**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets
<b>Zambia (0.0%)</b>			
Rep of Zambia 8.97%			
30/07/27-RegS	USD1,590,000	1,191,861	0.0
		<u>3,319,531,316</u>	<u>59.6</u>
		-----	----

**(III) Money Market (0.1%)**

<b>Australia (0.0%)</b>			
Macquarie Bank CP			
0% 11/10/19	USD450,000	442,495	0.0

<b>Canada (0.0%)</b>			
Telus Corp CP 0%			
14/06/19	USD475,000	472,012	0.0

<b>China (0.0%)</b>			
China Construction			
Bk CP 0%17/05/19	USD300,000	298,945	0.0

<b>Germany (0.0%)</b>			
VW Credit CP 0%			
03/04/19	USD450,000	449,828	0.0

<b>Italy (0.0%)</b>			
ENI Finance USA CP			
0% 12/08/19	USD250,000	247,229	0.0

<b>Netherlands (0.0%)</b>			
Anheuser-Busch			
Inbev CP 0%			
06/05/19	USD300,000	299,123	0.0

<b>United States (0.1%)</b>			
AT&T Inc 0% CP			
05/06/19	USD450,000	447,620	0.1
Marriott Intl Inc CP			
0% 30/04/19	USD300,000	299,234	0.0
Transcanada			
Pipelines CP 0%			
9/05/19	USD400,000	398,699	0.0
Walgreens Boots All			
CP 0% 24/05/19	USD410,000	408,157	0.0
		<u>3,763,342</u>	<u>0.1</u>
		-----	----

**(IV) Derivatives (0.3%)**

<b>Forward foreign exchange contracts (0.3%)</b>		15,834,216	0.3
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<b>Futures (-0.0%)</b>			
Euro Stoxx 50 (EUX)			
Fut 06/19	(4,461)	(1,004,389)	(0.0)
		<u>14,829,827</u>	<u>0.3</u>
		-----	----

Holding	Fair value US\$	% of net assets
<b>Total Listed/Quoted Investments</b>	5,500,518,538	98.8
<b>Other net assets</b>	<u>65,978,258</u>	<u>1.2</u>
<b>Net assets attributable to holders of redeemable units at 31 March 2019</b>	<u>5,566,496,796</u>	<u>100.0</u>
<b>Total investments, at cost</b>	<u>5,308,817,937</u>	

\* Security pledged as collateral with broker for derivative contracts

Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 *(Unaudited)*

(Continued)

	% holdings of net assets			% holdings of net assets	
	31.3.2019	30.9.2018		31.3.2019	30.9.2018
Listed/Quoted Investments			Germany	0.6	0.4
			Ireland	0.5	0.4
Equities, Convertibles and Warrants			Switzerland	0.4	0.3
			Mexico	0.3	0.3
United States	14.2	15.8	Jersey C.I.	0.3	0.2
China	2.9	3.1	Spain	0.2	0.2
United Kingdom	2.8	3.4	Australia	0.2	0.2
France	2.7	3.5	Sweden	0.2	0.2
Taiwan	1.8	2.1	Lebanon	0.2	0.1
Switzerland	1.5	2.1	Indonesia	0.2	0.1
Germany	1.2	1.5	Brazil	0.2	0.2
Japan	1.2	1.1	Argentina	0.1	0.1
Hong Kong	1.0	1.1	Dominican Republic	0.1	0.1
Spain	0.8	1.0	South Africa	0.1	0.1
Korea	0.7	0.8	Colombia	0.1	0.1
Russia	0.7	0.9	Ecuador	0.1	0.1
Brazil	0.6	1.0	Uruguay	0.1	0.1
Netherlands	0.6	1.3	Denmark	0.1	0.1
South Africa	0.5	0.7	Russia	0.1	0.1
India	0.5	0.7	Sri Lanka	0.1	0.1
Mexico	0.5	0.7	Finland	0.1	0.1
Canada	0.4	0.6	Turkey	0.1	0.1
Australia	0.4	0.3	Oman	0.1	0.1
Thailand	0.4	0.5	Nigeria	0.1	0.1
Norway	0.4	0.5	Ukraine	0.1	0.1
Italy	0.4	0.4	Qatar	0.1	0.1
Singapore	0.3	0.4	Egypt	0.1	0.1
Sweden	0.3	0.4	Angola	0.1	0.1
United Arab Emirates	0.2	0.3	Azerbaijan	0.1	0.1
Saudi Arabia	0.2	0.4	El Salvador	0.1	0.1
Hungary	0.2	0.3	Kazakhstan	0.1	0.1
Indonesia	0.2	0.3	International	0.1	0.0
Finland	0.2	0.2	Panama	0.1	0.1
Belgium	0.2	0.1	Hungary	0.1	0.1
Czech Republic	0.2	0.2	Kenya	0.1	0.0
Denmark	0.2	0.2	Peru	0.1	0.0
Austria	0.1	0.1	Costa Rica	0.1	0.1
Cayman Islands	0.1	0.1	Paraguay	0.1	0.0
Chile	0.1	0.1	Chile	0.1	0.0
Turkey	0.1	0.1	Serbia	0.1	0.1
Jersey C.I.	0.0	0.1	Norway	0.1	0.0
Cyprus	0.0	0.0	Croatia	0.1	0.0
Bermuda	0.0	0.0	Saudi Arabia	0.1	0.0
Ireland	0.0	0.0	Honduras	0.1	0.0
Portugal	0.0	0.0	Jamaica	0.0	0.0
Marshall Island	0.0	0.0	Israel	0.0	-
Virgin Islands	0.0	0.0	Ghana	0.0	0.0
			Ivory Coast	0.0	0.0
Debt Securities			Romania	0.0	0.0
			Iraq	0.0	0.0
United States	43.5	34.9	Ethiopia	0.0	0.0
Canada	1.9	1.8	Portugal	0.0	0.0
Luxembourg	1.8	1.4	Gabon	0.0	0.0
United Kingdom	1.5	1.3	Jordan	0.0	0.0
France	1.4	1.0	Mongolia	0.0	0.0
Netherlands	1.2	0.9	Pakistan	0.0	0.0
Cayman Islands	0.9	0.5	Supranational	0.0	0.0
Italy	0.8	0.5	Morocco	0.0	0.1



**Statement of Movements in Portfolio Holdings** (Continued)  
**For the period ended 31 March 2019** (*Unaudited*)

	<b>% holdings of net assets</b>	
	<b>31.3.2019</b>	<b>30.9.2018</b>
Bermuda	0.0	0.0
Belarus	0.0	0.0
Philippines	0.0	0.0
Japan	0.0	-
Zambia	0.0	-
Trinidad & Tobago	0.0	0.0
Korea	0.0	0.0
Bahrain	0.0	0.0
United Arab Emirates	0.0	-
Armenia	0.0	0.0
Hong Kong	0.0	0.0
Belgium	0.0	0.0
Austria	0.0	0.0
Singapore	0.0	-
Tunisia	0.0	-
Tajikistan	0.0	0.0
Senegal	0.0	0.0
Virgin Islands	0.0	0.0
New Zealand	0.0	-
<b>Money Market</b>		
United States	0.1	-
Canada	0.0	-
Germany	0.0	-
Australia	0.0	-
Netherlands	0.0	-
China	0.0	-
Italy	0.0	-
<b>Derivatives</b>		
Forward foreign exchange contracts	0.3	(0.1)
Futures	(0.0)	(0.0)
<b>Total Listed/Quoted Investments</b>	<b>98.8</b>	<b>93.7</b>
<b>Other net assets</b>	<b>1.2</b>	<b>6.3</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>100.0</b>	<b>100.0</b>

**Statement of Financial Position  
As at 31 March 2019 (Unaudited)**

	31.3.2019 US\$	30.9.2018 US\$
<b>Assets</b>		
Cash at banks	21,441,756	51,716,253
Short-term deposits	67,107,605	361,329,891
Amounts due from brokers	29,173,214	23,885,947
Amounts receivable on allotment	26,298,332	43,340,733
Margin deposits	3,165,170	1,669,865
Derivatives	26,402,055	23,293,948
Investments	5,485,688,711	5,939,971,465
Dividend and other accounts receivable	7,309,219	6,967,603
<b>Total assets</b>	<b>5,666,586,062</b>	<b>6,452,175,705</b>
	-----	-----
<b>Liabilities</b>		
Short-term bank loans - unsecured	-	419,659
Amounts due to brokers	30,640,681	35,808,387
Amounts payable on redemption	30,866,245	20,554,261
Distribution payable [Note 5]	19,716,106	25,074,621
Derivatives	11,572,228	27,287,346
Tax payable	-	1,760,992
Other accounts payable	7,294,006	6,759,592
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>100,089,266</b>	<b>117,664,858</b>
	-----	-----
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<b>5,566,496,796</b>	<b>6,334,510,847</b>
	=====	=====

**Statement of Comprehensive Income  
For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 4]	107,195,172	109,754,531
Dividend income	37,150,666	43,417,759
Interest on deposits	1,732,126	621,891
Net foreign currency exchange (losses)/gains	(1,068,390)	380,310
Other income	24,650	763,703
	-----	-----
	145,034,224	154,938,194
	-----	-----
<b>Expenses</b>		
Management fee	36,305,460	37,135,720
Transaction costs	1,967,552	2,242,662
Trustee's fee	735,448	750,194
Safe custody and bank charges	355,485	381,055
Registrar's fee	210,093	233,345
Auditor's fee	31,135	22,818
Printing and publication expenses	25,989	2,234
Legal and professional expenses	17,068	14,964
Valuation fee	8,260	8,400
Other operating expenses	9,496	2,396
	-----	-----
	39,665,986	40,793,788
	-----	-----
<b>Net operating profit</b>	<b>105,368,238</b>	<b>114,144,406</b>
	-----	-----
<b>Finance costs</b>		
Distribution [Note 5]	(128,805,707)	(141,635,827)
Interest expense	(4,157)	(2,307)
	-----	-----
	(128,809,864)	(141,638,134)
	-----	-----
<b>Loss before taxation</b>	<b>(23,441,626)</b>	<b>(27,493,728)</b>
	-----	-----
Taxation	(8,579,251)	(10,007,393)
	-----	-----
<b>Decrease in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>(32,020,877)</b>	<b>(37,501,121)</b>
	=====	=====

The notes on pages 261 to 267 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	6,334,510,847	5,788,098,708
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Allotment of redeemable units	1,051,725,003	2,499,157,515
Redemption of redeemable units	(1,787,718,177)	(2,157,919,387)
<b>Net (redemption)/allotment</b>	(735,993,174)	341,238,128
-----	-----	-----
	5,598,517,673	6,129,336,836
<b>Decrease in net assets attributable to holders of redeemable units and total comprehensive income</b>	(32,020,877)	(37,501,121)
-----	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	<u><u>5,566,496,796</u></u>	<u><u>6,091,835,715</u></u>

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(2,168,943,348)	(2,053,961,769)
Proceeds from disposal of investments and derivatives	2,702,787,798	1,951,348,666
Dividend received	34,960,002	39,839,580
Interest received	1,782,649	629,124
Registrar's fee paid	(448,249)	(451,139)
Trustee's fee paid	(744,750)	(743,747)
Increase in margin deposits	(1,495,305)	(1,907,882)
Transaction costs paid	(1,955,380)	(2,651,836)
Tax paid	(8,852,804)	(10,045,122)
Management fee paid	(36,768,341)	(36,815,285)
Others	(1,333,449)	(3,149,368)
<b>Net cash inflow/(outflow) from operating activities</b>	<u>518,988,823</u>	<u>(117,908,778)</u>
-----	-----	-----
<b>Financing activities</b>		
Interest paid	(4,234)	(2,307)
Receipts on allotment of redeemable units	1,068,767,404	2,480,967,860
Payments on redemption of redeemable units	(1,777,406,193)	(2,157,090,591)
Distribution paid	(134,164,222)	(140,525,679)
<b>Net cash (outflow)/inflow from financing activities</b>	<u>(842,807,245)</u>	<u>183,349,283</u>
-----	-----	-----
<b>(Decrease)/increase in cash and cash equivalents</b>	<u>(323,818,422)</u>	<u>65,440,505</u>
Cash and cash equivalents at the beginning of the period	412,626,485	145,544,417
Exchange (losses)/gains on cash and cash equivalents	(258,702)	217,971
<b>Cash and cash equivalents at the end of the period</b>	<u><u>88,549,361</u></u>	<u><u>211,202,893</u></u>
-----	-----	-----
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	21,441,756	211,202,893
Short-term deposits	67,107,605	-
	<u><u>88,549,361</u></u>	<u><u>211,202,893</u></u>
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The notes on pages 261 to 267 form part of these financial statements.

## Notes to the Financial Statements

### 1 The Fund

JPMorgan Multi Income Fund (the "Fund") was established under a Trust Deed dated 24 June 2011, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to maximize the income return primarily through investing in a diversified portfolio of income producing equities, bonds and other securities. In addition, the Fund aims to provide medium to long-term moderate capital growth.

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

### 2 Summary of significant accounting policies

#### (a) Accounting policies of interim financial statements

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

#### (b) Investments and derivatives

##### *Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

##### *Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

##### *Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

### (c) Foreign currency translation

#### *Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

#### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

### (d) Proceeds and payments on allotment and redemption of units

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

## 3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)

31.3.2019

	AUD Hedged Class (mth) Units	CAD Hedged Class (mth) Units	EUR Hedged Class (mth) Units	GBP Hedged Class (mth) Units	HKD Class (mth) Units
Number of units in issue	<u>93,398,261.332</u>	<u>40,209,922.644</u>	<u>7,380,365.349</u>	<u>17,058,991.111</u>	<u>923,481,629.327</u>
	A\$	C\$	EUR	GBP	HK\$
Net assets attributable to holders of redeemable units	<u>950,322,172</u>	<u>414,391,729</u>	<u>74,159,400</u>	<u>170,971,741</u>	<u>10,233,037,476</u>
Net assets attributable to holders of redeemable units (per unit)	<u>10.17</u>	<u>10.31</u>	<u>10.05</u>	<u>10.02</u>	<u>11.08</u>

31.3.2019

	NZD Hedged Class (mth) Units	RMB Hedged Class (acc) Units	RMB Hedged Class (mth) Units	SGD Hedged Class (mth) Units	USD Class (mth) Units
Number of units in issue	<u>23,639,113.071</u>	<u>4,349,666.936</u>	<u>519,443,901.579</u>	<u>7,845,898.047</u>	<u>178,005,709.859</u>
	NZ\$	CNY	CNY	S\$	US\$
Net assets attributable to holders of redeemable units	<u>240,225,736</u>	<u>60,000,494</u>	<u>4,918,634,664</u>	<u>77,970,177</u>	<u>1,959,804,925</u>
Net assets attributable to holders of redeemable units (per unit)	<u>10.16</u>	<u>13.79</u>	<u>9.47</u>	<u>9.94</u>	<u>11.01</u>
	USD Class (acc) Units				
Number of units in issue	<u>3,398,242.977</u>				
	US\$				
Net assets attributable to holders of redeemable units	<u>49,616,463</u>				
Net assets attributable to holders of redeemable units (per unit)	<u>14.60</u>				

30.9.2018

	AUD Hedged Class (mth) Units	CAD Hedged Class (mth) Units	EUR Hedged Class (mth) Units	GBP Hedged Class (mth) Units	HKD Class (mth) Units
Number of units in issue	<u>103,431,640.511</u>	<u>42,763,614.819</u>	<u>8,216,646.474</u>	<u>19,593,147.791</u>	<u>1,064,570,645.222</u>
	A\$	C\$	EUR	GBP	HK\$
Net assets attributable to holders of redeemable units	<u>1,054,976,543</u>	<u>441,718,348</u>	<u>82,728,028</u>	<u>196,861,070</u>	<u>11,772,743,948</u>
Net assets attributable to holders of redeemable units (per unit)	<u>10.20</u>	<u>10.33</u>	<u>10.07</u>	<u>10.05</u>	<u>11.06</u>

30.9.2018

	NZD Hedged Class (mth) Units	RMB Hedged Class (acc) Units	RMB Hedged Class (mth) Units	SGD Hedged Class (mth) Units	USD Class (mth) Units
Number of units in issue	26,326,249.854	4,640,435.282	585,823,846.015	8,350,478.806	204,860,574.110
	NZ\$	CNY	CNY	S\$	US\$
Net assets attributable to holders of redeemable units	268,132,201	62,411,237	5,553,335,228	83,197,327	2,258,150,999
Net assets attributable to holders of redeemable units (per unit)	10.18	13.45	9.48	9.96	11.02
	USD Class (acc) Units				
Number of units in issue	4,099,351.424				
	US\$				
Net assets attributable to holders of redeemable units	58,537,701				
Net assets attributable to holders of redeemable units (per unit)	14.28				

#### 4 Net gains on investments and derivatives

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	52,764,581	(116,785,572)
Realized gains on sale of investments and derivatives	54,430,591	226,540,103
	107,195,172	109,754,531

## 5 Distribution

It is the intention of the Manager to have at least 85% of the income attributable to the distribution class(es) respectively in respect of each accounting period, after charging the expenses attributable to these distribution class(es) respectively, to be distributed to unitholders of these distribution class(es) respectively.

In the event that the amount available for distribution is insufficient to pay distributions as the Fund declares, the Manager may in its discretion determine that such distributions be paid from capital.

					1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Net operating profit					105,368,238	114,144,406
Adjustments:						
Net gains on investments and derivatives					(107,195,172)	(109,754,531)
Interest income included in net gains on investments and derivatives (at coupon rate)					89,088,865	83,887,086
Net foreign currency exchange losses/(gains)					1,068,390	(380,310)
Transaction costs					1,967,552	2,242,662
Interest expense					(4,157)	(2,307)
Taxation					(8,579,251)	(10,007,393)
Amount available for distribution					81,714,465	80,129,613
					1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Distribution Class	Ex date	Pay date	Rate	Units		
AUD Hedged Class (mth)	31.10.2018	8.11.2018	A\$0.0365	102,298,370.060	(2,646,395)	
CAD Hedged Class (mth)	31.10.2018	8.11.2018	C\$0.0327	42,057,203.863	(1,047,227)	
EUR Hedged Class (mth)	31.10.2018	8.11.2018	EUR0.0141	8,236,561.400	(131,587)	
GBP Hedged Class (mth)	31.10.2018	8.11.2018	GBP0.0246	19,574,506.582	(615,279)	
HKD Class (mth)	31.10.2018	8.11.2018	HK\$0.0422	1,037,586,738.789	(5,585,397)	
NZD Hedged Class (mth)	31.10.2018	8.11.2018	NZ\$0.0366	26,527,364.790	(633,999)	
RMB Hedged Class (mth)	31.10.2018	8.11.2018	CNY0.0532	576,977,876.028	(4,400,938)	
SGD Hedged Class (mth)	31.10.2018	9.11.2018	S\$0.0318	8,227,295.712	(188,928)	
USD Class (mth)	31.10.2018	8.11.2018	US\$0.0420	197,503,899.174	(8,295,164)	
AUD Hedged Class (mth)	30.11.2018	10.12.2018	A\$0.0352	101,999,486.002	(2,621,876)	
CAD Hedged Class (mth)	30.11.2018	10.12.2018	C\$0.0340	41,780,762.686	(1,068,803)	
EUR Hedged Class (mth)	30.11.2018	10.12.2018	EUR0.0155	8,415,371.435	(147,689)	
GBP Hedged Class (mth)	30.11.2018	10.12.2018	GBP0.0256	19,710,448.165	(643,803)	
HKD Class (mth)	30.11.2018	10.12.2018	HK\$0.0422	1,022,313,426.510	(5,512,779)	
NZD Hedged Class (mth)	30.11.2018	10.12.2018	NZ\$0.0354	25,185,935.186	(612,428)	
RMB Hedged Class (mth)	30.11.2018	10.12.2018	CNY0.0452	574,013,668.191	(3,730,014)	
SGD Hedged Class (mth)	30.11.2018	10.12.2018	S\$0.0316	8,162,924.159	(188,009)	
USD Class (mth)	30.11.2018	10.12.2018	US\$0.0420	194,710,545.378	(8,177,843)	
AUD Hedged Class (mth)	31.12.2018	9.1.2019	A\$0.0339	100,697,600.548	(2,403,209)	
CAD Hedged Class (mth)	31.12.2018	9.1.2019	C\$0.0314	41,523,311.289	(954,629)	
EUR Hedged Class (mth)	31.12.2018	9.1.2019	EUR0.0097	8,295,331.901	(91,983)	
GBP Hedged Class (mth)	31.12.2018	9.1.2019	GBP0.0208	19,291,998.180	(511,062)	
HKD Class (mth)	31.12.2018	9.1.2019	HK\$0.0421	1,006,706,543.177	(5,413,265)	
NZD Hedged Class (mth)	31.12.2018	9.1.2019	NZ\$0.0345	24,958,021.252	(577,378)	
RMB Hedged Class (mth)	31.12.2018	9.1.2019	CNY0.0416	571,127,385.188	(3,458,179)	
SGD Hedged Class (mth)	31.12.2018	9.1.2019	S\$0.0319	8,013,444.745	(187,549)	
USD Class (mth)	31.12.2018	9.1.2019	US\$0.0420	189,587,248.365	(7,962,664)	
AUD Hedged Class (mth)	31.1.2019	13.2.2019	A\$0.0340	98,560,581.932	(2,443,425)	
CAD Hedged Class (mth)	31.1.2019	13.2.2019	C\$0.0310	42,090,505.697	(993,532)	
EUR Hedged Class (mth)	31.1.2019	13.2.2019	EUR0.0117	7,849,155.072	(105,376)	
GBP Hedged Class (mth)	31.1.2019	13.2.2019	GBP0.0225	18,307,960.375	(541,872)	
HKD Class (mth)	31.1.2019	13.2.2019	HK\$0.0422	971,709,669.501	(5,225,910)	
NZD Hedged Class (mth)	31.1.2019	13.2.2019	NZ\$0.0330	24,219,212.321	(554,349)	
RMB Hedged Class (mth)	31.1.2019	13.2.2019	CNY0.0380	554,788,368.611	(3,142,902)	
SGD Hedged Class (mth)	31.1.2019	13.2.2019	S\$0.0314	7,932,611.944	(185,241)	
USD Class (mth)	31.1.2019	13.2.2019	US\$0.0420	186,227,511.996	(7,821,556)	



# JPMORGAN MULTI INCOME FUND

Semi-annual report for the  
period ended 31 March 2019

Distribution Class	Ex date	Pay date	Rate	Units	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
AUD Hedged Class (mth)	28.2.2019	8.3.2019	A\$0.0343	96,566,545.201	(2,356,488)	
CAD Hedged Class (mth)	28.2.2019	8.3.2019	C\$0.0326	41,617,605.862	(1,030,170)	
EUR Hedged Class (mth)	28.2.2019	8.3.2019	EUR0.0148	7,603,402.567	(128,138)	
GBP Hedged Class (mth)	28.2.2019	8.3.2019	GBP0.0239	17,771,874.168	(564,957)	
HKD Class (mth)	28.2.2019	8.3.2019	HK\$0.0423	955,592,615.040	(5,149,375)	
NZD Hedged Class (mth)	28.2.2019	8.3.2019	NZ\$0.0329	24,469,008.458	(548,628)	
RMB Hedged Class (mth)	28.2.2019	8.3.2019	CNY0.0321	539,723,427.566	(2,587,693)	
SGD Hedged Class (mth)	28.2.2019	8.3.2019	S\$0.0324	7,987,052.869	(191,519)	
USD Class (mth)	28.2.2019	8.3.2019	US\$0.0420	183,580,820.602	(7,710,394)	
AUD Hedged Class (mth)	29.3.2019	9.4.2019	A\$0.0340	93,273,323.204	(2,252,728)	
CAD Hedged Class (mth)	29.3.2019	9.4.2019	C\$0.0316	40,237,107.357	(951,752)	
EUR Hedged Class (mth)	29.3.2019	9.4.2019	EUR0.0122	7,394,749.500	(101,299)	
GBP Hedged Class (mth)	29.3.2019	9.4.2019	GBP0.0226	17,077,142.427	(502,904)	
HKD Class (mth)	29.3.2019	9.4.2019	HK\$0.0423	922,273,640.321	(4,969,735)	
NZD Hedged Class (mth)	29.3.2019	9.4.2019	NZ\$0.0331	23,727,719.272	(535,634)	
RMB Hedged Class (mth)	29.3.2019	9.4.2019	CNY0.0352	519,982,893.282	(2,723,456)	
SGD Hedged Class (mth)	29.3.2019	9.4.2019	S\$0.0322	7,949,531.772	(188,981)	
USD Class (mth)	29.3.2019	9.4.2019	US\$0.0420	178,324,206.519	(7,489,617)	
AUD Hedged Class (mth)	31.10.2017	8.11.2017	A\$0.0448	91,516,988.766		(3,143,645)
CAD Hedged Class (mth)	31.10.2017	8.11.2017	C\$0.0386	41,777,113.108		(1,250,948)
EUR Hedged Class (mth)	31.10.2017	8.11.2017	EUR0.0227	8,504,252.328		(224,890)
GBP Hedged Class (mth)	31.10.2017	8.11.2017	GBP0.0296	20,737,582.872		(815,139)
HKD Class (mth)	31.10.2017	8.11.2017	HK\$0.0440	910,285,525.699		(5,133,759)
NZD Hedged Class (mth)	31.10.2017	8.11.2017	NZ\$0.0473	27,204,775.708		(881,513)
RMB Hedged Class (mth)	31.10.2017	8.11.2017	CNY0.0556	441,560,916.906		(3,702,063)
SGD Hedged Class (mth)	31.10.2017	8.11.2017	S\$0.0363	9,405,595.010		(250,604)
USD Class (mth)	31.10.2017	8.11.2017	US\$0.0440	177,528,503.610		(7,811,254)
AUD Hedged Class (mth)	30.11.2017	8.12.2017	A\$0.0442	92,585,876.776		(3,106,666)
CAD Hedged Class (mth)	30.11.2017	8.12.2017	C\$0.0385	42,860,922.248		(1,280,871)
EUR Hedged Class (mth)	30.11.2017	8.12.2017	EUR0.0235	8,400,738.817		(235,391)
GBP Hedged Class (mth)	30.11.2017	8.12.2017	GBP0.0317	20,774,919.674		(891,466)
HKD Class (mth)	30.11.2017	8.12.2017	HK\$0.0441	918,513,601.144		(5,186,353)
NZD Hedged Class (mth)	30.11.2017	8.12.2017	NZ\$0.0472	29,210,564.707		(946,159)
RMB Hedged Class (mth)	30.11.2017	8.12.2017	CNY0.0556	461,956,030.256		(3,884,126)
SGD Hedged Class (mth)	30.11.2017	8.12.2017	S\$0.0372	9,176,851.153		(253,436)
USD Class (mth)	30.11.2017	8.12.2017	US\$0.0440	177,015,145.275		(7,788,666)
AUD Hedged Class (mth)	29.12.2017	9.1.2018	A\$0.0426	92,116,009.800		(3,069,268)
CAD Hedged Class (mth)	29.12.2017	9.1.2018	C\$0.0346	42,020,273.962		(1,160,383)
EUR Hedged Class (mth)	29.12.2017	9.1.2018	EUR0.0135	8,258,778.739		(133,881)
GBP Hedged Class (mth)	29.12.2017	9.1.2018	GBP0.0237	20,326,225.776		(651,662)
HKD Class (mth)	29.12.2017	9.1.2018	HK\$0.0441	908,073,826.166		(5,122,748)
NZD Hedged Class (mth)	29.12.2017	9.1.2018	NZ\$0.0459	28,950,601.661		(945,066)
RMB Hedged Class (mth)	29.12.2017	9.1.2018	CNY0.0564	461,212,212.131		(3,994,498)
SGD Hedged Class (mth)	29.12.2017	9.1.2018	S\$0.0363	9,122,894.185		(247,801)
USD Class (mth)	29.12.2017	9.1.2018	US\$0.0440	172,761,348.030		(7,601,499)
AUD Hedged Class (mth)	31.1.2018	8.2.2018	A\$0.0414	88,343,326.492		(2,961,591)
CAD Hedged Class (mth)	31.1.2018	8.2.2018	C\$0.0352	41,933,951.032		(1,203,142)
EUR Hedged Class (mth)	31.1.2018	8.2.2018	EUR0.0165	8,626,277.054		(177,312)
GBP Hedged Class (mth)	31.1.2018	8.2.2018	GBP0.0262	20,167,880.052		(751,409)
HKD Class (mth)	31.1.2018	8.2.2018	HK\$0.0441	944,425,288.191		(5,324,992)
NZD Hedged Class (mth)	31.1.2018	8.2.2018	NZ\$0.0452	25,842,080.187		(864,483)
RMB Hedged Class (mth)	31.1.2018	8.2.2018	CNY0.0550	465,572,107.283		(4,068,199)
SGD Hedged Class (mth)	31.1.2018	8.2.2018	S\$0.0343	8,111,246.611		(212,508)
USD Class (mth)	31.1.2018	8.2.2018	US\$0.0440	184,527,051.115		(8,119,190)
AUD Hedged Class (mth)	28.2.2018	8.3.2018	A\$0.0421	88,002,330.621		(2,887,042)
CAD Hedged Class (mth)	28.2.2018	8.3.2018	C\$0.0380	41,958,723.619		(1,244,337)
EUR Hedged Class (mth)	28.2.2018	8.3.2018	EUR0.0219	8,441,768.978		(225,483)
GBP Hedged Class (mth)	28.2.2018	8.3.2018	GBP0.0295	19,487,721.758		(792,109)
HKD Class (mth)	28.2.2018	8.3.2018	HK\$0.0441	960,829,780.908		(5,414,820)
NZD Hedged Class (mth)	28.2.2018	8.3.2018	NZ\$0.0442	25,448,651.745		(812,409)
RMB Hedged Class (mth)	28.2.2018	8.3.2018	CNY0.0554	472,301,667.166		(4,133,964)
SGD Hedged Class (mth)	28.2.2018	8.3.2018	S\$0.0342	7,920,175.296		(204,762)
USD Class (mth)	28.2.2018	8.3.2018	US\$0.0440	192,361,224.212		(8,463,894)

Distribution Class	Ex date	Pay date	Rate	Units	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
AUD Hedged Class (mth)	29.3.2018	11.4.2018	A\$0.0403	91,252,366.306		(2,820,804)
CAD Hedged Class (mth)	29.3.2018	11.4.2018	C\$0.0347	43,859,193.563		(1,180,465)
EUR Hedged Class (mth)	29.3.2018	11.4.2018	EUR0.0157	8,363,818.457		(161,494)
GBP Hedged Class (mth)	29.3.2018	11.4.2018	GBP0.0249	19,324,660.759		(675,005)
HKD Class (mth)	29.3.2018	11.4.2018	HK\$0.0443	989,221,671.549		(5,583,696)
NZD Hedged Class (mth)	29.3.2018	11.4.2018	NZ\$0.0433	24,327,362.969		(759,904)
RMB Hedged Class (mth)	29.3.2018	11.4.2018	CNY0.0549	486,342,824.594		(4,248,887)
SGD Hedged Class (mth)	29.3.2018	11.4.2018	S\$0.0349	8,286,981.875		(220,556)
USD Class (mth)	29.3.2018	11.4.2018	US\$0.0440	191,127,606.695		(8,409,615)
Total distribution to holders of redeemable units					<u>(128,805,707)</u>	<u>(141,635,827)</u>

## 6 Soft dollar arrangements/Commission sharing arrangements

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

# UK Tax Information

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 1 January 1984 to 30 September 2010.

## Investment Portfolio

As at 31 March 2019 (Unaudited)

	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments (98.6%)</b>			
<b>(I) Equities (98.6%)</b>			
<b>Australia (11.0%)</b>			
Aristocrat Leisure	488,363	8,502,731	1.5
Australia & NZ Bkg Group-AU List	705,342	13,042,063	2.2
Brambles Ltd	950,563	7,940,733	1.4
CSL Ltd	154,563	21,403,209	3.7
Macquarie Group	79,336	7,293,636	1.2
Tabcorp Hldgs	1,817,891	5,965,986	1.0
<b>China (19.1%)</b>			
3SBio Inc	1,800,000	3,540,405	0.6
Alibaba Group Hldg ADR	51,186	9,338,886	1.6
Jiangsu Hengrui Medicine 'A' (CI)	904,080	8,800,475	1.5
Ping An Insurance (Group) 'H'	2,011,000	22,518,220	3.9
Shenzhen Intl Grp	1,149,100	15,399,502	2.6
Tencent Hldgs	792,100	36,426,741	6.3
Wuxi Biologics (Cayman)	885,000	8,607,666	1.5
Yum China Holdings	143,390	6,439,645	1.1
<b>Hong Kong (6.9%)</b>			
AIA Group	2,524,200	25,129,616	4.3
Hong Kong Exchanges & Clearing	426,100	14,851,172	2.6
<b>India (7.2%)</b>			
Castrol India	1,036,066	2,488,652	0.4
HDFC Bank	251,573	8,421,113	1.4
HDFC Bank ADR	93,798	10,872,126	1.9
HDFC Life Insurance	571,836	3,124,358	0.5
IndusInd Bank	291,329	7,485,610	1.3

(Continued)

	Holding	Fair value US\$	% of net assets
Maruti Suzuki India	100,810	9,709,993	1.7
<b>Indonesia (4.2%)</b>			
Astra Intl	17,871,300	9,192,926	1.6
Bank Central Asia	7,964,200	15,520,122	2.6
<b>Japan (37.4%)</b>			
Bandai Namco Hldgs	147,500	6,916,249	1.2
Bridgestone Corp	148,300	5,715,750	1.0
Daikin Industries	83,400	9,772,761	1.7
FP Corp	47,200	2,788,887	0.5
Hino Motors	665,500	5,603,704	1.0
Japan Exchange Group	846,100	15,082,037	2.6
Kansai Paint Co	328,100	6,257,570	1.1
Keyence Corp	30,400	18,942,838	3.2
Komatsu Ltd	309,200	7,180,725	1.2
M3 Inc	166,800	2,798,461	0.5
Nintendo Co	41,900	11,947,093	2.0
Nitto Denko	121,400	6,377,928	1.1
Orix Corp	905,300	13,000,627	2.2
Recruit Hldgs	524,200	14,970,377	2.6
Renesas Electronics	1,214,500	5,617,961	1.0
Ryohin Keikaku	37,600	9,525,265	1.6
Shimano Inc	56,400	9,171,975	1.6
Shin-Etsu Chemical	115,200	9,658,545	1.7
Sony Corp	297,700	12,493,260	2.1
Suzuki Motor	103,300	4,571,201	0.8
Takara Bio	128,600	2,982,484	0.5
Toyota Motor	361,800	21,204,288	3.6
Tsumura & Co	177,100	5,384,122	0.9
Unicharm Corp	306,600	10,146,594	1.7
<b>Korea (3.9%)</b>			
AfreecaTV Co	66,054	3,183,115	0.5
NCsoft Corp	7,068	3,088,475	0.5
Samsung Electronics	357,740	14,071,968	2.4
Samsung Electronics Pref	82,382	2,630,911	0.5
<b>Taiwan (7.3%)</b>			
Delta Electronics	1,723,000	8,888,792	1.5
Eclat Textile	553,971	7,459,255	1.3
Taiwan Semiconductor Mfg	2,711,000	21,594,410	3.7
Voltronic Power Technology	234,551	4,596,577	0.8
<b>Vietnam (1.6%)</b>			
Vietnam Dairy Products	519,936	3,020,487	0.5
Vincom Retail JSC	2,365,660	3,527,488	0.6
Vinhomes JSC	711,740	2,806,594	0.5
		574,994,360	98.6
<b>(II) Derivatives (-0.0%)</b>			
<b>Forward foreign exchange contracts (-0.0%)</b>			
		(248,560)	(0.0)
<b>Total Listed/Quoted Investments</b>		574,745,800	98.6

Investment Portfolio (Continued)  
As at 31 March 2019 *(Unaudited)*

Holding	Fair value US\$	% of net assets
Other net assets	7,976,370	1.4
Net assets attributable to holders of redeemable units at 31 March 2019	582,722,170	100.0
Total investments, at cost	499,582,173	

Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 *(Unaudited)*

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
Japan	37.4	44.7
China	19.1	18.7
Australia	11.0	8.3
Taiwan	7.3	8.1
India	7.2	4.6
Hong Kong	6.9	7.3
Indonesia	4.2	4.2
Korea	3.9	2.1
Vietnam	1.6	1.0
Singapore	-	0.7
<b>Derivatives</b>		
Forward foreign exchange contracts	(0.0)	(0.2)
<b>Total Listed/Quoted Investments</b>	98.6	99.5
<b>Other net assets</b>	1.4	0.5
<b>Net assets attributable to holders of redeemable units</b>	100.0	100.0

**Statement of Financial Position  
As at 31 March 2019 (Unaudited)**

	31.3.2019 US\$	30.9.2018 US\$
<b>Assets</b>		
Cash at banks	5,181,759	2,925,772
Amounts due from brokers	-	5,577,264
Amounts receivable on allotment	2,462,227	5,111,619
Derivatives	17,258	44,880
Investments	574,994,360	612,528,423
Dividend and other accounts receivable	2,489,220	1,976,536
<b>Total assets</b>	<b>585,144,824</b>	<b>628,164,494</b>
	-----	-----
<b>Liabilities</b>		
Short-term bank loans - unsecured	-	6,061,355
Amounts due to brokers	-	2,571,335
Amounts payable on redemption	1,440,621	2,794,761
Derivatives	265,818	1,354,013
Other accounts payable	716,215	853,304
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>2,422,654</b>	<b>13,634,768</b>
	-----	-----
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<b>582,722,170</b>	<b>614,529,726</b>
	=====	=====

**Statement of Comprehensive Income  
For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 4]	(7,111,782)	57,417,528
Dividend income	3,908,077	4,408,231
Interest on deposits	8,733	28,693
Net foreign currency exchange (losses)/gains	(47,826)	21,139
Other income	-	83,813
	-----	-----
	(3,242,798)	61,959,404
	-----	-----
<b>Expenses</b>		
Management fee	4,161,926	4,741,842
Transaction costs	258,629	493,420
Trustee's fee	78,578	88,032
Safe custody and bank charges	72,417	114,165
Registrar's fee	57,533	69,525
Legal and professional expenses	18,860	52,312
Auditor's fee	16,311	23,375
Valuation fee	7,980	7,980
Printing and publication expenses	2,952	1,790
Other operating expenses	7,166	2,554
	-----	-----
	4,682,352	5,594,995
	-----	-----
<b>Net operating (loss)/profit</b>	<b>(7,925,150)</b>	<b>56,364,409</b>
<b>Finance costs</b>		
Interest expense	(12,843)	(7,902)
	-----	-----
<b>(Loss)/profit before taxation</b>	<b>(7,937,993)</b>	<b>56,356,507</b>
Taxation	(329,847)	(413,680)
	-----	-----
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>(8,267,840)</b>	<b>55,942,827</b>
	=====	=====

The notes on pages 272 to 274 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	614,529,726	541,647,990
	-----	-----
Allotment of redeemable units	35,689,261	245,101,124
Redemption of redeemable units	(59,228,977)	(152,461,644)
	-----	-----
<b>Net (redemption)/allotment</b>	(23,539,716)	92,639,480
	-----	-----
	590,990,010	634,287,470
	-----	-----
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	(8,267,840)	55,942,827
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	<u>582,722,170</u>	<u>690,230,297</u>

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(84,708,033)	(273,144,198)
Proceeds from disposal of investments and derivatives	117,087,055	174,631,010
Dividend received	3,392,326	3,430,913
Interest received	9,077	32,268
Trustee's fee paid	(78,777)	(84,914)
Registrar's fee paid	(111,681)	(125,875)
Transaction costs paid	(270,543)	(498,715)
Tax paid	(329,847)	(413,680)
Management fee paid	(4,175,500)	(4,553,781)
Others	(258,043)	(259,111)
	-----	-----
<b>Net cash inflow/(outflow) from operating activities</b>	30,556,034	(100,986,083)
	-----	-----
<b>Financing activities</b>		
Interest paid	(14,257)	(7,312)
Receipts on allotment of redeemable units	38,338,653	242,768,495
Payments on redemption of redeemable units	(60,583,117)	(150,925,683)
	-----	-----
<b>Net cash (outflow)/inflow from financing activities</b>	(22,258,721)	91,835,500
	-----	-----
<b>Increase/(decrease) in cash and cash equivalents</b>	8,297,313	(9,150,583)
Cash and cash equivalents at the beginning of the period	(3,135,583)	9,137,411
Exchange gains on cash and cash equivalents	20,029	62,781
	-----	-----
<b>Cash and cash equivalents at the end of the period</b>	<u>5,181,759</u>	<u>49,609</u>
	-----	-----
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	5,181,759	3,089,836
Short-term bank loans - unsecured	-	(3,040,227)
	-----	-----
	<u>5,181,759</u>	<u>49,609</u>
	-----	-----

The notes on pages 272 to 274 form part of these financial statements.

## Notes to the Financial Statements

### 1 The Fund

JPMorgan Pacific Securities Fund (the "Fund") was established under a Trust Deed dated 7 April 1978, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to provide investors with long-term capital growth by investing primarily in the securities of companies in the Asia-Pacific region, including Japan, Australia and New Zealand.

Pursuant to the Supplemental Trust Deed dated 4 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

### 2 Summary of significant accounting policies

#### (a) Accounting policies of interim financial statements

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

#### (b) Investments and derivatives

##### *Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

##### *Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

##### *Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

### (c) Securities lending and borrowing

Securities lenders' agreements are entered into with institutions of appropriate financial standing who engage in such arrangements acceptable to the Trustee and on arm's length commercial terms. Securities lent are included in the investment portfolio of the Fund. Relevant securities lending income entitled by the Fund is accounted for in the Statement of Comprehensive Income. Collateral received for the purpose of securities lent generally consist of non-cash collateral which are off-balance sheet transactions and are therefore not included in the financial statements.

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the period/year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

### (d) Foreign currency translation

#### *Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

#### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

### (e) Proceeds and payments on allotment and redemption of units

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

## 3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)

31.3.2019

	USD Class (acc) Units	PRC RMB Hedged Class (acc) Units	PRC USD Class (acc) Units
Number of units in issue	1,099,763.176	41,987,760.780	4,564,899.430
	US\$	CNY	US\$
Net assets attributable to holders of redeemable units	413,016,847	674,284,663	69,375,048
Net assets attributable to holders of redeemable units (per unit)	375.55	16.06	15.20



30.9.2018

	USD Class (acc) Units	PRC RMB Hedged Class (acc) Units	PRC USD Class (acc) Units
Number of units in issue	<u>1,137,663.631</u>	<u>46,020,681.960</u>	<u>4,674,008.430</u>
	US\$	CNY	US\$
Net assets attributable to holders of redeemable units	<u>433,488,471</u>	<u>749,147,056</u>	<u>72,080,750</u>
Net assets attributable to holders of redeemable units (per unit)	<u>381.03</u>	<u>16.28</u>	<u>15.42</u>

**4 Net (losses)/gains on investments and derivatives**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	(13,418,202)	21,028,805
Realized gains on sale of investments and derivatives	<u>6,306,420</u>	<u>36,388,723</u>
	<u>(7,111,782)</u>	<u>57,417,528</u>

**5 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**6 Distribution**

No distribution was made during the period (31 March 2018: nil).

# UK Tax Information

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 14 August 1997 to 30 September 2010.

## Investment Portfolio

As at 31 March 2019 *(Unaudited)*

	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments (97.0%)</b>			
<b>(I) Equities (97.0%)</b>			
<b>Australia (3.6%)</b>			
Xero Ltd (AU Listing)	152,386	5,266,236	3.6
<b>China (32.7%)</b>			
51Jobs Inc ADR	63,564	4,950,364	3.4
Alibaba Group Hldg ADR	76,486	13,954,872	9.5
Baidu Inc ADR	5,150	848,978	0.6
Bilibili Inc ADR	42,864	812,273	0.6
Hangzhou Hik-Vision Digital 'A'-C2	909,520	4,746,098	3.2
HUYA Inc ADR	117,369	3,301,590	2.3
iQIYI Inc ADR	71,628	1,713,342	1.2
Ping An Healthcare and Technology	701,800	3,960,502	2.7
Tencent Hldgs	288,100	13,249,014	9.0
Weibo Corp ADR	4,648	288,130	0.2
<b>Japan (33.2%)</b>			
Cyber Agent	94,100	3,838,474	2.6
Keyence Corp	16,740	10,431,023	7.1
Lasertec Corp	64,400	2,690,970	1.8
Murata Manufacturing	78,000	3,884,320	2.7
Nexon Co	294,600	4,615,227	3.2
Nidec Corp	25,700	3,256,471	2.2
Obic Co	44,700	4,506,952	3.1
Otsuka Corp	13,600	508,072	0.3
Recruit Hldgs	204,800	5,848,785	4.0
Sony Corp	121,900	5,115,648	3.5
Tokyo Electron	2,200	318,020	0.2
Trend Micro	62,500	3,043,547	2.1
ZOZO Inc	33,000	621,927	0.4

(Continued)

	Holding	Fair value US\$	% of net assets
<b>Korea (14.4%)</b>			
NCsoft Corp	8,533	3,728,630	2.5
Samsung Electronics	312,846	12,306,029	8.4
SK Hynix	77,879	5,090,848	3.5
<b>Taiwan (13.1%)</b>			
Delta Electronics	844,000	4,354,115	3.0
Largan Precision	9,000	1,343,262	0.9
Taiwan Semiconductor Mfg	1,689,788	13,459,968	9.2
		142,053,687	97.0
<b>(II) Derivatives (0.0%)</b>			
<b>Forward foreign exchange contracts (0.0%)</b>			
		2,915	0.0
<b>Total Listed/Quoted Investments</b>			
		142,056,602	97.0
<b>Other net assets</b>			
		4,391,913	3.0
<b>Net assets attributable to holders of redeemable units at 31 March 2019</b>			
		146,448,515	100.0
<b>Total investments, at cost</b>			
		123,820,307	

Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 (*Unaudited*)

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Equities and Warrants</b>		
Japan	33.2	34.8
China	32.7	33.3
Korea	14.4	15.8
Taiwan	13.1	11.6
Australia	3.6	3.1
<b>Derivatives</b>		
Forward foreign exchange contracts	0.0	0.0
<b>Total Listed/Quoted Investments</b>	97.0	98.6
<b>Other net assets</b>	3.0	1.4
<b>Net assets attributable to holders of redeemable units</b>	100.0	100.0

**Statement of Financial Position  
As at 31 March 2019 (Unaudited)**

	31.3.2019 US\$	30.9.2018 US\$
<b>Assets</b>		
Cash at banks	4,338,878	2,023,788
Amounts due from brokers	-	1,964,252
Amounts receivable on allotment	643,739	615,547
Derivatives	6,517	17,200
Investments	142,053,687	162,175,639
Dividend and other accounts receivable	270,245	153,166
<b>Total assets</b>	<u>147,313,066</u>	<u>166,949,592</u>
	-----	-----
<b>Liabilities</b>		
Amounts due to brokers	-	1,189,875
Amounts payable on redemption	675,241	1,007,844
Derivatives	3,602	15,835
Other accounts payable	185,708	247,627
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<u>864,551</u>	<u>2,461,181</u>
	-----	-----
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>146,448,515</u>	<u>164,488,411</u>
	=====	=====

**Statement of Comprehensive Income  
For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 4]	(6,698,034)	10,409,067
Dividend income	636,097	710,522
Interest on deposits	35,709	8,257
Net foreign currency exchange losses	(69,764)	(46,368)
	<u>(6,095,992)</u>	<u>11,081,478</u>
	-----	-----
<b>Expenses</b>		
Management fee	1,020,544	1,381,765
Transaction costs	112,227	256,136
Registrar's fee	27,545	51,702
Trustee's fee	26,243	32,217
Safe custody and bank charges	16,092	24,240
Valuation fee	8,470	8,330
Auditor's fee	7,385	7,094
Legal and professional expenses	4,000	5,447
Printing and publication expenses	3,683	1,940
Other operating expenses	5,269	735
	<u>1,231,458</u>	<u>1,769,606</u>
	-----	-----
<b>Net operating (loss)/profit</b>	(7,327,450)	9,311,872
<b>Finance costs</b>		
Interest expense	(1,958)	(2,202)
	<u>(7,329,408)</u>	<u>9,309,670</u>
	-----	-----
<b>(Loss)/profit before taxation</b>		
Taxation	(99,427)	(112,888)
	<u>(7,428,835)</u>	<u>9,196,782</u>
	-----	-----
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>(7,428,835)</u>	<u>9,196,782</u>
	=====	=====

The notes on pages 279 to 282 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	164,488,411	150,769,396
	-----	-----
Allotment of redeemable units	16,902,414	211,633,076
Redemption of redeemable units	(27,513,475)	(167,670,412)
	-----	-----
<b>Net (redemption)/allotment</b>	(10,611,061)	43,962,664
	-----	-----
	153,877,350	194,732,060
	-----	-----
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	(7,428,835)	9,196,782
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	146,448,515	203,928,842
	=====	=====

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(45,516,508)	(150,687,821)
Proceeds from disposal of investments and derivatives	59,718,456	105,566,635
Dividend received	518,752	352,831
Interest received	35,973	9,728
Trustee's fee paid	(26,485)	(31,337)
Registrar's fee paid	(55,224)	(86,682)
Tax paid	(99,427)	(112,888)
Transaction costs paid	(118,707)	(258,229)
Management fee paid	(1,038,124)	(1,329,031)
Others	(136,455)	(120,119)
	-----	-----
<b>Net cash inflow/(outflow) from operating activities</b>	13,282,251	(46,696,913)
	-----	-----
<b>Financing activities</b>		
Interest paid	(1,958)	(2,202)
Receipts on allotment of redeemable units	16,874,222	212,369,604
Payments on redemption of redeemable units	(27,846,078)	(168,080,981)
	-----	-----
<b>Net cash (outflow)/inflow from financing activities</b>	(10,973,814)	44,286,421
	-----	-----
<b>Increase/(decrease) in cash and cash equivalents</b>	2,308,437	(2,410,492)
Cash and cash equivalents at the beginning of the period	2,023,788	5,191,373
Exchange gains on cash and cash equivalents	6,653	13,789
	-----	-----
<b>Cash and cash equivalents at the end of the period</b>	4,338,878	2,794,670
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	4,338,878	2,794,670
	=====	=====

The notes on pages 279 to 282 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Pacific Technology Fund (the "Fund") was established under a Trust Deed dated 14 August 1997, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to provide long-term capital growth through a portfolio consisting primarily of securities of technology companies in the Pacific region, including Japan.

With effect from 3 December 2018, the investment objective of the Fund was amended to clarify that securities of the technology companies that the Fund invests in include but are not limited to companies related to technology, media and telecommunication.

Due to re-allocation of resources from Taiwan to Hong Kong, the discretionary investment management of the Fund rests with JF Asset Management Limited, the current Investment Manager of the Fund. Therefore, the sub-delegation of the investment management role of the Fund to JPMorgan Asset Management (Taiwan) Limited was terminated with effect from 1 December 2017.

Pursuant to the Supplemental Trust Deed dated 4 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies****(a) Accounting policies of interim financial statements**

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the period/year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Foreign currency translation**

*Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(e) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**31.3.2019

	AUD Hedged Class (acc) Units	HKD Class (acc) Units	SGD Hedged Class (acc) Units	USD Class (acc) Units
Number of units in issue	<u>27,162,841</u>	<u>2,137,555,856</u>	<u>277,625,194</u>	<u>2,322,242,522</u>
	A\$	HK\$	S\$	US\$
Net assets attributable to holders of redeemable units	<u>245,959</u>	<u>19,460,984</u>	<u>2,504,112</u>	<u>141,945,941</u>
Net assets attributable to holders of redeemable units (per unit)	<u>9.05</u>	<u>9.10</u>	<u>9.02</u>	<u>61.12</u>

30.9.2018

	AUD Hedged Class (acc) Units	HKD Class (acc) Units	SGD Hedged Class (acc) Units	USD Class (acc) Units
Number of units in issue	<u>27,162,841</u>	<u>32,162,580</u>	<u>211,274,808</u>	<u>2,558,667,096</u>
	A\$	HK\$	S\$	US\$
Net assets attributable to holders of redeemable units	<u>257,026</u>	<u>303,927</u>	<u>1,996,274</u>	<u>162,802,572</u>
Net assets attributable to holders of redeemable units (per unit)	<u>9.46</u>	<u>9.45</u>	<u>9.45</u>	<u>63.63</u>

**4 Net (losses)/gains on investments and derivatives**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	5,174,713	(6,409,930)
Realized (losses)/gains on sale of investments and derivatives	<u>(11,872,747)</u>	<u>16,818,997</u>
	<u>(6,698,034)</u>	<u>10,409,067</u>



**5 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**6 Distribution**

No distribution was made during the period (31 March 2018: nil).

**UK Tax Information**

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 30 June 1987 to 30 September 2010.

**Investment Portfolio****As at 31 March 2019 (Unaudited)**

	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments (98.8%)</b>			
<b>Equities (98.8%)</b>			
<b>Philippines (98.8%)</b>			
<b>Banks (13.1%)</b>			
Bank Of Philippine Islands	709,958	1,138,421	1.6
BDO Unibank	2,247,672	5,727,262	7.8
Metropolitan Bank & Trust	1,801,324	2,740,921	3.7
<b>Communications (2.4%)</b>			
Globe Telecom	18,690	689,797	0.9
PLDT Inc	50,495	1,105,870	1.5
<b>Construction &amp; Related Products (1.8%)</b>			
Wilcon Depot	4,590,600	1,353,313	1.8
<b>Diversified Industrials (4.1%)</b>			
Alliance Global Group	9,700,000	2,985,184	4.1
<b>Financial Services (1.7%)</b>			
GT Capital Hldgs	71,986	1,276,994	1.7
<b>Food, Beverages &amp; Tobacco (8.7%)</b>			
Jollibee Food	397,560	2,400,048	3.3
Universal Robina	1,381,670	3,999,502	5.4
<b>Holding Firms (25.6%)</b>			
Aboitiz Equity Ventures	1,705,690	1,914,881	2.6
Ayala Corp	383,790	6,870,360	9.3
DMCI Hldgs	2,433,400	556,100	0.8
JG Summit Hldgs	3,001,370	3,629,537	4.9
SM Investments	328,763	5,847,736	8.0

(Continued)

	Holding	Fair value US\$	% of net assets
<b>Hotel, Recreation &amp; Other Services (0.6%)</b>			
Shakey's Pizza Asia Ventures	2,004,200	458,016	0.6
<b>Investment Trusts (2.7%)</b>			
Metro Pacific Inv	21,266,800	1,964,273	2.7
<b>Manufacturing, Distribution &amp; Trading (2.3%)</b>			
Philippine Seven	400,000	952,200	1.3
SSI Group	17,019,000	768,140	1.0
<b>Power &amp; Energy (5.4%)</b>			
Aboitiz Power	3,882,600	2,617,483	3.6
Manila Electric	188,610	1,364,917	1.8
<b>Property (23.6%)</b>			
Ayala Land	8,468,560	7,241,256	9.8
Megaworld Corp	23,232,800	2,566,182	3.5
Robinsons Land	1,563,000	729,261	1.0
SM Prime Hldgs	8,975,886	6,820,374	9.3
<b>Transportation Services (6.8%)</b>			
Intl Container Terminal Services	2,000,900	4,980,340	6.8
<b>Total Listed/Quoted Investments</b>		72,698,368	98.8
<b>Other net assets</b>		886,037	1.2
<b>Net assets attributable to holders of redeemable units at 31 March 2019</b>		73,584,405	100.0
<b>Total investments, at cost</b>		66,587,130	

Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 (*Unaudited*)

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
<b>Philippines</b>		
Holding Firms	25.6	30.4
Property	23.6	19.5
Banks	13.1	15.5
Food, Beverages & Tobacco	8.7	10.3
Transportation Services	6.8	2.2
Power & Energy	5.4	4.8
Diversified Industrials	4.1	1.2
Investment Trusts	2.7	2.3
Communications	2.4	5.0
Manufacturing, Distribution & Trading	2.3	3.1
Construction & Related Products	1.8	1.7
Financial Services	1.7	1.8
Hotel, Recreation & Other Services	0.6	1.1
<b>Total Listed/Quoted Investments</b>	<b>98.8</b>	<b>98.9</b>
<b>Other net assets</b>	<b>1.2</b>	<b>1.1</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>100.0</b>	<b>100.0</b>

**Statement of Financial Position  
As at 31 March 2019 (Unaudited)**

	31.3.2019 US\$	30.9.2018 US\$
<b>Assets</b>		
Cash at banks	1,180,241	3,706,912
Amounts due from brokers	211,008	7,459,306
Amounts receivable on allotment	56,359	196,165
Investments	72,698,368	74,217,843
Dividend receivable	201,134	49,806
<b>Total assets</b>	<b>74,347,110</b>	<b>85,630,032</b>
	-----	-----
<b>Liabilities</b>		
Amounts due to brokers	146,071	-
Amounts payable on redemption	518,237	10,424,281
Other accounts payable	98,397	147,544
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>762,705</b>	<b>10,571,825</b>
	-----	-----
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<b>73,584,405</b>	<b>75,058,207</b>
	=====	=====

**Statement of Comprehensive Income  
For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Income</b>		
Net gains/(losses) on investments and derivatives [Note 4]	10,770,494	(1,898,469)
Dividend income	535,628	653,494
Interest on deposits	3,546	9,611
Net foreign currency exchange losses	(56,292)	(114,175)
Other income	-	4
	-----	-----
	11,253,376	(1,349,535)
	-----	-----
<b>Expenses</b>		
Management fee	555,219	651,072
Transaction costs	192,035	298,449
Registrar's fee	30,905	45,194
Safe custody and bank charges	20,882	25,941
Trustee's fee	18,536	20,241
Valuation fee	8,120	8,120
Auditor's fee	6,986	6,662
Legal and professional expenses	6,128	6,525
Printing and publication expenses	843	19
Other operating expenses	2,741	591
	-----	-----
	842,395	1,062,814
	-----	-----
<b>Profit/(loss) before taxation</b>	<b>10,410,981</b>	<b>(2,412,349)</b>
Taxation	(80,344)	(98,024)
	-----	-----
<b>Increase/(decrease) in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>10,330,637</b>	<b>(2,510,373)</b>
	=====	=====

The notes on pages 287 to 289 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	75,058,207	98,575,825
-----	-----	-----
Allotment of redeemable units	5,533,957	40,061,273
Redemption of redeemable units	(17,338,396)	(52,679,867)
<b>Net redemption</b>	(11,804,439)	(12,618,594)
-----	-----	-----
	63,253,768	85,957,231
<b>Increase/(decrease) in net assets attributable to holders of redeemable units and total comprehensive income</b>	10,330,637	(2,510,373)
-----	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	73,584,405	83,446,858
	=====	=====

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(8,616,345)	(19,305,140)
Proceeds from disposal of investments and derivatives	28,355,631	33,775,283
Dividend received	384,300	359,029
Interest received	3,546	9,496
Trustee's fee paid	(18,711)	(20,657)
Registrar's fee paid	(57,881)	(86,070)
Tax paid	(80,344)	(98,024)
Transaction costs paid	(248,273)	(291,513)
Management fee paid	(561,375)	(673,044)
Others	(131,762)	(94,392)
<b>Net cash inflow from operating activities</b>	19,028,786	13,574,968
-----	-----	-----
<b>Financing activities</b>		
Receipts on allotment of redeemable units	5,673,763	42,060,491
Payments on redemption of redeemable units	(27,244,440)	(52,299,092)
<b>Net cash outflow from financing activities</b>	(21,570,677)	(10,238,601)
-----	-----	-----
<b>(Decrease)/increase in cash and cash equivalents</b>	(2,541,891)	3,336,367
Cash and cash equivalents at the beginning of the period	3,706,912	3,411,227
Exchange gains/(losses) on cash and cash equivalents	15,220	(81,160)
<b>Cash and cash equivalents at the end of the period</b>	1,180,241	6,666,434
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	1,180,241	5,763,655
Short-term deposits	-	902,779
	1,180,241	6,666,434
	=====	=====

The notes on pages 287 to 289 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Philippine Fund (the "Fund") was established under a Trust Deed dated 29 July 1974, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to provide long-term capital growth through investment primarily in the securities of companies based or operating in the Philippines.

Pursuant to the Supplemental Trust Deed dated 4 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies****(a) Accounting policies of interim financial statements**

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the period/year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Foreign currency translation**

*Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(e) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

31.3.2019

	USD Class (acc) Units	USD C Class (acc) Units
Number of units in issue	614,254.010	4,083.000
	US\$	US\$
Net assets attributable to holders of redeemable units	73,535,216	49,189
Net assets attributable to holders of redeemable units (per unit)	119.71	12.05

30.9.2018

	USD Class (acc) Units	USD C Class (acc) Units
Number of units in issue	689,760,430	288,113,000
	US\$	US\$
Net assets attributable to holders of redeemable units	72,037,349	3,020,858
Net assets attributable to holders of redeemable units (per unit)	104.44	10.48

**4 Net gains/(losses) on investments and derivatives**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	10,150,909	(6,608,697)
Realized gains on sale of investments and derivatives	619,585	4,710,228
	10,770,494	(1,898,469)

**5 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**6 Distribution**

No distribution was made during the period (31 March 2018: nil).



## UK Tax Information

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 8 August 1989 to 30 September 2010.

## Investment Portfolio

As at 31 March 2019 *(Unaudited)*

	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments (97.6%)</b>			
<b>Equities (97.6%)</b>			
<b>Thailand (97.6%)</b>			
<b>Agribusiness (1.9%)</b>			
Charoen Pokphand Foods (F)	7,167,000	5,758,894	1.9
<b>Banking (18.0%)</b>			
Bangkok Bank NVDR	1,566,500	10,217,914	3.4
Kasikornbank Public Co (F)	4,720,100	27,962,149	9.4
Siam Commercial Bank (F)	3,755,200	15,619,549	5.2
<b>Building &amp; Furnishing Materials (6.7%)</b>			
Home Product Center (F)	13,584,400	6,549,277	2.2
Siam Cement (F)	882,700	13,406,693	4.5
<b>Chemicals &amp; Plastics (8.8%)</b>			
Indorama Ventures (F)	6,088,300	9,544,444	3.2
PTT Global Chemical (F)	7,970,300	16,889,954	5.6
<b>Communications (8.2%)</b>			
Advanced Information (F)	1,821,900	10,563,403	3.5
Intouch Hldgs (F)	2,227,400	4,035,781	1.4
Intouch Hldgs NVDR	1,184,400	2,145,990	0.7
Total Access Communication (F)	908,800	1,517,769	0.5
VGI Global Media (F)	21,858,000	6,233,335	2.1
<b>Construction &amp; House (0.9%)</b>			
Banpu Public Co (F)	4,996,600	2,550,651	0.9

(Continued)

	Holding	Fair value US\$	% of net assets
<b>Energy (17.7%)</b>			
PTT Exploration & Production (F)	4,121,900	16,300,566	5.4
PTT Public Co (F)	17,434,700	26,370,430	8.8
Thai Oil (F)	4,802,000	10,516,433	3.5
<b>Finance &amp; Securities (3.9%)</b>			
Srisawad Corp (F)	6,954,200	11,614,073	3.9
<b>Financial (Diversified) (0.9%)</b>			
Strategic Hospitality Freehold (F)	13,124,200	2,832,859	0.9
<b>Food &amp; Beverages (9.8%)</b>			
CP ALL (F)	12,464,700	29,359,897	9.8
<b>Health Care Services (6.3%)</b>			
Bangkok Dusit Medical Services (F)	13,483,000	10,536,581	3.5
Mega Lifesciences (F)	2,462,100	2,521,451	0.9
Praram 9 Hospital (F)	16,860,600	5,791,099	1.9
<b>Hotel &amp; Travel Services (3.6%)</b>			
Minor Intl (F)	8,824,300	10,844,421	3.6
<b>Property Development (3.4%)</b>			
Central Pattana (F)	2,600,200	6,001,722	2.0
Erawan Group (F)	18,972,800	4,214,849	1.4
<b>Road &amp; Rail (1.0%)</b>			
Bangkok Expressway And Metro (F)	9,397,100	2,990,727	1.0
<b>Textiles, Clothing &amp; Footwear (1.7%)</b>			
Sabina PCL (F)	6,372,000	5,170,285	1.7
<b>Transportation (4.8%)</b>			
Airports of Thailand (F)	6,770,300	14,507,024	4.8
<b>Total Listed/Quoted Investments</b>		292,568,220	97.6
<b>Other net assets</b>		7,221,722	2.4
<b>Net assets attributable to holders of redeemable units at 31 March 2019</b>		299,789,942	100.0
<b>Total investments, at cost</b>		255,466,462	

Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 *(Unaudited)*

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Equities and Warrants</b>		
<b>Thailand</b>		
Banking	18.0	20.6
Energy	17.7	22.1
Food & Beverages	9.8	9.5
Chemicals & Plastics	8.8	6.4
Communications	8.2	8.0
Building & Furnishing Materials	6.7	6.7
Health Care Services	6.3	0.6
Transportation	4.8	4.9
Finance & Securities	3.9	2.2
Hotel & Travel Services	3.6	4.5
Property Development	3.4	4.8
Agribusiness	1.9	-
Textiles, Clothing & Footwear	1.7	1.7
Road & Rail	1.0	-
Financial (Diversified)	0.9	1.3
Construction & House	0.9	0.9
Electronic Components	-	1.3
Entertainment & Recreation	-	0.6
<b>Total Listed/Quoted Investments</b>	<u>97.6</u>	<u>96.1</u>
<b>Other net assets</b>	<u>2.4</u>	<u>3.9</u>
<b>Net assets attributable to holders of redeemable units</b>	<u><u>100.0</u></u>	<u><u>100.0</u></u>

**Statement of Financial Position  
As at 31 March 2019 (Unaudited)**

	31.3.2019 US\$	30.9.2018 US\$
<b>Assets</b>		
Cash at banks	5,914,981	13,269,844
Amounts due from brokers	599,395	2,646,547
Amounts receivable on allotment	670,897	1,100,314
Investments	292,568,220	340,467,228
Dividend and interest receivable	2,163,699	147,721
<b>Total assets</b>	<u>301,917,192</u>	<u>357,631,654</u>
<b>Liabilities</b>		
Amounts due to brokers	-	1,003,284
Amounts payable on redemption	1,754,339	1,800,355
Other accounts payable	372,911	506,688
<b>Total liabilities</b>	<u>2,127,250</u>	<u>3,310,327</u>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>299,789,942</u>	<u>354,321,327</u>
<b>Equity</b>	<u>299,789,942</u>	<u>354,321,327</u>

**Statement of Comprehensive Income  
For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 4]	(17,933,581)	62,862,028
Dividend income	3,288,416	3,010,670
Interest on deposits	39,430	21,938
Net foreign currency exchange losses	(316,734)	(798)
Other income	81	8
	<u>(14,922,388)</u>	<u>65,893,846</u>
<b>Expenses</b>		
Management fee	2,405,039	2,745,182
Transaction costs	233,942	275,839
Safe custody and bank charges	58,960	69,714
Registrar's fee	57,884	70,346
Trustee's fee	49,332	54,953
Auditor's fee	10,926	10,417
Valuation fee	8,120	8,050
Printing and publication expenses	2,122	54
Legal and professional expenses	-	2,729
Other operating expenses	6,496	2,814
	<u>2,832,821</u>	<u>3,240,098</u>
<b>Net operating (loss)/profit</b>	<u>(17,755,209)</u>	<u>62,653,748</u>
<b>Finance costs</b>		
Interest expense	-	(6)
<b>(Loss)/profit before taxation</b>	<u>(17,755,209)</u>	<u>62,653,742</u>
Taxation	(296,293)	(206,639)
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>(18,051,502)</u>	<u>62,447,103</u>

The notes on pages 294 to 296 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	354,321,327	338,167,759
	-----	-----
Allotment of redeemable units	47,070,969	86,290,294
Redemption of redeemable units	(83,550,852)	(97,635,893)
<b>Net redemption</b>	(36,479,883)	(11,345,599)
	-----	-----
	317,841,444	326,822,160
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	(18,051,502)	62,447,103
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	<u>299,789,942</u>	<u>389,269,263</u>

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(86,604,435)	(127,612,615)
Proceeds from disposal of investments and derivatives	117,616,329	140,144,499
Dividend received	1,271,905	737,951
Interest received	39,963	22,538
Trustee's fee paid	(50,082)	(53,788)
Registrar's fee paid	(113,695)	(127,638)
Transaction costs paid	(238,991)	(288,101)
Tax paid	(296,293)	(206,639)
Management fee paid	(2,453,067)	(2,675,316)
Others	(438,047)	(163,654)
<b>Net cash inflow from operating activities</b>	<u>28,733,587</u>	<u>9,777,237</u>
	-----	-----
<b>Financing activities</b>		
Interest paid	-	(6)
Receipts on allotment of redeemable units	47,500,386	85,490,395
Payments on redemption of redeemable units	(83,596,868)	(98,718,963)
<b>Net cash outflow from financing activities</b>	<u>(36,096,482)</u>	<u>(13,228,574)</u>
	-----	-----
<b>Decrease in cash and cash equivalents</b>	<u>(7,362,895)</u>	<u>(3,451,337)</u>
Cash and cash equivalents at the beginning of the period	13,269,844	6,314,981
Exchange gains on cash and cash equivalents	8,032	43,525
<b>Cash and cash equivalents at the end of the period</b>	<u>5,914,981</u>	<u>2,907,169</u>
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	<u>5,914,981</u>	<u>2,907,169</u>
	=====	=====

The notes on pages 294 to 296 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Thailand Fund (the "Fund") was established under a Trust Deed dated 20 July 1989, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to provide investors with long-term capital appreciation through a portfolio consisting primarily of securities of companies based or operating principally in Thailand.

Pursuant to the Supplemental Trust Deed dated 4 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies****(a) Accounting policies of interim financial statements**

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the period/year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Foreign currency translation**

*Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(e) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

31.3.2019

	USD Class (acc)
	Units
Number of units in issue	<u>1,584,116.384</u>
	US\$
Net assets attributable to holders of redeemable units	<u>299,789,942</u>
Net assets attributable to holders of redeemable units (per unit)	<u>189.25</u>

30.9.2018

	USD Class (acc) Units
Number of units in issue	1,771,170,447
	US\$
Net assets attributable to holders of redeemable units	354,321,327
Net assets attributable to holders of redeemable units (per unit)	200.05

**4 Net (losses)/gains on investments and derivatives**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	(25,893,563)	21,102,596
Realized gains on sale of investments and derivatives	7,959,982	41,759,432
	<u>(17,933,581)</u>	<u>62,862,028</u>

**5 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**6 Distribution**

No distribution was made during the period (31 March 2018: nil).

**Investment Portfolio**  
**As at 31 March 2019 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments (101.3%)</b>				Vincom Retail JSC	20,899,995	31,164,449	9.2
<b>Equities (101.3%)</b>				<b>Road &amp; Rail (1.8%)</b>			
<b>Thailand (0.4%)</b>				Viettel Post Joint Stock Corp	710,600	6,063,558	1.8
<b>Financial (Diversified) (0.4%)</b>				<b>Telecommunications (7.6%)</b>			
Strategic Hospitality Freehold (F)	5,606,900	1,210,249	0.4	FPT Corp	6,685,860	13,110,095	3.9
				Mobile World Investment	3,428,746	12,530,498	3.7
<b>Vietnam (100.9%)</b>				<b>Transportation Equipment (1.3%)</b>			
<b>Airlines (0.3%)</b>				Airports Corp of Vietnam	1,235,600	4,510,228	1.3
Vietjet Aviation	216,576	1,087,360	0.3	<b>Total Listed/Quoted Investments</b>		341,415,969	101.3
<b>Banking (23.6%)</b>				<b>Other net liabilities</b>		(4,270,416)	(1.3)
JSC Bank for Foreign Trade	6,494,510	18,836,431	5.6				
Military Commercial JS Bk	25,834,930	24,939,771	7.4	<b>Net assets attributable to holders of redeemable units at 31 March 2019</b>		337,145,553	100.0
Sacombank	17,275,870	9,083,159	2.7				
Vietnam Prosperity JSC Bank	20,836,737	18,139,205	5.4				
Vietnam Techno and Comm JS Bank	7,698,851	8,493,820	2.5	<b>Total investments, at cost</b>		319,731,077	
<b>Beverages &amp; Tobacco (2.5%)</b>							
Saigon Beer Alcohol Beverage	792,250	8,525,463	2.5				
<b>Chemicals (1.4%)</b>							
Petrovietnam Fertilizer & Chemical	5,649,930	4,772,394	1.4				
<b>Financial Services (13.6%)</b>							
Kinh Bac City Develop Share Hldg	12,472,010	7,901,162	2.3				
Masan Group	7,096,775	25,782,544	7.6				
SSI Securities	4,831,770	5,663,858	1.7				
Viet Capital Securities	4,038,140	6,578,249	2.0				
<b>Food &amp; House Products (10.1%)</b>							
Vietnam Dairy Products	5,017,368	29,147,614	8.6				
Vietnam Engine and Agricultural Mac	2,188,272	4,960,486	1.5				
<b>Information &amp; Communication (1.1%)</b>							
FPT Digital Retail	1,687,326	3,614,037	1.1				
<b>Multi-Industry (6.9%)</b>							
Hoa Phat Group	16,656,988	23,114,766	6.9				
<b>Oils (2.2%)</b>							
PetroVietnam Gas	643,960	2,725,257	0.8				
Vietnam National Petroleum	1,773,940	4,541,115	1.4				
<b>Real Estate Management &amp; Development (18.7%)</b>							
Nam Long Investment	4,916,342	5,826,556	1.7				
No Va Land Investment Grp	1,180,353	2,838,463	0.9				
Vingroup Joint Stock	5,169,970	25,823,114	7.7				
Vinhomes JSC	7,199,827	28,390,976	8.4				
<b>Retailing (9.8%)</b>							
Phu Nhuan Jewelry	475,995	2,041,092	0.6				



Statement of Movements in Portfolio Holdings  
For the period ended 31 March 2019 (*Unaudited*)

	% holdings of net assets	
	31.3.2019	30.9.2018
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
<b>Thailand</b>		
Financial (Diversified)	0.4	0.6
<b>Vietnam</b>		
Banking	23.6	23.0
Real Estate Management & Development	18.7	11.7
Financial Services	13.6	13.1
Food & House Products	10.1	8.3
Retailing	9.8	9.5
Telecommunications	7.6	7.3
Multi-Industry	6.9	10.0
Beverages & Tobacco	2.5	2.7
Oils	2.2	3.9
Road & Rail	1.8	-
Chemicals	1.4	-
Transportation Equipment	1.3	1.4
Information & Communication	1.1	1.8
Airlines	0.3	4.6
<b>Total Listed/Quoted Investments</b>	101.3	97.9
<b>Other net (liabilities)/assets</b>	(1.3)	2.1
<b>Net assets attributable to holders of redeemable units</b>	100.0	100.0

**Statement of Financial Position  
As at 31 March 2019 (Unaudited)**

	31.3.2019 US\$	30.9.2018 US\$
<b>Assets</b>		
Cash at banks	20,269,344	8,816,273
Amounts due from brokers	9,341,661	2,346,655
Amounts receivable on allotment	913,510	1,610,209
Investments	341,415,969	332,707,925
Dividend and other accounts receivable	42,064	123,239
<b>Total assets</b>	<b>371,982,548</b>	<b>345,604,301</b>
<b>Liabilities</b>		
Short-term bank loans - unsecured	17,545,063	-
Amounts due to brokers	15,432,687	2,369,760
Amounts payable on redemption	1,433,289	2,975,227
Other accounts payable	425,956	472,954
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>34,836,995</b>	<b>5,817,941</b>
<b>Net assets attributable to holders of redeemable units classified as financial liability/ equity [Note 3]</b>	<b>337,145,553</b>	<b>339,786,360</b>

**Statement of Comprehensive Income  
For the period ended 31 March 2019 (Unaudited)**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 4]	(22,682,335)	95,831,620
Dividend income	1,094,328	1,245,934
Interest on deposits	6,774	6,568
Net foreign currency exchange losses	(133,754)	(168,431)
	(21,714,987)	96,915,691
<b>Expenses</b>		
Management fee	2,404,330	1,843,282
Transaction costs	672,241	565,366
Safe custody and bank charges	189,901	145,519
Trustee's fee	49,332	39,912
Registrar's fee	28,914	29,311
Auditor's fee	8,831	8,383
Valuation fee	8,330	8,190
Legal and professional expenses	1,900	4,629
Printing and publication expenses	1,819	68
Other operating expenses	5,599	1,620
	3,371,197	2,646,280
<b>Net operating (loss)/profit</b>	<b>(25,086,184)</b>	<b>94,269,411</b>
<b>Finance costs</b>		
Interest expense	(33,300)	(23,777)
<b>(Loss)/profit before taxation</b>	<b>(25,119,484)</b>	<b>94,245,634</b>
Taxation	(3,812)	-
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>(25,123,296)</b>	<b>94,245,634</b>

The notes on pages 301 to 303 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the period</b>	339,786,360	178,686,312
	-----	-----
Allotment of redeemable units	79,193,346	161,626,899
Redemption of redeemable units	(56,710,857)	(82,640,588)
<b>Net allotment</b>	22,482,489	78,986,311
	-----	-----
	362,268,849	257,672,623
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	(25,123,296)	94,245,634
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the period</b>	337,145,553	351,918,257
	=====	=====

**Statement of Cash Flows**  
For the period ended 31 March 2019 *(Unaudited)*

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(136,785,512)	(142,029,798)
Proceeds from disposal of investments and derivatives	111,415,931	75,224,462
Dividend received	1,175,504	1,619,646
Interest received	6,774	6,168
Tax paid	(3,812)	-
Trustee's fee paid	(48,824)	(37,037)
Registrar's fee paid	(56,226)	(51,802)
Transaction costs paid	(627,844)	(570,357)
Management fee paid	(2,377,606)	(1,670,824)
Others	(504,027)	(338,293)
	-----	-----
<b>Net cash outflow from operating activities</b>	(27,805,642)	(67,847,835)
	-----	-----
<b>Financing activities</b>		
Interest paid	(28,817)	(23,777)
Receipts on allotment of redeemable units	79,890,045	156,474,533
Payments on redemption of redeemable units	(58,252,795)	(78,234,117)
	-----	-----
<b>Net cash inflow from financing activities</b>	21,608,433	78,216,639
	-----	-----
<b>(Decrease)/increase in cash and cash equivalents</b>	(6,197,209)	10,368,804
Cash and cash equivalents at the beginning of the period	8,816,273	4,475,311
Exchange gains/(losses) on cash and cash equivalents	105,217	(29,692)
	-----	-----
<b>Cash and cash equivalents at the end of the period</b>	2,724,281	14,814,423
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	20,269,344	8,814,210
Short-term deposits	-	6,000,213
Short-term bank loans - unsecured	(17,545,063)	-
	-----	-----
	2,724,281	14,814,423
	=====	=====

The notes on pages 301 to 303 form part of these financial statements.

## Notes to the Financial Statements

### 1 The Fund

JPMorgan Vietnam Opportunities Fund (the "Fund") was established under a Trust Deed dated 15 August 2006, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong.

The investment objective of the Fund is to provide investors with long-term capital growth by investing primarily in securities of companies either (i) domiciled or listed on a stock exchange in Vietnam, or (ii) with actual or prospective operations, assets or investments, direct or indirect, in Vietnam in an aggregate amount of not less than either US\$50 million or 10 percent of the gross assets of the investing company, or (iii) which may have the majority of their business elsewhere, whilst they have an interest in Vietnam.

Pursuant to the Supplemental Trust Deed dated 31 August 2012, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

### 2 Summary of significant accounting policies

#### (a) Accounting policies of interim financial statements

The accounting policies and methods of computation used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 30 September 2018.

#### (b) Investments and derivatives

##### *Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

##### *Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

##### *Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the period/year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Foreign currency translation**

*Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at period/year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(e) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

31.3.2019

	USD Class (acc) Units	USD Class C (acc) Units
Number of units in issue	<u>19,457,359.830</u>	<u>323,634.636</u>
	US\$	US\$
Net assets attributable to holders of redeemable units	<u>333,673,249</u>	<u>3,472,304</u>
Net assets attributable to holders of redeemable units (per unit)	<u>17.15</u>	<u>10.73</u>

30.9.2018

	USD Class (acc) Units
Number of units in issue	18,373,303.463
	<hr/>
	US\$
Net assets attributable to holders of redeemable units	339,786,360
	<hr/>
Net assets attributable to holders of redeemable units (per unit)	18.49
	<hr/>

**4 Net (losses)/gains on investments and derivatives**

	1.10.2018 to 31.3.2019 US\$	1.10.2017 to 31.3.2018 US\$
Change in unrealized gains/losses in value of investments and derivatives	(25,194,250)	77,151,706
Realized gains on sale of investments and derivatives	2,511,915	18,679,914
	<hr/>	<hr/>
	(22,682,335)	95,831,620
	<hr/>	<hr/>

**5 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**6 Distribution**

No distribution was made during the period (31 March 2018: nil).







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Audited Annual Report – 30 September 2018

# JPMorgan Funds

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Unit Trust Range

These reports do not constitute an offer of units in any funds forming the subject matter of this document. Subscriptions are only valid if made on the basis of the current explanatory memoranda (or equivalent), supplemented by the most recent financial reports, if available.

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Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
Listed/Quoted Investments (95.3%)				Kasikornbank Public Co NVDR	835,100	5,577,662	0.4
				KCE Electronics (F)	8,753,400	11,435,719	0.7
(I) Equities and Warrants (95.3%)				PTT Exploration & Production (F)	5,537,800	26,541,713	1.7
Indonesia (20.1%)				PTT Global Chemical (F)	6,790,000	17,058,983	1.1
Astra Intl	83,145,900	41,010,794	2.7	PTT Public Co (F)	11,731,900	19,680,135	1.3
Bank Central Asia	44,452,300	72,041,273	4.7	Sabina PCL (F)	5,410,400	5,102,573	0.3
Bank Mandiri (Persero)	94,755,600	42,762,903	2.8	Siam Cement (F)	1,329,100	18,329,579	1.2
Bank Negara Indonesia (Persero)	34,463,200	17,114,228	1.1	Siam Commercial Bank (F)	5,899,300	27,179,830	1.8
Bank Rakyat Indonesia Persero	143,185,200	30,267,649	2.0	Srisawad Corp (F)	7,849,600	11,711,293	0.8
BFI Finance Indonesia	225,902,600	9,323,229	0.6	Thai Oil (F)	9,269,400	25,366,169	1.7
Hanjaya Mandala Sampoerna	67,213,300	17,365,446	1.1	Total Access Communication (F)	7,509,900	10,914,202	0.7
Semen Indonesia Persero	12,937,900	8,617,163	0.6	VGI Global Media (F)	48,563,400	11,938,127	0.8
Telekomunikasi Indonesia	161,792,200	39,521,095	2.6	VGI Global Media (F) Wts 31/12/22	9,712,680	180,198	0.0
Unilever Indonesia	3,643,100	11,496,613	0.8				
United Tractors	7,944,900	17,594,316	1.1	Vietnam (2.1%)			
Malaysia (13.6%)				JSC Bank for Foreign Trade	2,980,610	8,049,659	0.5
CIMB Group Hldgs	17,534,479	25,463,868	1.7	Vincom Retail JSC	6,285,240	11,289,317	0.8
Dialog Group	18,936,372	15,969,056	1.0	Vinhomes JSC	2,795,530	12,702,869	0.8
Genting Bhd	14,562,500	27,481,726	1.8			1,454,946,538	95.3
Genting Malaysia	19,700,700	23,754,136	1.6				
Malayan Banking	15,146,633	35,830,745	2.3	(II) Derivatives (-0.0%)			
Petronas Chemicals	5,842,400	13,213,692	0.9				
Public Bank	8,900,380	53,765,736	3.5	Forward foreign exchange contracts (-0.0%)		(407,951)	(0.0)
Tenaga Nasional	3,142,000	11,737,422	0.8				
Philippines (6.7%)							
Ayala Corp	465,560	7,996,292	0.5	Total Listed/Quoted Investments		1,454,538,587	95.3
Ayala Land	56,970,300	42,229,512	2.8				
Jollibee Food	1,148,070	5,460,929	0.3	Other net assets		72,135,247	4.7
LT Group	15,199,700	4,051,003	0.3				
Metropolitan Bank & Trust	17,547,710	21,760,070	1.4				
Universal Robina	5,689,130	15,215,238	1.0	Net assets attributable to holders of redeemable units at 30 September 2018		1,526,673,834	100.0
Wilcon Depot	29,953,000	5,710,085	0.4				
Singapore (31.4%)							
CapitaLand Ltd	3,254,300	8,026,487	0.5	Total investments, at cost		1,346,775,107	
City Developments	2,263,600	15,092,323	1.0				
DBS Group Hldgs	5,585,790	106,658,807	7.0				
Fibrechem Technologies	27,671,000	0	0.0				
Genting Singapore	18,234,300	14,145,979	0.9				
Jardine Cycle & Carriage	1,010,100	23,649,211	1.5				
Keppel Corp	5,998,900	30,557,576	2.0				
Oversea-Chinese Bkg (CDP)	9,215,353	77,157,125	5.0				
Sembcorp Industries (CDP)	6,760,500	15,288,868	1.0				
Singapore Telecom	25,477,800	60,415,027	4.0				
United Overseas Bank	4,365,068	86,512,271	5.7				
UOL Group (CDP)	2,405,519	12,130,147	0.8				
Venture Corp (CDP)	1,132,200	14,608,765	1.0				
Wilmar Intl	6,420,300	15,130,359	1.0				
Thailand (21.4%)							
Airports of Thailand (F)	6,274,300	12,707,689	0.8				
Bangkok Bank NVDR	3,752,600	24,367,532	1.6				
CP ALL (F)	18,487,500	39,444,573	2.6				
Home Product Center (F)	30,184,800	14,747,058	1.0				
Kasikornbank Public Co (F)	6,600,697	44,494,494	2.9				

Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 (*Unaudited*)

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities and Warrants</b>		
Singapore	31.4	30.5
Thailand	21.4	22.4
Indonesia	20.1	22.9
Malaysia	13.6	13.3
Philippines	6.7	8.0
Vietnam	2.1	1.1
<b>Derivatives</b>		
Forward foreign exchange contracts	(0.0)	(0.0)
<b>Total Listed/Quoted Investments</b>	95.3	98.2
<b>Other net assets</b>	4.7	1.8
<b>Net assets attributable to holders of redeemable units at 30 September</b>	100.0	100.0

Statement of Financial Position  
As at 30 September 2018

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	72,207,836	29,595,858
Amounts due from brokers	2,800,972	23,821,484
Amounts receivable on allotment	5,032,838	3,727,452
Derivatives [Note 4(l)(a)]	54,702	117,767
Investments [Note 4(l)(a)]	1,454,946,538	1,585,189,025
Dividend and other accounts receivable	4,309,357	1,129,371
<b>Total assets</b>	<u>1,539,352,243</u>	<u>1,643,580,957</u>
<b>Liabilities</b>		
Amounts due to brokers	2,170,842	18,205,966
Amounts payable on redemption	8,004,089	9,358,063
Derivatives [Note 4(l)(a)]	462,653	383,822
Other accounts payable	2,040,825	2,189,185
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<u>12,678,409</u>	<u>30,137,036</u>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>1,526,673,834</u>	<u>1,613,443,921</u>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

Bank of East Asia (Trustees) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

Statement of Comprehensive Income  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 5]	31,528,657	199,174,793
Dividend income	49,882,156	46,249,276
Interest on deposits	422,633	192,572
Net foreign currency exchange losses	(1,079,945)	(503,527)
Other income [Note 13]	16,437	-
	<u>80,769,938</u>	<u>245,113,114</u>
<b>Expenses</b>		
Management fee [Note 7(e)]	24,959,592	24,961,870
Transaction costs	3,739,906	3,450,880
Safe custody and bank charges	598,795	506,196
Registrar's fee [Note 7(h)]	596,654	568,006
Trustee's fee [Note 8]	299,745	300,673
Auditor's fee	54,100	53,600
Legal and professional expenses	11,641	66,347
Printing and publication expenses	10,925	10,855
Other operating expenses	8,877	14,254
	<u>30,280,235</u>	<u>29,932,681</u>
<b>Net operating profit</b>	50,489,703	215,180,433
<b>Finance costs</b>		
Interest expense	(41)	-
<b>Profit before taxation</b>	50,489,662	215,180,433
Taxation [Note 6]	(2,515,641)	(3,036,115)
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>47,974,021</u>	<u>212,144,318</u>

The notes on pages 5 to 22 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	1,613,443,921	1,740,510,939
	-----	-----
Allotment of redeemable units [Note 3]	801,651,846	465,144,683
Redemption of redeemable units [Note 3]	(936,395,954)	(804,356,019)
<b>Net redemption</b>	(134,744,108)	(339,211,336)
	-----	-----
	1,478,699,813	1,401,299,603
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	47,974,021	212,144,318
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	<u>1,526,673,834</u>	<u>1,613,443,921</u>

**Statement of Cash Flows**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(850,694,487)	(691,916,323)
Proceeds from disposal of investments and derivatives	1,017,658,597	945,811,000
Dividend received	46,775,071	46,457,118
Interest received	411,794	191,126
Trustee's fee paid	(302,340)	(302,847)
Registrar's fee paid	(607,213)	(584,365)
Tax paid	(2,515,641)	(3,036,115)
Transaction costs paid	(3,796,719)	(3,410,925)
Management fee paid	(25,176,098)	(25,127,909)
Others	(1,488,674)	(1,187,363)
<b>Net cash inflow from operating activities</b>	<u>180,264,290</u>	<u>266,893,397</u>
	-----	-----
<b>Financing activities</b>		
Interest paid	(41)	-
Receipts on allotment of redeemable units	800,346,460	466,658,648
Payments on redemption of redeemable units	(937,749,928)	(799,203,902)
<b>Net cash outflow from financing activities</b>	<u>(137,403,509)</u>	<u>(332,545,254)</u>
	-----	-----
<b>Increase/(decrease) in cash and cash equivalents</b>	42,860,781	(65,651,857)
Cash and cash equivalents at the beginning of the year	29,595,858	95,223,992
Exchange (losses)/gains on cash and cash equivalents	(248,803)	23,723
<b>Cash and cash equivalents at the end of the year</b>	<u>72,207,836</u>	<u>29,595,858</u>
	-----	-----
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	<u>72,207,836</u>	<u>29,595,858</u>
	-----	-----

The notes on pages 5 to 22 form part of these financial statements.

## Notes to the Financial Statements

### 1 The Fund

JPMorgan ASEAN Fund (the "Fund") was established under a Trust Deed dated 7 July 1983, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to enable investors to participate in a managed portfolio consisting primarily of securities with significant assets in, or significant earnings derived from one or more of the countries comprising the Association of South East Asian Nations.

Pursuant to the Supplemental Trust Deed dated 5 September 2012, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation of financial statements

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

##### *Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

#### (b) Investments and derivatives

##### *Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.



*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(e) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(f) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(g) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(h) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(i) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(j) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**2018

	AUD Hedged Class (acc) Units	HKD Class (acc) Units	RMB Hedged Class (acc) Units	USD Class (acc) Units
Number of units in issue:				
At the beginning of the year	1,013,381.952	6,285,271.144	1,196,186.738	12,176,660.443
Total allotments	6,267,449.010	27,610,136.438	6,012,795.513	4,736,620.554
Total redemptions	(4,697,037.077)	(22,623,746.792)	(5,430,642.748)	(5,954,041.276)
At the end of the year	<u>2,583,793.885</u>	<u>11,271,660.790</u>	<u>1,778,339.503</u>	<u>10,959,239.721</u>

A\$

HK\$

CNY

US\$

Net assets attributable to  
holders of redeemable  
units32,021,835128,925,74421,289,0231,483,931,686Net assets attributable to  
holders of redeemable  
units (per unit)12.3911.4411.97135.402017

	AUD Hedged Class (acc) Units	HKD Class (acc) Units	RMB Hedged Class (acc) Units	USD Class (acc) Units
Number of units in issue:				
At the beginning of the year	1,633,902.458	10,706,932.609	1,805,384.206	14,827,691.185
Total allotments	2,759,884.754	16,264,848.709	4,937,792.842	3,448,276.537
Total redemptions	(3,380,405.260)	(20,686,510.174)	(5,546,990.310)	(6,099,307.279)
At the end of the year	<u>1,013,381.952</u>	<u>6,285,271.144</u>	<u>1,196,186.738</u>	<u>12,176,660.443</u>

A\$

HK\$

CNY

US\$

Net assets attributable to  
holders of redeemable  
units12,174,22269,329,31213,631,0721,592,964,523Net assets attributable to  
holders of redeemable  
units (per unit)12.0111.0311.40130.82**4 Financial risk management****(i) Financial risk factors**

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

## (a) Market risk

## (i) Market price risk

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Beta of the Fund on a regular basis. Beta measures the statistical relationship between the return of the Fund and the relevant benchmark index chosen by the Investment Manager.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
Listed/Quoted Investments				
<u>Assets</u>				
Equities and Warrants				
- Singapore	479,372,945	31.4	492,231,364	30.5
- Thailand	326,777,529	21.4	361,495,842	22.4
- Indonesia	307,114,709	20.1	368,851,445	22.9
- Malaysia	207,216,381	13.6	214,932,008	13.3
- Philippines	102,423,129	6.7	129,265,268	8.0
- Others	32,041,845	2.1	18,413,098	1.1
	<u>1,454,946,538</u>	<u>95.3</u>	<u>1,585,189,025</u>	<u>98.2</u>
Derivatives				
- Forward foreign exchange contracts	54,702	0.0	117,767	0.0
	<u>1,455,001,240</u>	<u>95.3</u>	<u>1,585,306,792</u>	<u>98.2</u>
<u>Liabilities</u>				
Derivatives				
- Forward foreign exchange contracts	(462,653)	(0.0)	(383,822)	(0.0)
	<u>1,454,538,587</u>	<u>95.3</u>	<u>1,584,922,970</u>	<u>98.2</u>

Also, refer to Note 11 for the exposures on derivative contracts.

	Net asset value US\$	Relevant benchmark index for the Fund (Note*)	Beta (Note**) % of reasonable possible change of the relevant benchmark index (Note***)	Estimated impact on net asset value (Note****) US\$
As at 30 September 2018	<u>1,526,673,834</u>	MSCI AC ASEAN Net	0.94	<u>44,487,276</u>
As at 30 September 2017	<u>1,613,443,921</u>	MSCI AC ASEAN Net	0.93	<u>180,060,342</u>

If the relevant benchmark index return was to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

- \* Relevant benchmark index for the Fund represents the relevant market index used by the Investment Manager in monitoring the market price risk of the Fund.
- \*\* Beta measures the statistical relationship between the return of the Fund and the respective benchmark index over the maximum of past 36 months, or the number of months since portfolio inception. For funds launched within a period of less than 12 months, weekly returns of the Fund are used for calculating the Beta.
- \*\*\* % of reasonable possible change is based on the actual historical change in the benchmark index in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. For funds launched within a period of less than 12 months, actual historical change in the benchmark index since the commencement of operations will be used to calculate the % of reasonable possible change.
- \*\*\*\* Estimated impact on net asset value of the Fund is calculated by applying the relevant Beta against the net asset value of the Fund multiplied by the % of reasonable possible change of the relevant benchmark index, assuming all other variables that may impact the net asset value of the Fund are held constant.

## (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Cash at banks	72,207,836	29,595,858
Total interest sensitivity gap	<u>72,207,836</u>	<u>29,595,858</u>

Any cash and cash equivalents are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

## (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The Fund enters in some forward foreign exchange contracts to hedge some of its foreign currency exposures to maintain limited exposure to non-US\$ currencies. Refer to Note 11 for the outstanding forward foreign exchange contracts as at year end.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
<u>2018</u>			
Net currency exposures (Note*)			
Australian Dollar	23,396,955	-7.8	(1,824,962)
Chinese Yuan (Offshore)	3,091,875	-3.3	(102,032)
Hong Kong Dollar	10,153,007	-0.2	(20,306)
Indonesian Rupiah	307,114,709	-9.6	(29,483,012)
Malaysian Ringgit	209,496,695	+2.0	4,189,934
Philippine Peso	105,449,937	-6.0	(6,326,996)
Singapore Dollar	480,942,928	-0.6	(2,885,658)
Thai Baht	326,998,014	+3.1	10,136,938
Vietnamese Dong	37,219,017	-2.6	(967,694)
	<u>1,503,863,137</u>		<u>(27,283,788)</u>
<u>2017</u>			
Australian Dollar	10,009,430	+2.5	250,236
Chinese Yuan (Offshore)	2,071,992	+0.4	8,288
Hong Kong Dollar	582,737	-0.7	(4,079)
Indonesian Rupiah	370,331,853	-3.1	(11,480,287)
Malaysian Ringgit	216,040,784	-2.1	(4,536,856)
Philippine Peso	129,331,833	-4.5	(5,819,932)
Singapore Dollar	497,192,976	+0.4	1,988,772
Thai Baht	356,968,635	+3.9	13,921,777
Vietnamese Dong	18,413,098	-1.9	(349,849)
	<u>1,600,943,338</u>		<u>(6,021,930)</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

## (b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	72,207,836	29,595,858
Amounts due from brokers	2,800,972	23,821,484
Amounts receivable on allotment	5,032,838	3,727,452
Derivatives issued by brokers	54,702	117,767
Dividend and other accounts receivable	4,309,357	1,129,371
	<u>84,405,705</u>	<u>58,391,932</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/brokers/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	18,910,558	12,422,099
S&P(A)/Moody's(A)/FITCH(A)	53,297,278	17,173,759
Derivatives issued by brokers		
S&P(AA)/Moody's(Aa)/FITCH(AA)	43,693	40,127
S&P(A)/Moody's(A)/FITCH(A)	11,009	77,640
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	<u>1,454,946,538</u>	<u>1,585,189,025</u>

### (c) Liquidity risk

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018		2017	
	Less than 1 month US\$	1 to 12 months US\$	Less than 1 month US\$	1 to 12 months US\$
Amounts due to brokers	2,170,842	-	18,205,966	-
Amounts payable on redemption	8,004,089	-	9,358,063	-
Derivatives	427,366	35,287	335,889	47,933
Other accounts payable	2,040,825	-	2,189,185	-
Net assets attributable to holders of redeemable units	1,526,673,834	-	1,613,443,921	-
Total financial liabilities	<u>1,539,316,956</u>	<u>35,287</u>	<u>1,643,533,024</u>	<u>47,933</u>

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

**(d) Offsetting and amounts subject to master netting arrangements and similar agreements**

As at 30 September 2018 and 2017, the Fund was subject to master netting arrangements with certain derivative counterparties. All of the derivative assets and liabilities of the Fund were held with these counterparties and the collateral and margin deposits maintained by the Fund were for the purpose of providing collateral on derivative positions.

In the event of default, the Fund and its counterparties have the option to settle transactions on net basis. An event of default may include failure to pay or deliver, breach of agreement or bankruptcy.

The following tables summarize the Fund's financial assets and liabilities subject to offsetting, master netting arrangements and similar agreements as at 30 September by types of financial instruments.

	Gross amounts of recognized financial assets presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>2018</u>				
<u>Assets</u>				
Derivatives	17,798	(15,258)	-	2,540
Financial assets at fair value through profit and loss	17,798	(15,258)	-	2,540
	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>Liabilities</u>				
Derivatives	434,747	(15,258)	-	419,489
Financial liabilities at fair value through profit and loss	434,747	(15,258)	-	419,489



	Gross amounts of recognized financial assets presented in the Statement of Financial Position US\$	Related amounts subject to master netting arrangements and similar agreements net off against  Financial Instruments US\$	Collateral and margin deposits US\$	Net amount US\$
<u>2017</u>				
<u>Assets</u>				
Derivatives	7,889	(4,754)	-	3,135
Financial assets at fair value through profit and loss	7,889	(4,754)	-	3,135

	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position US\$	Related amounts subject to master netting arrangements and similar agreements net off against  Financial Instruments US\$	Collateral and margin deposits US\$	Net amount US\$
<u>Liabilities</u>				
Derivatives	4,756	(4,754)	-	2
Financial liabilities at fair value through profit and loss	4,756	(4,754)	-	2

**(II) Capital risk management**

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

**(III) Fair value estimation**

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<u>2018</u>				
<u>Assets</u>				
Equities and Warrants	1,454,946,538	-	-	1,454,946,538
Derivatives	-	54,702	-	54,702
Total financial assets at fair value through profit and loss	<u>1,454,946,538</u>	<u>54,702</u>	<u>-</u>	<u>1,455,001,240</u>
<u>Liabilities</u>				
Derivatives	-	462,653	-	462,653
Total financial liabilities at fair value through profit and loss	<u>-</u>	<u>462,653</u>	<u>-</u>	<u>462,653</u>
<u>2017</u>				
<u>Assets</u>				
Equities and Warrants	1,585,189,025	-	-	1,585,189,025
Derivatives	-	117,767	-	117,767
Total financial assets at fair value through profit and loss	<u>1,585,189,025</u>	<u>117,767</u>	<u>-</u>	<u>1,585,306,792</u>
<u>Liabilities</u>				
Derivatives	-	383,822	-	383,822
Total financial liabilities at fair value through profit and loss	<u>-</u>	<u>383,822</u>	<u>-</u>	<u>383,822</u>

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the years ended 30 September 2018 and 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 5 Net gains on investments and derivatives

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	(83,872,519)	89,569,195
Realized gains on sale of investments and derivatives	<u>115,401,176</u>	<u>109,605,598</u>
	<u>31,528,657</u>	<u>199,174,793</u>

**6 Taxation**

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Overseas tax was withheld or paid on certain dividend income received during the years ended 30 September 2018 and 2017.

**7 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons**

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

(a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments US\$	% of the Fund's total aggregate value of transactions	Commission paid US\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
J.P. Morgan Securities (Asia Pacific) Limited	152,764,899	8.33	169,656	8.43	0.11
<u>2017</u>					
J.P. Morgan Securities (Asia Pacific) Limited	196,521,880	11.82	369,068	17.12	0.19

(b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	18,910,558	12,422,099
Amounts receivable	12,719	1,974,432
Amounts payable	(1,876,725)	(2,101,513)

As at 30 September 2018, the Fund's investment balance of US\$1,454,946,538 (2017: US\$1,585,189,025) represents the investments held by the custodian, J.P. Morgan Chase Bank, N.A., a Connected Person of the Manager.

During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$51,238 (2017: US\$22,884).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.
- (d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$13,668 (2017: US\$18,986).
- (e) Management fee of 1.5% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.
- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (g) Refer to Note 8 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

**8 Trustee's fee**

Trustee's fee of 0.018% per annum of the net asset value of the Fund is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

**9 Borrowings**

During the year ended 30 September 2018, the Fund has unsecured short-term bank borrowings with duration less than 7 days. The Fund has no bank borrowing during the year ended 30 September 2017.

**10 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**11 Derivatives**

Outstanding forward foreign exchange contracts as at 30 September were as follows:

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
<u>2018</u>			
Open contracts:			
A\$1,027	US\$746	2 October 2018	3
US\$69,143	A\$95,771	3 October 2018	157
US\$1,102	A\$1,524	3 October 2018	0
A\$112,029	US\$81,318	4 October 2018	253
US\$160,236	A\$221,467	4 October 2018	18
CNH20,543,515	US\$2,993,577	9 October 2018	5,604
CNH1,069,721	US\$156,123	9 October 2018	536
CNH994,105	US\$145,002	9 October 2018	413
CNH164,400	US\$24,004	9 October 2018	93
CNH132,323	US\$19,330	9 October 2018	84
CNH188,320	US\$27,457	9 October 2018	67
CNH157,718	US\$23,002	9 October 2018	62
CNH39,479	US\$5,788	9 October 2018	46
CNH155,313	US\$22,625	9 October 2018	35
CNH107,152	US\$15,609	9 October 2018	24
CNH7,576	US\$1,113	9 October 2018	12
CNH7,528	US\$1,102	9 October 2018	7
CNH7,515	US\$1,099	9 October 2018	6
CNH7,537	US\$1,101	9 October 2018	5
CNH7,518	US\$1,095	9 October 2018	2
US\$3,371,843	CNH23,237,729	9 October 2018	7,994
US\$50,750	CNH350,000	9 October 2018	156
US\$1,659	CNH11,443	9 October 2018	5
A\$31,563,350	US\$22,863,418	10 October 2018	24,178
A\$396,104	US\$288,548	10 October 2018	1,926
A\$103,915	US\$75,772	10 October 2018	579
A\$91,017	US\$66,243	10 October 2018	383
A\$34,251	US\$25,164	10 October 2018	380
A\$35,338	US\$25,904	10 October 2018	333
A\$20,612	US\$15,147	10 October 2018	233
A\$41,536	US\$30,287	10 October 2018	231
A\$73,600	US\$53,467	10 October 2018	210
A\$1,497	US\$1,101	10 October 2018	18
A\$1,512	US\$1,108	10 October 2018	14

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$324,415	A\$452,016	10 October 2018	2,663
US\$108,885	A\$152,932	10 October 2018	1,777
US\$113,344	A\$158,863	10 October 2018	1,609
US\$199,310	A\$277,197	10 October 2018	1,269
US\$18,449	A\$26,000	10 October 2018	364
US\$36,857	A\$51,329	10 October 2018	285
US\$42,778	A\$59,356	10 October 2018	172
US\$21,323	A\$29,665	10 October 2018	142
US\$10,015	A\$14,018	10 October 2018	128
US\$15,456	A\$21,494	10 October 2018	98
US\$5,143	A\$7,206	10 October 2018	71
US\$7,503	A\$10,448	10 October 2018	58
US\$10,238	A\$14,205	10 October 2018	41
US\$15,577	A\$21,578	10 October 2018	37
US\$2,165	A\$3,010	10 October 2018	14
US\$1,478	A\$2,059	10 October 2018	11
US\$1,175	A\$1,636	10 October 2018	9
US\$3,481	A\$4,822	10 October 2018	8
US\$2,546	A\$3,527	10 October 2018	6
CNH846,296	US\$123,405	5 November 2018	534
CNH583,849	US\$85,154	5 November 2018	388
CNH175,445	US\$25,505	5 November 2018	32
CNH220,329	US\$31,995	5 November 2018	6
CNH8,626	US\$1,254	5 November 2018	2
CNH19,802	US\$2,876	5 November 2018	1
A\$95,432	US\$69,428	13 November 2018	355
A\$177,577	US\$128,716	13 November 2018	186
A\$60,256	US\$43,793	13 November 2018	180
A\$66,657	US\$48,398	13 November 2018	151
A\$1,514	US\$1,104	13 November 2018	8
A\$1,514	US\$1,102	13 November 2018	6
US\$9,236	A\$12,789	13 November 2018	21
US\$19,980	A\$27,608	13 November 2018	3
Total unrealized gains			54,702
			-----
US\$48,386	A\$66,657	2 October 2018	(153)
A\$12,789	US\$9,233	5 October 2018	(21)
A\$27,608	US\$19,975	9 October 2018	(2)
CNH7,584	US\$1,099	9 October 2018	(4)
CNH282,597	US\$41,048	9 October 2018	(54)
CNH159,319	US\$23,112	9 October 2018	(61)
CNH424,983	US\$61,669	9 October 2018	(143)
CNH130,055	US\$18,743	9 October 2018	(173)
US\$902	CNH6,174	9 October 2018	(4)
US\$1,162	CNH7,955	9 October 2018	(5)
US\$19,147	CNH131,360	9 October 2018	(41)
US\$23,034	CNH157,926	9 October 2018	(64)
US\$16,214	CNH110,845	9 October 2018	(92)
US\$17,398	CNH118,937	9 October 2018	(99)
US\$15,993	CNH108,630	9 October 2018	(194)
US\$51,701	CNH353,261	9 October 2018	(320)
A\$1,530	US\$1,103	10 October 2018	(4)
A\$1,541	US\$1,108	10 October 2018	(7)
A\$1,532	US\$1,100	10 October 2018	(8)
A\$1,532	US\$1,100	10 October 2018	(8)
A\$1,531	US\$1,099	10 October 2018	(8)
A\$1,806	US\$1,297	10 October 2018	(10)
A\$1,526	US\$1,090	10 October 2018	(14)
A\$1,526	US\$1,090	10 October 2018	(14)
A\$1,550	US\$1,107	10 October 2018	(15)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
A\$1,539	US\$1,096	10 October 2018	(18)
A\$1,539	US\$1,096	10 October 2018	(18)
A\$1,545	US\$1,097	10 October 2018	(21)
A\$12,298	US\$8,831	10 October 2018	(68)
A\$28,375	US\$20,452	10 October 2018	(80)
A\$37,756	US\$27,150	10 October 2018	(170)
A\$135,408	US\$97,594	10 October 2018	(387)
A\$250,691	US\$180,979	10 October 2018	(422)
A\$253,351	US\$182,897	10 October 2018	(428)
A\$48,356	US\$34,430	10 October 2018	(560)
A\$124,885	US\$89,764	10 October 2018	(603)
A\$220,209	US\$158,629	10 October 2018	(714)
A\$141,286	US\$101,463	10 October 2018	(771)
A\$749,702	US\$541,627	10 October 2018	(857)
A\$110,505	US\$78,956	10 October 2018	(1,005)
A\$235,835	US\$169,576	10 October 2018	(1,074)
A\$331,883	US\$239,062	10 October 2018	(1,089)
A\$225,340	US\$161,923	10 October 2018	(1,133)
A\$257,005	US\$184,572	10 October 2018	(1,397)
A\$706,016	US\$508,924	10 October 2018	(1,949)
A\$200,416	US\$143,053	10 October 2018	(1,968)
A\$411,756	US\$295,700	10 October 2018	(2,247)
A\$350,044	US\$248,410	10 October 2018	(4,882)
US\$2,123	A\$2,896	10 October 2018	(27)
US\$31,049	A\$42,743	10 October 2018	(120)
US\$21,133	A\$29,014	10 October 2018	(139)
US\$26,309	A\$36,154	10 October 2018	(148)
US\$71,041	A\$97,434	10 October 2018	(538)
US\$52,861	A\$71,944	10 October 2018	(802)
US\$127,987	A\$175,486	10 October 2018	(1,006)
US\$76,348	A\$103,915	10 October 2018	(1,155)
US\$116,957	A\$158,952	10 October 2018	(1,939)
US\$408,075	A\$558,503	10 October 2018	(3,942)
US\$25,448,228	A\$34,624,146	10 October 2018	(394,171)
CNH113,123	US\$16,418	5 November 2018	(5)
CNH107,552	US\$15,585	5 November 2018	(30)
CNH351,870	US\$50,960	5 November 2018	(127)
US\$32,297	CNH222,337	5 November 2018	(17)
US\$26,905	CNH185,166	5 November 2018	(22)
US\$14,298	CNH98,257	5 November 2018	(32)
US\$20,333	CNH139,418	5 November 2018	(92)
US\$40,687	CNH279,454	5 November 2018	(114)
US\$23,515	CNH161,105	5 November 2018	(125)
US\$291,747	CNH2,003,403	5 November 2018	(882)
US\$2,990,401	CNH20,543,515	5 November 2018	(7,777)
A\$221,467	US\$160,281	13 November 2018	(17)
A\$95,771	US\$69,162	13 November 2018	(157)
A\$1,524	US\$1,103	13 November 2018	(0)
US\$746	A\$1,027	13 November 2018	(3)
US\$7,788	A\$10,705	13 November 2018	(39)
US\$32,141	A\$44,094	13 November 2018	(226)
US\$81,337	A\$112,029	13 November 2018	(250)
US\$149,007	A\$204,749	13 November 2018	(809)
US\$240,408	A\$330,980	13 November 2018	(844)
US\$174,306	A\$239,262	13 November 2018	(1,127)
US\$22,868,152	A\$31,563,350	13 November 2018	(22,592)
Total unrealized losses			(462,653)
			-----
Net unrealized losses			(407,951)
			=====

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
<u>2017</u>			
Open contracts:			
A\$58,492	US\$46,456	3 October 2017	557
US\$1,096	A\$1,399	3 October 2017	2
A\$106,112	US\$83,526	4 October 2017	261
US\$16,175	A\$20,648	4 October 2017	27
A\$25,470	US\$20,023	6 October 2017	39
A\$47,437	US\$37,221	10 October 2017	2
CNH16,285,342	US\$2,491,509	10 October 2017	42,553
CNH1,779,310	US\$272,695	10 October 2017	5,126
CNH1,683,725	US\$257,602	10 October 2017	4,406
CNH901,831	US\$136,434	10 October 2017	818
CNH91,954	US\$14,027	10 October 2017	200
CNH64,944	US\$9,926	10 October 2017	159
CNH44,400	US\$6,785	10 October 2017	109
CNH38,000	US\$5,784	10 October 2017	70
CNH45,079	US\$6,820	10 October 2017	42
CNH24,695	US\$3,738	10 October 2017	24
CNH7,168	US\$1,096	10 October 2017	18
CNH7,188	US\$1,097	10 October 2017	16
US\$2,615,756	CNH17,577,527	10 October 2017	27,533
US\$15,914	CNH106,792	10 October 2017	145
US\$572	CNH3,838	10 October 2017	5
A\$298,879	US\$239,062	24 October 2017	4,592
A\$189,007	US\$152,310	24 October 2017	4,034
A\$368,009	US\$292,207	24 October 2017	3,504
A\$167,053	US\$133,113	24 October 2017	2,059
A\$102,403	US\$82,239	24 October 2017	1,904
A\$90,141	US\$72,333	24 October 2017	1,618
A\$98,735	US\$78,916	24 October 2017	1,458
A\$152,537	US\$120,987	24 October 2017	1,322
A\$87,441	US\$69,521	24 October 2017	923
A\$46,290	US\$37,028	24 October 2017	714
A\$50,963	US\$40,645	24 October 2017	665
A\$29,341	US\$23,573	24 October 2017	555
A\$40,898	US\$32,621	24 October 2017	537
A\$33,968	US\$27,130	24 October 2017	482
A\$19,371	US\$15,624	24 October 2017	428
A\$19,842	US\$15,906	24 October 2017	340
A\$59,055	US\$46,580	24 October 2017	251
A\$59,908	US\$47,092	24 October 2017	93
A\$29,025	US\$22,843	24 October 2017	73
A\$1,380	US\$1,113	24 October 2017	31
A\$1,369	US\$1,103	24 October 2017	29
A\$1,369	US\$1,103	24 October 2017	29
A\$1,377	US\$1,106	24 October 2017	26
A\$1,370	US\$1,100	24 October 2017	26
A\$1,370	US\$1,100	24 October 2017	25
A\$1,364	US\$1,095	24 October 2017	24
A\$1,364	US\$1,095	24 October 2017	24
A\$1,369	US\$1,096	24 October 2017	21
A\$1,380	US\$1,104	24 October 2017	21
A\$1,380	US\$1,104	24 October 2017	21
A\$1,372	US\$1,096	24 October 2017	20
A\$1,369	US\$1,094	24 October 2017	20
A\$1,369	US\$1,094	24 October 2017	20

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
A\$1,374	US\$1,095	24 October 2017	17
A\$1,374	US\$1,096	24 October 2017	17
A\$1,379	US\$1,095	24 October 2017	13
A\$1,380	US\$1,094	24 October 2017	12
A\$1,385	US\$1,090	24 October 2017	3
A\$1,397	US\$1,098	24 October 2017	2
A\$1,404	US\$1,102	24 October 2017	0
US\$81,046	A\$103,482	24 October 2017	135
CNH3,837,218	US\$584,586	8 November 2017	8,574
CNH529,096	US\$80,234	8 November 2017	810
CNH153,733	US\$23,182	8 November 2017	105
CNH17,813	US\$2,702	8 November 2017	29
CNH7,354	US\$1,120	8 November 2017	16
CNH7,245	US\$1,100	8 November 2017	12
CNH7,206	US\$1,093	8 November 2017	11
CNH7,233	US\$1,095	8 November 2017	10
Total unrealized gains			117,767
US\$1,090	A\$1,385	3 October 2017	(3)
US\$47,103	A\$59,908	3 October 2017	(93)
US\$1,098	A\$1,397	4 October 2017	(2)
A\$103,482	US\$81,063	6 October 2017	(129)
US\$1,102	A\$1,404	6 October 2017	(0)
CNH7,355	US\$1,096	10 October 2017	(10)
CNH7,368	US\$1,097	10 October 2017	(11)
CNH16,733	US\$2,501	10 October 2017	(15)
CNH129,356	US\$19,297	10 October 2017	(155)
CNH965,246	US\$144,027	10 October 2017	(1,125)
US\$24	CNH158	10 October 2017	(0)
US\$18,309	CNH121,057	10 October 2017	(105)
US\$34,884	CNH231,226	10 October 2017	(113)
US\$7,665	CNH50,000	10 October 2017	(146)
US\$11,009	CNH72,132	10 October 2017	(162)
US\$15,127	CNH98,964	10 October 2017	(246)
US\$580,661	CNH3,838,000	10 October 2017	(3,511)
A\$1,399	US\$1,096	24 October 2017	(2)
A\$20,648	US\$16,172	24 October 2017	(27)
A\$92,168	US\$72,270	24 October 2017	(36)
US\$37,216	A\$47,437	24 October 2017	(1)
US\$20,019	A\$25,470	24 October 2017	(37)
US\$8,995	A\$11,261	24 October 2017	(160)
US\$9,130	A\$11,367	24 October 2017	(213)
US\$83,506	A\$106,112	24 October 2017	(262)
US\$12,728	A\$15,879	24 October 2017	(270)
US\$46,445	A\$58,492	24 October 2017	(558)
US\$31,488	A\$39,241	24 October 2017	(704)
US\$29,395	A\$36,447	24 October 2017	(803)
US\$52,019	A\$65,043	24 October 2017	(993)
US\$53,195	A\$66,499	24 October 2017	(1,027)
US\$68,092	A\$85,459	24 October 2017	(1,050)
US\$65,752	A\$82,454	24 October 2017	(1,067)
US\$98,325	A\$123,974	24 October 2017	(1,067)
US\$68,742	A\$86,185	24 October 2017	(1,130)
US\$69,655	A\$87,099	24 October 2017	(1,326)
US\$156,143	A\$196,410	24 October 2017	(2,060)
US\$65,345	A\$80,621	24 October 2017	(2,099)
US\$126,442	A\$157,449	24 October 2017	(2,925)
US\$164,913	A\$206,330	24 October 2017	(3,048)
US\$143,778	A\$178,432	24 October 2017	(3,798)
US\$9,932,842	A\$12,272,146	24 October 2017	(305,400)



Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
CNH106,611	US\$15,998	8 November 2017	(6)
US\$15,025	CNH99,211	8 November 2017	(132)
US\$14,791	CNH97,537	8 November 2017	(150)
US\$9,910	CNH64,944	8 November 2017	(161)
US\$14,007	CNH91,954	8 November 2017	(204)
US\$17,707	CNH116,306	8 November 2017	(248)
US\$31,915	CNH209,151	8 November 2017	(520)
US\$67,986	CNH449,058	8 November 2017	(579)
US\$138,085	CNH911,804	8 November 2017	(1,215)
US\$2,488,080	CNH16,285,342	8 November 2017	(43,553)
US\$49,614	A\$61,783	21 November 2017	(1,165)
		Total unrealized losses	(383,822)
		Net unrealized losses	(266,055)

## 12 Distribution

No distribution was made during the year (2017: nil).

## 13 Other income

The Fund received US\$2,511 (2017: nil) from the Manager as compensation for valuation and/or other operational error(s).

**Independent Auditor's Report**

To the Unitholders of JPMorgan ASEAN Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan ASEAN Fund set out on pages 3 to 22, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 7 July 1983, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan ASEAN Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund is managed by the Manager in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto; and
- report to the unitholders for each annual accounting period on the conduct of the Manager in the management of the Fund.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 7 July 1983, as amended, for the year ended 30 September 2018.

Bank of East Asia (Trustees) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund	Net asset value per unit
30/9/18 - AUD Hedged Class (acc) - HKD Class (acc) - RMB Hedged Class (acc) - USD Class (acc)	A\$32,021,835 HK\$128,925,744 CNY21,289,023 US\$1,483,931,686	A\$12.39 HK\$11.44 CNY11.97 US\$135.40
30/9/17 - AUD Hedged Class (acc) - HKD Class (acc) - RMB Hedged Class (acc) - USD Class (acc)	A\$12,174,222 HK\$69,329,312 CNY13,631,072 US\$1,592,964,523	A\$12.01 HK\$11.03 CNY11.40 US\$130.82
30/9/16 - AUD Hedged Class (acc) - HKD Class (acc) - RMB Hedged Class (acc) - USD Class (acc)	A\$17,230,508 HK\$103,478,613 CNY17,628,399 US\$1,711,341,885	A\$10.55 HK\$9.66 CNY9.76 US\$115.42

## Performance Record – Unaudited (continued)

## Highest Offer/Lowest Bid Prices

<u>Financial period ended</u>	<u>Highest offer</u>	<u>Lowest bid</u>
30/9/18		
-AUD Hedged Class (acc)	A\$14.02	A\$11.81
-HKD Class (acc)	HK\$12.89	HK\$10.93
-RMB Hedged Class (acc)	CNY13.41	CNY11.38
-USD Class (acc)	US\$152.69	US\$129.02
30/9/17		
-AUD Hedged Class (acc)	A\$12.09	A\$9.67
-HKD Class (acc)	HK\$11.11	HK\$8.86
-RMB Hedged Class (acc)	CNY11.46	CNY8.98
-USD Class (acc)	US\$131.70	US\$105.82
30/9/16		
-AUD Hedged Class (acc)	A\$11.33	A\$8.42
-HKD Class (acc)	HK\$10.39	HK\$7.80
-RMB Hedged Class (acc)	CNY10.46	CNY7.67
-USD Class (acc)	US\$124.00	US\$92.31
30/9/15		
-AUD Hedged Class (acc)	A\$11.82	A\$8.53
-HKD Class (acc)	HK\$10.86	HK\$7.81
-RMB Hedged Class (acc)	CNY10.61	CNY7.67
-USD Class (acc)	US\$129.73	US\$93.33
30/9/14		
-AUD Hedged Class (acc)	A\$11.97	A\$9.51
-HKD Class (acc)	HK\$11.11	HK\$8.94
-RMB Hedged Class (acc)	CNY10.63	CNY9.79
-USD Class (acc)	US\$132.78	US\$106.66
30/9/13		
-AUD Hedged Class (acc)	A\$12.47	A\$9.51
-HKD Class (acc)	HK\$11.78	HK\$8.93
-USD Class (acc)	US\$140.42	US\$106.70
30/9/12		
-USD Class (acc)	US\$113.57	US\$80.33
30/9/11	US\$116.75	US\$82.89
30/9/10	US\$99.64	US\$68.44
30/9/09	US\$74.04	US\$34.21

## Management and Administration

## Manager and Service Provider

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

## Investment Manager

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

## Sub-Managers

JPMorgan Asset Management  
(Singapore) Limited  
168 Robinson Road  
17/F, Capital Tower  
Singapore 068912

JPMorgan Asset Management  
(UK) Limited  
60 Victoria Embankment  
London  
EC4Y 0JP  
United Kingdom

## Directors of the Manager

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

## Trustee

Bank of East Asia (Trustees) Limited  
32/F, BEA Tower  
Millennium City 5  
418 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong

## Registrar

East Asia International  
Trustees Limited  
East Asia Chambers  
P.O. Box 901  
Road Town, Tortola  
British Virgin Islands

## Auditor

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

## UK Tax Information

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 1 January 1984 to 30 September 2010.

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments</b> (97.7%)				<b>Indonesia</b> (3.5%)			
<b>(I) Equities</b> (98.1%)				Astra Intl	17,137,300	8,452,783	0.5
<b>Australia</b> (12.5%)				Bank Mandiri (Persero)	38,331,200	17,298,749	1.1
Amcor Ltd	734,140	7,266,638	0.5	Bank Rakyat Indonesia			
Australia & NZ Bkg Group-AU				Persero	41,513,700	8,775,503	0.6
List	1,412,713	28,804,708	1.8	Telekomunikasi Indonesia	81,500,000	19,908,063	1.3
Dexus Stapled Sec	1,995,375	15,246,038	1.0	<b>Korea</b> (13.1%)			
Macquarie Group	118,677	10,822,896	0.7	Hana Financial Group	145,000	5,823,529	0.4
Qantas Airways	4,722,058	20,158,206	1.3	Korea Electric Power	2,348,329	62,135,187	4.0
QBE Insurance Group	1,668,493	13,424,488	0.9	Orange Life Insurance	139,184	4,278,724	0.3
Suncorp Group	1,257,679	13,158,508	0.8	Samsung Electronics	1,377,994	57,703,693	3.7
Sydney Airport Stapled Sec	1,513,533	7,545,355	0.5	Samsung Fire & Marine			
Telstra Corp	3,716,523	8,578,198	0.5	Insurance	100,150	25,641,289	1.6
Transurban Group Stapled Sec	4,901,725	39,793,336	2.6	Shinhan Financial Group	1,188,076	48,197,809	3.1
Westpac Banking	1,490,665	30,124,479	1.9	<b>New Zealand</b> (0.4%)			
<b>China</b> (27.2%)				Z Energy	1,279,487	6,064,887	0.4
Baoshan Iron & Steel 'A' (C1)	7,474,744	8,534,302	0.5	<b>Singapore</b> (13.6%)			
China Construction Bank 'H'	30,081,000	26,294,782	1.7	AIMS AMP Capital Ind REIT	6,818,766	6,986,696	0.4
China Life Insurance 'H'	18,337,000	41,665,946	2.7	Ascendas India Trust	26,322,300	20,998,505	1.3
China Mobile	2,723,000	26,847,557	1.7	Ascendas Real Estate Inv Trust	13,927,600	26,910,282	1.7
China Overseas Land &				CapitaLand Commercial Trust	13,154,400	17,136,775	1.1
Investment	9,894,000	30,978,415	2.0	DBS Group Hldgs	2,923,703	55,827,139	3.6
China Shenhua Energy 'H'	3,790,000	8,660,200	0.6	Mapletree Logistics Trust	32,086,746	28,884,764	1.9
China Vanke 'A'-C2	1,037,121	3,665,538	0.2	Singapore Exchange	1,175,600	6,341,107	0.4
China Vanke 'H'	4,668,200	15,451,492	1.0	United Overseas Bank	2,501,800	49,583,741	3.2
China Yongda Automobiles				<b>Taiwan</b> (8.9%)			
Services	9,678,500	8,695,300	0.6	Chipbond Technology	5,354,000	10,345,724	0.7
CNOOC Ltd	10,701,000	21,197,140	1.4	ChipMOS Technologies	3,588,000	2,779,164	0.2
Datang Intl Power Generation				Delta Electronics	1,212,000	5,200,013	0.3
'H'	57,914,000	14,654,465	0.9	Powertech Technology	3,876,000	10,574,487	0.7
Guangdong Investment	3,272,000	5,812,317	0.4	Taiwan Semiconductor Mfg	7,440,000	63,963,580	4.1
Huadian Power Intl 'H'	9,644,000	3,771,376	0.2	Vanguard Intl Semiconductor	1,731,000	3,855,108	0.2
Huaneng Power Intl 'H'	30,014,000	19,753,875	1.3	Wistron NeWeb	2,522,247	6,121,197	0.4
Inner Mongolia Yili Ind 'A' (C1)	2,629,730	9,822,187	0.6	Yuanta Financial Hldg	24,187,639	12,754,102	0.8
Jiangsu Expressway 'H'	18,820,000	24,147,631	1.5	Zhen Ding Technology Hldg	10,439,000	23,317,060	1.5
Lenovo Group	20,648,000	15,093,683	1.0	<b>Thailand</b> (5.7%)			
Midea Group 'A'-C2	2,989,128	17,621,237	1.1	Pingank Bank NVDR	7,291,600	47,348,052	3.0
PetroChina Co 'H'	36,758,000	29,782,581	1.9	Land & Houses (F)	41,411,700	14,725,867	1.0
Ping An Insurance (Group) 'H'	3,480,000	35,356,362	2.3	Siam Commercial Bank (F)	2,825,100	13,016,076	0.8
SINOPEC Engineering 'H'	19,568,000	22,356,569	1.4	Supalai Public Co (F)	18,237,100	13,703,201	0.9
Yuexiu Transport							
Infrastructure	28,868,000	22,910,233	1.5				
Zhejiang Expressway 'H'	13,370,000	11,123,299	0.7				
						1,528,940,360	98.1
<b>Hong Kong</b> (12.4%)				<b>(II) Derivatives</b> (-0.4%)			
BOC Hong Kong (Hldgs)	10,153,500	48,270,291	3.1	<b>Forward foreign exchange</b>			
CK Hutchison Hldgs	2,353,500	27,129,510	1.7	<b>contracts</b> (-0.4%)			
HKBN Ltd	1,882,000	3,227,701	0.2			(6,754,979)	(0.4)
HSBC Hldgs-HK List	5,623,016	49,727,499	3.2				
New World Development	2,292,303	3,128,704	0.2				
Sun Hung Kai Properties	1,890,500	27,542,461	1.8				
WH Group	21,414,000	15,078,933	1.0				
Wharf Real Estate Investment	2,929,000	18,903,053	1.2				
				<b>Total Listed/Quoted Investments</b>		1,522,185,381	97.7
<b>India</b> (0.8%)				<b>Other net assets</b>		36,270,297	2.3
Power Grid Corp of India	4,678,766	12,160,015	0.8				

Investment Portfolio (Continued)  
As at 30 September 2018 *(Unaudited)*

Holding	Fair value US\$	% of net assets
Net assets attributable to holders of redeemable units at 30 September 2018	1,558,455,678	100.0
Total investments, at cost	1,575,446,207	

Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 *(Unaudited)*

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities and Warrants</b>		
China	27.2	29.4
Singapore	13.6	8.1
Korea	13.1	10.4
Australia	12.5	16.0
Hong Kong	12.4	13.6
Taiwan	8.9	10.8
Thailand	5.7	8.1
Indonesia	3.5	-
India	0.8	-
New Zealand	0.4	0.7
Malaysia	-	0.7
<b>Derivatives</b>		
Forward foreign exchange contracts	(0.4)	(1.2)
<b>Total Listed/Quoted Investments</b>	97.7	96.6
<b>Other net assets</b>	2.3	3.4
<b>Net assets attributable to holders of redeemable units at 30 September</b>	100.0	100.0

**Statement of Financial Position**  
**As at 30 September 2018**

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	29,897,332	61,711,785
Short-term deposits	17,285,223	-
Amounts due from brokers	4,148,389	11,839,227
Amounts receivable on allotment	4,508,788	9,824,695
Derivatives [Note 4(l)(a)]	2,208,647	2,885,567
Investments [Note 4(l)(a)]	1,528,940,360	1,698,276,624
Dividend and other accounts receivable	5,283,413	2,534,676
<b>Total assets</b>	<b>1,592,272,152</b>	<b>1,787,072,574</b>
<b>Liabilities</b>		
Amounts due to brokers	2,336,442	10,308,325
Amounts payable on redemption	14,217,088	8,558,692
Distribution payable [Note 6]	6,294,812	6,340,229
Derivatives [Note 4(l)(a)]	8,963,626	23,475,527
Tax payable [Note 7]	32,481	-
Other accounts payable	1,972,025	2,318,619
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>33,816,474</b>	<b>51,001,392</b>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<b>1,558,455,678</b>	<b>1,736,071,182</b>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

**Statement of Comprehensive Income**  
**For the year ended 30 September 2018**

	2018 US\$	2017 US\$
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 5]	(20,775,395)	163,628,409
Dividend income	71,535,448	74,777,617
Interest on deposits	333,996	128,642
Net foreign currency exchange losses	(2,455,882)	(281,727)
Other income [Note 13]	644	162
	<b>48,638,811</b>	<b>238,253,103</b>
<b>Expenses</b>		
Management fee [Note 8(e)]	27,466,646	26,393,374
Transaction costs	5,252,558	3,459,494
Safe custody and bank charges	545,645	561,982
Trustee's fee [Note 9]	477,578	457,721
Registrar's fee [Note 8(h)]	342,763	414,924
Valuation fee [Note 8(e)]	17,150	17,220
Auditor's fee	16,700	16,600
Legal and professional expenses	8,102	62,620
Printing and publication expenses	5,954	17,506
Other operating expenses	12,970	10,236
	<b>34,146,066</b>	<b>31,411,677</b>
<b>Net operating profit</b>	<b>14,492,745</b>	<b>206,841,426</b>
<b>Finance costs</b>		
Distribution [Note 6]	(83,689,315)	(90,413,580)
Interest expense	(14,522)	(10,119)
	<b>(83,703,837)</b>	<b>(90,423,699)</b>
<b>(Loss)/profit before taxation</b>	<b>(69,211,092)</b>	<b>116,417,727</b>
Taxation [Note 7]	(5,416,379)	(5,872,115)
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>(74,627,471)</b>	<b>110,545,612</b>

The notes on pages 31 to 66 form part of these financial statements.



**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	1,736,071,182	1,774,824,574
Allotment of redeemable units [Note 3]	1,882,890,086	1,809,538,206
Redemption of redeemable units [Note 3]	(1,985,878,119)	(1,958,837,210)
<b>Net redemption</b>	(102,988,033)	(149,299,004)
	1,633,083,149	1,625,525,570
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	(74,627,471)	110,545,612
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	1,558,455,678	1,736,071,182

**Statement of Cash Flows**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(1,379,657,906)	(833,583,756)
Proceeds from disposal of investments and derivatives	1,514,113,437	1,045,122,160
Dividend received	68,792,202	74,298,745
Interest received	327,288	126,223
Registrar's fee paid	(379,979)	(418,819)
Trustee's fee paid	(482,372)	(459,603)
Transaction costs paid	(5,260,415)	(3,484,390)
Tax paid	(5,416,379)	(5,872,115)
Management fee paid	(27,757,041)	(26,505,725)
Others	(2,586,374)	(1,167,839)
<b>Net cash inflow from operating activities</b>	161,692,461	248,054,881
<b>Financing activities</b>		
Interest paid	(14,522)	(10,119)
Receipts on allotment of redeemable units	1,888,205,993	1,813,142,042
Payments on redemption of redeemable units	(1,980,219,723)	(1,959,765,343)
Distribution paid	(83,734,732)	(92,391,165)
<b>Net cash outflow from financing activities</b>	(175,762,984)	(239,024,585)
<b>(Decrease)/increase in cash and cash equivalents</b>	(14,070,523)	9,030,296
Cash and cash equivalents at the beginning of the year	61,711,785	52,486,767
Exchange (losses)/gains on cash and cash equivalents	(458,707)	194,722
<b>Cash and cash equivalents at the end of the year</b>	47,182,555	61,711,785
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	29,897,332	61,711,785
Short-term deposits	17,285,223	-
	47,182,555	61,711,785

The notes on pages 31 to 66 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Asia Equity Dividend Fund (the "Fund") was established under a Trust Deed dated 6 May 2011, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to aim to provide income and long-term capital growth by investing primarily in equity securities of companies in the Asia Pacific region (excluding Japan) that the Investment Manager expects to pay dividends. The Fund's holding of these equity securities will be selected based on historical records and company announcements on dividends, in addition to their potential for long-term capital appreciation.

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(d) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(e) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(f) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(g) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(h) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(i) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**(j) Distribution payable to holders of redeemable units**

Proposed distributions to holders of redeemable units are recognized in the Statement of Comprehensive Income when they are appropriately authorized. The distribution on the redeemable units is recognized as a finance cost in the Statement of Comprehensive Income.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**2018

	AUD Hedged Class (mth) Units	CAD Hedged Class (mth) Units	EUR Hedged Class (mth) Units	GBP Hedged Class (mth) Units	HKD Class (acc) Units
Number of units in issue:					
At the beginning of the year	27,108,234.972	10,051,457.473	1,825,364.582	6,387,566.040	877,376.220
Total allotments	33,983,210.531	9,213,394.313	1,245,713.674	3,892,715.651	988,022.479
Total redemptions	(36,013,219.368)	(9,386,909.477)	(1,517,289.710)	(5,327,235.431)	(572,641.262)
At the end of the year	<u>25,078,226.135</u>	<u>9,877,942.309</u>	<u>1,553,788.546</u>	<u>4,953,046.260</u>	<u>1,292,757.437</u>
	A\$	C\$	EUR	GBP	HK\$
Net assets attributable to holders of redeemable units	<u>236,489,568</u>	<u>94,664,021</u>	<u>15,276,700</u>	<u>48,524,037</u>	<u>16,478,379</u>
Net assets attributable to holders of redeemable units (per unit)	<u>9.43</u>	<u>9.58</u>	<u>9.83</u>	<u>9.80</u>	<u>12.75</u>
	HKD Class (mth) Units	NZD Hedged Class (mth) Units	RMB Hedged Class (acc) Units	RMB Hedged Class (mth) Units	SGD Hedged Class (mth) Units
Number of units in issue:					
At the beginning of the year	280,011,130.965	8,621,369.463	2,752,627.244	193,808,307.217	1,279,397.621
Total allotments	301,982,781.257	6,133,639.999	328,501.932	105,243,757.367	1,459,585.523
Total redemptions	(339,829,049.932)	(7,884,414.759)	(1,507,505.057)	(108,461,424.268)	(971,923.956)
At the end of the year	<u>242,164,862.290</u>	<u>6,870,594.703</u>	<u>1,573,624.119</u>	<u>190,590,640.316</u>	<u>1,767,059.188</u>
	HK\$	NZ\$	CNY	CNY	S\$
Net assets attributable to holders of redeemable units	<u>2,397,665,622</u>	<u>65,500,294</u>	<u>22,929,067</u>	<u>1,949,899,852</u>	<u>17,001,971</u>
Net assets attributable to holders of redeemable units (per unit)	<u>9.90</u>	<u>9.53</u>	<u>14.57</u>	<u>10.23</u>	<u>9.62</u>

2018

	USD Class (acc) Units	USD Class (mth) Units
Number of units in issue:		
At the beginning of the year	3,655,626.170	57,111,634.129
Total allotments	2,066,589.623	78,202,356.292
Total redemptions	(5,364,703.353)	(76,575,861.415)
At the end of the year	<u>357,512.440</u>	<u>58,738,129.006</u>
	US\$	US\$
Net assets attributable to holders of redeemable units	<u>4,541,186</u>	<u>577,217,695</u>
Net assets attributable to holders of redeemable units (per unit)	<u>12.70</u>	<u>9.83</u>

2017

	AUD Hedged Class (mth) Units	CAD Hedged Class (mth) Units	EUR Hedged Class (mth) Units	GBP Hedged Class (mth) Units	HKD Class (acc) Units
Number of units in issue:					
At the beginning of the year	40,401,499.556	11,114,078.778	2,143,286.351	7,529,601.891	1,150,108.208
Total allotments	22,352,577.924	8,300,675.246	1,483,457.704	5,447,393.413	762,561.029
Total redemptions	(35,645,842.508)	(9,363,296.551)	(1,801,379.473)	(6,589,429.264)	(1,035,293.017)
At the end of the year	<u>27,108,234.972</u>	<u>10,051,457.473</u>	<u>1,825,364.582</u>	<u>6,387,566.040</u>	<u>877,376.220</u>
	A\$	C\$	EUR	GBP	HK\$
Net assets attributable to holders of redeemable units	<u>259,499,760</u>	<u>97,613,361</u>	<u>18,159,564</u>	<u>63,339,050</u>	<u>10,787,381</u>
Net assets attributable to holders of redeemable units (per unit)	<u>9.57</u>	<u>9.71</u>	<u>9.95</u>	<u>9.92</u>	<u>12.30</u>

2017

	HKD Class (mth) Units	NZD Hedged Class (mth) Units	RMB Hedged Class (acc) Units	RMB Hedged Class (mth) Units	SGD Hedged Class (mth) Units
Number of units in issue:					
At the beginning of the year	275,003,823.164	10,536,168.930	4,149,361.050	279,095,485.223	1,514,674.705
Total allotments	429,425,687.899	9,896,738.682	1,453,672.627	69,904,794.504	1,087,316.720
Total redemptions	(424,418,380.098)	(11,811,538.149)	(2,850,406.433)	(155,191,972.510)	(1,322,593.804)
At the end of the year	<u>280,011,130.965</u>	<u>8,621,369.463</u>	<u>2,752,627.244</u>	<u>193,808,307.217</u>	<u>1,279,397.621</u>
	HK\$	NZ\$	CNY	CNY	S\$
Net assets attributable to holders of redeemable units	<u>2,795,839,385</u>	<u>83,401,013</u>	<u>38,144,622</u>	<u>2,005,664,263</u>	<u>12,477,623</u>
Net assets attributable to holders of redeemable units (per unit)	<u>9.98</u>	<u>9.67</u>	<u>13.86</u>	<u>10.35</u>	<u>9.75</u>
	USD Class (acc) Units	USD Class (mth) Units			
Number of units in issue:					
At the beginning of the year	587,401.179	48,746,523.289			
Total allotments	3,609,071.038	78,675,562.524			
Total redemptions	(540,846.047)	(70,310,451.684)			
At the end of the year	<u>3,655,626.170</u>	<u>57,111,634.129</u>			
	US\$	US\$			
Net assets attributable to holders of redeemable units	<u>44,675,415</u>	<u>566,995,843</u>			
Net assets attributable to holders of redeemable units (per unit)	<u>12.22</u>	<u>9.93</u>			

#### 4 Financial risk management

##### (i) Financial risk factors

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

##### (a) Market risk

##### (i) Market price risk

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Beta of the Fund on a regular basis. Beta measures the statistical relationship between the return of the Fund and the relevant benchmark index chosen by the Investment Manager.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
Listed/Quoted Investments	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
<u>Assets</u>				
Equities and Warrants				
- China	424,196,487	27.2	510,105,357	29.4
- Singapore	212,669,009	13.6	140,403,559	8.1
- Korea	203,780,231	13.1	180,051,356	10.4
- Australia	194,922,850	12.5	277,520,012	16.0
- Hong Kong	193,008,152	12.4	236,548,252	13.6
- Taiwan	138,910,435	8.9	187,409,451	10.8
- Thailand	88,793,196	5.7	140,586,622	8.1
- Others	72,660,000	4.7	25,652,015	1.4
	1,528,940,360	98.1	1,698,276,624	97.8
Derivatives				
- Forward foreign exchange contracts	2,208,647	0.2	2,885,567	0.2
	1,531,149,007	98.3	1,701,162,191	98.0
<u>Liabilities</u>				
Derivatives				
- Forward foreign exchange contracts	(8,963,626)	(0.6)	(23,475,527)	(1.4)
Total Listed/Quoted Investments	1,522,185,381	97.7	1,677,686,664	96.6

Also, refer to Note 12 for the exposures on derivative contracts.

	Net asset value US\$	Relevant benchmark index for the Fund (Note*)	Beta (Note**)	% of reasonable possible change of the relevant benchmark index (Note***)	Estimated impact on net asset value (Note****) US\$
As at 30 September 2018	1,558,455,678	MSCI AC Asia Pacific ex Japan Net	0.80	+2.0	24,935,291
As at 30 September 2017	1,736,071,182	MSCI AC Asia Pacific ex Japan Net	0.75	+20.7	269,525,051

If the relevant benchmark index return was to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Relevant benchmark index for the Fund represents the relevant market index used by the Investment Manager in monitoring the market price risk of the Fund.

\*\* Beta measures the statistical relationship between the return of the Fund and the respective benchmark index over the maximum of past 36 months, or the number of months since portfolio inception. For funds launched within a period of less than 12 months, weekly returns of the Fund are used for calculating the Beta.



\*\*\* % of reasonable possible change is based on the actual historical change in the benchmark index in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. For funds launched within a period of less than 12 months, actual historical change in the benchmark index since the commencement of operations will be used to calculate the % of reasonable possible change.

\*\*\*\* Estimated impact on net asset value of the Fund is calculated by applying the relevant Beta against the net asset value of the Fund multiplied by the % of reasonable possible change of the relevant benchmark index, assuming all other variables that may impact the net asset value of the Fund are held constant.

## (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Cash at banks	29,897,332	61,711,785
Short-term deposits	17,285,223	-
Total interest sensitivity gap	<u>47,182,555</u>	<u>61,711,785</u>

Any cash and cash equivalents are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

## (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The Fund enters in some forward foreign exchange contracts to hedge some of its foreign currency exposures to maintain limited exposure to non-US\$ currencies. Refer to Note 12 for the outstanding forward foreign exchange contracts as at year end.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

Net currency exposures (Note*)	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
<u>2018</u>			
Australian Dollar	367,373,222	-7.8	(28,655,111)
Canadian Dollar	72,852,859	-3.2	(2,331,291)
Chinese Yuan (Offshore)	327,919,262	-3.3	(10,821,336)
Chinese Yuan (Onshore)	261,585	-3.5	(9,155)
Euro	17,612,706	-1.8	(317,029)
Hong Kong Dollar	595,529,558	-0.2	(1,191,059)
Indian Rupee	12,127,534	-9.9	(1,200,626)
Indonesian Rupiah	54,435,098	-9.6	(5,225,769)
Korean Won	203,780,231	+3.3	6,724,748
New Zealand Dollar	49,480,584	-8.3	(4,106,888)
Singapore Dollar	226,911,666	-0.6	(1,361,470)
Sterling	62,847,512	-2.8	(1,759,730)
Taiwan Dollar	142,199,178	-0.7	(995,394)
Thai Baht	89,435,990	+3.1	2,772,516
	<u>2,222,766,985</u>		<u>(48,477,594)</u>
<u>2017</u>			
Australian Dollar	346,470,473	+2.5	8,661,762
Canadian Dollar	78,726,945	+5.1	4,015,074
Chinese Yuan (Offshore)	355,436,514	+0.4	1,421,746
Chinese Yuan (Onshore)	129,729	+0.4	519
Euro	21,493,084	+5.2	1,117,640
Hong Kong Dollar	715,945,969	-0.7	(5,011,622)
Korean Won	179,268,583	-3.8	(6,812,206)
Malaysian Ringgit	12,705,397	-2.1	(266,813)
New Zealand Dollar	73,384,960	-0.6	(440,310)
Singapore Dollar	84,593,441	+0.4	338,374
Sterling	85,142,475	+3.3	2,809,702
Taiwan Dollar	188,524,999	+3.4	6,409,850
Thai Baht	140,385,090	+3.9	5,475,019
	<u>2,282,207,659</u>		<u>17,718,735</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

## (b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	29,897,332	61,711,785
Short-term deposits	17,285,223	-
Amounts due from brokers	4,148,389	11,839,227
Amounts receivable on allotment	4,508,788	9,824,695
Derivatives issued by brokers	2,208,647	2,885,567
Dividend and other accounts receivable	5,283,413	2,534,676
	<u>63,331,792</u>	<u>88,795,950</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/brokers/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances and short-term deposits		
S&P(AA)/Moody's(Aa)/FITCH(AA)	32,657,551	26,938,897
S&P(A)/Moody's(A)/FITCH(A)	14,525,004	34,772,888
Derivatives issued by brokers		
S&P(AA)/Moody's(Aa)/FITCH(AA)	402,939	901,485
S&P(A)/Moody's(A)/FITCH(A)	1,804,902	1,984,082
S&P(BBB)/Moody's(Baa)/FITCH(BBB)	806	-
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	<u>1,528,940,360</u>	<u>1,698,276,624</u>

## (c) Liquidity risk

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018		2017	
	Less than 1 month US\$	1 to 12 months US\$	Less than 1 month US\$	1 to 12 months US\$
Amounts due to brokers	2,336,442	-	10,308,325	-
Amounts payable on redemption	14,217,088	-	8,558,692	-
Distribution payable	6,294,812	-	6,340,229	-
Derivatives	7,861,942	1,101,684	23,418,935	56,592
Other accounts payable	1,972,025	-	2,318,619	-
Net assets attributable to holders of redeemable units	1,558,455,678	-	1,736,071,182	-
Total financial liabilities	1,591,137,987	1,101,684	1,787,015,982	56,592

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

#### (d) Offsetting and amounts subject to master netting arrangements and similar agreements

As at 30 September 2018 and 2017, the Fund was subject to master netting arrangements with certain derivative counterparties. All of the derivative assets and liabilities of the Fund were held with these counterparties and the collateral and margin deposits maintained by the Fund were for the purpose of providing collateral on derivative positions.

In the event of default, the Fund and its counterparties have the option to settle transactions on net basis. An event of default may include failure to pay or deliver, breach of agreement or bankruptcy.

The following tables summarize the Fund's financial assets and liabilities subject to offsetting, master netting arrangements and similar agreements as at 30 September by types of financial instruments.

	Gross amounts of recognized financial assets presented in the Statement of Financial Position US\$	Related amounts subject to master netting arrangements and similar agreements net off against		Net amount US\$
		Financial Instruments US\$	Collateral and margin deposits US\$	

#### 2018

##### Assets

Derivatives	700,999	(687,796)	-	13,203
Financial assets at fair value through profit and loss	700,999	(687,796)	-	13,203

	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position US\$	Related amounts subject to master netting arrangements and similar agreements net off against		Net amount US\$
		Financial Instruments US\$	Collateral and margin deposits US\$	

#### 2018

##### Liabilities

Derivatives	4,558,879	(687,796)	-	3,871,083
Financial liabilities at fair value through profit and loss	4,558,879	(687,796)	-	3,871,083

	Gross amounts of recognized financial assets presented in the Statement of Financial Position US\$	Related amounts subject to master netting arrangements and similar agreements net off against		
		Financial Instruments US\$	Collateral and margin deposits US\$	Net amount US\$

2017

Assets

Derivatives	2,064,347	(292,141)	-	1,772,206
Financial assets at fair value through profit and loss	2,064,347	(292,141)	-	1,772,206

	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position US\$	Related amounts subject to master netting arrangements and similar agreements net off against		
		Financial Instruments US\$	Collateral and margin deposits US\$	Net amount US\$

Liabilities

Derivatives	3,995,293	(292,141)	-	3,703,152
Financial liabilities at fair value through profit and loss	3,995,293	(292,141)	-	3,703,152

## (II) Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

## (III) Fair value estimation

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<u>2018</u>				
<u>Assets</u>				
Equities	1,528,940,360	-	-	1,528,940,360
Derivatives	-	2,208,647	-	2,208,647
Total financial assets at fair value through profit and loss	<u>1,528,940,360</u>	<u>2,208,647</u>	<u>-</u>	<u>1,531,149,007</u>
<u>Liabilities</u>				
Derivatives	-	8,963,626	-	8,963,626
Total financial liabilities at fair value through profit and loss	<u>-</u>	<u>8,963,626</u>	<u>-</u>	<u>8,963,626</u>
<u>2017</u>				
<u>Assets</u>				
Equities and Warrants	1,698,276,624	-	-	1,698,276,624
Derivatives	-	2,885,567	-	2,885,567
Total financial assets at fair value through profit and loss	<u>1,698,276,624</u>	<u>2,885,567</u>	<u>-</u>	<u>1,701,162,191</u>
<u>Liabilities</u>				
Derivatives	-	23,475,527	-	23,475,527
Total financial liabilities at fair value through profit and loss	<u>-</u>	<u>23,475,527</u>	<u>-</u>	<u>23,475,527</u>

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the years ended 30 September 2018 and 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 5 Net (losses)/gains on investments and derivatives

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	(53,174,498)	41,922,208
Realized gains on sale of investments and derivatives	<u>32,399,103</u>	<u>121,706,201</u>
	<u>(20,775,395)</u>	<u>163,628,409</u>

**6 Distribution**

It is the intention of the Manager to have at least 85% of the income attributable to the distribution class(es) respectively in respect of each accounting period, after charging the expenses attributable to these distribution class(es) respectively, to be distributed to unitholders of these distribution class(es) respectively.

In the event that the amount available for distribution is insufficient to pay distributions as the Fund declares, the Manager may in its discretion determine that such distributions be paid from capital.

	2018 US\$	2017 US\$
Net operating profit	14,492,745	206,841,426
Adjustments:		
Net losses/(gains) on investments and derivatives	20,775,395	(163,628,409)
Net foreign currency exchange losses	2,455,882	281,727
Transaction costs	5,252,558	3,459,494
Interest expense	(14,522)	(10,119)
Taxation	(5,416,379)	(5,872,115)
Amount available for distribution	37,545,679	41,072,004

Distribution Class	Ex date	Pay date	Rate	Units	2018 US\$	2017 US\$
AUD Hedged Class (mth)	31.10.2017	8.11.2017	A\$0.0386	28,107,499.221	(831,885)	
CAD Hedged Class (mth)	31.10.2017	8.11.2017	C\$0.0328	9,852,725.299	(250,694)	
EUR Hedged Class (mth)	31.10.2017	8.11.2017	EUR0.0190	1,691,166.534	(37,432)	
GBP Hedged Class (mth)	31.10.2017	8.11.2017	GBP0.0256	6,199,869.740	(210,768)	
HKD Class (mth)	31.10.2017	8.11.2017	HK\$0.0362	262,001,521.523	(1,215,675)	
NZD Hedged Class (mth)	31.10.2017	8.11.2017	NZ\$0.0413	8,654,681.813	(244,863)	
RMB Hedged Class (mth)	31.10.2017	8.11.2017	CNY0.0569	189,256,757.525	(1,623,836)	
SGD Hedged Class (mth)	31.10.2017	8.11.2017	S\$0.0320	1,215,271.347	(28,544)	
USD Class (mth)	31.10.2017	8.11.2017	US\$0.0360	55,059,547.009	(1,982,145)	
AUD Hedged Class (mth)	30.11.2017	8.12.2017	A\$0.0379	28,612,220.708	(823,225)	
CAD Hedged Class (mth)	30.11.2017	8.12.2017	C\$0.0326	9,666,996.964	(244,620)	
EUR Hedged Class (mth)	30.11.2017	8.12.2017	EUR0.0197	1,603,772.934	(37,671)	
GBP Hedged Class (mth)	30.11.2017	8.12.2017	GBP0.0275	5,784,731.794	(215,339)	
HKD Class (mth)	30.11.2017	8.12.2017	HK\$0.0362	253,496,806.045	(1,174,949)	
NZD Hedged Class (mth)	30.11.2017	8.12.2017	NZ\$0.0413	8,816,259.059	(249,872)	
RMB Hedged Class (mth)	30.11.2017	8.12.2017	CNY0.0572	185,721,225.146	(1,606,481)	
SGD Hedged Class (mth)	30.11.2017	8.12.2017	S\$0.0329	1,270,147.357	(31,023)	
USD Class (mth)	30.11.2017	8.12.2017	US\$0.0360	53,543,178.874	(1,927,555)	
AUD Hedged Class (mth)	29.12.2017	9.1.2018	A\$0.0364	26,593,124.396	(757,113)	
CAD Hedged Class (mth)	29.12.2017	9.1.2018	C\$0.0291	9,441,958.962	(219,291)	
EUR Hedged Class (mth)	29.12.2017	9.1.2018	EUR0.0100	1,637,774.119	(19,666)	
GBP Hedged Class (mth)	29.12.2017	9.1.2018	GBP0.0199	5,385,302.615	(144,971)	
HKD Class (mth)	29.12.2017	9.1.2018	HK\$0.0362	246,462,990.223	(1,141,310)	
NZD Hedged Class (mth)	29.12.2017	9.1.2018	NZ\$0.0400	8,242,324.824	(234,478)	
RMB Hedged Class (mth)	29.12.2017	9.1.2018	CNY0.0576	182,805,258.002	(1,616,938)	
SGD Hedged Class (mth)	29.12.2017	9.1.2018	S\$0.0320	1,315,947.788	(31,510)	
USD Class (mth)	29.12.2017	9.1.2018	US\$0.0360	52,641,636.661	(1,895,100)	
AUD Hedged Class (mth)	31.1.2018	8.2.2018	A\$0.0373	27,198,221.300	(821,486)	
CAD Hedged Class (mth)	31.1.2018	8.2.2018	C\$0.0313	10,891,280.184	(277,864)	
EUR Hedged Class (mth)	31.1.2018	8.2.2018	EUR0.0138	1,749,114.500	(30,070)	
GBP Hedged Class (mth)	31.1.2018	8.2.2018	GBP0.0237	5,316,624.301	(179,184)	
HKD Class (mth)	31.1.2018	8.2.2018	HK\$0.0382	297,051,646.623	(1,450,802)	
NZD Hedged Class (mth)	31.1.2018	8.2.2018	NZ\$0.0414	8,000,938.535	(245,150)	
RMB Hedged Class (mth)	31.1.2018	8.2.2018	CNY0.0590	186,061,793.008	(1,744,061)	
SGD Hedged Class (mth)	31.1.2018	8.2.2018	S\$0.0317	1,334,929.921	(32,323)	
USD Class (mth)	31.1.2018	8.2.2018	US\$0.0380	59,627,598.092	(2,265,849)	

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AUD Hedged Class (mth)	28.2.2018	8.3.2018	A\$0.0378	27,681,692.458	(815,382)	
CAD Hedged Class (mth)	28.2.2018	8.3.2018	C\$0.0341	10,704,774.107	(284,881)	
EUR Hedged Class (mth)	28.2.2018	8.3.2018	EUR0.0195	1,789,126.717	(42,551)	
GBP Hedged Class (mth)	28.2.2018	8.3.2018	GBP0.0272	5,372,957.465	(201,365)	
HKD Class (mth)	28.2.2018	8.3.2018	HK\$0.0383	316,977,789.078	(1,551,410)	
NZD Hedged Class (mth)	28.2.2018	8.3.2018	NZ\$0.0403	7,551,518.217	(219,800)	
RMB Hedged Class (mth)	28.2.2018	8.3.2018	CNY0.0594	184,981,775.537	(1,736,012)	
SGD Hedged Class (mth)	28.2.2018	8.3.2018	S\$0.0317	1,755,797.932	(42,075)	
USD Class (mth)	28.2.2018	8.3.2018	US\$0.0380	63,904,658.659	(2,428,377)	
AUD Hedged Class (mth)	29.3.2018	11.4.2018	A\$0.0361	30,646,884.744	(848,628)	
CAD Hedged Class (mth)	29.3.2018	11.4.2018	C\$0.0307	12,455,327.062	(296,590)	
EUR Hedged Class (mth)	29.3.2018	11.4.2018	EUR0.0129	1,973,629.844	(31,312)	
GBP Hedged Class (mth)	29.3.2018	11.4.2018	GBP0.0224	5,536,281.228	(173,965)	
HKD Class (mth)	29.3.2018	11.4.2018	HK\$0.0384	334,256,150.365	(1,635,442)	
NZD Hedged Class (mth)	29.3.2018	11.4.2018	NZ\$0.0394	7,413,279.127	(210,709)	
RMB Hedged Class (mth)	29.3.2018	11.4.2018	CNY0.0588	188,117,016.137	(1,760,215)	
SGD Hedged Class (mth)	29.3.2018	11.4.2018	S\$0.0324	1,607,811.921	(39,726)	
USD Class (mth)	29.3.2018	11.4.2018	US\$0.0380	75,045,535.344	(2,851,730)	
AUD Hedged Class (mth)	30.4.2018	9.5.2018	A\$0.0371	30,850,884.780	(863,977)	
CAD Hedged Class (mth)	30.4.2018	9.5.2018	C\$0.0320	12,273,609.087	(306,373)	
EUR Hedged Class (mth)	30.4.2018	9.5.2018	EUR0.0162	1,883,662.976	(36,869)	
GBP Hedged Class (mth)	30.4.2018	9.5.2018	GBP0.0252	5,400,581.513	(187,450)	
HKD Class (mth)	30.4.2018	9.5.2018	HK\$0.0394	323,242,472.989	(1,622,751)	
NZD Hedged Class (mth)	30.4.2018	9.5.2018	NZ\$0.0392	7,224,036.706	(199,530)	
RMB Hedged Class (mth)	30.4.2018	9.5.2018	CNY0.0532	191,692,289.294	(1,613,855)	
SGD Hedged Class (mth)	30.4.2018	9.5.2018	S\$0.0306	1,531,072.618	(35,384)	
USD Class (mth)	30.4.2018	9.5.2018	US\$0.0390	74,019,197.938	(2,886,749)	
AUD Hedged Class (mth)	31.5.2018	8.6.2018	A\$0.0370	28,880,446.038	(808,538)	
CAD Hedged Class (mth)	31.5.2018	8.6.2018	C\$0.0322	11,692,954.198	(290,251)	
EUR Hedged Class (mth)	31.5.2018	8.6.2018	EUR0.0164	1,912,549.389	(36,613)	
GBP Hedged Class (mth)	31.5.2018	8.6.2018	GBP0.0251	5,643,988.276	(188,505)	
HKD Class (mth)	31.5.2018	8.6.2018	HK\$0.0394	311,153,885.112	(1,562,880)	
NZD Hedged Class (mth)	31.5.2018	8.6.2018	NZ\$0.0394	7,362,948.377	(203,549)	
RMB Hedged Class (mth)	31.5.2018	8.6.2018	CNY0.0569	198,579,779.845	(1,763,996)	
SGD Hedged Class (mth)	31.5.2018	8.6.2018	S\$0.0324	1,448,469.894	(35,089)	
USD Class (mth)	31.5.2018	8.6.2018	US\$0.0390	72,939,393.396	(2,844,636)	
AUD Hedged Class (mth)	29.6.2018	10.7.2018	A\$0.0364	28,935,199.925	(778,187)	
CAD Hedged Class (mth)	29.6.2018	10.7.2018	C\$0.0312	11,863,820.793	(281,388)	
EUR Hedged Class (mth)	29.6.2018	10.7.2018	EUR0.0156	1,862,128.030	(33,916)	
GBP Hedged Class (mth)	29.6.2018	10.7.2018	GBP0.0240	5,527,913.936	(175,157)	
HKD Class (mth)	29.6.2018	10.7.2018	HK\$0.0394	310,279,751.389	(1,558,231)	
NZD Hedged Class (mth)	29.6.2018	10.7.2018	NZ\$0.0379	7,349,209.566	(188,582)	
RMB Hedged Class (mth)	29.6.2018	10.7.2018	CNY0.0559	199,946,617.588	(1,686,384)	
SGD Hedged Class (mth)	29.6.2018	10.7.2018	S\$0.0329	1,477,478.378	(35,650)	
USD Class (mth)	29.6.2018	10.7.2018	US\$0.0390	70,388,460.265	(2,745,150)	
AUD Hedged Class (mth)	31.7.2018	8.8.2018	A\$0.0373	28,021,753.027	(777,010)	
CAD Hedged Class (mth)	31.7.2018	8.8.2018	C\$0.0326	11,302,355.151	(282,993)	
EUR Hedged Class (mth)	31.7.2018	8.8.2018	EUR0.0168	1,747,149.298	(34,343)	
GBP Hedged Class (mth)	31.7.2018	8.8.2018	GBP0.0254	5,371,051.698	(178,955)	
HKD Class (mth)	31.7.2018	8.8.2018	HK\$0.0394	293,010,815.761	(1,471,187)	
NZD Hedged Class (mth)	31.7.2018	8.8.2018	NZ\$0.0383	7,027,180.620	(183,231)	
RMB Hedged Class (mth)	31.7.2018	8.8.2018	CNY0.0484	199,363,871.315	(1,415,837)	
SGD Hedged Class (mth)	31.7.2018	8.8.2018	S\$0.0325	1,723,929.065	(41,157)	
USD Class (mth)	31.7.2018	8.8.2018	US\$0.0390	67,436,905.299	(2,630,039)	
AUD Hedged Class (mth)	31.8.2018	10.9.2018	A\$0.0363	26,354,257.326	(691,856)	
CAD Hedged Class (mth)	31.8.2018	10.9.2018	C\$0.0331	10,621,555.753	(269,622)	
EUR Hedged Class (mth)	31.8.2018	10.9.2018	EUR0.0168	1,622,362.813	(31,712)	
GBP Hedged Class (mth)	31.8.2018	10.9.2018	GBP0.0267	5,099,062.159	(176,954)	
HKD Class (mth)	31.8.2018	10.9.2018	HK\$0.0394	267,234,759.208	(1,341,468)	
NZD Hedged Class (mth)	31.8.2018	10.9.2018	NZ\$0.0387	6,956,755.312	(178,632)	
RMB Hedged Class (mth)	31.8.2018	10.9.2018	CNY0.0441	196,788,209.899	(1,270,233)	
SGD Hedged Class (mth)	31.8.2018	10.9.2018	S\$0.0333	1,794,258.319	(43,611)	
USD Class (mth)	31.8.2018	10.9.2018	US\$0.0390	61,336,149.462	(2,392,110)	



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AUD Hedged Class (mth)	28.9.2018	9.10.2018	A\$0.0369	25,133,610.550	(671,042)	
CAD Hedged Class (mth)	28.9.2018	9.10.2018	C\$0.0322	9,910,530.727	(246,882)	
EUR Hedged Class (mth)	28.9.2018	9.10.2018	EURO.0172	1,553,788.546	(31,041)	
GBP Hedged Class (mth)	28.9.2018	9.10.2018	GBP0.0269	5,000,959.942	(175,428)	
HKD Class (mth)	28.9.2018	9.10.2018	HK\$0.0394	243,159,774.328	(1,224,360)	
NZD Hedged Class (mth)	28.9.2018	9.10.2018	NZ\$0.0378	6,868,537.217	(172,122)	
RMB Hedged Class (mth)	28.9.2018	9.10.2018	CNY0.0517	191,420,766.150	(1,439,401)	
SGD Hedged Class (mth)	28.9.2018	9.10.2018	S\$0.0337	1,767,059.188	(43,583)	
USD Class (mth)	28.9.2018	9.10.2018	US\$0.0390	58,742,371.132	(2,290,953)	
AUD Hedged Class (mth)	31.10.2016	8.11.2016	A\$0.0441	38,390,038.471		(1,288,290)
CAD Hedged Class (mth)	31.10.2016	8.11.2016	C\$0.0354	11,209,358.628		(296,073)
EUR Hedged Class (mth)	31.10.2016	8.11.2016	EURO.0242	2,099,249.358		(55,689)
GBP Hedged Class (mth)	31.10.2016	8.11.2016	GBP0.0314	7,258,150.143		(278,250)
HKD Class (mth)	31.10.2016	8.11.2016	HK\$0.0370	271,439,849.002		(1,295,096)
NZD Hedged Class (mth)	31.10.2016	8.11.2016	NZ\$0.0492	10,426,594.680		(366,992)
RMB Hedged Class (mth)	31.10.2016	8.11.2016	CNY0.0655	268,994,540.676		(2,597,946)
SGD Hedged Class (mth)	31.10.2016	8.11.2016	S\$0.0348	1,535,135.648		(38,381)
USD Class (mth)	31.10.2016	8.11.2016	US\$0.0370	51,671,392.098		(1,911,842)
AUD Hedged Class (mth)	30.11.2016	8.12.2016	A\$0.0443	40,070,265.672		(1,311,542)
CAD Hedged Class (mth)	30.11.2016	8.12.2016	C\$0.0353	10,853,185.893		(284,930)
EUR Hedged Class (mth)	30.11.2016	8.12.2016	EURO.0267	2,099,702.155		(59,471)
GBP Hedged Class (mth)	30.11.2016	8.12.2016	GBP0.0324	7,353,541.786		(297,676)
HKD Class (mth)	30.11.2016	8.12.2016	HK\$0.0370	294,768,696.069		(1,406,076)
NZD Hedged Class (mth)	30.11.2016	8.12.2016	NZ\$0.0476	10,800,899.410		(364,410)
RMB Hedged Class (mth)	30.11.2016	8.12.2016	CNY0.0634	252,449,219.840		(2,316,601)
SGD Hedged Class (mth)	30.11.2016	8.12.2016	S\$0.0356	1,546,087.889		(38,426)
USD Class (mth)	30.11.2016	8.12.2016	US\$0.0370	52,389,616.809		(1,938,416)
AUD Hedged Class (mth)	30.12.2016	10.1.2017	A\$0.0441	38,128,378.221		(1,217,546)
CAD Hedged Class (mth)	30.12.2016	10.1.2017	C\$0.0333	10,483,856.811		(260,328)
EUR Hedged Class (mth)	30.12.2016	10.1.2017	EURO.0209	2,030,523.185		(44,761)
GBP Hedged Class (mth)	30.12.2016	10.1.2017	GBP0.0278	7,253,040.097		(249,150)
HKD Class (mth)	30.12.2016	10.1.2017	HK\$0.0370	302,403,439.156		(1,443,146)
NZD Hedged Class (mth)	30.12.2016	10.1.2017	NZ\$0.0465	11,074,832.824		(359,095)
RMB Hedged Class (mth)	30.12.2016	10.1.2017	CNY0.0843	243,680,432.094		(2,948,678)
SGD Hedged Class (mth)	30.12.2016	10.1.2017	S\$0.0369	1,512,134.202		(38,622)
USD Class (mth)	30.12.2016	10.1.2017	US\$0.0370	52,515,280.692		(1,943,065)
AUD Hedged Class (mth)	27.1.2017	8.2.2017	A\$0.0412	38,001,561.404		(1,182,703)
CAD Hedged Class (mth)	27.1.2017	8.2.2017	C\$0.0306	10,510,815.272		(245,052)
EUR Hedged Class (mth)	27.1.2017	8.2.2017	EURO.0201	1,952,847.738		(42,022)
GBP Hedged Class (mth)	27.1.2017	8.2.2017	GBP0.0269	7,284,011.455		(245,885)
HKD Class (mth)	27.1.2017	8.2.2017	HK\$0.0350	327,703,953.260		(1,478,322)
NZD Hedged Class (mth)	27.1.2017	8.2.2017	NZ\$0.0440	10,601,538.201		(339,285)
RMB Hedged Class (mth)	27.1.2017	8.2.2017	CNY0.1157	233,383,308.562		(3,934,497)
SGD Hedged Class (mth)	27.1.2017	8.2.2017	S\$0.0347	2,121,215.287		(51,577)
USD Class (mth)	27.1.2017	8.2.2017	US\$0.0350	57,177,345.289		(2,001,207)
AUD Hedged Class (mth)	28.2.2017	8.3.2017	A\$0.0401	35,999,162.550		(1,109,886)
CAD Hedged Class (mth)	28.2.2017	8.3.2017	C\$0.0320	10,159,703.470		(245,468)
EUR Hedged Class (mth)	28.2.2017	8.3.2017	EURO.0247	1,987,554.832		(52,166)
GBP Hedged Class (mth)	28.2.2017	8.3.2017	GBP0.0300	7,324,292.346		(273,431)
HKD Class (mth)	28.2.2017	8.3.2017	HK\$0.0350	321,924,769.781		(1,451,522)
NZD Hedged Class (mth)	28.2.2017	8.3.2017	NZ\$0.0424	9,721,603.539		(298,121)
RMB Hedged Class (mth)	28.2.2017	8.3.2017	CNY0.0754	225,827,405.473		(2,487,002)
SGD Hedged Class (mth)	28.2.2017	8.3.2017	S\$0.0325	1,613,638.830		(37,498)
USD Class (mth)	28.2.2017	8.3.2017	US\$0.0350	59,233,996.621		(2,073,190)
AUD Hedged Class (mth)	31.3.2017	11.4.2017	A\$0.0400	34,584,127.926		(1,055,300)
CAD Hedged Class (mth)	31.3.2017	11.4.2017	C\$0.0309	10,843,871.181		(251,247)
EUR Hedged Class (mth)	31.3.2017	11.4.2017	EURO.0205	1,983,913.804		(43,499)
GBP Hedged Class (mth)	31.3.2017	11.4.2017	GBP0.0269	6,734,987.108		(226,545)
HKD Class (mth)	31.3.2017	11.4.2017	HK\$0.0350	308,717,889.581		(1,390,353)
NZD Hedged Class (mth)	31.3.2017	11.4.2017	NZ\$0.0430	10,578,857.183		(317,991)
RMB Hedged Class (mth)	31.3.2017	11.4.2017	CNY0.0666	218,452,402.634		(2,117,163)
SGD Hedged Class (mth)	31.3.2017	11.4.2017	S\$0.0323	1,608,325.563		(37,178)
USD Class (mth)	31.3.2017	11.4.2017	US\$0.0350	60,060,089.978		(2,102,103)

# JPMORGAN ASIA EQUITY DIVIDEND FUND

Annual report for the  
year ended 30 September 2018

Distribution Class	Ex date	Pay date	Rate	Units	2018 US\$	2017 US\$
AUD Hedged Class (mth)	28.4.2017	10.5.2017	A\$0.0389	33,803,701.095		(983,396)
CAD Hedged Class (mth)	28.4.2017	10.5.2017	C\$0.0303	10,989,322.922		(243,528)
EUR Hedged Class (mth)	28.4.2017	10.5.2017	EUR0.0215	2,103,744.742		(49,254)
GBP Hedged Class (mth)	28.4.2017	10.5.2017	GBP0.0274	6,718,620.344		(238,167)
HKD Class (mth)	28.4.2017	10.5.2017	HK\$0.0350	300,460,038.033		(1,352,110)
NZD Hedged Class (mth)	28.4.2017	10.5.2017	NZ\$0.0416	11,052,880.427		(315,676)
RMB Hedged Class (mth)	28.4.2017	10.5.2017	CNY0.0594	215,218,253.891		(1,853,138)
SGD Hedged Class (mth)	28.4.2017	10.5.2017	S\$0.0320	1,590,335.186		(36,410)
USD Class (mth)	28.4.2017	10.5.2017	US\$0.0350	59,367,207.450		(2,077,852)
AUD Hedged Class (mth)	31.5.2017	8.6.2017	A\$0.0397	32,441,890.115		(958,809)
CAD Hedged Class (mth)	31.5.2017	8.6.2017	C\$0.0301	10,954,175.752		(244,111)
EUR Hedged Class (mth)	31.5.2017	8.6.2017	EUR0.0207	1,955,613.894		(45,521)
GBP Hedged Class (mth)	31.5.2017	8.6.2017	GBP0.0270	6,302,490.429		(219,677)
HKD Class (mth)	31.5.2017	8.6.2017	HK\$0.0350	281,836,411.905		(1,265,876)
NZD Hedged Class (mth)	31.5.2017	8.6.2017	NZ\$0.0419	9,705,777.740		(288,636)
RMB Hedged Class (mth)	31.5.2017	8.6.2017	CNY0.0639	210,655,538.649		(1,991,801)
SGD Hedged Class (mth)	31.5.2017	8.6.2017	S\$0.0313	1,432,645.080		(32,414)
USD Class (mth)	31.5.2017	8.6.2017	US\$0.0350	55,964,206.515		(1,958,747)
AUD Hedged Class (mth)	30.6.2017	10.7.2017	A\$0.0384	31,023,665.482		(913,793)
CAD Hedged Class (mth)	30.6.2017	10.7.2017	C\$0.0286	10,776,068.029		(237,311)
EUR Hedged Class (mth)	30.6.2017	10.7.2017	EUR0.0188	1,820,284.402		(39,031)
GBP Hedged Class (mth)	30.6.2017	10.7.2017	GBP0.0250	6,095,759.741		(197,952)
HKD Class (mth)	30.6.2017	10.7.2017	HK\$0.0350	270,767,199.816		(1,213,977)
NZD Hedged Class (mth)	30.6.2017	10.7.2017	NZ\$0.0403	8,643,814.515		(255,059)
RMB Hedged Class (mth)	30.6.2017	10.7.2017	CNY0.0715	206,505,308.443		(2,177,602)
SGD Hedged Class (mth)	30.6.2017	10.7.2017	S\$0.0305	1,212,546.642		(26,860)
USD Class (mth)	30.6.2017	10.7.2017	US\$0.0350	54,851,018.085		(1,919,786)
AUD Hedged Class (mth)	31.7.2017	8.8.2017	A\$0.0378	29,739,209.415		(897,459)
CAD Hedged Class (mth)	31.7.2017	8.8.2017	C\$0.0287	9,987,391.246		(229,210)
EUR Hedged Class (mth)	31.7.2017	8.8.2017	EUR0.0184	1,933,485.614		(41,944)
GBP Hedged Class (mth)	31.7.2017	8.8.2017	GBP0.0245	6,377,131.440		(205,979)
HKD Class (mth)	31.7.2017	8.8.2017	HK\$0.0350	286,553,651.695		(1,284,147)
NZD Hedged Class (mth)	31.7.2017	8.8.2017	NZ\$0.0396	8,111,389.623		(240,828)
RMB Hedged Class (mth)	31.7.2017	8.8.2017	CNY0.0587	203,577,071.933		(1,775,311)
SGD Hedged Class (mth)	31.7.2017	8.8.2017	S\$0.0305	1,345,725.514		(30,242)
USD Class (mth)	31.7.2017	8.8.2017	US\$0.0350	57,008,117.269		(1,995,284)
AUD Hedged Class (mth)	31.8.2017	8.9.2017	A\$0.0374	28,431,116.846		(843,375)
CAD Hedged Class (mth)	31.8.2017	8.9.2017	C\$0.0297	10,362,997.352		(245,488)
EUR Hedged Class (mth)	31.8.2017	8.9.2017	EUR0.0185	1,900,651.691		(41,804)
GBP Hedged Class (mth)	31.8.2017	8.9.2017	GBP0.0246	6,448,348.297		(204,402)
HKD Class (mth)	31.8.2017	8.9.2017	HK\$0.0353	298,595,180.950		(1,346,768)
NZD Hedged Class (mth)	31.8.2017	8.9.2017	NZ\$0.0398	8,029,494.065		(228,879)
RMB Hedged Class (mth)	31.8.2017	8.9.2017	CNY0.0494	201,389,957.948		(1,507,625)
SGD Hedged Class (mth)	31.8.2017	8.9.2017	S\$0.0307	1,344,587.079		(30,397)
USD Class (mth)	31.8.2017	8.9.2017	US\$0.0350	58,485,843.683		(2,047,004)
AUD Hedged Class (mth)	29.9.2017	11.10.2017	A\$0.0373	27,117,506.737		(793,660)
CAD Hedged Class (mth)	29.9.2017	11.10.2017	C\$0.0316	10,045,220.035		(253,811)
EUR Hedged Class (mth)	29.9.2017	11.10.2017	EUR0.0187	1,825,716.423		(40,361)
GBP Hedged Class (mth)	29.9.2017	11.10.2017	GBP0.0246	6,403,750.213		(211,353)
HKD Class (mth)	29.9.2017	11.10.2017	HK\$0.0351	280,557,983.048		(1,260,782)
NZD Hedged Class (mth)	29.9.2017	11.10.2017	NZ\$0.0399	8,642,154.969		(249,272)
RMB Hedged Class (mth)	29.9.2017	11.10.2017	CNY0.0514	194,185,137.210		(1,501,586)
SGD Hedged Class (mth)	29.9.2017	11.10.2017	S\$0.0314	1,279,397.621		(29,584)
USD Class (mth)	29.9.2017	11.10.2017	US\$0.0350	57,137,718.761		(1,999,820)

Total distribution to holders of redeemable units

(83,689,315)

(90,413,580)

**7 Taxation**

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Overseas tax was withheld or paid on certain dividend income received during the years ended 30 September 2018 and 2017.

**8 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons**

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

(a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments US\$	% of the Fund's total aggregate value of transactions	Commission paid US\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
J.P. Morgan Securities Australia Limited	13,224,666	0.45	14,105	0.51	0.11
J.P. Morgan Securities (Asia Pacific) Limited	154,336,876	5.27	190,936	6.84	0.12
<u>2017</u>					
J.P. Morgan Securities Australia Limited	27,392,330	1.49	27,366	1.53	0.10
J.P. Morgan Securities (Asia Pacific) Limited	99,762,552	5.42	154,736	8.66	0.16

(b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	7,821,580	8,065,393
Amounts receivable	5,140	3,949
Amounts payable	(1,875,692)	(2,662,850)

During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$61,524 (2017: US\$23,366).

(c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.

(d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$10,078 (2017: US\$58,139).

(e) Management fee of 1.5% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.

The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.

(f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.

(g) Refer to Note 9 for fee paid to the Trustee.

(h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

**9 Trustee's fee**

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first US\$40 million, 0.04% per annum for the balance from US\$40 million to US\$70 million, and 0.025% per annum for the balance in excess of US\$70 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

**10 Borrowings**

During the years ended 30 September 2018 and 2017, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

**11 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**12 Derivatives**

Outstanding forward foreign exchange contracts as at 30 September were as follows:

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
<u>2018</u>			
Open contracts:			
US\$745,063	C\$966,149	2 October 2018	2,383
US\$1,549	C\$2,023	2 October 2018	17
US\$1,870	A\$2,590	2 October 2018	4
US\$1,096	NZ\$1,654	2 October 2018	0
GBP102,128	US\$134,682	3 October 2018	1,497
US\$260,774	C\$340,689	3 October 2018	2,795
US\$212,981	A\$295,004	3 October 2018	483
US\$60,501	NZ\$91,281	3 October 2018	18
A\$143,609	US\$104,241	4 October 2018	325
NZ\$3,175	US\$2,105	4 October 2018	0
US\$377,113	A\$521,219	4 October 2018	41
US\$611,849	GBP469,162	4 October 2018	32
US\$241,817	C\$312,553	4 October 2018	3
NZ\$19,608	US\$13,001	5 October 2018	1
CNH157,268	US\$22,965	9 October 2018	94
A\$235,223,177	US\$170,387,672	10 October 2018	180,181
A\$1,038,951	US\$761,582	10 October 2018	9,797
A\$2,009,859	US\$1,464,109	10 October 2018	9,775
A\$818,967	US\$597,169	10 October 2018	4,564
A\$345,861	US\$254,104	10 October 2018	3,839
A\$267,783	US\$196,793	10 October 2018	3,025
A\$241,230	US\$177,385	10 October 2018	2,831
A\$433,709	US\$315,069	10 October 2018	1,237
A\$157,582	US\$114,690	10 October 2018	664
A\$5,184	US\$3,810	10 October 2018	59
A\$4,895	US\$3,596	10 October 2018	53
A\$3,129	US\$2,301	10 October 2018	37
A\$3,324	US\$2,437	10 October 2018	31
A\$2,086	US\$1,534	10 October 2018	24
A\$3,427	US\$2,497	10 October 2018	17
A\$1,498	US\$1,092	10 October 2018	8
A\$1,496	US\$1,089	10 October 2018	6

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
A\$1,496	US\$1,089	10 October 2018	6
A\$1,911	US\$1,389	10 October 2018	5
A\$1,526	US\$1,109	10 October 2018	4
C\$281,498	US\$218,204	10 October 2018	394
C\$2,475	US\$1,919	10 October 2018	3
C\$2,076	US\$1,609	10 October 2018	3
CNH13,646,805	US\$2,010,184	10 October 2018	25,454
CNH28,909,850	US\$4,220,188	10 October 2018	15,669
CNH16,383,270	US\$2,393,148	10 October 2018	10,439
CNH5,334,407	US\$785,109	10 October 2018	9,297
CNH3,406,920	US\$500,666	10 October 2018	5,179
CNH13,307,269	US\$1,940,194	10 October 2018	4,845
CNH9,821,247	US\$1,432,458	10 October 2018	4,100
CNH5,263,530	US\$769,361	10 October 2018	3,857
CNH12,669,601	US\$1,845,538	10 October 2018	2,929
CNH4,557,540	US\$665,634	10 October 2018	2,806
CNH4,206,149	US\$613,921	10 October 2018	2,197
CNH2,073,056	US\$303,239	10 October 2018	1,743
CNH2,137,570	US\$312,265	10 October 2018	1,386
CNH4,541,462	US\$661,524	10 October 2018	1,034
CNH650,030	US\$95,268	10 October 2018	731
CNH5,119,252	US\$745,184	10 October 2018	663
CNH1,020,556	US\$148,940	10 October 2018	515
CNH901,422	US\$131,451	10 October 2018	353
CNH184,247	US\$27,010	10 October 2018	214
CNH3,400,160	US\$494,696	10 October 2018	192
CNH310,418	US\$45,314	10 October 2018	168
CNH78,601	US\$11,578	10 October 2018	147
CNH212,164	US\$30,991	10 October 2018	134
CNH66,054	US\$9,681	10 October 2018	74
CNH33,203	US\$4,879	10 October 2018	50
CNH24,989	US\$3,678	10 October 2018	44
CNH170,636	US\$24,856	10 October 2018	39
CNH18,321	US\$2,676	10 October 2018	11
CNH30,034	US\$4,379	10 October 2018	11
CNH13,307	US\$1,943	10 October 2018	8
CNH12,331	US\$1,800	10 October 2018	6
CNH7,515	US\$1,099	10 October 2018	6
CNH24,574	US\$3,579	10 October 2018	6
CNH11,532	US\$1,682	10 October 2018	5
CNH7,556	US\$1,104	10 October 2018	5
CNH7,500	US\$1,095	10 October 2018	4
CNH23,847	US\$3,471	10 October 2018	3
CNH51,383	US\$7,476	10 October 2018	3
CNH7,526	US\$1,095	10 October 2018	1
CNH7,552	US\$1,099	10 October 2018	0
EUR15,272,883	US\$17,981,581	10 October 2018	231,436
EUR201,069	US\$236,253	10 October 2018	2,570
EUR197,149	US\$230,445	10 October 2018	1,319
EUR106,894	US\$125,372	10 October 2018	1,140
EUR218,626	US\$254,908	10 October 2018	821
EUR49,601	US\$58,079	10 October 2018	432
EUR88,549	US\$103,044	10 October 2018	132
EUR26,302	US\$30,680	10 October 2018	111
EUR14,103	US\$16,494	10 October 2018	104
EUR107,392	US\$124,884	10 October 2018	72
EUR18,968	US\$22,113	10 October 2018	68
EUR5,177	US\$6,035	10 October 2018	18
EUR1,017	US\$1,192	10 October 2018	11
EUR941	US\$1,103	10 October 2018	9
EUR1,525	US\$1,779	10 October 2018	7
EUR942	US\$1,101	10 October 2018	6
EUR955	US\$1,111	10 October 2018	2

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
GBP48,102,640	US\$63,273,106	10 October 2018	523,212
GBP325,831	US\$429,111	10 October 2018	4,065
GBP109,735	US\$144,478	10 October 2018	1,329
GBP175,940	US\$230,279	10 October 2018	765
GBP48,692	US\$64,096	10 October 2018	577
GBP41,728	US\$54,941	10 October 2018	506
GBP23,903	US\$31,330	10 October 2018	148
GBP1,320	US\$1,738	10 October 2018	16
GBP1,188	US\$1,564	10 October 2018	14
GBP836	US\$1,101	10 October 2018	10
GBP840	US\$1,099	10 October 2018	4
NZ\$64,978,028	US\$43,174,683	10 October 2018	94,251
NZ\$702,687	US\$471,357	10 October 2018	5,475
NZ\$366,392	US\$245,507	10 October 2018	2,589
NZ\$190,861	US\$128,123	10 October 2018	1,583
NZ\$225,150	US\$150,785	10 October 2018	1,511
NZ\$108,049	US\$72,267	10 October 2018	631
NZ\$113,318	US\$75,415	10 October 2018	285
NZ\$10,377	US\$6,966	10 October 2018	86
NZ\$6,014	US\$4,030	10 October 2018	42
NZ\$4,970	US\$3,324	10 October 2018	29
NZ\$1,648	US\$1,104	10 October 2018	11
NZ\$1,648	US\$1,104	10 October 2018	11
NZ\$3,482	US\$2,318	10 October 2018	10
NZ\$30,233	US\$20,053	10 October 2018	9
NZ\$1,642	US\$1,094	10 October 2018	5
NZ\$1,642	US\$1,093	10 October 2018	4
S\$16,851,967	US\$12,339,246	10 October 2018	3,423
S\$91,283	US\$66,919	10 October 2018	99
US\$64,356,641	GBP49,797,007	10 October 2018	603,346
US\$79,043,884	C\$102,224,214	10 October 2018	52,529
US\$1,431,506	NZ\$2,187,078	10 October 2018	18,525
US\$1,881,565	A\$2,616,843	10 October 2018	11,982
US\$1,048,971	A\$1,461,557	10 October 2018	8,611
US\$583,822	C\$762,900	10 October 2018	6,475
US\$833,086	GBP643,327	10 October 2018	6,132
US\$370,136	A\$519,868	10 October 2018	6,040
US\$803,653	C\$1,045,895	10 October 2018	5,612
US\$419,352	GBP324,985	10 October 2018	4,589
US\$485,752	A\$676,460	10 October 2018	3,733
US\$472,075	NZ\$716,887	10 October 2018	3,221
US\$457,756	C\$595,715	10 October 2018	3,180
US\$467,344	A\$650,164	10 October 2018	3,114
US\$389,638	C\$507,286	10 October 2018	2,877
US\$266,148	NZ\$405,324	10 October 2018	2,582
US\$321,659	GBP248,455	10 October 2018	2,450
US\$162,418	A\$227,567	10 October 2018	2,250
US\$241,224	A\$335,944	10 October 2018	1,865
US\$615,845	CNH4,245,754	10 October 2018	1,639
US\$171,003	C\$222,797	10 October 2018	1,386
US\$393,182	NZ\$594,874	10 October 2018	1,220
US\$68,220	C\$89,738	10 October 2018	1,216
US\$147,977	A\$206,066	10 October 2018	1,133
US\$168,813	A\$234,769	10 October 2018	1,066
US\$525,107	A\$726,871	10 October 2018	856
US\$52,105	NZ\$79,424	10 October 2018	553
US\$139,107	A\$193,004	10 October 2018	551
US\$133,335	S\$182,819	10 October 2018	491
US\$55,809	C\$72,750	10 October 2018	482
US\$1,510,353	CNH10,388,216	10 October 2018	462
US\$42,241	NZ\$64,395	10 October 2018	453
US\$144,994	CNH1,000,000	10 October 2018	441

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$30,150	NZ\$46,000	10 October 2018	348
US\$46,075	NZ\$70,000	10 October 2018	335
US\$309,361	GBP237,390	10 October 2018	314
US\$75,410	S\$103,394	10 October 2018	275
US\$49,371	GBP38,052	10 October 2018	268
US\$117,671	C\$152,399	10 October 2018	248
US\$88,677	A\$122,843	10 October 2018	212
US\$49,141	NZ\$74,436	10 October 2018	210
US\$12,849	GBP10,000	10 October 2018	196
US\$18,341	C\$23,898	10 October 2018	150
US\$333,626	GBP255,859	10 October 2018	142
US\$7,096	A\$10,000	10 October 2018	140
US\$9,287	NZ\$14,205	10 October 2018	131
US\$5,550	C\$7,310	10 October 2018	106
US\$125,752	EUR108,294	10 October 2018	106
US\$4,836	A\$6,814	10 October 2018	95
US\$19,149	A\$26,570	10 October 2018	77
US\$6,520	GBP5,053	10 October 2018	71
US\$4,297	C\$5,645	10 October 2018	70
US\$5,241	NZ\$8,007	10 October 2018	68
US\$7,683	C\$10,000	10 October 2018	55
US\$33,711	GBP25,882	10 October 2018	52
US\$2,307	C\$3,043	10 October 2018	47
US\$3,395	A\$4,752	10 October 2018	44
US\$5,437	A\$7,570	10 October 2018	41
US\$69,508	CNH478,187	10 October 2018	38
US\$3,876	S\$5,343	10 October 2018	35
US\$12,932	A\$17,915	10 October 2018	31
US\$7,135	A\$9,900	10 October 2018	29
US\$193,412	C\$250,000	10 October 2018	27
US\$2,314	C\$3,009	10 October 2018	14
US\$2,204	GBP1,700	10 October 2018	14
US\$4,293	CNH29,605	10 October 2018	13
US\$1,536	C\$2,000	10 October 2018	12
US\$6,066	A\$8,397	10 October 2018	10
US\$2,043	NZ\$3,095	10 October 2018	9
US\$958	GBP741	10 October 2018	8
US\$29,272	S\$40,000	10 October 2018	8
US\$1,682	A\$2,334	10 October 2018	7
US\$6,518	GBP5,000	10 October 2018	4
US\$3,029	CNH20,837	10 October 2018	2
US\$3,877	CNH26,668	10 October 2018	1
A\$1,599,776	US\$1,162,688	13 November 2018	4,770
A\$879,415	US\$639,791	13 November 2018	3,271
A\$460,102	US\$335,396	13 November 2018	2,373
A\$811,652	US\$589,315	13 November 2018	1,842
A\$1,580,513	US\$1,145,632	13 November 2018	1,657
A\$6,388	US\$4,643	13 November 2018	19
A\$3,755	US\$2,732	13 November 2018	14
A\$1,514	US\$1,104	13 November 2018	8
C\$487,696	US\$377,945	13 November 2018	296
C\$1,426	US\$1,106	13 November 2018	2
C\$1,426	US\$1,106	13 November 2018	2
CNH6,400,707	US\$932,906	13 November 2018	4,002
CNH2,773,090	US\$404,262	13 November 2018	1,816
CNH2,925,965	US\$425,883	13 November 2018	1,251
CNH10,719,382	US\$1,556,092	13 November 2018	439
CNH2,220,471	US\$322,641	13 November 2018	394
CNH2,107,378	US\$306,093	13 November 2018	260
CNH65,958	US\$9,584	13 November 2018	12
CNH128,966	US\$18,721	13 November 2018	5
CNH7,538	US\$1,099	13 November 2018	5
CNH7,538	US\$1,099	13 November 2018	5

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
CNH7,538	US\$1,099	13 November 2018	5
EUR300,217	US\$353,980	13 November 2018	4,078
EUR139,378	US\$164,078	13 November 2018	1,632
EUR45,787	US\$54,066	13 November 2018	701
EUR49,673	US\$58,199	13 November 2018	305
EUR1,852	US\$2,185	13 November 2018	26
EUR935	US\$1,107	13 November 2018	17
EUR933	US\$1,094	13 November 2018	6
GBP381,502	US\$502,879	13 November 2018	4,408
GBP67,381	US\$89,497	13 November 2018	1,457
GBP183,513	US\$240,905	13 November 2018	1,128
GBP86,127	US\$113,188	13 November 2018	655
GBP27,094	US\$35,797	13 November 2018	396
GBP10,907	US\$14,363	13 November 2018	113
GBP2,467	US\$3,249	13 November 2018	25
GBP836	US\$1,111	13 November 2018	18
GBP836	US\$1,098	13 November 2018	6
GBP836	US\$1,098	13 November 2018	5
NZ\$656,008	US\$436,873	13 November 2018	1,874
NZ\$203,969	US\$136,376	13 November 2018	1,124
NZ\$429,465	US\$285,348	13 November 2018	570
NZ\$54,458	US\$36,325	13 November 2018	214
NZ\$62,990	US\$41,899	13 November 2018	130
NZ\$1,663	US\$1,112	13 November 2018	9
NZ\$2,828	US\$1,883	13 November 2018	8
NZ\$1,663	US\$1,109	13 November 2018	7
NZ\$1,660	US\$1,101	13 November 2018	0
S\$244,836	US\$179,502	13 November 2018	148
S\$118,529	US\$86,864	13 November 2018	36
S\$3,343	US\$2,453	13 November 2018	4
US\$73,650,974	C\$95,355,327	13 November 2018	187,575
US\$280,607,429	CNH1,933,654,572	13 November 2018	14,693
US\$2,614,152	CNH18,019,601	13 November 2018	949
US\$2,313,122	CNH15,942,732	13 November 2018	572
US\$1,134,048	C\$1,465,009	13 November 2018	387
US\$3,203,584	CNH22,075,771	13 November 2018	168
US\$155,761	CNH1,073,683	13 November 2018	58
US\$4,212	C\$5,458	13 November 2018	14
US\$36,129	CNH249,044	13 November 2018	13
US\$7,919	CNH54,589	13 November 2018	3
Total unrealized gains			2,208,647
			-----
US\$1,090	EUR933	2 October 2018	(6)
US\$1,096	GBP836	2 October 2018	(6)
US\$41,892	NZ\$62,990	2 October 2018	(130)
US\$35,730	GBP27,094	2 October 2018	(400)
US\$589,176	A\$811,652	2 October 2018	(1,865)
US\$352,822	EUR300,217	2 October 2018	(4,122)
US\$58,012	EUR49,673	3 October 2018	(312)
US\$112,983	GBP86,127	3 October 2018	(665)
US\$1,101	NZ\$1,660	3 October 2018	(0)
CNH15,942,732	US\$2,316,658	9 October 2018	(2,150)
A\$1,524	US\$1,094	10 October 2018	(8)
A\$1,531	US\$1,099	10 October 2018	(8)
A\$1,532	US\$1,100	10 October 2018	(8)
A\$3,012	US\$2,171	10 October 2018	(9)
A\$2,549	US\$1,833	10 October 2018	(11)
A\$4,410	US\$3,179	10 October 2018	(12)
A\$1,526	US\$1,090	10 October 2018	(14)
A\$2,891	US\$2,078	10 October 2018	(14)
A\$9,162	US\$6,614	10 October 2018	(15)



Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
A\$1,550	US\$1,107	10 October 2018	(15)
A\$11,974	US\$8,599	10 October 2018	(65)
A\$15,783	US\$11,334	10 October 2018	(87)
A\$7,729	US\$5,486	10 October 2018	(107)
A\$33,860	US\$24,338	10 October 2018	(164)
A\$30,584	US\$21,964	10 October 2018	(167)
A\$463,605	US\$334,163	10 October 2018	(1,302)
A\$1,721,975	US\$1,244,053	10 October 2018	(1,968)
A\$360,633	US\$258,959	10 October 2018	(1,995)
A\$1,192,745	US\$861,056	10 October 2018	(2,014)
A\$662,020	US\$476,056	10 October 2018	(2,983)
A\$1,097,627	US\$791,104	10 October 2018	(3,139)
A\$1,645,359	US\$1,185,184	10 October 2018	(5,398)
A\$466,057	US\$330,739	10 October 2018	(6,500)
A\$1,446,154	US\$1,038,544	10 October 2018	(7,893)
A\$2,472,100	US\$1,780,795	10 October 2018	(8,017)
A\$3,479,267	US\$2,507,995	10 October 2018	(9,602)
A\$1,162,532	US\$830,633	10 October 2018	(10,574)
A\$1,038,942	US\$739,740	10 October 2018	(12,038)
A\$1,448,313	US\$1,033,780	10 October 2018	(14,219)
A\$2,861,552	US\$2,055,060	10 October 2018	(15,558)
A\$1,703,532	US\$1,213,238	10 October 2018	(19,438)
A\$1,521,367	US\$1,080,341	10 October 2018	(20,520)
C\$1,420	US\$1,098	10 October 2018	(1)
C\$1,425	US\$1,099	10 October 2018	(3)
C\$1,429	US\$1,103	10 October 2018	(3)
C\$1,433	US\$1,100	10 October 2018	(9)
C\$1,433	US\$1,100	10 October 2018	(9)
C\$1,434	US\$1,101	10 October 2018	(9)
C\$10,776	US\$8,329	10 October 2018	(9)
C\$141,051	US\$109,129	10 October 2018	(10)
C\$2,478	US\$1,903	10 October 2018	(14)
C\$3,692	US\$2,834	10 October 2018	(23)
C\$23,238	US\$17,942	10 October 2018	(38)
C\$9,669	US\$7,425	10 October 2018	(56)
C\$7,549	US\$5,731	10 October 2018	(110)
C\$36,176	US\$27,773	10 October 2018	(218)
C\$99,806	US\$76,642	10 October 2018	(583)
C\$59,194	US\$45,018	10 October 2018	(784)
C\$375,327	US\$289,621	10 October 2018	(790)
C\$51,364	US\$38,949	10 October 2018	(795)
C\$208,027	US\$159,979	10 October 2018	(983)
C\$390,284	US\$300,582	10 October 2018	(1,402)
C\$302,084	US\$232,104	10 October 2018	(1,635)
C\$378,666	US\$291,207	10 October 2018	(1,788)
C\$457,715	US\$351,316	10 October 2018	(2,842)
C\$653,690	US\$502,901	10 October 2018	(2,895)
C\$207,137	US\$157,192	10 October 2018	(3,081)
C\$513,867	US\$393,349	10 October 2018	(4,257)
C\$363,155	US\$276,492	10 October 2018	(4,501)
C\$751,229	US\$576,324	10 October 2018	(4,942)
C\$819,256	US\$628,823	10 October 2018	(5,079)
C\$605,925	US\$460,741	10 October 2018	(8,096)
C\$684,172	US\$520,133	10 October 2018	(9,248)
C\$1,162,177	US\$889,448	10 October 2018	(9,791)
C\$877,690	US\$667,267	10 October 2018	(11,850)
C\$1,123,857	US\$853,143	10 October 2018	(16,446)
C\$1,394,492	US\$1,057,434	10 October 2018	(21,560)
C\$95,355,327	US\$73,603,618	10 October 2018	(177,972)
CNH7,532	US\$1,095	10 October 2018	(0)
CNH7,942	US\$1,155	10 October 2018	(0)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
CNH9,901	US\$1,439	10 October 2018	(1)
CNH8,936	US\$1,296	10 October 2018	(3)
CNH160,787	US\$23,377	10 October 2018	(8)
CNH26,620	US\$3,861	10 October 2018	(10)
CNH249,044	US\$36,187	10 October 2018	(32)
CNH102,419	US\$14,851	10 October 2018	(45)
CNH129,149	US\$18,734	10 October 2018	(49)
CNH2,075,562	US\$301,692	10 October 2018	(169)
CNH4,914,450	US\$714,470	10 October 2018	(265)
CNH13,637,841	US\$1,982,780	10 October 2018	(647)
CNH5,157,088	US\$747,800	10 October 2018	(2,224)
CNH18,019,601	US\$2,618,344	10 October 2018	(2,346)
CNH22,075,771	US\$3,207,960	10 October 2018	(2,641)
CNH12,008,418	US\$1,741,904	10 October 2018	(4,546)
CNH14,954,433	US\$2,169,313	10 October 2018	(5,593)
CNH1,933,654,572	US\$280,990,731	10 October 2018	(231,302)
EUR948	US\$1,100	10 October 2018	(1)
EUR4,438	US\$5,152	10 October 2018	(6)
EUR18,399	US\$21,365	10 October 2018	(17)
EUR95,220	US\$110,526	10 October 2018	(140)
EUR146,993	US\$170,284	10 October 2018	(552)
GBP849	US\$1,107	10 October 2018	(1)
GBP847	US\$1,103	10 October 2018	(2)
GBP857	US\$1,112	10 October 2018	(6)
GBP849	US\$1,101	10 October 2018	(7)
GBP2,427	US\$3,158	10 October 2018	(7)
GBP973	US\$1,259	10 October 2018	(11)
GBP1,346	US\$1,741	10 October 2018	(15)
GBP2,800	US\$3,632	10 October 2018	(20)
GBP32,148	US\$41,912	10 October 2018	(25)
GBP11,211	US\$14,591	10 October 2018	(33)
GBP2,514	US\$3,231	10 October 2018	(49)
GBP28,122	US\$36,602	10 October 2018	(84)
GBP256,623	US\$334,482	10 October 2018	(283)
GBP339,429	US\$442,466	10 October 2018	(319)
GBP183,069	US\$238,459	10 October 2018	(354)
GBP30,731	US\$39,661	10 October 2018	(428)
GBP297,780	US\$387,799	10 October 2018	(655)
GBP84,108	US\$109,028	10 October 2018	(691)
GBP75,017	US\$96,802	10 October 2018	(1,058)
GBP70,789	US\$91,019	10 October 2018	(1,326)
GBP519,935	US\$676,426	10 October 2018	(1,829)
GBP690,914	US\$895,835	10 October 2018	(5,463)
GBP489,966	US\$630,952	10 October 2018	(8,208)
GBP521,050	US\$669,409	10 October 2018	(10,301)
NZ\$1,671	US\$1,103	10 October 2018	(5)
NZ\$3,178	US\$2,101	10 October 2018	(6)
NZ\$1,754	US\$1,155	10 October 2018	(8)
NZ\$1,676	US\$1,104	10 October 2018	(8)
NZ\$1,677	US\$1,100	10 October 2018	(11)
NZ\$1,678	US\$1,097	10 October 2018	(15)
NZ\$2,477	US\$1,624	10 October 2018	(19)
NZ\$4,950	US\$3,240	10 October 2018	(42)
NZ\$8,376	US\$5,496	10 October 2018	(57)
NZ\$15,547	US\$10,117	10 October 2018	(191)
NZ\$167,981	US\$111,125	10 October 2018	(247)
NZ\$101,674	US\$67,122	10 October 2018	(287)
NZ\$105,001	US\$68,729	10 October 2018	(887)
NZ\$120,059	US\$78,691	10 October 2018	(908)
NZ\$209,936	US\$138,186	10 October 2018	(1,001)
NZ\$109,915	US\$71,868	10 October 2018	(1,006)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
NZ\$546,439	US\$360,994	10 October 2018	(1,295)
NZ\$453,138	US\$298,607	10 October 2018	(1,823)
NZ\$233,316	US\$152,589	10 October 2018	(2,099)
NZ\$963,186	US\$636,121	10 October 2018	(2,472)
NZ\$1,272,735	US\$841,257	10 October 2018	(2,566)
NZ\$468,385	US\$306,411	10 October 2018	(4,128)
NZ\$420,012	US\$273,649	10 October 2018	(4,819)
NZ\$768,885	US\$504,453	10 October 2018	(5,318)
NZ\$780,728	US\$511,154	10 October 2018	(6,469)
S\$1,502	US\$1,096	10 October 2018	(3)
S\$28,757	US\$20,978	10 October 2018	(72)
S\$18,385	US\$13,385	10 October 2018	(73)
S\$115,061	US\$83,995	10 October 2018	(231)
S\$167,800	US\$122,371	10 October 2018	(461)
S\$104,542	US\$75,938	10 October 2018	(588)
S\$118,739	US\$86,153	10 October 2018	(765)
S\$238,539	US\$173,627	10 October 2018	(986)
S\$189,986	US\$138,055	10 October 2018	(1,017)
US\$1,094	CNH7,523	10 October 2018	(0)
US\$2,339	EUR2,012	10 October 2018	(1)
US\$197	GBP150	10 October 2018	(1)
US\$1,420	CNH9,737	10 October 2018	(4)
US\$35,130	CNH241,521	10 October 2018	(4)
US\$1,810	CNH12,397	10 October 2018	(7)
US\$39,112	CNH268,887	10 October 2018	(7)
US\$1,748	NZ\$2,626	10 October 2018	(8)
US\$5,229	CNH35,901	10 October 2018	(8)
US\$3,665	CNH25,136	10 October 2018	(9)
US\$4,019	CNH27,495	10 October 2018	(20)
US\$2,162	CNH14,692	10 October 2018	(26)
US\$33,565	CNH230,609	10 October 2018	(26)
US\$19,986	CNH137,142	10 October 2018	(41)
US\$73,295	S\$100,064	10 October 2018	(46)
US\$139,265	NZ\$209,962	10 October 2018	(60)
US\$62,535	S\$85,342	10 October 2018	(64)
US\$16,320	CNH111,683	10 October 2018	(77)
US\$8,601	CNH58,530	10 October 2018	(89)
US\$19,942	CNH136,504	10 October 2018	(90)
US\$22,440	CNH153,617	10 October 2018	(99)
US\$107,293	CNH736,606	10 October 2018	(164)
US\$50,266	NZ\$75,532	10 October 2018	(188)
US\$80,524	CNH552,320	10 October 2018	(197)
US\$91,223	EUR78,285	10 October 2018	(241)
US\$46,837	EUR40,000	10 October 2018	(349)
US\$3,085,031	CNH21,209,809	10 October 2018	(372)
US\$41,990	CNH285,207	10 October 2018	(511)
US\$111,418	EUR95,351	10 October 2018	(600)
US\$159,663	S\$217,265	10 October 2018	(623)
US\$70,051	NZ\$104,543	10 October 2018	(739)
US\$49,246	A\$66,978	10 October 2018	(781)
US\$122,755	A\$168,530	10 October 2018	(807)
US\$244,266	CNH1,673,352	10 October 2018	(902)
US\$105,040	GBP79,802	10 October 2018	(938)
US\$96,382	NZ\$143,932	10 October 2018	(955)
US\$188,567	A\$259,131	10 October 2018	(1,060)
US\$148,926	CNH1,016,125	10 October 2018	(1,146)
US\$234,678	CNH1,605,513	10 October 2018	(1,180)
US\$334,203	NZ\$502,000	10 October 2018	(1,377)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$197,320	EUR168,517	10 October 2018	(1,469)
US\$376,322	GBP287,232	10 October 2018	(1,626)
US\$400,384	CNH2,741,543	10 October 2018	(1,666)
US\$223,668	A\$306,765	10 October 2018	(1,692)
US\$559,388	CNH3,833,008	10 October 2018	(1,933)
US\$387,903	CNH2,651,896	10 October 2018	(2,223)
US\$219,723	NZ\$327,634	10 October 2018	(2,502)
US\$206,887	A\$282,246	10 October 2018	(2,654)
US\$237,742	EUR202,235	10 October 2018	(2,703)
US\$1,074,581	C\$1,385,092	10 October 2018	(2,860)
US\$231,016	CNH1,568,390	10 October 2018	(2,916)
US\$329,851	CNH2,244,540	10 October 2018	(3,416)
US\$283,645	NZ\$422,548	10 October 2018	(3,496)
US\$1,752,339	CNH12,024,119	10 October 2018	(3,605)
US\$679,559	GBP516,373	10 October 2018	(5,948)
US\$1,462,927	CNH10,011,238	10 October 2018	(6,938)
US\$782,270	NZ\$1,168,147	10 October 2018	(7,788)
US\$1,528,121	CNH10,446,996	10 October 2018	(8,758)
US\$760,216	CNH5,165,696	10 October 2018	(8,941)
US\$1,128,684	A\$1,546,622	10 October 2018	(9,548)
US\$809,795	A\$1,102,135	10 October 2018	(12,289)
US\$894,113	A\$1,215,403	10 October 2018	(14,646)
US\$1,393,031	A\$1,896,020	10 October 2018	(21,069)
US\$12,620,320	S\$17,192,333	10 October 2018	(35,339)
US\$3,318,182	CNH22,563,240	10 October 2018	(36,689)
US\$2,340,182	A\$3,180,472	10 October 2018	(38,790)
US\$3,706,094	CNH25,172,740	10 October 2018	(45,087)
US\$18,637,596	EUR15,883,399	10 October 2018	(177,803)
US\$44,462,105	NZ\$66,289,867	10 October 2018	(511,885)
US\$181,798,526	A\$247,349,981	10 October 2018	(2,815,885)
US\$297,459,730	CNH2,022,690,471	10 October 2018	(3,288,956)
A\$2,590	US\$1,871	13 November 2018	(4)
A\$521,219	US\$377,219	13 November 2018	(39)
A\$295,004	US\$213,039	13 November 2018	(485)
C\$6,678	US\$5,170	13 November 2018	(1)
C\$312,553	US\$242,017	13 November 2018	(10)
C\$2,023	US\$1,550	13 November 2018	(17)
C\$874,332	US\$676,850	13 November 2018	(192)
C\$679,082	US\$524,292	13 November 2018	(1,557)
C\$966,149	US\$745,702	13 November 2018	(2,438)
C\$340,689	US\$260,988	13 November 2018	(2,826)
CNH7,570	US\$1,098	13 November 2018	(0)
CNH146,909	US\$21,316	13 November 2018	(4)
CNH8,524,706	US\$1,237,021	13 November 2018	(129)
CNH12,166,982	US\$1,765,432	13 November 2018	(304)
CNH12,701,769	US\$1,842,989	13 November 2018	(358)
CNH10,955,153	US\$1,589,286	13 November 2018	(583)
GBP469,162	US\$612,929	13 November 2018	(78)
NZ\$1,654	US\$1,096	13 November 2018	(0)
NZ\$91,281	US\$60,514	13 November 2018	(15)
US\$2,106	NZ\$3,175	13 November 2018	(0)
US\$13,004	NZ\$19,608	13 November 2018	(2)
US\$3,434	CNH23,640	13 November 2018	(3)
US\$12,600	C\$16,260	13 November 2018	(9)
US\$3,189	NZ\$4,794	13 November 2018	(10)
US\$7,367	A\$10,147	13 November 2018	(23)
US\$51,222	CNH352,759	13 November 2018	(28)
US\$24,012	C\$30,963	13 November 2018	(36)
US\$7,520	NZ\$11,274	13 November 2018	(44)
US\$19,607	CNH134,709	13 November 2018	(59)
US\$7,001	EUR5,936	13 November 2018	(83)
US\$22,920	CNH157,268	13 November 2018	(97)
US\$147,467	S\$201,145	13 November 2018	(119)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$190,047	S\$259,168	13 November 2018	(194)
US\$38,837	CNH266,155	13 November 2018	(211)
US\$102,643	CNH705,193	13 November 2018	(302)
US\$104,265	A\$143,609	13 November 2018	(320)
US\$42,640	NZ\$63,786	13 November 2018	(343)
US\$22,719	GBP17,106	13 November 2018	(368)
US\$153,710	CNH1,054,396	13 November 2018	(692)
US\$154,344	A\$212,165	13 November 2018	(778)
US\$134,925	GBP102,128	13 November 2018	(1,482)
US\$12,346,831	S\$16,851,967	13 November 2018	(1,970)
US\$879,611	C\$1,133,260	13 November 2018	(2,065)
US\$4,362,588	CNH30,044,596	13 November 2018	(2,364)
US\$219,877	EUR186,122	13 November 2018	(2,942)
US\$662,142	NZ\$993,606	13 November 2018	(3,281)
US\$273,793	EUR232,046	13 November 2018	(3,332)
US\$526,009	NZ\$787,894	13 November 2018	(3,556)
US\$950,371	GBP721,458	13 November 2018	(7,699)
US\$2,637,299	A\$3,630,893	13 November 2018	(9,256)
US\$2,078,245	A\$2,852,718	13 November 2018	(13,443)
US\$751,935	GBP564,748	13 November 2018	(14,008)
US\$3,398,367	CNH23,289,681	13 November 2018	(18,487)
US\$43,179,966	NZ\$64,978,028	13 November 2018	(93,014)
US\$170,422,955	A\$235,223,177	13 November 2018	(168,362)
US\$18,029,050	EUR15,272,883	13 November 2018	(227,721)
US\$63,367,859	GBP48,102,640	13 November 2018	(515,941)
Total unrealized losses			(8,963,626)
			-----
Net unrealized losses			(6,754,979)
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## 2017

## Open contracts:

A\$573,202	US\$455,254	3 October 2017	5,463
C\$12,057	US\$9,733	3 October 2017	93
EUR23,523	US\$27,923	3 October 2017	114
GBP220,000	US\$295,252	3 October 2017	100
NZ\$8,739	US\$6,350	3 October 2017	33
US\$47,073,120	A\$60,000,000	3 October 2017	8,879
US\$154,453	EUR131,621	3 October 2017	1,150
US\$325,024	GBP242,703	3 October 2017	587
US\$30,164	NZ\$41,841	3 October 2017	83
US\$110,931	S\$150,727	3 October 2017	60
US\$2,265	EUR1,924	3 October 2017	10
US\$1,105	EUR938	3 October 2017	4
US\$1,096	A\$1,399	3 October 2017	2
US\$1,100	NZ\$1,525	3 October 2017	2
US\$1,100	S\$1,495	3 October 2017	1
A\$1,327,517	US\$1,044,963	4 October 2017	3,261
C\$9,582	US\$7,746	4 October 2017	85
US\$306,756	NZ\$425,286	4 October 2017	683
US\$212,815	A\$271,662	4 October 2017	358
US\$90,927,201	A\$115,900,000	5 October 2017	7,940
A\$578,450	US\$454,741	6 October 2017	889
C\$367,503	US\$294,850	6 October 2017	989
US\$142,774	NZ\$197,585	6 October 2017	60
US\$3,328	EUR2,814	6 October 2017	0

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
A\$283,842	US\$222,714	10 October 2017	12
CNH412,725	US\$62,119	10 October 2017	54
A\$3,202,507	US\$2,563,811	24 October 2017	51,445
A\$2,856,658	US\$2,292,328	24 October 2017	51,280
A\$3,371,698	US\$2,686,660	24 October 2017	41,563
A\$1,374,344	US\$1,108,526	24 October 2017	30,353
A\$1,484,553	US\$1,193,200	24 October 2017	28,569
A\$1,099,879	US\$886,329	24 October 2017	23,474
A\$1,927,849	US\$1,533,047	24 October 2017	20,649
A\$1,228,332	US\$982,572	24 October 2017	18,946
A\$1,012,769	US\$813,345	24 October 2017	18,827
A\$1,046,614	US\$836,527	24 October 2017	15,458
A\$837,872	US\$671,671	24 October 2017	14,361
A\$744,643	US\$598,259	24 October 2017	14,086
A\$1,546,451	US\$1,226,595	24 October 2017	13,405
A\$1,338,305	US\$1,062,501	24 October 2017	12,600
A\$923,414	US\$736,533	24 October 2017	12,114
A\$597,346	US\$477,101	24 October 2017	8,484
A\$1,741,552	US\$1,373,656	24 October 2017	7,409
A\$376,858	US\$301,435	24 October 2017	5,790
A\$426,728	US\$338,832	24 October 2017	4,063
A\$237,403	US\$189,340	24 October 2017	3,097
A\$164,407	US\$130,713	24 October 2017	1,736
A\$201,631	US\$158,684	24 October 2017	505
A\$243,462	US\$191,376	24 October 2017	380
A\$17,380	US\$13,902	24 October 2017	267
A\$12,263	US\$9,809	24 October 2017	188
A\$13,298	US\$10,600	24 October 2017	168
A\$8,891	US\$7,140	24 October 2017	166
A\$16,135	US\$12,798	24 October 2017	140
A\$4,103	US\$3,283	24 October 2017	64
A\$2,325	US\$1,873	24 October 2017	50
A\$3,815	US\$3,041	24 October 2017	48
A\$3,142	US\$2,511	24 October 2017	47
A\$2,453	US\$1,969	24 October 2017	44
A\$367,471	US\$288,324	24 October 2017	43
A\$1,687	US\$1,360	24 October 2017	37
A\$2,506	US\$2,002	24 October 2017	36
A\$3,024	US\$2,405	24 October 2017	32
A\$1,369	US\$1,103	24 October 2017	29
A\$1,949	US\$1,558	24 October 2017	29
A\$1,377	US\$1,106	24 October 2017	26
A\$2,678	US\$2,127	24 October 2017	26
A\$1,738	US\$1,389	24 October 2017	25
A\$1,379	US\$1,105	24 October 2017	23
A\$8,266	US\$6,505	24 October 2017	21
A\$1,369	US\$1,092	24 October 2017	18
A\$8,258	US\$6,491	24 October 2017	13
C\$1,647,833	US\$1,356,840	24 October 2017	38,995
C\$724,660	US\$592,822	24 October 2017	13,280
C\$548,950	US\$451,871	24 October 2017	12,852
C\$531,584	US\$436,075	24 October 2017	10,943
C\$1,086,197	US\$879,470	24 October 2017	10,790
C\$437,709	US\$360,663	24 October 2017	10,608
C\$471,087	US\$386,430	24 October 2017	9,681
C\$707,868	US\$574,184	24 October 2017	8,070
C\$351,408	US\$286,907	24 October 2017	5,871
C\$659,213	US\$532,777	24 October 2017	5,576
C\$678,080	US\$547,468	24 October 2017	5,177
C\$502,148	US\$406,575	24 October 2017	4,985
C\$208,579	US\$171,726	24 October 2017	4,916
C\$200,804	US\$165,403	24 October 2017	4,810
C\$166,154	US\$136,524	24 October 2017	3,644

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
C\$577,355	US\$465,216	24 October 2017	3,479
C\$269,563	US\$218,511	24 October 2017	2,930
C\$175,040	US\$142,490	24 October 2017	2,503
C\$127,831	US\$104,675	24 October 2017	2,443
C\$148,951	US\$120,697	24 October 2017	1,575
C\$8,867	US\$7,274	24 October 2017	183
C\$4,093	US\$3,371	24 October 2017	98
C\$3,380	US\$2,783	24 October 2017	80
C\$2,871	US\$2,366	24 October 2017	70
C\$2,808	US\$2,312	24 October 2017	67
C\$3,233	US\$2,652	24 October 2017	66
C\$4,321	US\$3,514	24 October 2017	58
C\$1,792	US\$1,476	24 October 2017	43
C\$2,403	US\$1,962	24 October 2017	40
C\$2,441	US\$1,979	24 October 2017	27
C\$1,336	US\$1,096	24 October 2017	27
C\$1,358	US\$1,111	24 October 2017	25
C\$1,358	US\$1,111	24 October 2017	25
C\$1,339	US\$1,096	24 October 2017	25
C\$1,344	US\$1,094	24 October 2017	19
C\$1,344	US\$1,094	24 October 2017	19
C\$1,344	US\$1,089	24 October 2017	14
C\$1,353	US\$1,097	24 October 2017	14
C\$1,360	US\$1,092	24 October 2017	4
CNH11,323,641	US\$1,741,572	24 October 2017	40,176
CNH15,029,626	US\$2,291,070	24 October 2017	32,844
CNH20,759,403	US\$3,150,801	24 October 2017	31,666
CNH10,923,667	US\$1,669,728	24 October 2017	28,429
CNH13,721,588	US\$2,087,407	24 October 2017	25,716
CNH7,034,589	US\$1,074,163	24 October 2017	17,205
CNH4,680,754	US\$719,974	24 October 2017	16,683
CNH6,321,120	US\$964,111	24 October 2017	14,352
CNH10,437,740	US\$1,581,935	24 October 2017	13,647
CNH8,686,998	US\$1,316,796	24 October 2017	11,560
CNH3,824,556	US\$584,162	24 October 2017	9,516
CNH14,753,660	US\$2,226,071	24 October 2017	9,309
CNH3,424,501	US\$523,485	24 October 2017	8,948
CNH5,189,421	US\$788,136	24 October 2017	8,417
CNH3,410,938	US\$520,061	24 October 2017	7,562
CNH2,445,766	US\$374,543	24 October 2017	7,062
CNH2,325,379	US\$354,315	24 October 2017	4,923
CNH2,183,717	US\$332,970	24 October 2017	4,863
CNH13,762,740	US\$2,072,645	24 October 2017	4,770
CNH23,686,013	US\$3,563,123	24 October 2017	4,260
CNH2,351,327	US\$356,306	24 October 2017	3,016
CNH3,086,005	US\$465,727	24 October 2017	2,050
CNH1,036,303	US\$157,423	24 October 2017	1,717
CNH301,503	US\$46,039	24 October 2017	737
CNH203,661	US\$31,323	24 October 2017	723
CNH238,429	US\$36,513	24 October 2017	688
CNH302,885	US\$46,171	24 October 2017	662
CNH140,292	US\$21,428	24 October 2017	349
CNH195,343	US\$29,606	24 October 2017	255
CNH174,088	US\$26,389	24 October 2017	232
CNH3,907,656	US\$587,344	24 October 2017	212
CNH73,853	US\$11,290	24 October 2017	193
CNH277,017	US\$41,797	24 October 2017	175
CNH870,416	US\$130,938	24 October 2017	157
CNH98,854	US\$14,985	24 October 2017	132
CNH53,670	US\$8,195	24 October 2017	131
CNH63,917	US\$9,702	24 October 2017	98
CNH266,016	US\$40,062	24 October 2017	92

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
CNH21,496	US\$3,306	24 October 2017	77
CNH109,402	US\$16,510	24 October 2017	73
CNH28,593	US\$4,357	24 October 2017	61
CNH31,609	US\$4,809	24 October 2017	59
CNH33,756	US\$5,127	24 October 2017	55
CNH17,983	US\$2,742	24 October 2017	40
CNH18,129	US\$2,764	24 October 2017	40
CNH13,502	US\$2,068	24 October 2017	39
CNH16,825	US\$2,566	24 October 2017	38
CNH11,258	US\$1,721	24 October 2017	29
CNH16,040	US\$2,437	24 October 2017	27
CNH7,192	US\$1,106	24 October 2017	26
CNH19,887	US\$3,014	24 October 2017	26
CNH11,002	US\$1,678	24 October 2017	25
CNH37,682	US\$5,687	24 October 2017	25
CNH7,141	US\$1,094	24 October 2017	21
CNH14,355	US\$2,176	24 October 2017	19
CNH7,168	US\$1,095	24 October 2017	18
CNH7,198	US\$1,097	24 October 2017	15
CNH8,920	US\$1,354	24 October 2017	14
CNH9,994	US\$1,515	24 October 2017	13
CNH7,245	US\$1,101	24 October 2017	12
EUR372,018	US\$446,697	24 October 2017	6,414
EUR191,656	US\$229,974	24 October 2017	3,149
EUR103,023	US\$124,427	24 October 2017	2,498
EUR204,689	US\$244,444	24 October 2017	2,195
EUR183,760	US\$219,436	24 October 2017	1,956
EUR84,299	US\$101,301	24 October 2017	1,533
EUR132,622	US\$158,361	24 October 2017	1,403
EUR95,773	US\$114,272	24 October 2017	925
EUR58,476	US\$70,049	24 October 2017	843
EUR132,566	US\$157,448	24 October 2017	556
EUR33,604	US\$40,153	24 October 2017	382
EUR24,367	US\$28,988	24 October 2017	150
EUR1,864	US\$2,245	24 October 2017	39
EUR2,544	US\$3,048	24 October 2017	38
EUR1,720	US\$2,055	24 October 2017	19
EUR915	US\$1,099	24 October 2017	16
EUR1,115	US\$1,336	24 October 2017	16
EUR918	US\$1,100	24 October 2017	13
EUR923	US\$1,104	24 October 2017	12
EUR926	US\$1,106	24 October 2017	10
EUR920	US\$1,099	24 October 2017	10
EUR920	US\$1,099	24 October 2017	10
EUR920	US\$1,095	24 October 2017	6
GBP433,985	US\$590,725	24 October 2017	8,056
GBP444,945	US\$600,522	24 October 2017	3,139
GBP202,455	US\$274,463	24 October 2017	2,647
GBP311,094	US\$420,144	24 October 2017	2,470
GBP265,893	US\$358,937	24 October 2017	1,948
GBP79,404	US\$107,761	24 October 2017	1,153
GBP85,753	US\$116,142	24 October 2017	1,011
GBP399,406	US\$536,937	24 October 2017	694
GBP40,170	US\$54,551	24 October 2017	619
GBP29,794	US\$40,554	24 October 2017	553
GBP20,362	US\$27,566	24 October 2017	228
GBP62,381	US\$83,899	24 October 2017	147
GBP4,686	US\$6,360	24 October 2017	68
GBP3,308	US\$4,492	24 October 2017	51
GBP69,918	US\$93,896	24 October 2017	24
GBP1,540	US\$2,087	24 October 2017	20
GBP1,301	US\$1,765	24 October 2017	19
GBP1,471	US\$1,993	24 October 2017	17



Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
GBP813	US\$1,100	24 October 2017	9
GBP813	US\$1,100	24 October 2017	9
GBP822	US\$1,105	24 October 2017	2
NZ\$1,063,758	US\$775,677	24 October 2017	7,005
NZ\$771,264	US\$563,857	24 October 2017	6,542
NZ\$399,914	US\$295,309	24 October 2017	6,331
NZ\$718,287	US\$522,638	24 October 2017	3,604
NZ\$444,270	US\$324,396	24 October 2017	3,367
NZ\$630,535	US\$458,901	24 October 2017	3,276
NZ\$953,726	US\$691,110	24 October 2017	1,948
NZ\$218,876	US\$160,048	24 October 2017	1,888
NZ\$127,189	US\$93,272	24 October 2017	1,365
NZ\$602,776	US\$436,882	24 October 2017	1,316
NZ\$440,141	US\$319,135	24 October 2017	1,089
NZ\$142,708	US\$103,661	24 October 2017	540
NZ\$170,711	US\$123,854	24 October 2017	499
NZ\$122,310	US\$88,787	24 October 2017	406
NZ\$39,423	US\$28,618	24 October 2017	132
NZ\$22,805	US\$16,546	24 October 2017	67
NZ\$3,305	US\$2,441	24 October 2017	52
NZ\$4,072	US\$2,970	24 October 2017	27
NZ\$4,443	US\$3,233	24 October 2017	22
NZ\$2,573	US\$1,882	24 October 2017	22
NZ\$6,132	US\$4,444	24 October 2017	13
NZ\$1,515	US\$1,108	24 October 2017	13
NZ\$1,515	US\$1,107	24 October 2017	13
NZ\$4,526	US\$3,282	24 October 2017	11
NZ\$3,267	US\$2,372	24 October 2017	11
NZ\$1,516	US\$1,106	24 October 2017	10
NZ\$2,203	US\$1,599	24 October 2017	7
NZ\$33,540	US\$24,242	24 October 2017	6
NZ\$1,702	US\$1,236	24 October 2017	6
NZ\$1,507	US\$1,094	24 October 2017	5
NZ\$1,522	US\$1,104	24 October 2017	4
NZ\$6,377	US\$4,609	24 October 2017	1
S\$341,691	US\$252,805	24 October 2017	1,118
S\$69,305	US\$51,684	24 October 2017	634
S\$145,605	US\$107,712	24 October 2017	460
S\$92,868	US\$68,796	24 October 2017	390
S\$80,875	US\$59,920	24 October 2017	349
S\$49,570	US\$36,799	24 October 2017	287
S\$247,425	US\$182,538	24 October 2017	286
S\$50,489	US\$37,401	24 October 2017	212
S\$64,855	US\$47,972	24 October 2017	200
S\$84,337	US\$62,254	24 October 2017	132
S\$1,475	US\$1,100	24 October 2017	14
S\$2,051	US\$1,518	24 October 2017	7
S\$1,493	US\$1,101	24 October 2017	2
US\$85,452,065	GBP64,953,861	24 October 2017	1,753,747
US\$1,025,682	GBP790,359	24 October 2017	35,429
US\$1,772,864	GBP1,326,517	24 October 2017	8,113
US\$457,530	GBP344,732	24 October 2017	5,304
US\$2,394,425	GBP1,787,000	24 October 2017	4,798
US\$264,859	GBP200,636	24 October 2017	4,512
US\$298,442	NZ\$416,208	24 October 2017	2,311
US\$77,836	GBP59,650	24 October 2017	2,248
US\$1,429,528	NZ\$1,980,219	24 October 2017	1,379
US\$394,896	NZ\$548,242	24 October 2017	1,264
US\$149,120	NZ\$207,823	24 October 2017	1,053
US\$36,457	GBP27,617	24 October 2017	621
US\$305,557	NZ\$423,567	24 October 2017	513
US\$130,038	NZ\$180,422	24 October 2017	335
US\$22,576	GBP17,000	24 October 2017	248

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$3,461	GBP2,636	24 October 2017	78
US\$28,239	A\$36,056	24 October 2017	47
US\$13,912	CNH92,696	24 October 2017	16
US\$46,704	C\$58,405	24 October 2017	5
US\$1,670	NZ\$2,312	24 October 2017	1
S\$58,764,000	US\$43,353,820	2 November 2017	65,422
		Total unrealized gains	2,885,567
			-----
A\$60,000,000	US\$45,888,900	3 October 2017	(1,193,101)
NZ\$207,823	US\$149,180	3 October 2017	(1,055)
US\$1,105	GBP822	3 October 2017	(2)
US\$6,507	A\$8,266	3 October 2017	(21)
US\$191,423	A\$243,462	3 October 2017	(378)
GBP1,787,000	US\$2,392,847	4 October 2017	(4,771)
NZ\$180,422	US\$130,088	4 October 2017	(339)
US\$1,091	C\$1,360	4 October 2017	(4)
US\$6,492	A\$8,258	4 October 2017	(12)
US\$83,845	GBP62,381	4 October 2017	(149)
A\$115,900,000	US\$89,172,881	5 October 2017	(1,762,261)
A\$36,056	US\$28,245	6 October 2017	(45)
C\$58,405	US\$46,697	6 October 2017	(4)
US\$213,234	GBP158,915	6 October 2017	(1)
US\$288,382	A\$367,471	6 October 2017	(64)
CNH92,696	US\$13,927	10 October 2017	(12)
US\$587,830	CNH3,907,656	10 October 2017	(203)
A\$1,399	US\$1,096	24 October 2017	(2)
A\$271,662	US\$212,766	24 October 2017	(352)
EUR2,814	US\$3,331	24 October 2017	0
EUR938	US\$1,106	24 October 2017	(4)
EUR1,924	US\$2,268	24 October 2017	(10)
EUR5,822	US\$6,861	24 October 2017	(30)
EUR124,996	US\$147,548	24 October 2017	(385)
EUR131,621	US\$154,630	24 October 2017	(1,144)
GBP158,915	US\$213,358	24 October 2017	(2)
GBP948	US\$1,259	24 October 2017	(14)
GBP829	US\$1,098	24 October 2017	(15)
GBP829	US\$1,098	24 October 2017	(15)
GBP834	US\$1,101	24 October 2017	(19)
GBP834	US\$1,101	24 October 2017	(19)
GBP844	US\$1,105	24 October 2017	(28)
GBP844	US\$1,105	24 October 2017	(28)
GBP848	US\$1,100	24 October 2017	(38)
GBP2,617	US\$3,475	24 October 2017	(38)
GBP12,351	US\$16,507	24 October 2017	(76)
GBP6,106	US\$8,061	24 October 2017	(137)
GBP8,181	US\$10,675	24 October 2017	(309)
GBP19,617	US\$25,983	24 October 2017	(355)
GBP242,703	US\$325,252	24 October 2017	(602)
GBP121,508	US\$161,363	24 October 2017	(1,775)
GBP146,735	US\$193,708	24 October 2017	(3,299)
GBP314,546	US\$415,252	24 October 2017	(7,058)
GBP351,807	US\$461,675	24 October 2017	(10,662)
GBP281,212	US\$364,961	24 October 2017	(12,594)
GBP377,082	US\$493,620	24 October 2017	(12,651)
GBP646,099	US\$843,075	24 October 2017	(24,378)
GBP665,578	US\$867,604	24 October 2017	(26,001)
GBP2,025,135	US\$2,659,098	24 October 2017	(59,849)
NZ\$1,516	US\$1,094	24 October 2017	(2)
NZ\$1,525	US\$1,100	24 October 2017	(2)
NZ\$1,534	US\$1,100	24 October 2017	(9)
NZ\$18,863	US\$13,587	24 October 2017	(44)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
NZ\$197,585	US\$142,723	24 October 2017	(52)
NZ\$41,841	US\$30,152	24 October 2017	(82)
NZ\$58,400	US\$42,112	24 October 2017	(88)
NZ\$18,048	US\$12,940	24 October 2017	(101)
NZ\$467,207	US\$337,348	24 October 2017	(255)
NZ\$137,322	US\$98,910	24 October 2017	(319)
NZ\$322,707	US\$232,803	24 October 2017	(385)
NZ\$425,286	US\$306,639	24 October 2017	(672)
NZ\$559,021	US\$402,429	24 October 2017	(1,519)
NZ\$338,007	US\$242,352	24 October 2017	(1,892)
S\$1,495	US\$1,100	24 October 2017	(1)
S\$150,727	US\$110,952	24 October 2017	(72)
US\$128	EUR106	24 October 2017	(2)
US\$252	A\$318	24 October 2017	(3)
US\$222,680	A\$283,842	24 October 2017	(6)
US\$1,027	EUR860	24 October 2017	(9)
US\$9,769	S\$13,242	24 October 2017	(15)
US\$1,721	A\$2,158	24 October 2017	(28)
US\$6,347	NZ\$8,739	24 October 2017	(33)
US\$1,432	CNH9,309	24 October 2017	(33)
US\$62,059	CNH412,725	24 October 2017	(47)
US\$4,796	S\$6,431	24 October 2017	(60)
US\$3,468	A\$4,323	24 October 2017	(76)
US\$295,453	GBP220,000	24 October 2017	(81)
US\$7,747	C\$9,582	24 October 2017	(85)
US\$9,735	C\$12,057	24 October 2017	(92)
US\$3,654	C\$4,439	24 October 2017	(105)
US\$27,955	EUR23,523	24 October 2017	(115)
US\$9,231	EUR7,688	24 October 2017	(132)
US\$7,228	CNH46,988	24 October 2017	(168)
US\$11,180	A\$13,988	24 October 2017	(207)
US\$26,612	EUR22,289	24 October 2017	(233)
US\$16,148	CNH105,893	24 October 2017	(237)
US\$29,056	EUR24,323	24 October 2017	(270)
US\$34,991	GBP25,784	24 October 2017	(373)
US\$324,704	CNH2,158,404	24 October 2017	(400)
US\$50,005	CNH329,897	24 October 2017	(438)
US\$25,273	EUR20,981	24 October 2017	(441)
US\$57,389	S\$77,296	24 October 2017	(453)
US\$37,730	S\$50,569	24 October 2017	(481)
US\$45,664	CNH300,643	24 October 2017	(492)
US\$82,519	S\$111,271	24 October 2017	(558)
US\$65,296	NZ\$89,546	24 October 2017	(590)
US\$71,795	CNH473,717	24 October 2017	(619)
US\$61,557	CNH405,529	24 October 2017	(626)
US\$46,089	CNH302,329	24 October 2017	(665)
US\$50,775	A\$63,869	24 October 2017	(670)
US\$40,663	C\$50,000	24 October 2017	(676)
US\$34,883	C\$42,727	24 October 2017	(712)
US\$96,311	C\$119,524	24 October 2017	(722)
US\$233,520	NZ\$322,052	24 October 2017	(806)
US\$35,207	C\$43,000	24 October 2017	(818)
US\$454,645	A\$578,450	24 October 2017	(851)
US\$193,457	NZ\$266,517	24 October 2017	(872)
US\$85,202	GBP62,739	24 October 2017	(969)
US\$294,887	C\$367,503	24 October 2017	(979)
US\$119,416	EUR100,000	24 October 2017	(1,064)
US\$248,675	CNH1,647,598	24 October 2017	(1,122)
US\$86,294	C\$106,483	24 October 2017	(1,135)
US\$112,234	CNH739,383	24 October 2017	(1,142)
US\$109,285	EUR91,334	24 October 2017	(1,190)
US\$304,396	NZ\$419,566	24 October 2017	(1,218)
US\$248,089	EUR208,544	24 October 2017	(1,276)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$59,879	CNH389,241	24 October 2017	(1,397)
US\$60,732	A\$75,610	24 October 2017	(1,416)
US\$103,803	NZ\$141,557	24 October 2017	(1,514)
US\$128,964	NZ\$176,366	24 October 2017	(1,522)
US\$153,373	S\$205,993	24 October 2017	(1,639)
US\$200,380	CNH1,322,146	24 October 2017	(1,727)
US\$92,833	A\$116,075	24 October 2017	(1,772)
US\$217,430	GBP160,607	24 October 2017	(1,797)
US\$88,316	A\$110,187	24 October 2017	(1,875)
US\$111,492	CNH729,233	24 October 2017	(1,926)
US\$95,183	NZ\$128,894	24 October 2017	(2,045)
US\$157,157	C\$193,944	24 October 2017	(2,051)
US\$196,636	CNH1,294,626	24 October 2017	(2,119)
US\$122,848	C\$150,918	24 October 2017	(2,152)
US\$128,262	A\$160,584	24 October 2017	(2,285)
US\$143,882	A\$180,430	24 October 2017	(2,335)
US\$235,363	GBP173,553	24 October 2017	(2,349)
US\$198,520	EUR165,512	24 October 2017	(2,633)
US\$115,932	A\$144,361	24 October 2017	(2,681)
US\$209,752	CNH1,375,054	24 October 2017	(3,152)
US\$362,324	CNH2,390,102	24 October 2017	(3,211)
US\$1,044,710	A\$1,327,517	24 October 2017	(3,274)
US\$303,069	CNH1,995,098	24 October 2017	(3,307)
US\$447,818	NZ\$615,150	24 October 2017	(3,311)
US\$215,357	A\$270,004	24 October 2017	(3,540)
US\$255,969	CNH1,675,702	24 October 2017	(4,198)
US\$251,935	EUR209,281	24 October 2017	(4,246)
US\$722,836	GBP535,108	24 October 2017	(4,397)
US\$303,567	CNH1,990,704	24 October 2017	(4,466)
US\$174,479	A\$216,534	24 October 2017	(4,609)
US\$379,706	CNH2,495,677	24 October 2017	(4,732)
US\$1,056,343	NZ\$1,455,206	24 October 2017	(4,813)
US\$223,690	C\$273,437	24 October 2017	(5,010)
US\$179,816	C\$218,317	24 October 2017	(5,218)
US\$327,958	CNH2,147,469	24 October 2017	(5,304)
US\$455,140	A\$573,202	24 October 2017	(5,465)
US\$562,705	NZ\$770,993	24 October 2017	(5,587)
US\$247,451	C\$300,583	24 October 2017	(7,060)
US\$255,531	C\$310,174	24 October 2017	(7,470)
US\$565,041	GBP415,117	24 October 2017	(7,700)
US\$535,957	CNH3,514,700	24 October 2017	(7,878)
US\$3,290,230	NZ\$4,539,601	24 October 2017	(9,919)
US\$667,689	A\$837,980	24 October 2017	(10,296)
US\$752,184	CNH4,936,081	24 October 2017	(10,543)
US\$700,509	C\$860,887	24 October 2017	(12,017)
US\$492,164	C\$600,000	24 October 2017	(12,315)
US\$513,498	C\$623,580	24 October 2017	(14,790)
US\$991,715	A\$1,239,737	24 October 2017	(19,145)
US\$2,734,035	CNH18,037,220	24 October 2017	(23,943)
US\$1,512,571	CNH9,875,813	24 October 2017	(28,750)
US\$1,508,609	A\$1,881,146	24 October 2017	(32,856)
US\$1,303,895	A\$1,616,671	24 October 2017	(35,624)
US\$1,873,525	A\$2,342,726	24 October 2017	(35,663)
US\$2,535,707	CNH16,633,294	24 October 2017	(36,573)
US\$10,021,342	S\$13,390,909	24 October 2017	(157,640)
US\$6,034,781	CNH39,103,024	24 October 2017	(159,690)
US\$23,112,847	EUR19,137,270	24 October 2017	(463,379)
US\$58,586,784	NZ\$80,356,039	24 October 2017	(521,728)
US\$85,531,434	C\$103,503,983	24 October 2017	(2,754,186)
US\$223,684,943	A\$276,365,448	24 October 2017	(6,877,564)
US\$328,834,056	CNH2,130,716,435	24 October 2017	(8,701,398)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
S\$28,000,000	US\$20,606,436	10 November 2017	(22,756)
A\$60,000,000	US\$47,022,720	2 January 2018	(11,281)
A\$115,900,000	US\$90,831,456	2 January 2018	(22,555)
		Total unrealized losses	(23,273,995)
			-----
Closed but not yet settled contracts:			
THB1,500,000,000	US\$45,372,051	10 November 2017	
US\$45,170,518.71	THB1,500,000,000	10 November 2017	(201,532)
		Total unrealized losses	(23,475,527)
			-----
		Net unrealized losses	(20,589,960)
			=====

### 13 Other income

The Fund received US\$644 (2017: US\$158) from the Manager as compensation for valuation and/or other operational error(s).

**Independent Auditor's Report**

To the Unitholders of JPMorgan Asia Equity Dividend Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Asia Equity Dividend Fund set out on pages 29 to 66, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 6 May 2011, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Asia Equity Dividend Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 6 May 2011, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund	Net asset value per unit
30/9/18		
- AUD Hedged Class (mth)	A\$236,489,568	A\$9.43
- CAD Hedged Class (mth)	C\$94,664,021	C\$9.58
- EUR Hedged Class (mth)	EUR15,276,700	EUR9.83
- GBP Hedged Class (mth)	GBP48,524,037	GBP9.80
- HKD Class (acc)	HK\$16,478,379	HK\$12.75
- HKD Class (mth)	HK\$2,397,665,622	HK\$9.90
- NZD Hedged Class (mth)	NZ\$65,500,294	NZ\$9.53
- RMB Hedged Class (acc)	CNY22,929,067	CNY14.57
- RMB Hedged Class (mth)	CNY1,949,899,852	CNY10.23
- SGD Hedged Class (mth)	S\$17,001,971	S\$9.62
- USD Class (acc)	US\$4,541,186	US\$12.70
- USD Class (mth)	US\$577,217,695	US\$9.83
30/9/17		
- AUD Hedged Class (mth)	A\$259,499,760	A\$9.57
- CAD Hedged Class (mth)	C\$97,613,361	C\$9.71
- EUR Hedged Class (mth)	EUR18,159,564	EUR9.95
- GBP Hedged Class (mth)	GBP63,339,050	GBP9.92
- HKD Class (acc)	HK\$10,787,381	HK\$12.30
- HKD Class (mth)	HK\$2,795,839,385	HK\$9.98
- NZD Hedged Class (mth)	NZ\$83,401,013	NZ\$9.67
- RMB Hedged Class (acc)	CNY38,144,622	CNY13.86
- RMB Hedged Class (mth)	CNY2,005,664,263	CNY10.35
- SGD Hedged Class (mth)	S\$12,477,623	S\$9.75
- USD Class (acc)	US\$44,675,415	US\$12.22
- USD Class (mth)	US\$566,995,843	US\$9.93
30/9/16		
- AUD Hedged Class (mth)	A\$367,570,195	A\$9.10
- CAD Hedged Class (mth)	C\$102,630,641	C\$9.23
- EUR Hedged Class (mth)	EUR20,248,697	EUR9.45
- GBP Hedged Class (mth)	GBP71,005,732	GBP9.43
- HKD Class (acc)	HK\$12,726,234	HK\$11.07
- HKD Class (mth)	HK\$2,583,218,431	HK\$9.39
- NZD Hedged Class (mth)	NZ\$96,941,137	NZ\$9.20
- RMB Hedged Class (acc)	CNY50,443,874	CNY12.16
- RMB Hedged Class (mth)	CNY2,752,053,335	CNY9.86
- SGD Hedged Class (mth)	S\$14,019,750	S\$9.26
- USD Class (acc)	US\$6,505,463	US\$11.07
- USD Class (mth)	US\$458,524,363	US\$9.41



## Performance Record - Unaudited (continued)

(Continued)

## Highest Offer/Lowest Bid Prices

Financial period ended	Highest offer	Lowest bid	Financial period ended	Highest offer	Lowest bid
30/9/18			30/9/14		
- AUD Hedged Class (mth)	A\$10.73	A\$9.08	- AUD Hedged Class (mth)	A\$11.02	A\$9.02
- CAD Hedged Class (mth)	C\$10.90	C\$9.23	- CAD Hedged Class (mth)	C\$11.08	C\$9.05
- EUR Hedged Class (mth)	EUR11.15	EUR9.46	- EUR Hedged Class (mth)	EUR11.10	EUR9.05
- GBP Hedged Class (mth)	GBP11.11	GBP9.44	- GBP Hedged Class (mth)	GBP11.10	GBP9.06
- HKD Class (acc)	HK\$13.96	HK\$12.27	- HKD Class (acc)	HK\$11.79	HK\$9.35
- HKD Class (mth)	HK\$11.22	HK\$9.57	- HKD Class (mth)	HK\$11.08	HK\$9.06
- NZD Hedged Class (mth)	NZ\$10.84	NZ\$9.18	- NZD Hedged Class (mth)	NZ\$11.07	NZ\$9.06
- RMB Hedged Class (acc)	CNY15.82	CNY13.95	- RMB Hedged Class (acc)	CNY12.29	CNY9.92
- RMB Hedged Class (mth)	CNY11.62	CNY9.86	- RMB Hedged Class (mth)	CNY11.91	CNY9.92
- SGD Hedged Class (mth)	S\$10.94	S\$9.26	- SGD Hedged Class (mth)	S\$11.08	S\$9.06
- USD Class (acc)	US\$13.87	US\$12.19	- USD Class (acc)	US\$11.81	US\$9.35
- USD Class (mth)	US\$11.15	US\$9.47	- USD Class (mth)	US\$11.10	US\$9.06
30/9/17			30/9/13		
- AUD Hedged Class (mth)	A\$9.86	A\$8.64	- AUD Hedged Class (mth)	A\$10.57	A\$9.30
- CAD Hedged Class (mth)	C\$9.99	C\$8.76	- CAD Hedged Class (mth)	C\$10.58	C\$9.32
- EUR Hedged Class (mth)	EUR10.23	EUR8.96	- EUR Hedged Class (mth)	EUR10.56	EUR9.31
- GBP Hedged Class (mth)	GBP10.20	GBP8.93	- GBP Hedged Class (mth)	GBP10.57	GBP9.32
- HKD Class (acc)	HK\$12.53	HK\$10.56	- HKD Class (acc)	HK\$10.65	HK\$9.31
- HKD Class (mth)	HK\$10.28	HK\$8.93	- HKD Class (mth)	HK\$10.56	HK\$9.31
- NZD Hedged Class (mth)	NZ\$9.97	NZ\$8.74	- NZD Hedged Class (mth)	NZ\$10.59	NZ\$9.33
- RMB Hedged Class (acc)	CNY14.09	CNY11.61	- SGD Hedged Class (mth)	S\$10.57	S\$9.32
- RMB Hedged Class (mth)	CNY10.68	CNY9.32	- USD Class (acc)	US\$10.66	US\$9.32
- SGD Hedged Class (mth)	S\$10.04	S\$8.78	- USD Class (mth)	US\$10.57	US\$9.32
- USD Class (acc)	US\$12.46	US\$10.57			
- USD Class (mth)	US\$10.23	US\$8.94	30/9/12 (since inception)		
30/9/16			- HKD Class	HK\$11.10	HK\$8.83
- AUD Hedged Class (mth)	A\$9.79	A\$7.71	- USD Class	US\$11.12	US\$8.82
- CAD Hedged Class (mth)	C\$9.93	C\$7.77			
- EUR Hedged Class (mth)	EUR10.15	EUR7.91			
- GBP Hedged Class (mth)	GBP10.14	GBP7.85			
- HKD Class (acc)	HK\$11.81	HK\$9.01			
- HKD Class (mth)	HK\$10.10	HK\$7.94			
- NZD Hedged Class (mth)	NZ\$9.90	NZ\$7.75			
- RMB Hedged Class (acc)	CNY12.94	CNY9.65			
- RMB Hedged Class (mth)	CNY10.62	CNY8.32			
- SGD Hedged Class (mth)	S\$9.96	S\$7.79			
- USD Class (acc)	US\$11.82	US\$8.94			
- USD Class (mth)	US\$10.12	US\$7.88			
30/9/15					
- AUD Hedged Class (mth)	A\$11.36	A\$8.56			
- CAD Hedged Class (mth)	C\$11.45	C\$8.63			
- EUR Hedged Class (mth)	EUR11.48	EUR8.72			
- GBP Hedged Class (mth)	GBP11.48	GBP8.70			
- HKD Class (acc)	HK\$12.54	HK\$9.68			
- HKD Class (mth)	HK\$11.45	HK\$8.67			
- NZD Hedged Class (mth)	NZ\$11.43	NZ\$8.60			
- RMB Hedged Class (acc)	CNY13.35	CNY10.00			
- RMB Hedged Class (mth)	CNY12.29	CNY9.23			
- SGD Hedged Class (mth)	S\$11.41	S\$8.61			
- USD Class (acc)	US\$12.56	US\$9.69			
- USD Class (mth)	US\$11.47	US\$8.69			

**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Sub-Manager**

JPMorgan Asset Management  
(UK) Limited  
60 Victoria Embankment  
London  
EC4Y 0JP  
United Kingdom

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments</b> (98.4%)				Taiwan Semiconductor Mfg	2,271,000	19,524,367	7.8
<b>(I) Equities</b> (98.4%)				<b>Thailand</b> (1.4%)			
				Kasikornbank Public Co NVDR	516,800	3,451,725	1.4
<b>China</b> (37.7%)				<b>Vietnam</b> (0.9%)			
51Jobs Inc ADR	47,039	3,621,533	1.4	Vietnam Dairy Products	158,560	933,246	0.4
Alibaba Group Hldg ADR	88,986	14,661,333	5.9	Vietnam Dairy Products Await Cert	23,042	135,620	0.0
BOC Aviation	721,400	5,596,107	2.2	Vinhomes JSC	278,160	1,263,957	0.5
China Construction Bank 'H'	9,043,000	7,904,781	3.2			245,949,994	98.4
China Merchants Bank 'H'	604,500	2,456,658	1.0				
China Overseas Land & Investment	1,562,000	4,890,670	2.0				
CNOOC Ltd	2,226,000	4,409,385	1.8	<b>(II) Derivatives</b> (0.0%)			
Country Garden Services Hldgs	1,046,506	1,778,749	0.7	<b>Forward foreign exchange contracts</b> (0.0%)		1,214	0.0
Hutchison China Meditech ADR	123,170	3,964,842	1.6				
Inner Mongolia Yili Ind 'A' (C1)	466,800	1,743,524	0.7	<b>Total Listed/Quoted Investments</b>		245,951,208	98.4
Nexteer Automotive Group	1,303,000	2,064,844	0.8	<b>Other net assets</b>		4,123,352	1.6
Ping An Insurance (Group) 'H'	1,167,000	11,856,573	4.7				
Shenzhou Intl Grp	633,000	8,121,918	3.2	<b>Net assets attributable to holders of redeemable units at 30 September 2018</b>		250,074,560	100.0
Tencent Hldgs	423,900	17,508,784	7.0				
Wuxi Biologics (Cayman)	372,500	3,767,892	1.5	<b>Total investments, at cost</b>		208,338,397	
<b>Hong Kong</b> (10.3%)							
AIA Group	1,871,200	16,715,470	6.7				
Galaxy Entertainment Group	729,000	4,625,599	1.9				
Techtronic Industries	674,000	4,306,764	1.7				
<b>India</b> (14.7%)							
HDFC Bank	253,341	7,010,825	2.8				
HDFC Standard Life Insurance	450,104	2,431,518	1.0				
Housing Development Finance	276,778	6,698,952	2.7				
IndusInd Bank	259,351	6,046,574	2.4				
ITC Ltd	1,024,742	4,209,090	1.7				
Maruti Suzuki India	42,450	4,302,945	1.7				
Tata Consultancy Services	197,750	5,957,052	2.4				
<b>Indonesia</b> (6.7%)							
Astra Intl	6,675,300	3,292,518	1.3				
Bank Central Asia	4,703,200	7,622,204	3.1				
Berlian Laju Tanker-SG List	100,000,000	0	0.0				
Telekomunikasi Indonesia	14,291,800	3,491,068	1.4				
United Tractors	1,021,100	2,261,269	0.9				
<b>Korea</b> (9.3%)							
NAVER Corp	4,437	2,864,000	1.2				
NCsoft Corp	7,166	2,858,648	1.1				
Samsung Electronics	418,783	17,536,597	7.0				
<b>Philippines</b> (1.6%)							
Jollibee Food	694,410	3,303,042	1.3				
Metropolitan Bank & Trust	627,025	777,543	0.3				
<b>Singapore</b> (3.7%)							
DBS Group Hldgs	350,900	6,700,319	2.7				
Jardine Cycle & Carriage	107,400	2,514,528	1.0				
<b>Taiwan</b> (12.1%)							
Chailease Hldg	679,100	2,379,841	1.0				
Eclat Textile	350,513	4,339,368	1.7				
Largan Precision	34,000	4,047,752	1.6				

Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 (*Unaudited*)

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
China	37.7	38.7
India	14.7	11.2
Taiwan	12.1	8.7
Hong Kong	10.3	12.3
Korea	9.3	11.5
Indonesia	6.7	7.3
Singapore	3.7	3.1
Philippines	1.6	1.7
Thailand	1.4	1.3
Vietnam	0.9	0.5
<b>Derivatives</b>		
Forward foreign exchange contracts	0.0	0.0
<b>Total Listed/Quoted Investments</b>	98.4	96.3
<b>Other net assets</b>	1.6	3.7
<b>Net assets attributable to holders of redeemable units at 30 September</b>	100.0	100.0

**Statement of Financial Position  
As at 30 September 2018**

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	3,605,155	9,464,229
Amounts due from brokers	1,016,628	401,699
Amounts receivable on allotment	799,800	5,629,504
Derivatives [Note 4(l)(a)]	4,174	19,110
Investments [Note 4(l)(a)]	245,949,994	240,175,027
Dividend and other accounts receivable	426,237	300,635
	<u>251,801,988</u>	<u>255,990,204</u>
<b>Total assets</b>	<u>251,801,988</u>	<u>255,990,204</u>
	-----	-----
<b>Liabilities</b>		
Amounts due to brokers	-	4,688,639
Amounts payable on redemption	1,065,515	1,456,879
Derivatives [Note 4(l)(a)]	2,960	17,869
Tax payable	264,341	-
Other accounts payable	394,612	399,411
	<u>1,727,428</u>	<u>6,562,798</u>
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<u>1,727,428</u>	<u>6,562,798</u>
	-----	-----
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>250,074,560</u>	<u>249,427,406</u>
	=====	=====

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

**Statement of Comprehensive Income  
For the year ended 30 September 2018**

	2018 US\$	2017 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 5]	6,029,054	41,796,391
Dividend income	5,789,144	2,914,901
Interest on deposits	56,083	25,008
Net foreign currency exchange losses	(287,719)	(126,868)
Other income [Note 13]	192	1,794
	<u>11,586,754</u>	<u>44,611,226</u>
	-----	-----
<b>Expenses</b>		
Management fee [Note 7(e)]	4,574,562	2,369,442
Transaction costs	760,556	351,104
Registrar's fee [Note 7(h)]	256,222	163,932
Safe custody and bank charges	112,473	60,711
Trustee's fee [Note 8]	94,738	57,962
Auditor's fee	33,200	32,900
Legal and professional expenses	29,624	23,699
Valuation fee [Note 7(e)]	17,150	17,220
Printing and publication expenses	4,257	6,612
Other operating expenses	6,083	10,460
	<u>5,888,865</u>	<u>3,094,042</u>
	-----	-----
<b>Net operating profit</b>	<u>5,697,889</u>	<u>41,517,184</u>
	-----	-----
<b>Finance costs</b>		
Interest expense	(10)	(2,321)
	<u>5,697,879</u>	<u>41,514,863</u>
<b>Profit before taxation</b>	<u>5,697,879</u>	<u>41,514,863</u>
	-----	-----
Taxation [Note 6]	(813,582)	(266,871)
	<u>4,884,297</u>	<u>41,247,992</u>
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>4,884,297</u>	<u>41,247,992</u>
	=====	=====

The notes on pages 76 to 90 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	249,427,406	142,442,479
	-----	-----
Allotment of redeemable units [Note 3]	409,113,153	219,031,270
Redemption of redeemable units [Note 3]	(413,350,296)	(153,294,335)
	-----	-----
<b>Net (redemption)/allotment</b>	(4,237,143)	65,736,935
	-----	-----
	245,190,263	208,179,414
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	4,884,297	41,247,992
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	250,074,560	249,427,406
	=====	=====

**Statement of Cash Flows**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(193,785,155)	(116,412,057)
Proceeds from disposal of investments and derivatives	188,739,970	63,182,387
Dividend received	5,663,103	2,687,321
Interest received	56,468	24,209
Trustee's fee paid	(94,744)	(56,193)
Registrar's fee paid	(269,041)	(130,495)
Tax paid	(549,241)	(266,871)
Transaction costs paid	(766,589)	(340,932)
Management fee paid	(4,571,861)	(2,260,047)
Others	(468,850)	(323,429)
	-----	-----
<b>Net cash outflow from operating activities</b>	(6,045,940)	(53,896,107)
	-----	-----
<b>Financing activities</b>		
Interest paid	(10)	(2,321)
Receipts on allotment of redeemable units	413,942,857	214,066,292
Payments on redemption of redeemable units	(413,741,660)	(152,212,995)
	-----	-----
<b>Net cash inflow from financing activities</b>	201,187	61,850,976
	-----	-----
<b>(Decrease)/increase in cash and cash equivalents</b>	(5,844,753)	7,954,869
Cash and cash equivalents at the beginning of the year	9,464,229	1,500,454
Exchange (losses)/gains on cash and cash equivalents	(14,321)	8,906
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	3,605,155	9,464,229
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	3,605,155	9,464,229
	=====	=====

The notes on pages 76 to 90 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Asia Growth Fund (the "Fund") was established under a Trust Deed dated 11 May 2007, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to provide investors with long-term capital appreciation by investing at least 70% of its non-cash assets in equity securities of companies whose predominant business will benefit from, or is related to, the growth in Asian economies. The Fund may invest up to 30% of its non-cash assets in equity securities of companies in non-Asian countries. The Fund may also invest up to 10% of its non-cash assets in non-equity securities in any countries.

Pursuant to the Supplemental Trust Deed dated 31 August 2012, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

JPMorgan Eastern Fund was merged into the Fund on 7 December 2018.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value. When trading of financial instruments in markets that are not considered to be active, the financial instruments are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(e) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.



**(f) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(g) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(h) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(i) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(j) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**2018

	HKD Class (acc) Units	RMB Hedged Class (acc) Units	USD Class (acc) Units
Number of units in issue:			
At the beginning of the year	-	436,027.250	16,677,875.893
Total allotments	2,410,582.253	495,865.247	24,696,698.521
Total redemptions	(1,229,638.338)	(636,735.691)	(25,179,428.663)
At the end of the year	<u>1,180,943.915</u>	<u>295,156.806</u>	<u>16,195,145.751</u>
	HK\$	CNY	US\$

Net assets attributable to holders of redeemable units	<u>11,459,621</u>	<u>4,845,686</u>	<u>247,905,267</u>
Net assets attributable to holders of redeemable units (per unit)	<u>9.70</u>	<u>16.42</u>	<u>15.31</u>

2017

	RMB Hedged Class (acc) Units	USD Class (acc) Units
Number of units in issue:		
At the beginning of the year	129,300.000	12,301,730.287
Total allotments	334,928.077	15,671,463.105
Total redemptions	(28,200.827)	(11,295,317.499)
At the end of the year	<u>436,027.250</u>	<u>16,677,875.893</u>
	CNY	US\$

Net assets attributable to holders of redeemable units	<u>6,855,814</u>	<u>248,395,999</u>
Net assets attributable to holders of redeemable units (per unit)	<u>15.72</u>	<u>14.89</u>

**4 Financial risk management****(i) Financial risk factors**

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

## (a) Market risk

## (i) Market price risk

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Beta of the Fund on a regular basis. Beta measures the statistical relationship between the return of the Fund and the relevant benchmark index chosen by the Investment Manager.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
Listed/Quoted Investments				
<u>Assets</u>				
Equities				
- China	94,347,593	37.7	96,366,355	38.7
- India	36,656,956	14.7	28,008,765	11.2
- Taiwan	30,291,328	12.1	21,674,586	8.7
- Hong Kong	25,647,833	10.3	30,719,587	12.3
- Korea	23,259,245	9.3	28,739,926	11.5
- Indonesia	16,667,059	6.7	18,058,488	7.3
- Others	19,079,980	7.6	16,607,320	6.6
	<u>245,949,994</u>	<u>98.4</u>	<u>240,175,027</u>	<u>96.3</u>
Derivatives				
- Forward foreign exchange contracts	4,174	0.0	19,110	0.0
	<u>245,954,168</u>	<u>98.4</u>	<u>240,194,137</u>	<u>96.3</u>
<u>Liabilities</u>				
Derivatives				
- Forward foreign exchange contracts	(2,960)	(0.0)	(17,869)	(0.0)
Total Listed/Quoted Investments	<u>245,951,208</u>	<u>98.4</u>	<u>240,176,268</u>	<u>96.3</u>

Also, refer to Note 11 for the exposures on derivative contracts.

	Net asset value US\$	Relevant benchmark index for the Fund (Note*)	Beta (Note**)	% of reasonable possible change of the relevant benchmark index (Note***)	Estimated impact on net asset value (Note****) US\$
As at 30 September 2018	<u>250,074,560</u>	MSCI AC Asia ex Japan Net	1.10	+1.5	<u>4,126,230</u>
As at 30 September 2017	<u>249,427,406</u>	MSCI AC Asia ex Japan Net	1.20	+22.7	<u>67,944,025</u>

If the relevant benchmark index return was to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Relevant benchmark index for the Fund represents the relevant market index used by the Investment Manager in monitoring the market price risk of the Fund.

\*\* Beta measures the statistical relationship between the return of the Fund and the respective benchmark index over the maximum of past 36 months, or the number of months since portfolio inception. For funds launched within a period of less than 12 months, weekly returns of the Fund are used for calculating the Beta.

\*\*\* % of reasonable possible change is based on the actual historical change in the benchmark index in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. For funds launched within a period of less than 12 months, actual historical change in the benchmark index since the commencement of operations will be used to calculate the % of reasonable possible change.

\*\*\*\* Estimated impact on net asset value of the Fund is calculated by applying the relevant Beta against the net asset value of the Fund multiplied by the % of reasonable possible change of the relevant benchmark index, assuming all other variables that may impact the net asset value of the Fund are held constant.

## (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Cash at banks	3,605,155	9,464,229
Total interest sensitivity gap	<u>3,605,155</u>	<u>9,464,229</u>

Any cash and cash equivalents are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

## (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The Fund enters in some forward foreign exchange contracts to hedge some of its foreign currency exposures to maintain limited exposure to non-US\$ currencies. Refer to Note 11 for the outstanding forward foreign exchange contracts as at year end.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

Net currency exposures (Note*)	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
<u>2018</u>			
Chinese Yuan (Offshore)	2,464,823	-3.3	(81,339)
Hong Kong Dollar	96,790,434	-0.2	(193,581)
Indian Rupee	36,392,782	-9.9	(3,602,885)
Indonesian Rupiah	16,667,063	-9.6	(1,600,038)
Korean Won	23,653,805	+3.3	780,576
Philippine Peso	4,080,585	-6.0	(244,835)
Singapore Dollar	9,234,133	-0.6	(55,405)
Taiwan Dollar	30,294,257	-0.7	(212,060)
Thai Baht	3,458,916	+3.1	107,226
Vietnamese Dong	2,814,412	-2.6	(73,175)
	<u>225,851,210</u>		<u>(5,175,516)</u>

#### 2017

Chinese Yuan (Offshore)	4,150,713	+0.4	16,603
Hong Kong Dollar	93,773,969	-0.7	(656,418)
Indian Rupee	27,758,842	+1.9	527,418
Indonesian Rupiah	17,933,585	-3.1	(555,941)
Korean Won	28,238,335	-3.8	(1,073,057)
Philippine Peso	4,304,677	-4.5	(193,710)
Singapore Dollar	7,509,662	+0.4	30,039
Taiwan Dollar	21,700,315	+3.4	737,811
Thai Baht	3,323,961	+3.9	129,634
Vietnamese Dong	1,410,052	-1.9	(26,791)
	<u>210,104,111</u>		<u>(1,064,412)</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

#### (b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	3,605,155	9,464,229
Amounts due from brokers	1,016,628	401,699
Amounts receivable on allotment	799,800	5,629,504
Derivatives issued by brokers	4,174	19,110
Dividend and other accounts receivable	426,237	300,635
	<u>5,851,994</u>	<u>15,815,177</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/brokers/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	3,349,815	3,762,343
S&P(A)/Moody's(A)/FITCH(A)	255,340	5,701,886
Derivatives issued by brokers		
S&P(AA)/Moody's(Aa)/FITCH(AA)	1,525	6,729
S&P(A)/Moody's(A)/FITCH(A)	2,649	12,381
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	<u>245,949,994</u>	<u>240,175,027</u>

### (c) Liquidity risk

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018		2017	
	Less than 1 month US\$	1 to 12 months US\$	Less than 1 month US\$	1 to 12 months US\$
Amounts due to brokers	-	-	4,688,639	-
Amounts payable on redemption	1,065,515	-	1,456,879	-
Derivatives	863	2,097	855	17,014
Other accounts payable	394,612	-	399,411	-
Net assets attributable to holders of redeemable units	<u>250,074,560</u>	<u>-</u>	<u>249,427,406</u>	<u>-</u>
Total financial liabilities	<u>251,535,550</u>	<u>2,097</u>	<u>255,973,190</u>	<u>17,014</u>

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

**(d) Offsetting and amounts subject to master netting arrangements and similar agreements**

As at 30 September 2018, the Fund was subject to master netting arrangements with certain derivative counterparties. All of the derivative assets and liabilities of the Fund were held with these counterparties and the collateral and margin deposits maintained by the Fund were for the purpose of providing collateral on derivative positions.

In the event of default, the Fund and its counterparties have the option to settle transactions on net basis. An event of default may include failure to pay or deliver, breach of agreement or bankruptcy.

The following tables summarize the Fund's financial assets and liabilities subject to offsetting, master netting arrangements and similar agreements as at 30 September 2018 by types of financial instruments.

	Gross amounts of recognized financial assets presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>2018</u>				
<u>Assets</u>				
Derivatives	4,167	(1,986)	-	2,181
Financial assets at fair value through profit and loss	4,167	(1,986)	-	2,181

	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>Liabilities</u>				
Derivatives	2,948	(1,986)	-	962
Financial liabilities at fair value through profit and loss	2,948	(1,986)	-	962

There were no financial assets and liabilities subject to offsetting master netting arrangements and similar agreements as at 30 September 2017.

**(II) Capital risk management**

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

**(III) Fair value estimation**

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<u>2018</u>				
<u>Assets</u>				
Equities	245,949,994	-	-	245,949,994
Derivatives	-	4,174	-	4,174
Total financial assets at fair value through profit and loss	245,949,994	4,174	-	245,954,168
<u>Liabilities</u>				
Derivatives	-	2,960	-	2,960
Total financial liabilities at fair value through profit and loss	-	2,960	-	2,960
<u>2017</u>				
<u>Assets</u>				
Equities	234,580,503	5,594,524	-	240,175,027
Derivatives	-	19,110	-	19,110
Total financial assets at fair value through profit and loss	234,580,503	5,613,634	-	240,194,137
<u>Liabilities</u>				
Derivatives	-	17,869	-	17,869
Total financial liabilities at fair value through profit and loss	-	17,869	-	17,869

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.



The table below summarizes the transfers between levels of the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September 2018.

	Level 1 US\$	Level 2 US\$	Level 3 US\$
Transfers between Levels 1 and 2:			
Financial assets at fair value through profit or loss			
<u>2018</u>			
Equities			
- India	7,010,825	(7,010,825)	-

#### India

Equities transferred from Level 2 to Level 1 were valued based on quoted market prices in active markets as at 30 September 2018, but were valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs as at 30 September 2017.

There were no transfers between levels for the year ended 30 September 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 5 Net gains on investments and derivatives

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	(21,491,724)	28,540,420
Realized gains on sale of investments and derivatives	27,520,778	13,255,971
	<u>6,029,054</u>	<u>41,796,391</u>

## 6 Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Overseas tax was withheld or paid on certain dividend income received and capital gains derived during the years ended 30 September 2018 and 2017.

## 7 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

- (a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments US\$	% of the Fund's total aggregate value of transactions	Commission paid US\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
J.P. Morgan India Private Limited	4,460,327	1.18	3,687	1.15	0.08
J.P. Morgan Securities (Asia Pacific) Limited	8,853,837	2.34	6,528	2.04	0.07
<u>2017</u>					
J.P. Morgan India Private Limited	3,304,236	1.79	3,153	2.19	0.10
J.P. Morgan Securities (Asia Pacific) Limited	10,927,296	5.92	6,374	4.42	0.06

- (b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	706,952	1,196,610
Amounts receivable	442	827
Amounts payable	(338,477)	(351,672)

During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$9,187 (2017: US\$3,945).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.
- (d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$9,276 (2017: US\$14,002).
- (e) Management fee of 1.5% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.
- The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.
- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (g) Refer to Note 8 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 8 Trustee's fee

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first US\$40 million, 0.04% per annum for the balance from US\$40 million to US\$70 million, and 0.025% per annum for the balance in excess of US\$70 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

**9 Borrowings**

During the years ended 30 September 2018 and 2017, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

**10 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**11 Derivatives**

Outstanding forward foreign exchange contracts as at 30 September were as follows:

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
<u>2018</u>			
Open contracts:			
CNH5,177,940	US\$754,523	9 October 2018	1,412
CNH58,790	US\$8,588	9 October 2018	37
CNH55,706	US\$8,124	9 October 2018	22
CNH40,214	US\$5,858	9 October 2018	9
CNH30,131	US\$4,387	9 October 2018	5
CNH7,537	US\$1,101	9 October 2018	5
US\$792,621	CNH5,466,169	9 October 2018	2,411
US\$5,531	CNH38,101	9 October 2018	11
CNH219,471	US\$32,029	5 November 2018	165
CNH97,501	US\$14,221	5 November 2018	65
CNH59,031	US\$8,590	5 November 2018	19
CNH7,525	US\$1,097	5 November 2018	5
CNH25,801	US\$3,749	5 November 2018	3
CNH7,526	US\$1,094	5 November 2018	2
CNH74,359	US\$10,798	5 November 2018	2
US\$1,608	CNH11,079	5 November 2018	1
Total unrealized gains			4,174
CNH11,079	US\$1,610	9 October 2018	(2)
CNH10,449	US\$1,517	9 October 2018	(3)
CNH43,765	US\$6,357	9 October 2018	(8)
CNH99,946	US\$14,503	9 October 2018	(34)
CNH29,674	US\$4,276	9 October 2018	(40)
CNH70,264	US\$10,167	9 October 2018	(53)
CNH246,861	US\$35,485	9 October 2018	(420)
US\$1,630	CNH11,184	9 October 2018	(4)
US\$1,104	CNH7,545	9 October 2018	(7)
US\$3,906	CNH26,798	9 October 2018	(8)
US\$9,175	CNH62,946	9 October 2018	(20)
US\$9,118	CNH62,513	9 October 2018	(25)
US\$4,991	CNH34,121	9 October 2018	(28)
US\$10,064	CNH68,869	9 October 2018	(47)
US\$4,578	CNH31,106	9 October 2018	(54)
US\$9,117	CNH61,925	9 October 2018	(110)
CNH7,568	US\$1,098	5 November 2018	(0)
CNH7,556	US\$1,097	5 November 2018	(1)
CNH66,440	US\$9,643	5 November 2018	(3)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
CNH50,106	US\$7,261	5 November 2018	(14)
CNH51,781	US\$7,501	5 November 2018	(17)
US\$4,392	CNH30,248	5 November 2018	(0)
US\$1,154	CNH7,916	5 November 2018	(5)
US\$11,487	CNH79,080	5 November 2018	(6)
US\$11,987	CNH82,499	5 November 2018	(10)
US\$8,325	CNH57,179	5 November 2018	(23)
US\$5,221	CNH35,796	5 November 2018	(23)
US\$6,548	CNH44,860	5 November 2018	(35)
US\$753,723	CNH5,177,940	5 November 2018	(1,960)
Total unrealized losses			(2,960)
Net unrealized gains			1,214

2017

Open contracts:

CNH4,525,879	US\$692,418	10 October 2017	11,825
CNH77,119	US\$11,786	10 October 2017	189
CNH7,192	US\$1,107	10 October 2017	25
CNH7,141	US\$1,094	10 October 2017	21
CNH7,218	US\$1,104	10 October 2017	19
CNH21,334	US\$3,227	10 October 2017	18
CNH7,199	US\$1,100	10 October 2017	18
CNH12,221	US\$1,839	10 October 2017	2
US\$593,753	CNH3,989,137	10 October 2017	6,128
US\$37,452	CNH250,913	10 October 2017	280
US\$21,531	CNH144,283	10 October 2017	166
US\$20,384	CNH136,100	10 October 2017	82
US\$5,874	CNH39,382	10 October 2017	48
US\$4,569	CNH30,662	10 October 2017	42
US\$6,241	CNH41,748	10 October 2017	37
US\$10,477	CNH69,905	10 October 2017	36
US\$3,825	CNH25,595	10 October 2017	24
US\$6,330	CNH42,245	10 October 2017	23
US\$6,725	CNH44,862	10 October 2017	21
US\$888	CNH5,929	10 October 2017	3
CNH51,304	US\$7,734	8 November 2017	32
CNH87,441	US\$13,156	8 November 2017	30
CNH7,216	US\$1,098	8 November 2017	15
CNH7,233	US\$1,095	8 November 2017	10
CNH7,226	US\$1,094	8 November 2017	9
CNH33,744	US\$5,067	8 November 2017	2
US\$4,654	CNH31,043	8 November 2017	5
Total unrealized gains			19,110
CNH7,327	US\$1,100	10 October 2017	(1)
CNH7,330	US\$1,098	10 October 2017	(4)
CNH31,043	US\$4,663	10 October 2017	(5)
CNH7,344	US\$1,096	10 October 2017	(9)
CNH54,349	US\$8,119	10 October 2017	(54)
CNH59,155	US\$8,825	10 October 2017	(71)
CNH247,586	US\$37,007	10 October 2017	(225)
US\$5,076	CNH33,744	10 October 2017	(2)
US\$1,218	CNH8,074	10 October 2017	(4)
US\$3,946	CNH26,111	10 October 2017	(19)
US\$1,830	CNH12,022	10 October 2017	(22)
US\$6,521	CNH42,731	10 October 2017	(95)
US\$11,765	CNH77,119	10 October 2017	(169)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$7,596	CNH49,351	10 October 2017	(175)
CNH72,358	US\$10,858	8 November 2017	(4)
US\$1,835	CNH12,221	8 November 2017	(1)
US\$4,470	CNH29,475	8 November 2017	(45)
US\$17,144	CNH113,207	8 November 2017	(151)
US\$11,767	CNH77,119	8 November 2017	(191)
US\$86,213	CNH568,187	8 November 2017	(923)
US\$120,236	CNH789,189	8 November 2017	(1,773)
US\$146,601	CNH964,484	8 November 2017	(1,824)
US\$691,465	CNH4,525,879	8 November 2017	(12,102)
		Total unrealized losses	(17,869)
			-----
		Net unrealized gains	1,241
			=====

## 12 Distribution

No distribution was made during the year (2017: nil).

## 13 Other income

The Fund received US\$192 (2017: US\$1,794) from the Manager as compensation for valuation and/or other operational error(s).

## 14 Subsequent events

- (a) With effect from 12 November 2018, the sub-delegation of the currency management role in respect of the currency hedged classes of the Fund to JPMorgan Asset Management (UK) Limited was terminated and the discretionary investment management of the Fund (including the currency management of the currency hedged classes of the Fund) rests with JF Asset Management Limited, the current Investment Manager of the Fund.
- (b) JPMorgan Eastern Fund was merged into the Fund on 7 December 2018.

**Independent Auditor's Report**

To the Unitholders of JPMorgan Asia Growth Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Asia Growth Fund set out on pages 74 to 90, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 11 May 2007, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Asia Growth Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 11 May 2007, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund	Net asset value per unit
30/9/18 - HKD Class (acc) - RMB Hedged Class (acc) - USD Class (acc)	HK\$11,459,621 CNY4,845,686 US\$247,905,267	HK\$9.70 CNY16.42 US\$15.31
30/9/17 - RMB Hedged Class (acc) - USD Class (acc)	CNY6,855,814 US\$248,395,999	CNY15.72 US\$14.89
30/9/16 - RMB Hedged Class (acc) - USD Class (acc)	CNY1,534,587 US\$142,212,526	CNY11.87 US\$11.56

**Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u>	<u>Lowest bid</u>
30/9/18 - HKD Class (acc) - RMB Hedged Class (acc) - USD Class (acc)	HK\$11.20 CNY18.75 US\$17.68	HK\$9.34 CNY15.74 US\$14.68
30/9/17 - RMB Hedged Class (acc) - USD Class (acc)	CNY16.13 US\$15.30	CNY10.57 US\$10.27
30/9/16 - RMB Hedged Class (acc) - USD Class (acc)	CNY12.67 US\$12.37	CNY9.75 US\$8.76
30/9/15 - USD Class (acc)	US\$12.72	US\$9.24
30/9/14 - USD Class (acc)	US\$11.76	US\$9.44
30/9/13 - USD Class (acc)	US\$11.07	US\$8.96
30/9/12 - Class A	US\$9.87	US\$7.40
30/9/11 - Class A	US\$12.07	US\$7.80
30/9/10 - Class A	US\$11.16	US\$7.82
30/9/09 - Class A	US\$9.36	US\$4.31



**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Sub-Manager**

Prior to 12 November 2018  
JPMorgan Asset Management  
(UK) Limited  
60 Victoria Embankment  
London  
EC4Y 0JP  
United Kingdom

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

# JPMORGAN ASIAN TOTAL RETURN BOND FUND

Annual report for the  
year ended 30 September 2018

## Investment Portfolio As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments</b> (94.3%)				Fantasia Hldgs 8.375% 08/03/21-RegS	USD25,300,000	21,324,123	0.9
<b>(I) Convertibles</b> (4.8%)				FWD Ltd 5% 24/09/24-RegS	USD16,400,000	16,568,464	0.7
<b>China</b> (2.3%)				FWD Ltd VRN 0% Perp-RegS	USD20,000,000	13,924,000	0.6
China Railway Con CB 1.5%12/21-RegS	CNY205,000,000	29,217,897	1.3	Greenland HK Hldgs 3.875%07/19-RegS	USD29,150,000	28,436,735	1.3
CRRC Group CB 0% 05/02/21-RegS	USD23,000,000	23,017,250	1.0	KWG Group 6% 15/09/22-RegS	USD4,400,000	3,988,233	0.2
<b>Hong Kong</b> (0.2%)				Logan Property Hldgs5.25%02/23- RegS	USD15,100,000	13,446,802	0.6
Bagan Capital CB0% 23/09/21	USD5,800,000	5,535,114	0.2	Overseas Chinese VRN4.3% Perp - RegS	USD10,800,000	10,669,590	0.5
<b>Japan</b> (0.8%)				OVPH Ltd 5.875% Perp-RegS	USD2,700,000	2,637,214	0.1
Tohoku Elec Power CB 0% 03/12/20	JPY2,000,000,000	17,549,148	0.8	Sands China 5.125% 08/08/25-RegS	USD8,500,000	8,567,429	0.4
<b>Singapore</b> (0.8%)				Semiconductor Mfg 4.125%10/19-RegS	USD11,600,000	11,816,195	0.5
CapitalLand Ltd CB 1.85%19/6/20-RegS	SGD17,750,000	12,799,476	0.6	Shimao Property 8.375% 10/2/22- RegS	USD6,906,000	7,348,085	0.3
CapitalLand Ltd CB 2.8% 8/06/25-RegS	SGD7,250,000	5,290,995	0.2	Sun Hung Kai Prop 4.45% Perp-RegS	USD10,200,000	8,844,137	0.4
<b>Taiwan</b> (0.7%)				Times China 6.25% 17/01/21-RegS	USD12,800,000	12,412,124	0.5
Zhen Ding Technology CB 0% 26/06/19	USD14,900,000	14,765,900	0.7	WTT Investment 5.5% 21/11/22-RegS	USD12,400,000	12,630,778	0.6
		108,175,780	4.8	Yankuang Grp Cayman4.75% 11/20-RegS	USD11,900,000	11,792,487	0.5
		-----	-----	<b>China</b> (9.2%)			
<b>(II) Debt Securities</b> (88.9%)				Bank of China Macau 4.65% 3/21-RegS	CNH20,000,000	2,933,102	0.1
<b>Bermuda</b> (1.2%)				CCB Life Ins VRN 4.5% 21/4/77-RegS	USD15,600,000	14,917,500	0.7
GCL New Energy 7.1% 30/01/21-RegS	USD15,900,000	14,700,036	0.7	China Const Bk 3.875% 13/5/25- RegS	USD28,200,000	28,342,527	1.3
Gome Retail Hldgs 5%10/03/20-RegS	USD12,000,000	11,240,000	0.5	China Dev Bank No1709 4.14% 9/20-IB	CNY362,000,000	53,306,137	2.4
<b>Cayman Islands</b> (13.6%)				China Dev Bank No1802 4.53%02/20-IB	CNY100,000,000	15,175,157	0.7
Agile Group Hldgs VRN 10.215% Perp	USD10,000,000	10,332,138	0.5	China Dev Bank No1804 4.69% 3/23-IB	CNY99,000,000	15,162,595	0.7
Azure Orbit IV 3.75% 25/01/23-RegS	USD25,000,000	24,383,125	1.1	China Life Ins VRN 4% 03/07/75-RegS	USD17,000,000	16,844,922	0.7
CAR Inc 6.125% 04/02/20-RegS	USD10,500,000	10,431,203	0.5	China Minmetals VRN 3.75% Perp-RegS	USD10,800,000	10,185,750	0.4
CDBL Funding Two 3% 01/08/22-RegS	USD18,600,000	17,824,380	0.8	Franshion Dev 6.75% 15/04/21-RegS	USD3,000,000	3,242,475	0.1
China Aoyuan Property7.5% 5/21- RegS	USD8,000,000	8,099,000	0.4	Haitian (BVI) Intl 3.875%12/20-RegS	USD13,300,000	12,943,329	0.6
China Overseas Gr 4.875% 06/21-RegS	USD10,000,000	10,124,000	0.4				
China SCE Group 7.45% 04/21-RegS	USD12,200,000	12,453,624	0.6				
CIFI Hldgs Group 5.5% 23/01/22-RegS	USD9,000,000	8,329,400	0.4				
ENN Energy Hldgs 3.25% 07/22-RegS	USD18,400,000	17,836,014	0.8				

# JPMORGAN ASIAN TOTAL RETURN BOND FUND

Annual report for the  
year ended 30 September 2018

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>China</b> (Continued)				Export-Imp Bk IN			
ICBC Macau VRN				9.45% 22/01/19	INR950,000,000	13,991,418	0.6
3.875% 10/09/24-RegS	USD8,100,000	8,090,364	0.3	Export-Imp Bk IN			
Postal Saving Bk VRN				NoQ17 9.28% 10/18	INR650,000,000	9,768,967	0.4
4.5% Perp-RegS	USD26,500,000	26,261,500	1.2	Export-Imp Bk IN			
				NoQ20			
				9.7%21/11/18	INR250,000,000	3,744,719	0.2
<b>Hong Kong</b> (11.0%)				Export-Imp Bk IN			
Anhui Transport				NoQ21 9.63% 11/18	INR250,000,000	3,736,356	0.2
4.875% 13/9/21-RegS	USD3,900,000	3,883,220	0.2	India Govt Bond 8.12%			
Bank of East Asi				10/12/20	INR500,000,000	7,093,707	0.3
VRN5.625%Perp-RegS	USD6,000,000	5,996,888	0.3	India Govt Bond 8.19%			
Bank of East Asia VRN				16/01/20	INR220,000,000	3,098,842	0.1
4% 11/26-RegS	USD22,800,000	22,593,533	1.0	India Govt Bond 8.27%			
Bank of East Asia VRN				09/06/20	INR752,000,000	10,700,983	0.5
4.25% 24-RegS	USD12,200,000	12,355,126	0.6	JSW Steel 5.25%			
Bank of East Asia VRN				13/04/22-RegS	USD5,600,000	5,660,200	0.2
5.5%Perp-RegS	USD5,000,000	5,064,653	0.2	NTPC Ltd 4.25%			
China Oil & Gas				26/02/26-RegS	USD5,000,000	4,802,910	0.2
4.625% 04/22-RegS	USD14,600,000	14,226,737	0.6	Power Fin Corp 3.75%			
Chong Hing Bk VRN				06/12/27-RegS	USD27,100,000	24,103,530	1.1
3.876% 07/27-RegS	USD9,400,000	9,019,754	0.4	Power Finance 9.32%			
Chong Hing Bk VRN				17/09/19	INR250,000,000	3,481,514	0.2
6.5% Perp-RegS	USD7,400,000	7,519,017	0.3	UPL Corp 3.25%			
CITIC Ltd VRN 8.625% Perp-RegS	USD10,600,000	10,993,856	0.5	13/10/21-RegS	USD9,100,000	8,939,537	0.4
CNAC (HK) Finbridge				<b>Indonesia</b> (4.3%)			
3.5% 07/22-RegS	USD17,000,000	16,574,150	0.7	APL Realty Hldgs			
HK Intl (Qingdao)				5.95%02/06/24-RegS	USD16,800,000	12,993,423	0.6
4.25% 12/22-RegS	USD9,300,000	8,799,311	0.4	Indonesia Govt			
HK Mortgage 4.05%				NoFR53 8.25%			
06/11/20-RegS	CNH10,000,000	1,492,299	0.1	15/7/21	IDR291,800,000,000	20,102,534	0.9
Huasing Intl Hldgs				Indonesia Govt			
4.5% 03/21-RegS	USD10,900,000	10,478,988	0.5	NoFR64			
ICBC Asia VRN 4.25% Perp-RegS	USD22,000,000	21,211,606	0.9	6.125%15/5/28	IDR190,000,000,000	11,387,826	0.5
ICBCIL Finance 3.25% 17/03/20-RegS	USD16,000,000	15,864,222	0.7	Indonesia Retail 9%			
ICBCIL Finance				15/10/18	IDR100,000,000,000	6,742,577	0.3
3.625% 19/05/26-RegS	USD13,000,000	12,304,392	0.6	Lembaga Pembiayaan			
Lenovo Group 4.75% 29/03/23-RegS	USD17,000,000	16,509,786	0.7	7.95% 25/08/19	IDR90,000,000,000	6,087,072	0.3
MCC Hldg (HK) 2.95% 31/05/20-RegS	USD13,700,000	13,553,867	0.6	Pelabuhan Indonesia			
Vanke Real Estate				5.375%5/45-RegS	USD15,000,000	14,295,729	0.6
3.975% 11/19-RegS	USD13,600,000	12,510,357	0.6	Perusahaan Penerbit			
Weichai Intl HK VRN				4.4% 03/28-RegS	USD15,000,000	14,797,000	0.7
3.75% Perp-RegS	USD13,300,000	12,292,802	0.5	Saka Energi Indon			
Wing Lung Bank VRN				4.45% 05/24-RegS	USD10,800,000	10,301,010	0.4
3.75% 11/27-RegS	USD14,700,000	14,139,011	0.6				
<b>India</b> (5.6%)				<b>Jersey C.I.</b> (0.6%)			
Adani Transmission				West China Cement			
4% 03/08/26-RegS	USD9,800,000	8,809,656	0.4	6.5% 11/9/19-RegS	USD12,700,000	12,872,861	0.6
Bharat Petroleum 4% 08/05/25-RegS	USD19,440,000	18,792,432	0.8				
				<b>Korea</b> (4.9%)			
				Busan Bank 3.625%			
				25/07/26-RegS	USD25,700,000	23,762,113	1.1
				Export-Import Bk			
				Kor4.68% 3/21-RegS	CNH11,000,000	1,624,730	0.1
				Heungkuk Life VRN			
				4.475% 11/47-RegS	USD16,700,000	15,282,193	0.7

# JPMORGAN ASIAN TOTAL RETURN BOND FUND

Annual report for the  
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## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Korea</b> (Continued)				Alam Synergy 6.625% 24/04/22-RegS	USD9,600,000	8,509,367	0.4
Hyundai Cap 3%	USD3,700,000	3,580,613	0.2	DBS Group Hldgs VRN			
06/03/22-RegS				4.52%12/28-RegS	USD4,400,000	4,511,809	0.2
Industrial Bk KR VRN				Medco Platinum			
3.9% Perp-RegS	USD6,800,000	6,551,800	0.3	6.75% 30/01/25- RegS	USD18,400,000	17,575,450	0.8
Korea Dev Bank 4.6%	CNH46,200,000	6,815,582	0.3	Parkway Pantai VRN			
03/07/21-RegS				4.25% Perp-RegS	USD16,100,000	15,477,019	0.7
Korea Land No42				Public Utilities Board			
3.5% 27/08/20	KRW5,000,000,000	5,245,085	0.2	3.52% 10/20	SGD10,000,000	7,609,085	0.3
Korea Monetary				Singapore Govt			
No1904 1.6%				1.625% 01/10/19	SGD29,500,000	21,732,757	1.0
02/04/19	KRW15,500,000,000	14,011,176	0.6	Singapore Govt 2.75% 01/07/23	SGD20,000,000	15,068,101	0.7
Korea Treasury				Theta Cap 7%			
No1909 2.75%				11/04/22-RegS	USD23,510,000	20,790,024	0.9
10/9/19	KRW14,500,000,000	13,196,941	0.6	United Overseas VRN			
Korea Try No2106 ILB				3.875%PERP-RegS	USD18,000,000	17,238,375	0.7
1.5% 10/06/21	KRW6,850,000,000	7,035,347	0.3				
Korea Try No2306 ILB							
1.125% 10/6/23	KRW7,000,000,000	6,863,765	0.3				
Woori Bank VRN							
5.25% Perp-RegS	USD5,400,000	5,404,793	0.2				
<b>Malaysia</b> (2.9%)				<b>Supranational</b> (0.3%)			
Cagamas Bhd 4.1%				Inter-American Devel			
18/11/20	MYR15,000,000	3,686,904	0.2	9.5% 15/04/19	IDR100,000,000,000	7,001,217	0.3
Cagamas Bhd NoP8							
6.35% 08/08/23	MYR55,000,000	13,801,876	0.6				
GOHL Capital 4.25%				<b>Thailand</b> (6.2%)			
24/01/27-RegS	USD18,200,000	17,412,117	0.8	Krung Thai Bk VRN			
Malaysian Govt No0111				5.2% 12/24-RegS	USD26,000,000	26,618,078	1.2
4.16% 15/7/21	MYR75,000,000	18,538,010	0.8	PTTEP Treasury VRN			
Malaysian Govt				4.6% Perp-RegS	USD18,200,000	17,689,591	0.8
No0517 3.441%				Thailand Gov 2.55%	THB1,420,000,000	44,718,135	2.0
02/21	MYR28,000,000	6,774,767	0.3	26/06/20			
Putrajaya Hldgs 4.55%				Thailand Govt 3.65%	THB450,000,000	14,726,906	0.7
19/09/23	MYR20,000,000	4,870,114	0.2	17/12/21	THB450,000,000	14,726,906	0.7
				Thailand Govt 3.875%	THB745,000,000	23,657,740	1.0
				13/06/19			
				Thailand Govt IL 1.2%	THB346,000,000	11,608,868	0.5
				14/07/21-RegS			
<b>Mauritius</b> (0.5%)							
Azure Power Energy				<b>Virgin Islands</b> (19.0%)			
5.5% 11/22-RegS	USD10,800,000	10,546,320	0.5	Baoxin Auto Fin VRN			
				5.625%Perp-RegS	USD4,300,000	3,955,328	0.2
				Beijing Cap Polar			
				4.25% 03/21-RegS	USD8,300,000	8,201,564	0.4
<b>Netherlands</b> (2.7%)				Bluestar Fin Hldgs			
BMW Finance 4.4%				3.125% 9/19-RegS	USD11,700,000	11,781,453	0.5
20/09/21-RegS	CNH31,000,000	4,529,461	0.2	CCCI Treasury VRN			
Daimler Intl Finance				3.5% Perp-RegS	USD18,900,000	19,017,285	0.8
4.8% 4/21-RegS	CNH22,000,000	3,310,795	0.2	China Railway XunJie			
Greenko Dutch				3.25%7/26-RegS	USD10,000,000	9,323,875	0.4
4.875% 24/07/22- RegS	USD13,400,000	12,985,577	0.6	China Rein Fin 3.375% 09/03/22-RegS	USD18,500,000	17,609,456	0.8
Minejesa Capital				Chinalco Capital 4%			
4.625% 08/30- RegS	USD24,000,000	22,194,050	1.0	25/8/21-RegS	USD8,500,000	8,310,875	0.4
Royal Capital VRN				Chouzhou Intl Inv 4%			
4.875% Perp-RegS	USD17,200,000	16,458,866	0.7	05/12/20-RegS	USD10,700,000	10,476,786	0.5
				Dianjian Haixing VRN			
				4.05%Perp-RegS	USD17,100,000	17,429,175	0.8
				DianJian Haiyu VRN			
				3.5% Perp-RegS	USD5,000,000	4,730,014	0.2
<b>Singapore</b> (6.9%)							
Abja Investment							
5.45% 24/01/28- RegS	USD29,300,000	26,832,737	1.2				

# JPMORGAN ASIAN TOTAL RETURN BOND FUND

Annual report for the  
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## Investment Portfolio (Continued) As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets
<b>Virgin Islands</b> (Continued)			
Fortune Star 5.25% 23/03/22-RegS	USD13,300,000	12,534,142	0.5
Fortune Star 5.95% 29/01/23-RegS	USD23,800,000	22,645,634	1.0
Franshion Brilliant 4% Perp-RegS	USD11,000,000	10,007,556	0.4
Gemstones Intl 8.5% 15/08/20-RegS	USD13,900,000	13,442,844	0.6
Greenland Glb Inv 3.5% 6/09/19-RegS	USD12,100,000	11,645,410	0.5
Greenland Global 5.9% 12/02/23- RegS	USD28,000,000	25,319,856	1.1
HKT Capital No4 3 14/07/26-RegS	USD34,800,000	32,025,279	1.4
Huarong Fin VRN 4% Perp-RegS	USD25,100,000	24,004,385	1.1
Huarong Finance II 2.056% 2019-RegS	USD12,800,000	12,811,058	0.6
King Power Cap 5.625% 03/11/24- RegS	USD9,900,000	10,605,128	0.5
Minmetals Bounteous 4.2% 07/26-RegS	USD10,000,000	9,715,167	0.4
Nan Fung Tsy 3.875% 03/10/27-RegS	USD17,000,000	15,648,665	0.7
Nan Fung Tsy 5% 05/09/28-RegS	USD2,500,000	2,416,153	0.1
NWD Fin (BVI) 5.75% Perp-RegS	USD11,500,000	10,572,653	0.5
RKI Overseas Fin 5% 09/08/19-RegS	USD18,900,000	18,989,250	0.8
SDSC Intl Finance 3.625% 11/19-RegS	USD12,600,000	12,700,126	0.6
Sino-Ocean Land 4.45% 04/02/20- RegS	USD14,000,000	14,065,042	0.6
Sino-Ocean Land 6% 30/07/24-RegS	USD3,800,000	3,867,513	0.2
Sino-Ocean VRN 4.9% Perp-RegS	USD12,100,000	10,119,969	0.4
Skyland Mining 3.25% 06/07/20-RegS	USD8,900,000	8,664,805	0.4
Studio City Fin 8.5% 01/12/20-RegS	USD10,000,000	10,333,333	0.5
Wisdom Glory VRN 5.25% Perp-RegS	USD13,100,000	12,893,675	0.6
Yuexiu REIT MTN 4.75% 27/04/21- RegS	USD10,600,000	10,815,386	0.5
		<u>1,993,780,146</u>	<u>88.9</u>
		-----	----

## (III) Money Market (0.7%)

### Singapore (0.7%)

MAS Bills No84 0% 19/10/18	SGD22,000,000	16,088,089	0.7
		-----	----

## (IV) Derivatives (-0.1%)

### Forward foreign exchange contracts (-0.1%)

		(2,651,280)	(0.1)
<b>Futures (0.0%)</b>			
US 10Yr Note (CBT) Fut 12/18	(300)	433,594	0.0
US 2Yr Note (CBT) Fut 12/18	(1,050)	567,188	0.0
		<u>(1,650,498)</u>	<u>(0.1)</u>
		-----	----

### Total Listed/Quoted Investments

### Other net assets

### Net assets attributable to holders of redeemable units at 30 September 2018

	2,243,871,535	100.0
	<u><u>2,243,871,535</u></u>	<u><u>100.0</u></u>

### Total investments, at cost

	<u><u>2,212,141,432</u></u>
--	-----------------------------

**Statement of Movements in Portfolio Holdings**  
**For the year ended 30 September 2018 (*Unaudited*)**

	<b>% holdings of net assets</b>	
	<b>2018</b>	<b>2017</b>
<b>Listed/Quoted Investments</b>		
<b>Convertibles</b>		
China	2.3	2.4
Japan	0.8	1.3
Singapore	0.8	0.9
Taiwan	0.7	1.1
Hong Kong	0.2	1.8
Virgin Islands	-	1.1
Malaysia	-	1.0
Bermuda	-	0.5
Philippines	-	0.2
<b>Debt Securities</b>		
Virgin Islands	19.0	14.9
Cayman Islands	13.6	10.0
Hong Kong	11.0	6.4
China	9.2	8.5
Singapore	6.9	6.2
Thailand	6.2	2.3
India	5.6	8.1
Korea	4.9	5.0
Indonesia	4.3	11.3
Malaysia	2.9	3.9
Netherlands	2.7	2.4
Bermuda	1.2	-
Jersey C.I.	0.6	0.3
Mauritius	0.5	0.5
Supranational	0.3	-
Australia	-	1.6
Philippines	-	1.0
Sri Lanka	-	0.8
New Zealand	-	0.7
Russia	-	0.5
Pakistan	-	0.4
United States	-	0.1
<b>Money Market</b>		
Singapore	0.7	-
<b>Derivatives</b>		
Futures	0.0	0.1
Forward foreign exchange contracts	(0.1)	(0.6)
<b>Total Listed/Quoted Investments</b>	<b>94.3</b>	<b>94.7</b>
<b>Other net assets</b>	<b>5.7</b>	<b>5.3</b>
<b>Net assets attributable to holders of redeemable units at 30 September</b>	<b>100.0</b>	<b>100.0</b>

## Statement of Financial Position As at 30 September 2018

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	86,723,773	187,823,385
Amounts due from brokers	1,759,000	31,674,306
Amounts receivable on allotment	64,118,605	105,375,076
Margin deposits	88,341	1,853,818
Derivatives [Note 4(i)(a)]	9,032,571	26,044,811
Investments [Note 4(i)(a)]	2,118,044,015	3,625,861,167
Interest and other accounts receivable	31,599	161,558
<b>Total assets</b>	<b>2,279,797,904</b>	<b>3,978,794,121</b>
<b>Liabilities</b>		
Overdraft with brokers	1,989,520	-
Amounts due to brokers	-	80,419,769
Amounts payable on redemption	14,621,917	28,383,039
Distribution payable [Note 6]	5,897,872	9,950,415
Derivatives [Note 4(i)(a)]	10,683,069	45,064,468
Other accounts payable	2,733,991	5,138,399
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>35,926,369</b>	<b>168,956,090</b>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<b>2,243,871,535</b>	<b>3,809,838,031</b>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

## Statement of Comprehensive Income For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 5]	(4,765,168)	135,920,264
Interest on deposits	2,480,312	1,036,566
Net foreign currency exchange losses	(3,757,236)	(210,508)
Other income [Note 13]	195,321	229,325
	<b>(5,846,771)</b>	<b>136,975,647</b>
<b>Expenses</b>		
Management fee [Note 8(e)]	31,541,278	33,736,314
Trustee's fee [Note 9]	807,884	860,470
Safe custody and bank charges	737,208	885,988
Registrar's fee [Note 8(h)]	444,204	513,302
Transaction costs	295,504	143,398
Legal and professional expenses	46,855	223,186
Auditor's fee	35,100	24,000
Printing and publication expenses	25,214	25,587
Valuation fee [Note 8(e)]	17,150	17,220
Other operating expenses	20,341	13,942
	<b>33,970,738</b>	<b>36,443,407</b>
<b>Net operating (loss)/profit</b>	<b>(39,817,509)</b>	<b>100,532,240</b>
<b>Finance costs</b>		
Distribution [Note 6]	(97,008,580)	(123,474,429)
Interest expense	(42)	-
	<b>(97,008,622)</b>	<b>(123,474,429)</b>
<b>Loss before taxation</b>	<b>(136,826,131)</b>	<b>(22,942,189)</b>
Taxation [Note 7]	(2,329,484)	(4,751,498)
<b>Decrease in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>(139,155,615)</b>	<b>(27,693,687)</b>

The notes on pages 102 to 137 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units  
For the year ended 30 September 2018**

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	3,809,838,031	3,924,672,187
	-----	-----
Allotment of redeemable units [Note 3]	1,183,054,328	2,620,029,238
Redemption of redeemable units [Note 3]	(2,609,865,209)	(2,707,169,707)
<b>Net redemption</b>	(1,426,810,881)	(87,140,469)
	-----	-----
	2,383,027,150	3,837,531,718
<b>Decrease in net assets attributable to holders of redeemable units and total comprehensive income</b>	(139,155,615)	(27,693,687)
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	<u>2,243,871,535</u>	<u>3,809,838,031</u>

**Statement of Cash Flows  
For the year ended 30 September 2018**

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(1,859,809,672)	(1,549,385,875)
Proceeds from disposal of investments and derivatives	3,294,988,034	1,852,700,293
Interest received	2,479,998	1,009,311
Increase in overdraft with brokers	1,989,520	-
Decrease in margin deposits	1,765,477	4,495,939
Transaction costs paid	(295,134)	(144,591)
Registrar's fee paid	(502,781)	(545,701)
Trustee's fee paid	(839,036)	(866,366)
Tax paid	(3,366,769)	(5,329,822)
Management fee paid	(32,792,777)	(33,967,741)
Others	(3,863,865)	(1,984,450)
	-----	-----
<b>Net cash inflow from operating activities</b>	1,399,752,995	265,980,997
	-----	-----
<b>Financing activities</b>		
Interest paid	(42)	-
Receipts on allotment of redeemable units	1,224,310,799	2,565,461,159
Payments on redemption of redeemable units	(2,623,626,331)	(2,705,321,316)
Distribution paid	(101,061,123)	(125,123,600)
	-----	-----
<b>Net cash outflow from financing activities</b>	(1,500,376,697)	(264,983,757)
	-----	-----
<b>(Decrease)/increase in cash and cash equivalents</b>	(100,623,702)	997,240
Cash and cash equivalents at the beginning of the year	187,823,385	186,118,724
Exchange (losses)/gains on cash and cash equivalents	(475,910)	707,421
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	<u>86,723,773</u>	<u>187,823,385</u>
	-----	-----
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	<u>86,723,773</u>	<u>187,823,385</u>

*The notes on pages 102 to 137 form part of these financial statements.*



## Notes to the Financial Statements

### 1 The Fund

JPMorgan Asian Total Return Bond Fund (the "Fund") was established under a Trust Deed dated 30 November 2004, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to achieve a competitive total return, consisting of capital growth and regular dividend income, through an actively managed portfolio investing primarily in Asian bonds and other debt securities.

Pursuant to the Supplemental Trust Deed dated 27 February 2012, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation of financial statements

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

##### *Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

#### (b) Investments and derivatives

##### *Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Credit default swaps are marked to market daily based upon quotations from the market makers and the change in value, if any, is recorded as an unrealized gain or loss in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(d) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(e) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(f) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(g) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(h) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(i) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**(j) Distribution payable to holders of redeemable units**

Proposed distributions to holders of redeemable units are recognized in the Statement of Comprehensive Income when they are appropriately authorized. The distribution on the redeemable units is recognized as a finance cost in the Statement of Comprehensive Income.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**2018

	AUD Hedged Class (mth) Units	CAD Hedged Class (mth) Units	GBP Hedged Class (mth) Units	HKD Class (mth) Units	NZD Hedged Class (mth) Units
Number of units in issue:					
At the beginning of the year	24,155,484.127	15,026,586.666	435,422.728	462,584,033.437	8,686,844.376
Total allotments	14,682,022.333	7,531,341.097	14,123.213	190,444,560.465	6,219,438.755
Total redemptions	(21,256,858.964)	(9,862,213.080)	(148,901.223)	(395,936,044.088)	(8,340,767.719)
At the end of the year	<u>17,580,647.496</u>	<u>12,695,714.683</u>	<u>300,644.718</u>	<u>257,092,549.814</u>	<u>6,565,515.412</u>
	A\$	C\$	GBP	HK\$	NZ\$
Net assets attributable to holders of redeemable units	<u>151,437,984</u>	<u>109,956,213</u>	<u>2,722,720</u>	<u>2,370,395,595</u>	<u>56,146,414</u>
Net assets attributable to holders of redeemable units (per unit)	<u>8.61</u>	<u>8.66</u>	<u>9.06</u>	<u>9.22</u>	<u>8.55</u>
	RMB Hedged Class (acc) Units	RMB Hedged Class (mth) Units	USD Class (acc) Units	USD Class (mth) Units	PRC RMB Hedged Class (acc) Units
Number of units in issue:					
At the beginning of the year	1,589,789.521	490,430,593.426	1,159,768.963	72,495,884.779	330,804,088.910
Total allotments	566,510.249	178,631,654.002	2,571,529.305	19,299,408.414	55,805,420.400
Total redemptions	(608,124.895)	(301,670,439.005)	(3,566,396.124)	(56,442,604.373)	(237,223,196.120)
At the end of the year	<u>1,548,174.875</u>	<u>367,391,808.423</u>	<u>164,902.144</u>	<u>35,352,688.820</u>	<u>149,386,313.190</u>
	CNY	CNY	US\$	US\$	CNY
Net assets attributable to holders of redeemable units	<u>18,776,312</u>	<u>3,249,538,350</u>	<u>1,974,794</u>	<u>371,634,095</u>	<u>1,721,353,017</u>
Net assets attributable to holders of redeemable units (per unit)	<u>12.13</u>	<u>8.84</u>	<u>11.98</u>	<u>10.51</u>	<u>11.52</u>

## 2018

	PRC RMB Hedged Class (mth) Units	PRC USD Class (acc) Units	PRC USD Class (mth) Units
Number of units in issue:			
At the beginning of the year	94,155,390.680	59,066,119.270	2,915,664.600
Total allotments	23,444,420.230	11,051,185.390	612,415.770
Total redemptions	(53,596,002.020)	(23,892,382.100)	(1,166,097.650)
At the end of the year	<u>64,003,808.890</u>	<u>46,224,922.560</u>	<u>2,361,982.720</u>
	CNY	US\$	US\$
Net assets attributable to holders of redeemable units	<u>611,206,738</u>	<u>494,672,657</u>	<u>22,623,212</u>
Net assets attributable to holders of redeemable units (per unit)	<u>9.55</u>	<u>10.70</u>	<u>9.58</u>

## 2017

	AUD Hedged Class (mth) Units	CAD Hedged Class (mth) Units	GBP Hedged Class (mth) Units	HKD Class (mth) Units	NZD Hedged Class (mth) Units
Number of units in issue:					
At the beginning of the year	34,628,581.509	19,228,840.760	673,223.404	481,081,632.716	10,074,754.563
Total allotments	21,675,357.155	11,473,295.495	207,471.310	412,244,272.273	10,532,337.932
Total redemptions	(32,148,454.537)	(15,675,549.589)	(445,271.986)	(430,741,871.552)	(11,920,248.119)
At the end of the year	<u>24,155,484.127</u>	<u>15,026,586.666</u>	<u>435,422.728</u>	<u>462,584,033.437</u>	<u>8,686,844.376</u>
	A\$	C\$	GBP	HK\$	NZ\$
Net assets attributable to holders of redeemable units	<u>219,559,065</u>	<u>137,199,992</u>	<u>4,157,347</u>	<u>4,487,647,800</u>	<u>78,391,549</u>
Net assets attributable to holders of redeemable units (per unit)	<u>9.09</u>	<u>9.13</u>	<u>9.55</u>	<u>9.70</u>	<u>9.02</u>

2017

	RMB Hedged Class (acc) Units	RMB Hedged Class (mth) Units	USD Class (acc) Units	USD Class (mth) Units	PRC RMB Hedged Class (acc) Units
Number of units in issue:					
At the beginning of the year	1,842,512.706	539,722,511.305	2,234,241.020	81,430,764.575	345,986,634.110
Total allotments	828,282.694	258,552,159.072	4,873,434.041	53,778,808.383	240,311,250.340
Total redemptions	(1,081,005.879)	(307,844,076.951)	(5,947,906.098)	(62,713,688.179)	(255,493,795.540)
At the end of the year	<u>1,589,789.521</u>	<u>490,430,593.426</u>	<u>1,159,768.963</u>	<u>72,495,884.779</u>	<u>330,804,088.910</u>
	CNY	CNY	US\$	US\$	CNY
Net assets attributable to holders of redeemable units	<u>19,181,758</u>	<u>4,570,432,055</u>	<u>14,067,443</u>	<u>803,248,157</u>	<u>3,796,281,190</u>
Net assets attributable to holders of redeemable units (per unit)	<u>12.07</u>	<u>9.32</u>	<u>12.13</u>	<u>11.08</u>	<u>11.48</u>
	PRC RMB Hedged Class (mth) Units	PRC USD Class (acc) Units	PRC USD Class (mth) Units		
Number of units in issue:					
At the beginning of the year	77,499,861.830	40,714,981.090	1,788,057.380		
Total allotments	52,551,036.590	27,533,054.400	1,670,314.000		
Total redemptions	(35,895,507.740)	(9,181,916.220)	(542,706.780)		
At the end of the year	<u>94,155,390.680</u>	<u>59,066,119.270</u>	<u>2,915,664.600</u>		
	CNY	US\$	US\$		
Net assets attributable to holders of redeemable units	<u>948,303,236</u>	<u>640,043,722</u>	<u>29,438,715</u>		
Net assets attributable to holders of redeemable units (per unit)	<u>10.07</u>	<u>10.84</u>	<u>10.10</u>		

## 4 Financial risk management

### (i) Financial risk factors

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

#### (a) Market risk

##### (i) Market price risk

The Fund primarily invests in debt securities which are subject to interest rate risk. Refer to Note 4(i)(a)(ii) for interest rate risk.

**(ii) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates. The Fund is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its investments, derivatives and cash deposits.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	Less than 1 year US\$	1-5 years US\$	Over 5 years US\$	Total US\$
<u>2018</u>				
Cash at banks	86,723,773	-	-	86,723,773
Margin deposits	88,341	-	-	88,341
Derivatives	1,000,782	-	-	1,000,782
Investments (Note*)	232,810,453	1,008,131,710	877,101,852	2,118,044,015
Total interest sensitivity gap	<u>320,623,349</u>	<u>1,008,131,710</u>	<u>877,101,852</u>	<u>2,205,856,911</u>
<u>2017</u>				
Cash at banks	187,823,385	-	-	187,823,385
Margin deposits	1,853,818	-	-	1,853,818
Derivatives	3,766,188	-	-	3,766,188
Investments (Note*)	148,326,816	1,620,894,848	1,856,639,503	3,625,861,167
Total interest sensitivity gap	<u>341,770,207</u>	<u>1,620,894,848</u>	<u>1,856,639,503</u>	<u>3,819,304,558</u>

Note:

\* The coupon rate of the investments ranged between 0.00% p.a. – 10.22% p.a. (2017: 0.00% p.a. – 10.00% p.a.).

As at 30 September, the Fund's fair value of investments and derivatives were as follows:

	2018		2017	
Listed/Quoted Investments	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
<u>Assets</u>				
Convertibles	108,175,780	4.8	390,047,322	10.3
	-----	----	-----	----
Debt Securities				
- Virgin Islands	426,678,840	19.0	566,697,831	14.9
- Cayman Islands	304,219,280	13.6	382,579,840	10.0
- Hong Kong	247,383,575	11.0	243,199,284	6.4
- China	207,405,358	9.2	324,080,000	8.5
- Singapore	155,344,724	6.9	237,488,411	6.2
- Thailand	139,019,318	6.2	89,203,892	2.3
- India	126,724,771	5.6	309,403,930	8.1
- Korea	109,374,138	4.9	189,301,052	5.0
- Indonesia	96,707,171	4.3	430,615,962	11.3
- Others	180,922,971	8.2	463,243,643	12.2
	-----	-----	-----	-----
	1,993,780,146	88.9	3,235,813,845	84.9
	-----	-----	-----	-----
Money Market	16,088,089	0.7	-	-
	-----	-----	-----	-----
Derivatives				
- Forward foreign exchange contracts	8,031,789	0.4	22,278,623	0.6
- Futures	1,000,782	0.0	3,766,188	0.1
	-----	-----	-----	-----
	9,032,571	0.4	26,044,811	0.7
	-----	-----	-----	-----
	2,127,076,586	94.8	3,651,905,978	95.9
	-----	-----	-----	-----
<u>Liabilities</u>				
Derivatives				
- Forward foreign exchange contracts	(10,683,069)	(0.5)	(45,064,468)	(1.2)
	-----	-----	-----	-----
	(10,683,069)	(0.5)	(45,064,468)	(1.2)
	-----	-----	-----	-----
Total Listed/Quoted Investments	2,116,393,517	94.3	3,606,841,510	94.7
	=====	=====	=====	=====

Also, refer to Note 12 for the exposures on derivative contracts.

The Investment Manager monitors the Fund's interest rate risk sensitivity primarily through the modified duration of the Fund on a regular basis. The modified duration measures the sensitivity of the price of a bond and convertible relative to the change in interest rate. As at 30 September 2018, the Investment Manager estimates that the Fund has a modified duration of 2.83 (2017: 3.45). For the purpose of disclosing relevant sensitivities, the percentage of reasonable possible change in interest rate adopted is 25 basis points, and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. If the interest rates were to rise by 25 basis points with all other variables that may impact the net asset value of the Fund held constant, this would result in a decrease in net asset value of the Fund by approximately US\$15,875,391 (2017: US\$32,859,853). If the interest rates were to fall by 25 basis points, this would result in an increase in the net asset value of the Fund by the same amount.



Any cash and cash equivalents and margin deposits are placed/borrowed at short term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

### (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The Fund enters in some forward foreign exchange contracts to hedge some of its foreign currency exposures to maintain limited exposure to non-US\$ currencies. Refer to Note 12(a) for the outstanding forward foreign exchange contracts as at year end.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

Net currency exposures (Note*)	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
<u>2018</u>			
Australian Dollar	109,806,052	-7.8	(8,564,872)
Canadian Dollar	85,280,810	-3.2	(2,728,986)
Chinese Yuan (Offshore)	723,239,194	-3.3	(23,866,893)
Chinese Yuan (Onshore)	114,781,712	-3.5	(4,017,360)
Hong Kong Dollar	(1,409,706)	-0.2	2,819
Indian Rupee	13,257,770	-9.9	(1,312,519)
Indonesian Rupiah	12,802,035	-9.6	(1,228,995)
Japanese Yen	3,805,534	-0.9	(34,250)
Korean Won	2,651,062	+3.3	87,485
Malaysian Ringgit	2,918,678	+2.0	58,374
New Zealand Dollar	37,405,103	-8.3	(3,104,624)
Singapore Dollar	75,951,173	-0.6	(455,707)
Sterling	3,732,213	-2.8	(104,502)
Thai Baht	67,411,286	+3.1	2,089,750
	<u>1,251,632,916</u>		<u>(43,180,280)</u>
<u>2017</u>			
Australian Dollar	178,549,885	+2.5	4,463,747
Canadian Dollar	110,128,764	+5.1	5,616,567
Chinese Yuan (Offshore)	1,387,354,690	+0.4	5,549,419
Chinese Yuan (Onshore)	90,442,778	+0.4	361,771
Euro	18,143,540	+5.2	943,464
Hong Kong Dollar	31,887,121	-0.7	(223,210)
Indian Rupee	106,948,703	+1.9	2,032,025
Indonesian Rupiah	151,331,898	-3.1	(4,691,289)
Japanese Yen	1,271,675	-10.0	(127,168)
Korean Won	5,387,066	-3.8	(204,709)
Malaysian Ringgit	69,846,220	-2.1	(1,466,771)
New Zealand Dollar	60,674,686	-0.6	(364,048)
Philippine Peso	28,393,110	-4.5	(1,277,690)
Singapore Dollar	30,051,485	+0.4	120,206
Sterling	5,651,266	+3.3	186,492
Thai Baht	31,586,004	+3.9	1,231,854
	<u>2,307,648,891</u>		<u>12,150,660</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

## (b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment or amounts due from brokers, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	86,723,773	187,823,385
Amounts due from brokers	1,759,000	31,674,306
Amounts receivable on allotment	64,118,605	105,375,076
Margin deposits	88,341	1,853,818
Derivatives issued by brokers	8,031,789	22,278,623
Investments - debt securities	1,993,780,146	3,235,813,845
Investments - money market	16,088,089	-
Interest and other accounts receivable	31,599	161,558
	<u>2,170,621,342</u>	<u>3,584,980,611</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The Fund's investments are predominantly in debt securities and money market and therefore the Fund is exposed to credit risk that the issuers may not be able to repay the principal amount and interest at maturity. Credit risk derived from debt securities and money market are managed and monitored on an on-going basis by making reference to the credit rating and credit outlook provided by credit rating agencies, if available, and internal credit analysis.

The table below summarizes the debt securities and money market by credit rating as at 30 September.

	2018 % of net assets	2017 % of net assets
S&P(AAA)/Moody's(Aaa)/FITCH(AAA)	2.0	0.5
S&P(AA)/Moody's(Aa)/FITCH(AA)	1.4	1.2
S&P(A)/Moody's(A)/FITCH(A)	14.8	17.8
S&P(BBB)/Moody's(Baa)/FITCH(BBB)	29.7	37.7
S&P(BB)/Moody's(Ba)/FITCH(BB)	17.2	11.8
S&P(B)/Moody's(B)/FITCH(B)	6.1	2.7
Unrated	18.4	13.3
	<u>89.6</u>	<u>85.0</u>

The table below summarizes the unrated debt securities and money market as stated in the table above by their issuers' credit rating as at 30 September.

	2018 % of net assets	2017 % of net assets
S&P(AA)/Moody's(Aa)/FITCH(AA)	1.1	0.3
S&P(A)/Moody's(A)/FITCH(A)	4.3	1.4
S&P(BBB)/Moody's(Baa)/FITCH(BBB)	5.1	3.9
S&P(BB)/Moody's(Ba)/FITCH(BB)	0.5	-
Unrated	7.4	7.7
	<u>18.4</u>	<u>13.3</u>

The table below summarizes the credit rating of the banks/brokers/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	14,439,103	91,287,775
S&P(A)/Moody's(A)/FITCH(A)	72,284,670	96,535,610
Margin deposits with brokers and derivatives held with/issued by brokers		
S&P(AA)/Moody's(Aa)/FITCH(AA)	6,649,185	2,669,432
S&P(A)/Moody's(A)/FITCH(A)	2,470,000	21,463,009
S&P(BBB)/Moody's(Baa)/FITCH(BBB)	1,727	-
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	<u>2,118,044,015</u>	<u>3,625,861,167</u>

### (c) Liquidity risk

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018		2017	
	Less than 1 month US\$	1 to 12 months US\$	Less than 1 month US\$	1 to 12 months US\$
Overdraft with brokers	1,989,520	-	-	-
Amounts due to brokers	-	-	80,419,769	-
Amounts payable on redemption	14,621,917	-	28,383,039	-
Distribution payable	5,897,872	-	9,950,415	-
Derivatives	6,929,140	3,753,929	31,832,974	13,231,494
Other accounts payable	2,733,991	-	5,138,399	-
Net assets attributable to holders of redeemable units	<u>2,243,871,535</u>	<u>-</u>	<u>3,809,838,031</u>	<u>-</u>
Total financial liabilities	<u>2,276,043,975</u>	<u>3,753,929</u>	<u>3,965,562,627</u>	<u>13,231,494</u>

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

**(d) Offsetting and amounts subject to master netting arrangements and similar agreements**

As at 30 September 2018 and 2017, the Fund was subject to master netting arrangements with certain derivative counterparties. All of the derivative assets and liabilities of the Fund were held with these counterparties and the collateral and margin deposits maintained by the Fund were for the purpose of providing collateral on derivative positions.

In the event of default, the Fund and its counterparties have the option to settle transactions on net basis. An event of default may include failure to pay or deliver, breach of agreement or bankruptcy.

The following tables summarize the Fund's financial assets and liabilities subject to offsetting, master netting arrangements and similar agreements as at 30 September by types of financial instruments.

	Gross amounts of recognized financial assets presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>2018</u>				
<u>Assets</u>				
Margin deposits	88,341	-	-	88,341
Derivatives	1,504,332	(406,722)	-	1,097,610
Financial assets at fair value through profit and loss	<u>1,592,673</u>	<u>(406,722)</u>	<u>-</u>	<u>1,185,951</u>

	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>2018</u>				
<u>Liabilities</u>				
Derivatives	2,801,694	(406,722)	-	2,394,972
Financial liabilities at fair value through profit and loss	<u>2,801,694</u>	<u>(406,722)</u>	<u>-</u>	<u>2,394,972</u>

	Gross amounts of recognized financial assets presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>2017</u>				
<u>Assets</u>				
Margin deposits	453,818	-	-	453,818
Derivatives	6,660,945	(1,045,313)	-	5,615,632
Financial assets at fair value through profit and loss	<u>7,114,763</u>	<u>(1,045,313)</u>	<u>-</u>	<u>6,069,450</u>

	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position US\$	Related amounts subject to master netting arrangements and similar agreements net off against  Financial Instruments US\$	Collateral and margin deposits US\$	Net amount US\$
<u>2017</u>				
<u>Liabilities</u>				
Derivatives	1,872,544	(1,045,313)	-	827,231
Financial liabilities at fair value through profit and loss	<u>1,872,544</u>	<u>(1,045,313)</u>	<u>-</u>	<u>827,231</u>

**(II) Capital risk management**

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

**(III) Fair value estimation**

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>2018</b>				
<u>Assets</u>				
Convertibles	-	108,175,780	-	108,175,780
Debt Securities	-	1,993,780,146	-	1,993,780,146
Money Market	16,088,089	-	-	16,088,089
Derivatives	1,000,782	8,031,789	-	9,032,571
Total financial assets at fair value through profit and loss	17,088,871	2,109,987,715	-	2,127,076,586
<u>Liabilities</u>				
Derivatives	-	10,683,069	-	10,683,069
Total financial liabilities at fair value through profit and loss	-	10,683,069	-	10,683,069
<b>2017</b>				
<u>Assets</u>				
Convertibles	-	390,047,322	-	390,047,322
Debt Securities	-	3,235,813,845	-	3,235,813,845
Derivatives	3,766,188	22,278,623	-	26,044,811
Total financial assets at fair value through profit and loss	3,766,188	3,648,139,790	-	3,651,905,978
<u>Liabilities</u>				
Derivatives	-	45,064,468	-	45,064,468
Total financial liabilities at fair value through profit and loss	-	45,064,468	-	45,064,468

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the years ended 30 September 2018 and 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 5 Net (losses)/gains on investments and derivatives

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	(129,326,332)	(65,181,232)
Realized gains on sale of investments and derivatives	124,561,164	201,101,496
	(4,765,168)	135,920,264

## 6 Distribution

It is the intention of the Manager to have at least 85% of the income attributable to the distribution class(es) respectively in respect of each accounting period, after charging the expenses attributable to these distribution class(es) respectively, to be distributed to unitholders of these distribution class(es) respectively.

In the event that the amount available for distribution is insufficient to pay distributions as the Fund declares, the Manager may in its discretion determine that such distributions be paid from capital.

	2018 US\$	2017 US\$
Net operating (loss)/profit	(39,817,509)	100,532,240
Adjustments:		
Net losses/(gains) on investments and derivatives	4,765,168	(135,920,264)
Interest income included in net gains on investments and derivatives (at coupon rate)	131,698,060	136,937,668
Net foreign currency exchange losses	3,757,236	210,508
Transaction costs	295,504	143,398
Interest expense	(42)	-
Taxation	(2,329,484)	(4,751,498)
Capital gains tax	(247,125)	762,515
Amount available for distribution	98,121,808	97,914,567

Distribution Class	Ex date	Pay date	Rate	Units	2018 US\$	2017 US\$
AUD Hedged Class (mth)	31.10.2017	8.11.2017	A\$0.0322	24,755,622.642	(611,200)	
CAD Hedged Class (mth)	31.10.2017	8.11.2017	C\$0.0266	14,782,001.708	(305,020)	
GBP Hedged Class (mth)	31.10.2017	8.11.2017	GBP0.0205	432,405.388	(11,771)	
HKD Class (mth)	31.10.2017	8.11.2017	HK\$0.0306	476,050,289.033	(1,867,151)	
NZD Hedged Class (mth)	31.10.2017	8.11.2017	NZ\$0.0341	9,078,665.348	(212,080)	
RMB Hedged Class (mth)	31.10.2017	8.11.2017	CNY0.0465	509,925,409.445	(3,575,510)	
USD Class (mth)	31.10.2017	8.11.2017	US\$0.0350	73,596,230.640	(2,575,868)	
PRC RMB Hedged Class (mth)	31.10.2017	8.11.2017	CNY0.0503	97,164,332.930	(736,976)	
PRC USD Class (mth)	31.10.2017	8.11.2017	US\$0.0319	2,886,332.790	(92,074)	
AUD Hedged Class (mth)	30.11.2017	8.12.2017	A\$0.0316	25,747,312.614	(617,656)	
CAD Hedged Class (mth)	30.11.2017	8.12.2017	C\$0.0265	15,914,833.132	(327,364)	
GBP Hedged Class (mth)	30.11.2017	8.12.2017	GBP0.0224	414,751.004	(12,576)	
HKD Class (mth)	30.11.2017	8.12.2017	HK\$0.0307	467,822,635.716	(1,838,897)	
NZD Hedged Class (mth)	30.11.2017	8.12.2017	NZ\$0.0340	10,611,810.247	(247,600)	
RMB Hedged Class (mth)	30.11.2017	8.12.2017	CNY0.0465	518,706,404.706	(3,647,476)	
USD Class (mth)	30.11.2017	8.12.2017	US\$0.0350	72,097,843.833	(2,523,425)	
PRC RMB Hedged Class (mth)	30.11.2017	8.12.2017	CNY0.0503	99,207,826.370	(754,626)	
PRC USD Class (mth)	30.11.2017	8.12.2017	US\$0.0319	2,848,832.360	(90,878)	
AUD Hedged Class (mth)	29.12.2017	9.1.2018	A\$0.0302	24,638,896.229	(581,994)	
CAD Hedged Class (mth)	29.12.2017	9.1.2018	C\$0.0232	15,568,260.388	(288,267)	
GBP Hedged Class (mth)	29.12.2017	9.1.2018	GBP0.0153	397,007.664	(8,217)	
HKD Class (mth)	29.12.2017	9.1.2018	HK\$0.0307	456,419,340.849	(1,792,444)	
NZD Hedged Class (mth)	29.12.2017	9.1.2018	NZ\$0.0329	10,592,821.497	(247,856)	
RMB Hedged Class (mth)	29.12.2017	9.1.2018	CNY0.0470	514,611,576.534	(3,714,152)	
USD Class (mth)	29.12.2017	9.1.2018	US\$0.0350	69,716,705.902	(2,440,085)	
PRC RMB Hedged Class (mth)	29.12.2017	9.1.2018	CNY0.0508	94,802,884.840	(739,550)	
PRC USD Class (mth)	29.12.2017	9.1.2018	US\$0.0319	2,817,069.890	(89,865)	
AUD Hedged Class (mth)	31.1.2018	8.2.2018	A\$0.0293	21,989,828.884	(521,724)	
CAD Hedged Class (mth)	31.1.2018	8.2.2018	C\$0.0237	14,444,705.692	(279,039)	
GBP Hedged Class (mth)	31.1.2018	8.2.2018	GBP0.0176	375,474.814	(9,397)	
HKD Class (mth)	31.1.2018	8.2.2018	HK\$0.0307	410,768,405.833	(1,612,308)	
NZD Hedged Class (mth)	31.1.2018	8.2.2018	NZ\$0.0322	9,016,520.774	(214,875)	
RMB Hedged Class (mth)	31.1.2018	8.2.2018	CNY0.0455	504,110,903.773	(3,644,098)	
USD Class (mth)	31.1.2018	8.2.2018	US\$0.0350	65,386,593.409	(2,288,531)	
PRC RMB Hedged Class (mth)	31.1.2018	8.2.2018	CNY0.0492	93,436,711.710	(730,357)	
PRC USD Class (mth)	31.1.2018	8.2.2018	US\$0.0319	3,009,322.920	(95,997)	

# JPMORGAN ASIAN TOTAL RETURN BOND FUND

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Distribution Class	Ex date	Pay date	Rate	Units	2018 US\$	2017 US\$
AUD Hedged Class (mth)	28.2.2018	8.3.2018	A\$0.0298	21,436,946.254	(497,801)	
CAD Hedged Class (mth)	28.2.2018	8.3.2018	C\$0.0260	14,072,340.744	(285,543)	
GBP Hedged Class (mth)	28.2.2018	8.3.2018	GBP0.0204	365,801.704	(10,282)	
HKD Class (mth)	28.2.2018	8.3.2018	HK\$0.0307	423,327,046.538	(1,660,785)	
NZD Hedged Class (mth)	28.2.2018	8.3.2018	NZ\$0.0315	8,120,087.474	(184,739)	
RMB Hedged Class (mth)	28.2.2018	8.3.2018	CNY0.0462	473,556,581.901	(3,456,617)	
USD Class (mth)	28.2.2018	8.3.2018	US\$0.0350	53,971,709.267	(1,889,010)	
PRC RMB Hedged Class (mth)	28.2.2018	8.3.2018	CNY0.0499	93,174,348.720	(734,572)	
PRC USD Class (mth)	28.2.2018	8.3.2018	US\$0.0319	2,945,070.980	(93,948)	
AUD Hedged Class (mth)	29.3.2018	11.4.2018	A\$0.0283	20,864,264.173	(452,910)	
CAD Hedged Class (mth)	29.3.2018	11.4.2018	C\$0.0231	14,595,329.214	(261,510)	
GBP Hedged Class (mth)	29.3.2018	11.4.2018	GBP0.0162	359,040.133	(8,159)	
HKD Class (mth)	29.3.2018	11.4.2018	HK\$0.0308	403,826,475.284	(1,584,783)	
NZD Hedged Class (mth)	29.3.2018	11.4.2018	NZ\$0.0307	7,892,765.506	(174,801)	
RMB Hedged Class (mth)	29.3.2018	11.4.2018	CNY0.0456	457,066,600.704	(3,316,689)	
USD Class (mth)	29.3.2018	11.4.2018	US\$0.0350	50,354,708.643	(1,762,415)	
PRC RMB Hedged Class (mth)	29.3.2018	11.4.2018	CNY0.0493	88,395,303.590	(693,484)	
PRC USD Class (mth)	29.3.2018	11.4.2018	US\$0.0319	2,800,797.880	(89,345)	
AUD Hedged Class (mth)	30.4.2018	9.5.2018	A\$0.0303	21,456,792.011	(490,759)	
CAD Hedged Class (mth)	30.4.2018	9.5.2018	C\$0.0254	14,403,648.055	(285,388)	
GBP Hedged Class (mth)	30.4.2018	9.5.2018	GBP0.0197	334,905.127	(9,087)	
HKD Class (mth)	30.4.2018	9.5.2018	HK\$0.0330	376,743,752.321	(1,584,117)	
NZD Hedged Class (mth)	30.4.2018	9.5.2018	NZ\$0.0317	7,709,132.298	(172,190)	
RMB Hedged Class (mth)	30.4.2018	9.5.2018	CNY0.0423	434,028,314.647	(2,905,405)	
USD Class (mth)	30.4.2018	9.5.2018	US\$0.0375	49,067,424.445	(1,840,028)	
PRC RMB Hedged Class (mth)	27.4.2018	9.5.2018	CNY0.0457	82,702,387.110	(597,375)	
PRC USD Class (mth)	27.4.2018	9.5.2018	US\$0.0342	2,753,474.830	(94,169)	
AUD Hedged Class (mth)	31.5.2018	8.6.2018	A\$0.0303	21,675,854.749	(496,951)	
CAD Hedged Class (mth)	31.5.2018	8.6.2018	C\$0.0258	14,348,867.766	(285,385)	
GBP Hedged Class (mth)	31.5.2018	8.6.2018	GBP0.0200	330,181.407	(8,787)	
HKD Class (mth)	31.5.2018	8.6.2018	HK\$0.0330	340,881,926.100	(1,434,076)	
NZD Hedged Class (mth)	31.5.2018	8.6.2018	NZ\$0.0318	7,595,858.380	(169,482)	
RMB Hedged Class (mth)	31.5.2018	8.6.2018	CNY0.0449	427,965,458.387	(2,999,891)	
USD Class (mth)	31.5.2018	8.6.2018	US\$0.0375	43,415,039.106	(1,628,064)	
PRC RMB Hedged Class (mth)	31.5.2018	8.6.2018	CNY0.0486	76,369,421.920	(579,437)	
PRC USD Class (mth)	31.5.2018	8.6.2018	US\$0.0342	2,603,157.890	(89,028)	
AUD Hedged Class (mth)	29.6.2018	10.7.2018	A\$0.0298	20,843,837.649	(458,934)	
CAD Hedged Class (mth)	29.6.2018	10.7.2018	C\$0.0247	13,893,108.204	(260,869)	
GBP Hedged Class (mth)	29.6.2018	10.7.2018	GBP0.0187	320,650.110	(7,916)	
HKD Class (mth)	29.6.2018	10.7.2018	HK\$0.0330	313,832,460.579	(1,320,061)	
NZD Hedged Class (mth)	29.6.2018	10.7.2018	NZ\$0.0305	7,665,593.969	(158,295)	
RMB Hedged Class (mth)	29.6.2018	10.7.2018	CNY0.0446	407,259,773.560	(2,740,545)	
USD Class (mth)	29.6.2018	10.7.2018	US\$0.0375	40,157,398.887	(1,505,902)	
PRC RMB Hedged Class (mth)	29.6.2018	10.7.2018	CNY0.0482	71,983,199.210	(523,490)	
PRC USD Class (mth)	29.6.2018	10.7.2018	US\$0.0342	2,508,826.220	(85,802)	
AUD Hedged Class (mth)	31.7.2018	8.8.2018	A\$0.0306	19,693,654.887	(447,992)	
CAD Hedged Class (mth)	31.7.2018	8.8.2018	C\$0.0260	13,484,298.144	(269,272)	
GBP Hedged Class (mth)	31.7.2018	8.8.2018	GBP0.0197	320,861.736	(8,292)	
HKD Class (mth)	31.7.2018	8.8.2018	HK\$0.0330	292,485,677.201	(1,230,004)	
NZD Hedged Class (mth)	31.7.2018	8.8.2018	NZ\$0.0309	7,122,166.947	(149,827)	
RMB Hedged Class (mth)	31.7.2018	8.8.2018	CNY0.0383	394,344,815.042	(2,216,135)	
USD Class (mth)	31.7.2018	8.8.2018	US\$0.0375	37,585,305.856	(1,409,449)	
PRC RMB Hedged Class (mth)	31.7.2018	8.8.2018	CNY0.0413	68,112,285.740	(412,759)	
PRC USD Class (mth)	31.7.2018	8.8.2018	US\$0.0341	2,446,225.160	(83,416)	
AUD Hedged Class (mth)	31.8.2018	10.9.2018	A\$0.0298	18,492,177.973	(398,532)	
CAD Hedged Class (mth)	31.8.2018	10.9.2018	C\$0.0265	13,126,097.501	(266,760)	
GBP Hedged Class (mth)	31.8.2018	10.9.2018	GBP0.0209	302,121.765	(8,207)	
HKD Class (mth)	31.8.2018	10.9.2018	HK\$0.0330	268,349,826.628	(1,128,253)	
NZD Hedged Class (mth)	31.8.2018	10.9.2018	NZ\$0.0313	6,910,260.861	(143,509)	
RMB Hedged Class (mth)	31.8.2018	10.9.2018	CNY0.0346	374,397,685.789	(1,896,073)	
USD Class (mth)	31.8.2018	10.9.2018	US\$0.0375	36,524,294.009	(1,369,661)	
PRC RMB Hedged Class (mth)	31.8.2018	10.9.2018	CNY0.0373	65,090,839.080	(355,365)	
PRC USD Class (mth)	31.8.2018	10.9.2018	US\$0.0342	2,382,212.190	(81,472)	



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AUD Hedged Class (mth)	28.9.2018	9.10.2018	A\$0.0303	17,607,923.132	(386,028)	
CAD Hedged Class (mth)	28.9.2018	9.10.2018	C\$0.0256	12,715,819.342	(251,837)	
GBP Hedged Class (mth)	28.9.2018	9.10.2018	GBP0.0210	300,644.718	(8,233)	
HKD Class (mth)	28.9.2018	9.10.2018	HK\$0.0330	257,404,986.539	(1,085,556)	
NZD Hedged Class (mth)	28.9.2018	9.10.2018	NZ\$0.0305	6,565,515.433	(132,755)	
RMB Hedged Class (mth)	28.9.2018	9.10.2018	CNY0.0413	367,315,634.623	(2,206,437)	
USD Class (mth)	28.9.2018	9.10.2018	US\$0.0375	35,489,736.820	(1,330,865)	
PRC RMB Hedged Class (mth)	28.9.2018	9.10.2018	CNY0.0446	64,070,212.420	(415,617)	
PRC USD Class (mth)	28.9.2018	9.10.2018	US\$0.0341	2,361,982.720	(80,544)	
AUD Hedged Class (mth)	31.10.2016	8.11.2016	A\$0.0361	34,679,333.896		(952,651)
CAD Hedged Class (mth)	31.10.2016	8.11.2016	C\$0.0272	19,848,410.109		(402,818)
GBP Hedged Class (mth)	31.10.2016	8.11.2016	GBP0.0244	741,757.607		(22,097)
HKD Class (mth)	31.10.2016	8.11.2016	HK\$0.0304	507,073,157.794		(1,987,791)
NZD Hedged Class (mth)	31.10.2016	8.11.2016	NZ\$0.0408	10,631,741.006		(310,323)
RMB Hedged Class (mth)	31.10.2016	8.11.2016	CNY0.0550	513,027,950.938		(4,160,535)
USD Class (mth)	31.10.2016	8.11.2016	US\$0.0350	82,438,595.966		(2,885,351)
PRC RMB Hedged Class (mth)	31.10.2016	8.11.2016	CNY0.0592	74,055,723.070		(646,436)
PRC USD Class (mth)	31.10.2016	8.11.2016	US\$0.0319	1,787,474.040		(57,020)
AUD Hedged Class (mth)	30.11.2016	8.12.2016	A\$0.0364	34,175,387.881		(919,118)
CAD Hedged Class (mth)	30.11.2016	8.12.2016	C\$0.0271	20,666,602.688		(416,529)
GBP Hedged Class (mth)	30.11.2016	8.12.2016	GBP0.0254	773,257.002		(24,539)
HKD Class (mth)	30.11.2016	8.12.2016	HK\$0.0304	506,988,401.014		(1,986,998)
NZD Hedged Class (mth)	30.11.2016	8.12.2016	NZ\$0.0394	10,703,770.321		(298,921)
RMB Hedged Class (mth)	30.11.2016	8.12.2016	CNY0.0534	472,564,966.158		(3,652,504)
USD Class (mth)	30.11.2016	8.12.2016	US\$0.0350	78,682,899.551		(2,753,901)
PRC RMB Hedged Class (mth)	30.11.2016	8.12.2016	CNY0.0575	69,354,053.340		(577,202)
PRC USD Class (mth)	30.11.2016	8.12.2016	US\$0.0319	1,746,695.720		(55,720)
AUD Hedged Class (mth)	30.12.2016	10.1.2017	A\$0.0361	32,154,066.482		(840,508)
CAD Hedged Class (mth)	30.12.2016	10.1.2017	C\$0.0251	18,554,287.255		(347,275)
GBP Hedged Class (mth)	30.12.2016	10.1.2017	GBP0.0206	526,477.901		(13,401)
HKD Class (mth)	30.12.2016	10.1.2017	HK\$0.0304	472,723,007.671		(1,853,541)
NZD Hedged Class (mth)	30.12.2016	10.1.2017	NZ\$0.0382	9,745,136.069		(259,580)
RMB Hedged Class (mth)	30.12.2016	10.1.2017	CNY0.0735	446,297,794.670		(4,708,594)
USD Class (mth)	30.12.2016	10.1.2017	US\$0.0350	71,503,414.442		(2,502,619)
PRC RMB Hedged Class (mth)	30.12.2016	10.1.2017	CNY0.0792	64,703,249.100		(735,581)
PRC USD Class (mth)	30.12.2016	10.1.2017	US\$0.0319	1,668,033.960		(53,210)
AUD Hedged Class (mth)	27.1.2017	8.2.2017	A\$0.0382	29,537,381.826		(852,339)
CAD Hedged Class (mth)	27.1.2017	8.2.2017	C\$0.0272	17,018,014.446		(352,678)
GBP Hedged Class (mth)	27.1.2017	8.2.2017	GBP0.0240	534,681.718		(16,103)
HKD Class (mth)	27.1.2017	8.2.2017	HK\$0.0326	437,140,971.642		(1,836,786)
NZD Hedged Class (mth)	27.1.2017	8.2.2017	NZ\$0.0404	9,182,007.752		(269,813)
RMB Hedged Class (mth)	27.1.2017	8.2.2017	CNY0.1081	401,155,516.254		(6,318,652)
USD Class (mth)	27.1.2017	8.2.2017	US\$0.0375	66,880,409.659		(2,508,015)
PRC RMB Hedged Class (mth)	26.1.2017	8.2.2017	CNY0.1166	62,237,653.500		(1,059,790)
PRC USD Class (mth)	26.1.2017	8.2.2017	US\$0.0342	1,629,220.700		(55,719)
AUD Hedged Class (mth)	28.2.2017	8.3.2017	A\$0.0370	26,349,379.545		(749,573)
CAD Hedged Class (mth)	28.2.2017	8.3.2017	C\$0.0287	15,621,219.647		(338,502)
GBP Hedged Class (mth)	28.2.2017	8.3.2017	GBP0.0273	555,502.482		(18,872)
HKD Class (mth)	28.2.2017	8.3.2017	HK\$0.0326	422,256,979.150		(1,773,355)
NZD Hedged Class (mth)	28.2.2017	8.3.2017	NZ\$0.0386	8,337,798.789		(232,770)
RMB Hedged Class (mth)	28.2.2017	8.3.2017	CNY0.0683	389,729,547.120		(3,887,875)
USD Class (mth)	28.2.2017	8.3.2017	US\$0.0375	66,495,085.473		(2,493,566)
PRC RMB Hedged Class (mth)	28.2.2017	8.3.2017	CNY0.0737	61,450,297.970		(661,484)
PRC USD Class (mth)	28.2.2017	8.3.2017	US\$0.0342	1,567,907.460		(53,622)
AUD Hedged Class (mth)	31.3.2017	11.4.2017	A\$0.0368	25,152,595.535		(706,106)
CAD Hedged Class (mth)	31.3.2017	11.4.2017	C\$0.0276	15,726,224.242		(325,456)
GBP Hedged Class (mth)	31.3.2017	11.4.2017	GBP0.0244	560,294.173		(17,095)
HKD Class (mth)	31.3.2017	11.4.2017	HK\$0.0326	419,807,674.434		(1,761,015)
NZD Hedged Class (mth)	31.3.2017	11.4.2017	NZ\$0.0389	8,711,609.625		(236,895)
RMB Hedged Class (mth)	31.3.2017	11.4.2017	CNY0.0594	381,557,866.874		(3,298,147)
USD Class (mth)	31.3.2017	11.4.2017	US\$0.0375	62,996,029.283		(2,362,351)
PRC RMB Hedged Class (mth)	31.3.2017	11.4.2017	CNY0.0641	61,932,210.380		(577,694)
PRC USD Class (mth)	31.3.2017	11.4.2017	US\$0.0342	1,547,309.280		(52,918)

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AUD Hedged Class (mth)	28.4.2017	10.5.2017	A\$0.0357	25,698,158.442		(686,096)
CAD Hedged Class (mth)	28.4.2017	10.5.2017	C\$0.0270	16,074,296.049		(317,418)
GBP Hedged Class (mth)	28.4.2017	10.5.2017	GBP0.0248	554,795.636		(17,801)
HKD Class (mth)	28.4.2017	10.5.2017	HK\$0.0326	421,149,282.501		(1,765,269)
NZD Hedged Class (mth)	28.4.2017	10.5.2017	NZ\$0.0378	10,277,713.020		(266,723)
RMB Hedged Class (mth)	28.4.2017	10.5.2017	CNY0.0529	391,540,438.739		(3,002,441)
USD Class (mth)	28.4.2017	10.5.2017	US\$0.0375	62,323,195.313		(2,337,120)
PRC RMB Hedged Class (mth)	28.4.2017	10.5.2017	CNY0.0571	64,752,116.390		(535,960)
PRC USD Class (mth)	28.4.2017	10.5.2017	US\$0.0342	1,600,019.490		(54,721)
AUD Hedged Class (mth)	31.5.2017	8.6.2017	A\$0.0363	28,545,829.866		(771,409)
CAD Hedged Class (mth)	31.5.2017	8.6.2017	C\$0.0270	17,653,441.889		(352,886)
GBP Hedged Class (mth)	31.5.2017	8.6.2017	GBP0.0245	545,446.333		(17,252)
HKD Class (mth)	31.5.2017	8.6.2017	HK\$0.0326	418,764,408.957		(1,751,916)
NZD Hedged Class (mth)	31.5.2017	8.6.2017	NZ\$0.0378	11,056,328.847		(296,625)
RMB Hedged Class (mth)	31.5.2017	8.6.2017	CNY0.0565	393,739,793.215		(3,291,773)
USD Class (mth)	31.5.2017	8.6.2017	US\$0.0375	62,405,951.227		(2,340,223)
PRC RMB Hedged Class (mth)	31.5.2017	8.6.2017	CNY0.0610	71,286,982.090		(643,446)
PRC USD Class (mth)	31.5.2017	8.6.2017	US\$0.0342	1,902,259.380		(65,057)
AUD Hedged Class (mth)	30.6.2017	10.7.2017	A\$0.0351	28,952,144.341		(779,492)
CAD Hedged Class (mth)	30.6.2017	10.7.2017	C\$0.0256	17,563,692.307		(346,216)
GBP Hedged Class (mth)	30.6.2017	10.7.2017	GBP0.0227	508,891.732		(15,005)
HKD Class (mth)	30.6.2017	10.7.2017	HK\$0.0326	421,263,481.837		(1,759,211)
NZD Hedged Class (mth)	30.6.2017	10.7.2017	NZ\$0.0363	9,920,989.472		(263,689)
RMB Hedged Class (mth)	30.6.2017	10.7.2017	CNY0.0632	401,099,607.418		(3,738,615)
USD Class (mth)	30.6.2017	10.7.2017	US\$0.0375	63,323,530.000		(2,374,632)
PRC RMB Hedged Class (mth)	30.6.2017	10.7.2017	CNY0.0682	74,531,330.980		(749,661)
PRC USD Class (mth)	30.6.2017	10.7.2017	US\$0.0342	2,224,505.740		(76,078)
AUD Hedged Class (mth)	31.7.2017	8.8.2017	A\$0.0344	25,451,521.864		(698,981)
CAD Hedged Class (mth)	31.7.2017	8.8.2017	C\$0.0258	16,589,953.605		(342,266)
GBP Hedged Class (mth)	31.7.2017	8.8.2017	GBP0.0224	483,621.471		(14,282)
HKD Class (mth)	31.7.2017	8.8.2017	HK\$0.0326	432,412,168.491		(1,804,912)
NZD Hedged Class (mth)	31.7.2017	8.8.2017	NZ\$0.0356	8,538,761.786		(227,909)
RMB Hedged Class (mth)	31.7.2017	8.8.2017	CNY0.0512	419,061,049.096		(3,187,534)
USD Class (mth)	31.7.2017	8.8.2017	US\$0.0375	63,132,096.870		(2,367,454)
PRC RMB Hedged Class (mth)	31.7.2017	8.8.2017	CNY0.0553	80,146,503.800		(658,442)
PRC USD Class (mth)	31.7.2017	8.8.2017	US\$0.0342	2,512,374.200		(85,923)
AUD Hedged Class (mth)	31.8.2017	8.9.2017	A\$0.0343	23,869,729.987		(649,377)
CAD Hedged Class (mth)	31.8.2017	8.9.2017	C\$0.0267	16,044,441.770		(341,684)
GBP Hedged Class (mth)	31.8.2017	8.9.2017	GBP0.0225	474,026.460		(13,743)
HKD Class (mth)	31.8.2017	8.9.2017	HK\$0.0329	449,998,315.051		(1,891,655)
NZD Hedged Class (mth)	31.8.2017	8.9.2017	NZ\$0.0359	8,167,992.857		(210,012)
RMB Hedged Class (mth)	31.8.2017	8.9.2017	CNY0.0431	463,502,819.481		(3,027,318)
USD Class (mth)	31.8.2017	8.9.2017	US\$0.0375	64,906,906.531		(2,434,009)
PRC RMB Hedged Class (mth)	31.8.2017	8.9.2017	CNY0.0465	86,969,757.650		(612,844)
PRC USD Class (mth)	31.8.2017	8.9.2017	US\$0.0342	2,835,685.340		(96,980)
AUD Hedged Class (mth)	29.9.2017	11.10.2017	A\$0.0341	24,166,594.566		(646,615)
CAD Hedged Class (mth)	29.9.2017	11.10.2017	C\$0.0285	14,934,979.621		(340,341)
GBP Hedged Class (mth)	29.9.2017	11.10.2017	GBP0.0224	435,422.728		(13,086)
HKD Class (mth)	29.9.2017	11.10.2017	HK\$0.0328	461,218,855.481		(1,936,827)
NZD Hedged Class (mth)	29.9.2017	11.10.2017	NZ\$0.0358	8,769,537.930		(226,954)
RMB Hedged Class (mth)	29.9.2017	11.10.2017	CNY0.0450	485,787,228.974		(3,288,740)
USD Class (mth)	29.9.2017	11.10.2017	US\$0.0375	72,336,653.702		(2,712,625)
PRC RMB Hedged Class (mth)	29.9.2017	11.10.2017	CNY0.0485	93,951,035.010		(685,511)
PRC USD Class (mth)	29.9.2017	11.10.2017	US\$0.0342	2,915,664.600		(99,716)
Total distribution to holders of redeemable units					(97,008,580)	(123,474,429)

**7 Taxation**

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Overseas tax was withheld or paid on certain interest income received and capital gains derived during the years ended 30 September 2018 and 2017.

**8 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons**

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

(a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments US\$	% of the Fund's total aggregate value of transactions	Commission paid US\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
J.P. Morgan Securities plc London	114,718,750*	2.36	2,100	2.75	0.00
<u>2017</u>					
JPMorgan Asset Management (Europe) S.à r.l.	60,335,600	1.86	-	-	-
J.P. Morgan Securities plc London	32,391,650	1.00	-	-	-

\* These amounts include futures transactions totaling US\$114,718,750 (2017: nil).

(b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	10,875,147	22,985,034
Margin deposits	260	-
Amounts receivable	31,590	28,966
Amounts payable	(1,795,867)	(3,088,641)
Overdraft with brokers	(1,989,520)	-
	<u>          </u>	<u>          </u>

During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$241,049 (2017: US\$93,223).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.
- (d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$4,681 (2017: US\$109,977).
- (e) Management fee of 1% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.

The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.

- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.

(g) Refer to Note 9 for fee paid to the Trustee.

(h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 9 Trustee's fee

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first US\$40 million, 0.04% per annum for the balance from US\$40 million to US\$70 million, and 0.025% per annum for the balance in excess of US\$70 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

## 10 Borrowings

During the year ended 30 September 2018, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms. The Fund has no bank borrowing during the year ended 30 September 2017.

## 11 Soft dollar arrangements/Commission sharing arrangements

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

## 12 Derivatives

(a) Outstanding forward foreign exchange contracts as at 30 September were as follows:

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
<u>2018</u>			
Open contracts:			
US\$72,798	C\$94,119	2 October 2018	16
US\$1,098	C\$1,424	2 October 2018	4
US\$63,926	C\$82,896	3 October 2018	205
US\$1,092	C\$1,427	3 October 2018	12
US\$1,096	NZ\$1,654	3 October 2018	0
A\$574,242	US\$416,821	4 October 2018	1,299
US\$249,410	NZ\$376,313	4 October 2018	86
US\$33,386	A\$46,244	4 October 2018	76
US\$1,101	NZ\$1,660	4 October 2018	0
CNH3,316,581,310	US\$483,220,122	9 October 2018	836,361
CNH66,859,111	US\$9,740,589	9 October 2018	16,193
CNH11,372,680	US\$1,666,474	9 October 2018	12,361
CNH13,032,056	US\$1,907,228	9 October 2018	11,767
CNH5,826,722	US\$857,578	9 October 2018	10,104
CNH4,082,542	US\$599,985	9 October 2018	6,194
CNH6,994,131	US\$1,023,161	9 October 2018	5,892
CNH18,906,534	US\$2,755,038	9 October 2018	5,157
CNH17,680,856	US\$2,575,608	9 October 2018	3,997
CNH16,417,389	US\$2,391,584	9 October 2018	3,738
CNH2,819,152	US\$413,310	9 October 2018	3,276
CNH5,105,046	US\$745,668	9 October 2018	3,159
CNH3,253,570	US\$475,610	9 October 2018	2,391

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Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
CNH6,239,025	US\$909,654	9 October 2018	2,213
CNH3,152,809	US\$460,649	9 October 2018	2,086
CNH903,504	US\$133,088	9 October 2018	1,677
CNH3,989,907	US\$581,974	9 October 2018	1,657
CNH3,303,526	US\$482,142	9 October 2018	1,657
CNH4,162,343	US\$607,041	9 October 2018	1,644
CNH6,802,394	US\$990,419	9 October 2018	1,038
CNH1,798,099	US\$262,475	9 October 2018	948
CNH1,290,200	US\$188,441	9 October 2018	787
CNH4,874,556	US\$709,486	9 October 2018	501
CNH540,550	US\$78,934	9 October 2018	313
CNH354,517	US\$51,779	9 October 2018	216
CNH75,272	US\$10,975	9 October 2018	27
CNH14,610	US\$2,141	9 October 2018	16
CNH7,576	US\$1,113	9 October 2018	11
CNH7,466	US\$1,095	9 October 2018	9
CNH44,507	US\$6,480	9 October 2018	7
CNH35,212	US\$5,126	9 October 2018	5
CNH7,521	US\$1,099	9 October 2018	5
CNH12,738	US\$1,858	9 October 2018	5
CNH7,537	US\$1,101	9 October 2018	5
CNH7,521	US\$1,098	9 October 2018	5
CNH8,402	US\$1,226	9 October 2018	4
CNH7,540	US\$1,099	9 October 2018	3
US\$502,971,661	CNH3,466,329,796	9 October 2018	1,192,431
US\$2,687,181	CNH18,519,246	9 October 2018	6,371
US\$405,183	CNH2,818,792	9 October 2018	4,799
US\$801,096	CNH5,520,673	9 October 2018	1,864
US\$534,618	CNH3,686,991	9 October 2018	1,641
US\$460,935	CNH3,175,975	9 October 2018	998
US\$290,106	CNH2,000,000	9 October 2018	786
US\$323,441	CNH2,225,848	9 October 2018	300
US\$203,438	CNH1,400,018	9 October 2018	189
US\$8,387	CNH58,348	9 October 2018	99
US\$1,591	CNH11,069	9 October 2018	19
US\$4,304	CNH29,664	9 October 2018	10
A\$151,821,360	US\$109,974,232	10 October 2018	116,295
A\$1,365,560	US\$1,004,143	10 October 2018	16,023
A\$255,161	US\$187,466	10 October 2018	2,831
A\$188,070	US\$138,180	10 October 2018	2,092
A\$286,823	US\$209,144	10 October 2018	1,598
A\$346,242	US\$251,999	10 October 2018	1,458
A\$23,869	US\$17,497	10 October 2018	225
A\$1,498	US\$1,092	10 October 2018	8
A\$1,578	US\$1,149	10 October 2018	7
C\$98,652	US\$76,483	10 October 2018	151
C\$1,427	US\$1,106	10 October 2018	2
CNH4,771,345	US\$702,823	10 October 2018	8,900
CNH2,493,565	US\$366,999	10 October 2018	4,346
CNH1,980,511	US\$291,047	10 October 2018	3,010
CNH3,304,002	US\$482,667	10 October 2018	2,148
CNH2,499,029	US\$365,563	10 October 2018	2,116
CNH1,390,405	US\$204,328	10 October 2018	2,113
CNH1,088,363	US\$160,317	10 October 2018	2,030
CNH2,453,499	US\$358,505	10 October 2018	1,680
CNH2,438,764	US\$356,352	10 October 2018	1,669
CNH2,929,799	US\$427,686	10 October 2018	1,589
CNH2,429,715	US\$354,947	10 October 2018	1,580
CNH3,539,813	US\$516,365	10 October 2018	1,551
CNH3,176,696	US\$463,396	10 October 2018	1,392
CNH3,116,808	US\$454,664	10 October 2018	1,369
CNH2,579,730	US\$376,489	10 October 2018	1,304

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
CNH3,495,622	US\$509,672	10 October 2018	1,285
CNH1,089,679	US\$159,753	10 October 2018	1,275
CNH2,199,353	US\$321,057	10 October 2018	1,193
CNH1,893,940	US\$276,404	10 October 2018	958
CNH1,110,527	US\$162,450	10 October 2018	940
CNH3,932,432	US\$572,805	10 October 2018	890
CNH1,769,540	US\$258,131	10 October 2018	777
CNH357,111	US\$52,601	10 October 2018	664
CNH1,178,174	US\$172,010	10 October 2018	662
CNH848,316	US\$123,898	10 October 2018	522
CNH1,186,229	US\$172,968	10 October 2018	449
CNH1,185,979	US\$172,927	10 October 2018	444
CNH201,725	US\$29,690	10 October 2018	352
CNH872,296	US\$121,193	10 October 2018	330
CNH3,688,776	US\$536,800	10 October 2018	321
CNH806,147	US\$117,558	10 October 2018	315
CNH590,117	US\$86,055	10 October 2018	231
CNH2,048,959	US\$298,170	10 October 2018	178
CNH135,282	US\$19,833	10 October 2018	158
CNH180,883	US\$26,418	10 October 2018	111
CNH1,757,693	US\$255,730	10 October 2018	99
CNH52,000	US\$7,659	10 October 2018	97
CNH1,520,456	US\$221,214	10 October 2018	86
CNH90,140	US\$13,130	10 October 2018	20
CNH7,478	US\$1,101	10 October 2018	13
CNH7,576	US\$1,113	10 October 2018	12
CNH7,466	US\$1,094	10 October 2018	9
CNH7,466	US\$1,094	10 October 2018	9
CNH7,521	US\$1,098	10 October 2018	5
CNH7,521	US\$1,098	10 October 2018	5
CNH7,526	US\$1,096	10 October 2018	1
CNH7,526	US\$1,096	10 October 2018	1
CNH7,552	US\$1,099	10 October 2018	0
CNH7,552	US\$1,099	10 October 2018	0
GBP2,732,740	US\$3,594,584	10 October 2018	29,724
GBP4,910	US\$6,436	10 October 2018	31
GBP836	US\$1,101	10 October 2018	10
NZ\$56,688,266	US\$37,666,547	10 October 2018	82,226
NZ\$42,950	US\$28,724	10 October 2018	249
NZ\$353,715	US\$234,613	10 October 2018	100
NZ\$8,877	US\$5,959	10 October 2018	74
NZ\$8,163	US\$5,476	10 October 2018	64
NZ\$12,254	US\$8,159	10 October 2018	35
NZ\$1,639	US\$1,098	10 October 2018	12
NZ\$1,787	US\$1,190	10 October 2018	5
US\$89,737,385	C\$116,053,681	10 October 2018	59,635
US\$3,737,636	GBP2,892,057	10 October 2018	35,041
US\$755,112	A\$1,058,007	10 October 2018	10,461
US\$2,022,807	CNH13,950,943	10 October 2018	6,156
US\$165,627	C\$217,920	10 October 2018	2,990
US\$126,083	A\$177,087	10 October 2018	2,058
US\$170,549	A\$237,517	10 October 2018	1,318
US\$141,916	C\$185,091	10 October 2018	1,299
US\$57,533	A\$81,079	10 October 2018	1,136
US\$167,486	C\$217,796	10 October 2018	1,034
US\$92,673	C\$120,804	10 October 2018	800
US\$137,675	C\$178,955	10 October 2018	792
US\$163,277	A\$226,673	10 October 2018	744
US\$42,031	A\$58,885	10 October 2018	579

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$81,232	A\$112,969	10 October 2018	513
US\$30,451	C\$40,000	10 October 2018	499
US\$173,674	A\$240,573	10 October 2018	405
US\$230,210	A\$318,665	10 October 2018	375
US\$56,037	NZ\$85,036	10 October 2018	342
US\$16,180	C\$21,284	10 October 2018	288
US\$34,628	A\$48,221	10 October 2018	265
US\$13,013	NZ\$20,000	10 October 2018	247
US\$55,837	A\$77,477	10 October 2018	225
US\$84,101	CNH579,809	10 October 2018	224
US\$453,074	CNH3,116,808	10 October 2018	220
US\$222,028	CNH1,528,008	10 October 2018	199
US\$170,601	CNH1,174,158	10 October 2018	163
US\$50,562	CNH348,718	10 October 2018	154
US\$15,350	C\$20,000	10 October 2018	126
US\$139,055	CNH956,986	10 October 2018	125
US\$257,229	CNH1,769,540	10 October 2018	125
US\$4,724	NZ\$7,226	10 October 2018	67
US\$20,817	NZ\$31,470	10 October 2018	48
US\$6,000	GBP4,634	10 October 2018	46
US\$15,828	A\$21,925	10 October 2018	37
US\$110,127	CNH757,451	10 October 2018	34
US\$53,088	CNH365,224	10 October 2018	29
US\$128,893	C\$166,605	10 October 2018	18
US\$2,901	CNH20,000	10 October 2018	8
US\$14,637	CNH100,700	10 October 2018	8
US\$15,848	CNH109,000	10 October 2018	5
US\$1,086	NZ\$1,643	10 October 2018	3
US\$1,398	CNH9,623	10 October 2018	1
CNH7,526,346	US\$1,098,372	5 November 2018	5,650
CNH7,851,490	US\$1,145,141	5 November 2018	5,212
CNH6,294,724	US\$918,087	5 November 2018	4,179
CNH5,024,939	US\$732,687	5 November 2018	3,135
CNH3,999,297	US\$582,472	5 November 2018	1,828
CNH2,459,133	US\$358,608	5 November 2018	1,575
CNH3,692,584	US\$537,666	5 November 2018	1,553
CNH7,422,512	US\$1,078,816	5 November 2018	1,169
CNH4,734,383	US\$688,242	5 November 2018	874
CNH3,442,393	US\$500,423	5 November 2018	634
CNH4,749,871	US\$689,841	5 November 2018	224
CNH1,321,101	US\$191,956	5 November 2018	150
CNH1,226,998	US\$178,288	5 November 2018	145
CNH60,357	US\$8,803	5 November 2018	40
CNH7,538	US\$1,099	5 November 2018	5
CNH8,519	US\$1,238	5 November 2018	2
CNH7,552	US\$1,098	5 November 2018	1
US\$1,239,283	CNH8,539,607	5 November 2018	552
US\$83,316	CNH575,322	5 November 2018	213
US\$38,130	CNH262,686	5 November 2018	8
A\$270,196	US\$196,952	13 November 2018	1,384
A\$300,590	US\$218,670	13 November 2018	1,103
A\$102,116	US\$74,145	13 November 2018	233
A\$52,952	US\$38,482	13 November 2018	155
A\$14,618	US\$10,635	13 November 2018	54
A\$1,512	US\$1,102	13 November 2018	8
A\$1,509	US\$1,097	13 November 2018	5
A\$281,345	US\$203,642	13 November 2018	4
A\$1,524	US\$1,103	13 November 2018	0
C\$272,924	US\$211,656	13 November 2018	316
C\$174,006	US\$134,815	13 November 2018	73
C\$2,060	US\$1,598	13 November 2018	2
C\$1,437	US\$1,114	13 November 2018	1

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Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
CNH2,258,431	US\$329,235	13 November 2018	1,479
CNH3,341,809	US\$486,410	13 November 2018	1,429
CNH2,308,867	US\$336,062	13 November 2018	987
CNH668,410	US\$97,429	13 November 2018	426
CNH602,316	US\$87,806	13 November 2018	395
CNH2,221,670	US\$322,692	13 November 2018	272
CNH1,871,746	US\$271,866	13 November 2018	229
CNH2,073,626	US\$300,957	13 November 2018	21
CNH27,039	US\$3,941	13 November 2018	17
CNH632,225	US\$91,758	13 November 2018	6
CNH7,538	US\$1,099	13 November 2018	5
CNH19,353	US\$2,812	13 November 2018	4
CNH7,527	US\$1,094	13 November 2018	1
CNH7,570	US\$1,099	13 November 2018	0
CNH7,568	US\$1,098	13 November 2018	0
CNH7,570	US\$1,099	13 November 2018	0
GBP13,817	US\$18,196	13 November 2018	142
NZ\$565,090	US\$375,875	13 November 2018	1,164
NZ\$220,148	US\$146,843	13 November 2018	863
NZ\$106,623	US\$71,003	13 November 2018	301
NZ\$6,351	US\$4,230	13 November 2018	18
NZ\$1,663	US\$1,109	13 November 2018	7
NZ\$1,660	US\$1,101	13 November 2018	1
US\$85,223,050	C\$110,337,601	13 November 2018	217,046
US\$250,450,588	CNH1,725,844,986	13 November 2018	13,114
US\$89,930,097	CNH619,704,698	13 November 2018	4,709
US\$103,413	C\$135,009	13 November 2018	1,130
US\$145,125	C\$187,478	13 November 2018	49
US\$106,197	CNH732,018	13 November 2018	38
US\$45,472	CNH313,452	13 November 2018	18
US\$43,521	CNH300,000	13 November 2018	17
US\$15,958	CNH110,000	13 November 2018	6
US\$34,424	A\$47,565	13 November 2018	4
US\$50,124	CNH345,396	13 November 2018	2
IDR317,460,000,000	US\$22,000,000	19 November 2018	864,309
IDR218,625,000,000	US\$15,000,000	19 November 2018	444,495
CNH568,755,321	US\$83,340,218	6 December 2018	877,254
CNH113,000,729	US\$16,500,000	6 December 2018	116,197
IDR542,441,800,000	US\$36,626,725	6 December 2018	619,205
IDR160,177,341,002	US\$10,657,175	6 December 2018	24,534
INR1,531,665,000	US\$21,644,386	6 December 2018	747,636
INR1,757,262,500	US\$24,500,000	6 December 2018	525,386
INR618,986,420	US\$8,609,589	6 December 2018	164,658
JPY1,552,730,200	US\$14,087,797	6 December 2018	344,182
M\$160,496,700	US\$39,000,000	6 December 2018	258,883
US\$8,255,481	IDR126,473,973,355	6 December 2018	141,448
US\$7,351,138	S\$10,100,000	6 December 2018	51,310
Total unrealized gains			8,031,789
			-----
US\$18,162	GBP13,817	2 October 2018	(144)
US\$38,474	A\$52,952	2 October 2018	(158)
US\$70,993	NZ\$106,623	2 October 2018	(302)
US\$74,127	A\$102,116	3 October 2018	(236)
US\$375,816	NZ\$565,090	3 October 2018	(1,162)
C\$135,009	US\$103,333	4 October 2018	(1,123)
US\$1,103	A\$1,524	4 October 2018	(0)
US\$1,113	C\$1,437	4 October 2018	(1)
US\$203,585	A\$281,345	5 October 2018	(4)
US\$134,707	C\$174,006	5 October 2018	(80)
A\$47,565	US\$34,416	9 October 2018	(2)
CNH7,540	US\$1,093	9 October 2018	(3)



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Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
CNH5,954,614	US\$863,803	9 October 2018	(2,273)
CNH6,088,138	US\$882,846	9 October 2018	(2,650)
CNH6,744,420	US\$969,044	9 October 2018	(11,905)
CNH52,045,092	US\$7,553,474	9 October 2018	(16,281)
US\$2,818	CNH19,353	9 October 2018	(3)
US\$2,374	CNH16,294	9 October 2018	(4)
US\$1,209	CNH8,272	9 October 2018	(5)
US\$2,694	CNH18,470	9 October 2018	(7)
US\$4,407	CNH30,217	9 October 2018	(12)
US\$3,948	CNH27,039	9 October 2018	(16)
US\$4,549	CNH31,123	9 October 2018	(23)
US\$6,121	CNH41,574	9 October 2018	(74)
US\$48,729	CNH334,463	9 October 2018	(82)
US\$404,732	CNH2,776,480	9 October 2018	(904)
US\$362,708	CNH2,486,848	9 October 2018	(1,006)
US\$1,208,630	CNH8,302,347	9 October 2018	(1,086)
US\$809,906	CNH5,560,089	9 October 2018	(1,212)
US\$932,450	CNH6,400,133	9 October 2018	(1,576)
US\$551,752	CNH3,780,594	9 October 2018	(1,879)
US\$567,009	CNH3,882,359	9 October 2018	(2,335)
US\$191,720	CNH1,301,569	9 October 2018	(2,412)
US\$505,191	CNH3,456,059	9 October 2018	(2,520)
US\$446,561	CNH3,052,866	9 October 2018	(2,534)
US\$405,723	CNH2,771,823	9 October 2018	(2,572)
US\$627,913	CNH4,297,973	9 October 2018	(2,791)
US\$829,629	CNH5,682,045	9 October 2018	(3,198)
US\$1,502,093	CNH10,300,048	9 October 2018	(3,992)
US\$1,025,961	CNH7,020,746	9 October 2018	(4,822)
US\$585,370	CNH3,983,160	9 October 2018	(6,035)
US\$853,478	CNH5,825,875	9 October 2018	(6,127)
US\$555,756	CNH3,776,299	9 October 2018	(6,508)
US\$895,899	CNH6,111,378	9 October 2018	(7,023)
A\$1,532	US\$1,104	10 October 2018	(4)
A\$1,524	US\$1,094	10 October 2018	(8)
A\$1,532	US\$1,100	10 October 2018	(8)
A\$149,770	US\$107,953	10 October 2018	(421)
A\$81,136	US\$58,267	10 October 2018	(443)
A\$123,731	US\$88,847	10 October 2018	(685)
A\$306,286	US\$220,783	10 October 2018	(845)
A\$165,067	US\$118,542	10 October 2018	(901)
A\$135,876	US\$96,986	10 October 2018	(1,334)
A\$302,375	US\$217,278	10 October 2018	(1,521)
A\$338,735	US\$243,472	10 October 2018	(1,636)
A\$1,172,938	US\$846,757	10 October 2018	(1,981)
A\$575,659	US\$413,954	10 October 2018	(2,593)
A\$374,815	US\$267,556	10 October 2018	(3,660)
A\$1,324,672	US\$954,771	10 October 2018	(3,762)
A\$770,114	US\$553,067	10 October 2018	(4,187)
A\$369,067	US\$262,782	10 October 2018	(4,276)
A\$4,754,181	US\$3,434,691	10 October 2018	(5,435)
A\$894,129	US\$634,574	10 October 2018	(12,417)
C\$1,446	US\$1,112	10 October 2018	(7)
C\$1,435	US\$1,103	10 October 2018	(8)
C\$1,434	US\$1,101	10 October 2018	(8)
C\$1,434	US\$1,098	10 October 2018	(12)
C\$560,065	US\$433,324	10 October 2018	(29)
C\$9,499	US\$7,220	10 October 2018	(130)
C\$12,474	US\$9,459	10 October 2018	(193)
C\$79,730	US\$61,315	10 October 2018	(376)
C\$44,725	US\$34,228	10 October 2018	(378)
C\$28,187	US\$21,400	10 October 2018	(410)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
C\$81,470	US\$62,532	10 October 2018	(506)
C\$53,043	US\$40,385	10 October 2018	(657)
C\$135,864	US\$104,235	10 October 2018	(890)
C\$163,351	US\$125,381	10 October 2018	(1,013)
C\$195,092	US\$149,814	10 October 2018	(1,140)
C\$224,333	US\$172,431	10 October 2018	(1,147)
C\$1,781,903	US\$1,375,852	10 October 2018	(2,903)
C\$213,980	US\$162,259	10 October 2018	(3,308)
C\$671,741	US\$516,128	10 October 2018	(3,635)
C\$780,512	US\$599,216	10 October 2018	(4,709)
C\$427,992	US\$325,377	10 October 2018	(5,783)
C\$401,219	US\$304,574	10 October 2018	(5,871)
C\$913,529	US\$693,259	10 October 2018	(13,588)
C\$110,337,601	US\$85,168,253	10 October 2018	(205,935)
CNH7,572	US\$1,101	10 October 2018	(1)
CNH7,572	US\$1,101	10 October 2018	(1)
CNH7,528	US\$1,092	10 October 2018	(3)
CNH110,000	US\$15,983	10 October 2018	(15)
CNH1,044,571	US\$151,864	10 October 2018	(54)
CNH721,380	US\$104,847	10 October 2018	(67)
CNH839,143	US\$121,963	10 October 2018	(78)
CNH732,018	US\$106,364	10 October 2018	(97)
CNH8,586,585	US\$1,248,353	10 October 2018	(442)
CNH1,513,410	US\$219,537	10 October 2018	(566)
CNH2,656,867	US\$385,244	10 October 2018	(1,159)
CNH3,423,927	US\$496,467	10 October 2018	(1,493)
CNH7,209,476	US\$1,045,817	10 October 2018	(2,696)
CNH619,704,698	US\$90,052,938	10 October 2018	(74,128)
CNH1,725,844,986	US\$250,792,696	10 October 2018	(206,444)
GBP5,192	US\$6,733	10 October 2018	(41)
GBP8,762	US\$11,257	10 October 2018	(173)
GBP149,893	US\$192,729	10 October 2018	(2,807)
NZ\$1,676	US\$1,104	10 October 2018	(8)
NZ\$1,691	US\$1,105	10 October 2018	(16)
NZ\$33,710	US\$22,248	10 October 2018	(101)
NZ\$12,869	US\$8,423	10 October 2018	(109)
NZ\$32,316	US\$21,288	10 October 2018	(138)
NZ\$28,998	US\$18,961	10 October 2018	(265)
NZ\$115,612	US\$76,354	10 October 2018	(297)
NZ\$94,208	US\$62,015	10 October 2018	(446)
NZ\$72,110	US\$47,317	10 October 2018	(492)
NZ\$113,354	US\$74,355	10 October 2018	(799)
NZ\$841,291	US\$556,080	10 October 2018	(1,696)
NZ\$295,938	US\$193,755	10 October 2018	(2,452)
NZ\$339,509	US\$220,861	10 October 2018	(4,233)
NZ\$636,543	US\$417,047	10 October 2018	(4,981)
US\$1,672	GBP1,270	10 October 2018	(15)
US\$1,763	CNH12,000	10 October 2018	(18)
US\$59,224	NZ\$89,279	10 October 2018	(32)
US\$46,443	CNH319,085	10 October 2018	(37)
US\$117,587	CNH808,259	10 October 2018	(37)
US\$5,749	GBP4,372	10 October 2018	(45)
US\$14,594	CNH100,000	10 October 2018	(50)
US\$72,775	CNH500,000	10 October 2018	(57)
US\$14,665	CNH100,394	10 October 2018	(64)
US\$47,345	CNH325,042	10 October 2018	(72)
US\$8,977	CNH61,000	10 October 2018	(106)
US\$43,742	CNH300,000	10 October 2018	(112)
US\$49,242	CNH337,721	10 October 2018	(126)
US\$87,395	CNH600,000	10 October 2018	(133)
US\$55,046	CNH377,468	10 October 2018	(148)
US\$47,489	CNH325,400	10 October 2018	(164)

# JPMORGAN ASIAN TOTAL RETURN BOND FUND

Annual report for the  
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Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$65,623	CNH450,000	10 October 2018	(177)
US\$14,724	NZ\$21,935	10 October 2018	(181)
US\$52,262	CNH358,021	10 October 2018	(193)
US\$53,858	CNH368,782	10 October 2018	(224)
US\$58,417	CNH400,000	10 October 2018	(243)
US\$59,221	NZ\$88,947	10 October 2018	(249)
US\$62,828	CNH430,102	10 October 2018	(276)
US\$48,287	CNH330,117	10 October 2018	(277)
US\$62,898	CNH430,000	10 October 2018	(361)
US\$46,158	CNH314,874	10 October 2018	(364)
US\$141,207	CNH967,667	10 October 2018	(474)
US\$32,193	A\$43,816	10 October 2018	(488)
US\$49,148	CNH334,435	10 October 2018	(509)
US\$66,882	NZ\$100,000	10 October 2018	(582)
US\$57,500	NZ\$85,812	10 October 2018	(607)
US\$109,312	A\$150,073	10 October 2018	(719)
US\$169,644	CNH1,161,045	10 October 2018	(787)
US\$186,943	A\$257,225	10 October 2018	(816)
US\$164,821	CNH1,125,041	10 October 2018	(1,200)
US\$81,161	A\$110,466	10 October 2018	(1,228)
US\$105,114	CNH714,256	10 October 2018	(1,236)
US\$128,300	A\$175,034	10 October 2018	(1,646)
US\$554,835	CNH3,802,173	10 October 2018	(1,864)
US\$624,701	A\$859,980	10 October 2018	(2,419)
US\$464,427	CNH3,170,104	10 October 2018	(3,381)
US\$486,166	NZ\$725,776	10 October 2018	(4,976)
US\$515,023	A\$700,465	10 October 2018	(8,167)
US\$39,224,089	NZ\$58,480,354	10 October 2018	(451,580)
US\$93,644,875	CNH636,773,913	10 October 2018	(1,035,414)
US\$118,462,797	A\$161,177,162	10 October 2018	(1,834,874)
US\$259,581,968	CNH1,765,126,234	10 October 2018	(2,870,149)
CNH300,000	US\$43,584	11 October 2018	(44)
CNH313,452	US\$45,539	11 October 2018	(46)
US\$91,952	CNH632,225	11 October 2018	(9)
US\$301,591	CNH2,073,626	11 October 2018	(29)
CNH345,396	US\$50,225	12 October 2018	(2)
CNH117,144	US\$17,000	5 November 2018	(8)
CNH1,557,986	US\$226,153	5 November 2018	(46)
CNH3,596,144	US\$521,862	5 November 2018	(250)
CNH11,803,003	US\$1,713,343	5 November 2018	(292)
CNH11,586,280	US\$1,677,988	5 November 2018	(4,182)
US\$1,268	CNH8,708	5 November 2018	(4)
US\$6,903	CNH47,518	5 November 2018	(5)
US\$5,119	CNH35,212	5 November 2018	(6)
US\$86,728	CNH597,307	5 November 2018	(7)
US\$224,471	CNH1,545,713	5 November 2018	(55)
US\$32,033	CNH220,000	5 November 2018	(92)
US\$336,459	CNH2,315,963	5 November 2018	(213)
US\$196,254	CNH1,349,596	5 November 2018	(312)
US\$82,452	CNH565,000	5 November 2018	(422)
US\$106,425	CNH729,710	5 November 2018	(482)
US\$1,097,378	CNH7,554,518	5 November 2018	(566)
US\$262,090	CNH1,798,099	5 November 2018	(1,033)
US\$323,017	CNH2,214,954	5 November 2018	(1,439)
US\$1,120,545	CNH7,694,697	5 November 2018	(3,386)
US\$2,752,115	CNH18,906,534	5 November 2018	(7,157)
US\$482,713,742	CNH3,316,581,310	5 November 2018	(1,193,550)
A\$46,244	US\$33,394	13 November 2018	(77)
C\$1,424	US\$1,099	13 November 2018	(4)
C\$1,427	US\$1,093	13 November 2018	(12)
C\$94,119	US\$72,857	13 November 2018	(25)
C\$82,896	US\$63,976	13 November 2018	(214)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
CNH7,568	US\$1,098	13 November 2018	(0)
CNH9,623	US\$1,396	13 November 2018	(0)
CNH956,986	US\$138,832	13 November 2018	(50)
CNH1,400,018	US\$203,128	13 November 2018	(50)
CNH1,174,158	US\$170,340	13 November 2018	(60)
CNH1,528,008	US\$221,672	13 November 2018	(80)
CNH2,225,848	US\$322,947	13 November 2018	(80)
NZ\$1,654	US\$1,097	13 November 2018	(0)
NZ\$376,313	US\$249,461	13 November 2018	(72)
US\$5,769	GBP4,379	13 November 2018	(47)
US\$48,013	CNH330,501	13 November 2018	(49)
US\$51,673	CNH354,997	13 November 2018	(154)
US\$51,682	CNH354,517	13 November 2018	(233)
US\$154,824	CNH1,064,876	13 November 2018	(284)
US\$64,895	NZ\$97,380	13 November 2018	(322)
US\$78,780	CNH540,550	13 November 2018	(333)
US\$198,080	A\$272,706	13 November 2018	(695)
US\$453,755	CNH3,120,914	13 November 2018	(834)
US\$188,088	CNH1,290,200	13 November 2018	(849)
US\$257,724	CNH1,769,540	13 November 2018	(921)
US\$416,918	A\$574,242	13 November 2018	(1,281)
US\$453,947	CNH3,116,808	13 November 2018	(1,623)
US\$479,137	NZ\$716,749	13 November 2018	(3,860)
US\$3,599,966	GBP2,732,740	13 November 2018	(29,311)
US\$37,671,156	NZ\$56,688,266	13 November 2018	(81,148)
US\$109,997,005	A\$151,821,360	13 November 2018	(108,667)
US\$20,085,884	IDR290,000,000,000	19 November 2018	(784,606)
US\$17,344,587	IDR246,085,000,000	19 November 2018	(968,511)
CNH134,589,176	US\$19,500,000	6 December 2018	(13,879)
KRW48,083,750,000	US\$43,295,291	6 December 2018	(148,356)
M\$24,906,000	US\$6,000,000	6 December 2018	(11,876)
S\$13,684,030	US\$10,000,000	6 December 2018	(29,339)
THB881,010,000	US\$27,000,000	6 December 2018	(300,363)
US\$10,596,540	INR772,911,612	6 December 2018	(52,157)
Total unrealized losses			(10,683,069)
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Net unrealized losses			(2,651,280)
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2017

## Open contracts:

A\$101,584	US\$80,681	3 October 2017	968
C\$465,371	US\$377,105	3 October 2017	5,017
NZ\$364,885	US\$265,144	3 October 2017	1,369
US\$1,420	NZ\$1,970	3 October 2017	4
A\$15,187	US\$11,955	4 October 2017	37
C\$21,026	US\$16,999	4 October 2017	186
US\$3,987	NZ\$5,519	4 October 2017	2
US\$3,980	NZ\$5,519	5 October 2017	9
A\$819,625	US\$644,338	6 October 2017	1,260
US\$540,487	NZ\$747,982	6 October 2017	229
US\$20,017	A\$25,553	6 October 2017	32
CNH4,464,613,147	US\$683,045,233	10 October 2017	11,664,739
CNH21,472,255	US\$3,284,784	10 October 2017	55,825
CNH19,260,638	US\$2,946,703	10 October 2017	50,322
CNH17,679,948	US\$2,701,926	10 October 2017	43,248
CNH10,619,004	US\$1,622,928	10 October 2017	26,061
CNH6,973,879	US\$1,068,808	10 October 2017	20,089
CNH8,894,558	US\$1,353,870	10 October 2017	16,322
CNH6,136,709	US\$938,816	10 October 2017	15,988

# JPMORGAN ASIAN TOTAL RETURN BOND FUND

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Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
CNH3,759,734	US\$578,738	10 October 2017	13,356
CNH5,994,787	US\$914,786	10 October 2017	13,301
CNH5,832,749	US\$890,360	10 October 2017	13,242
CNH12,002,086	US\$1,816,712	10 October 2017	11,860
CNH18,420,057	US\$2,778,726	10 October 2017	8,751
CNH8,099,832	US\$1,225,481	10 October 2017	7,442
CNH43,603,168	US\$6,559,215	10 October 2017	2,249
CNH9,456,384	US\$1,423,260	10 October 2017	1,226
CNH286,760	US\$43,824	10 October 2017	701
CNH392,500	US\$59,384	10 October 2017	361
CNH106,551	US\$16,284	10 October 2017	261
CNH18,609	US\$2,864	10 October 2017	66
CNH7,192	US\$1,107	10 October 2017	25
CNH9,072	US\$1,388	10 October 2017	24
CNH7,141	US\$1,094	10 October 2017	21
CNH19,328	US\$2,924	10 October 2017	18
CNH7,182	US\$1,096	10 October 2017	16
CNH7,259	US\$1,105	10 October 2017	13
US\$599,258,708	CNH4,026,938,220	10 October 2017	6,307,721
US\$20,477,892	CNH136,982,948	10 October 2017	121,409
US\$4,481,708	CNH30,087,714	10 October 2017	42,847
US\$3,444,758	CNH23,131,345	10 October 2017	33,706
US\$2,943,074	CNH19,777,060	10 October 2017	30,978
US\$3,694,046	CNH24,754,132	10 October 2017	28,448
US\$4,021,221	CNH26,908,850	10 October 2017	25,295
US\$3,202,032	CNH21,452,321	10 October 2017	23,940
US\$4,709,203	CNH31,474,607	10 October 2017	23,901
US\$2,316,192	CNH15,464,514	10 October 2017	9,338
US\$1,133,594	CNH7,600,098	10 October 2017	9,299
US\$1,751,517	CNH11,687,153	10 October 2017	5,978
US\$893,926	CNH5,981,215	10 October 2017	5,521
US\$3,506,548	CNH23,343,785	10 October 2017	3,850
US\$363,899	CNH2,422,348	10 October 2017	370
US\$6,852	CNH46,000	10 October 2017	66
US\$7,050	CNH47,170	10 October 2017	44
US\$278,669	C\$348,530	10 October 2017	21
US\$1,918	CNH12,881	10 October 2017	19
US\$1,754	CNH11,703	10 October 2017	6
US\$3,925	CNH26,126	11 October 2017	4
US\$1,560	CNH10,381	11 October 2017	1
A\$2,522,419	US\$2,032,671	24 October 2017	53,833
A\$1,307,878	US\$1,050,691	24 October 2017	24,661
A\$942,465	US\$760,204	24 October 2017	20,841
A\$551,108	US\$442,589	24 October 2017	10,245
A\$679,373	US\$542,668	24 October 2017	9,700
A\$890,050	US\$707,827	24 October 2017	9,582
A\$540,780	US\$433,443	24 October 2017	9,201
A\$451,852	US\$361,166	24 October 2017	6,688
A\$419,870	US\$335,838	24 October 2017	6,450
A\$413,648	US\$329,868	24 October 2017	5,360
A\$518,991	US\$412,222	24 October 2017	5,074
A\$379,732	US\$302,888	24 October 2017	4,988
A\$321,684	US\$256,421	24 October 2017	4,060
A\$354,670	US\$281,994	24 October 2017	3,756
A\$255,708	US\$202,824	24 October 2017	2,220
A\$102,227	US\$81,798	24 October 2017	1,601
A\$418,547	US\$328,553	24 October 2017	203
A\$63,984	US\$50,355	24 October 2017	159
A\$49,935	US\$39,250	24 October 2017	76
A\$1,413	US\$1,138	24 October 2017	30
A\$1,377	US\$1,106	24 October 2017	26
A\$1,383	US\$1,109	24 October 2017	24
A\$1,380	US\$1,104	24 October 2017	21

# JPMORGAN ASIAN TOTAL RETURN BOND FUND

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Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
A\$1,369	US\$1,094	24 October 2017	20
A\$1,374	US\$1,095	24 October 2017	17
A\$100,824	US\$79,108	24 October 2017	12
A\$1,385	US\$1,090	24 October 2017	3
C\$2,436,561	US\$1,998,700	24 October 2017	50,075
C\$1,383,626	US\$1,139,160	24 October 2017	32,613
C\$1,233,491	US\$1,013,529	24 October 2017	27,052
C\$4,125,693	US\$3,324,363	24 October 2017	24,864
C\$938,372	US\$763,874	24 October 2017	13,416
C\$594,402	US\$487,606	24 October 2017	12,236
C\$538,254	US\$440,329	24 October 2017	9,864
C\$382,918	US\$315,335	24 October 2017	9,098
C\$553,416	US\$448,607	24 October 2017	6,015
C\$481,265	US\$389,977	24 October 2017	5,088
C\$181,625	US\$149,605	24 October 2017	4,351
C\$247,661	US\$201,418	24 October 2017	3,353
C\$163,902	US\$134,212	24 October 2017	3,133
C\$469,979	US\$378,879	24 October 2017	3,016
C\$137,188	US\$112,007	24 October 2017	2,292
C\$260,865	US\$210,462	24 October 2017	1,836
C\$206,022	US\$166,338	24 October 2017	1,573
C\$125,837	US\$101,973	24 October 2017	1,335
C\$341,481	US\$274,225	24 October 2017	1,128
C\$175,122	US\$140,520	24 October 2017	467
C\$4,504	US\$3,651	24 October 2017	49
C\$1,346	US\$1,108	24 October 2017	32
C\$1,336	US\$1,100	24 October 2017	32
C\$1,341	US\$1,100	24 October 2017	28
C\$1,336	US\$1,096	24 October 2017	27
C\$1,344	US\$1,094	24 October 2017	19
C\$1,363	US\$1,102	24 October 2017	12
C\$1,358	US\$1,096	24 October 2017	10
C\$1,360	US\$1,092	24 October 2017	4
CNH480,715,725	US\$73,500,000	24 October 2017	1,271,659
CNH241,155,500	US\$36,500,000	24 October 2017	265,983
CNH184,982,000	US\$28,000,000	24 October 2017	206,145
CNH10,789,618	US\$1,659,585	24 October 2017	38,427
CNH15,483,555	US\$2,360,912	24 October 2017	34,482
CNH9,123,023	US\$1,391,464	24 October 2017	20,714
CNH8,411,464	US\$1,284,409	24 October 2017	20,572
CNH6,167,167	US\$942,743	24 October 2017	16,115
CNH8,384,105	US\$1,275,452	24 October 2017	15,726
CNH6,233,373	US\$952,084	24 October 2017	15,509
CNH8,814,643	US\$1,338,711	24 October 2017	14,296
CNH5,991,291	US\$913,577	24 October 2017	13,375
CNH7,999,588	US\$1,215,186	24 October 2017	13,235
CNH5,828,448	US\$888,074	24 October 2017	12,340
CNH6,876,860	US\$1,043,800	24 October 2017	10,541
CNH3,875,905	US\$592,772	24 October 2017	10,411
CNH6,554,089	US\$993,510	24 October 2017	8,747
CNH2,723,342	US\$417,058	24 October 2017	7,871
CNH5,056,611	US\$766,257	24 October 2017	6,493
CNH9,121,451	US\$1,376,573	24 October 2017	6,059
CNH2,419,090	US\$368,594	24 October 2017	5,122
CNH1,331,834	US\$204,854	24 October 2017	4,743
CNH1,741,808	US\$266,261	24 October 2017	4,552
CNH1,713,524	US\$261,651	24 October 2017	4,191
CNH1,637,799	US\$249,801	24 October 2017	3,719
CNH1,444,001	US\$220,556	24 October 2017	3,593
CNH1,584,047	US\$240,977	24 October 2017	2,971
CNH1,233,398	US\$188,067	24 October 2017	2,747
CNH1,281,442	US\$194,617	24 October 2017	2,078
CNH6,591,631	US\$991,851	24 October 2017	1,448

# JPMORGAN ASIAN TOTAL RETURN BOND FUND

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Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
CNH1,383,633	US\$208,812	24 October 2017	919
CNH9,500,583	US\$1,428,284	24 October 2017	805
CNH453,447	US\$68,826	24 October 2017	695
CNH3,425,911	US\$515,365	24 October 2017	616
CNH254,773	US\$38,702	24 October 2017	421
CNH2,153,708	US\$323,986	24 October 2017	387
CNH132,972	US\$20,364	24 October 2017	384
CNH3,880,540	US\$583,435	24 October 2017	378
CNH1,673,482	US\$251,811	24 October 2017	368
CNH148,817	US\$22,692	24 October 2017	332
CNH4,683,559	US\$703,966	24 October 2017	254
CNH183,923	US\$27,871	24 October 2017	236
CNH2,378,288	US\$357,543	24 October 2017	202
CNH65,229	US\$9,888	24 October 2017	87
CNH18,624	US\$2,852	24 October 2017	54
CNH565,118	US\$84,941	24 October 2017	31
CNH303,641	US\$45,652	24 October 2017	30
CNH7,313	US\$1,125	24 October 2017	26
CNH7,192	US\$1,106	24 October 2017	26
CNH7,141	US\$1,094	24 October 2017	21
CNH7,218	US\$1,103	24 October 2017	19
CNH7,199	US\$1,099	24 October 2017	18
CNH7,915	US\$1,207	24 October 2017	18
CNH7,182	US\$1,095	24 October 2017	16
CNH7,198	US\$1,098	24 October 2017	16
CNH7,216	US\$1,099	24 October 2017	15
CNH7,244	US\$1,100	24 October 2017	12
CNH7,245	US\$1,101	24 October 2017	12
CNH7,244	US\$1,100	24 October 2017	12
CNH7,206	US\$1,094	24 October 2017	11
CNH7,233	US\$1,096	24 October 2017	10
CNH7,226	US\$1,095	24 October 2017	9
CNH7,231	US\$1,091	24 October 2017	5
CNH39,569	US\$5,950	24 October 2017	4
CNH53,608	US\$8,058	24 October 2017	3
CNH12,010	US\$1,806	24 October 2017	1
CNH14,215	US\$2,137	24 October 2017	1
GBP338,522	US\$459,413	24 October 2017	4,914
GBP191,800	US\$258,916	24 October 2017	1,406
GBP2,150	US\$2,920	24 October 2017	33
IDR126,875,000,000	US\$9,423,977	24 October 2017	15,082
INR5,161,463,500	US\$79,388,810	24 October 2017	604,560
NZ\$5,083,535,000	US\$45,399,366	24 October 2017	196,316
NZ\$531,842	US\$385,863	24 October 2017	1,554
NZ\$227,355	US\$165,784	24 October 2017	1,497
NZ\$449,991	US\$326,656	24 October 2017	1,493
NZ\$289,906	US\$210,937	24 October 2017	1,452
NZ\$118,148	US\$86,642	24 October 2017	1,268
NZ\$302,765	US\$219,788	24 October 2017	1,010
NZ\$117,083	US\$85,597	24 October 2017	993
NZ\$49,076	US\$36,239	24 October 2017	777
NZ\$83,170	US\$60,413	24 October 2017	314
NZ\$35,524	US\$25,976	24 October 2017	306
NZ\$190,735	US\$137,909	24 October 2017	84
NZ\$183,274	US\$132,465	24 October 2017	30
NZ\$5,846	US\$4,237	24 October 2017	13
NZ\$1,515	US\$1,108	24 October 2017	13
NZ\$1,489	US\$1,088	24 October 2017	13
NZ\$1,507	US\$1,094	24 October 2017	5
NZ\$1,522	US\$1,104	24 October 2017	4
NZ\$1,524	US\$1,101	24 October 2017	0
US\$5,987,373	GBP4,551,125	24 October 2017	122,880

# JPMORGAN ASIAN TOTAL RETURN BOND FUND

Annual report for the  
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Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$262,728	NZ\$366,402	24 October 2017	2,035
US\$846,190	NZ\$1,173,000	24 October 2017	1,420
US\$287,086	NZ\$398,567	24 October 2017	919
US\$812,661	CNH5,414,443	24 October 2017	870
US\$258,711	NZ\$358,950	24 October 2017	666
US\$279,439	NZ\$387,548	24 October 2017	604
US\$61,140	NZ\$85,209	24 October 2017	432
US\$355,942	CNH2,371,500	24 October 2017	381
US\$476,073	NZ\$659,177	24 October 2017	249
US\$10,144	GBP7,730	24 October 2017	234
US\$956,556	C\$1,196,216	24 October 2017	111
US\$91,739	NZ\$127,053	24 October 2017	69
US\$2,143	GBP1,624	24 October 2017	37
KRW14,791,400,000	US\$12,997,373	25 October 2017	78,282
CNH13,693,595	US\$2,090,072	8 November 2017	34,502
CNH10,732,233	US\$1,631,333	8 November 2017	20,298
CNH6,742,499	US\$1,027,194	8 November 2017	15,065
CNH6,872,684	US\$1,046,298	8 November 2017	14,627
CNH10,248,930	US\$1,552,050	8 November 2017	13,564
CNH6,424,017	US\$974,996	8 November 2017	10,675
CNH8,208,614	US\$1,242,746	8 November 2017	10,536
CNH5,869,802	US\$890,523	8 November 2017	9,396
CNH4,264,809	US\$646,740	8 November 2017	6,542
CNH12,758,514	US\$1,917,671	8 November 2017	2,467
CNH1,474,072	US\$222,284	8 November 2017	1,009
CNH257,542	US\$38,991	8 November 2017	331
CNH7,205	US\$1,100	8 November 2017	18
CNH7,198	US\$1,097	8 November 2017	16
CNH7,198	US\$1,097	8 November 2017	16
CNH7,198	US\$1,094	8 November 2017	14
CNH7,206	US\$1,093	8 November 2017	11
CNH7,233	US\$1,095	8 November 2017	10
CNH28,821	US\$4,332	8 November 2017	6
CNH7,231	US\$1,090	8 November 2017	5
A\$394,799	US\$316,691	21 November 2017	7,090
A\$2,750	US\$2,206	21 November 2017	49
C\$2,842	US\$2,342	21 November 2017	68
NZ\$156,008	US\$113,062	21 November 2017	393
Total unrealized gains			22,278,623
			-----
NZ\$85,209	US\$61,165	3 October 2017	(432)
US\$1,102	C\$1,363	3 October 2017	(12)
US\$50,368	A\$63,984	3 October 2017	(160)
US\$166,307	C\$206,022	3 October 2017	(1,582)
NZ\$358,950	US\$258,811	4 October 2017	(674)
US\$1,091	C\$1,360	4 October 2017	(4)
US\$39,259	A\$49,935	4 October 2017	(75)
C\$1,196,216	US\$956,422	6 October 2017	(92)
NZ\$387,548	US\$279,537	6 October 2017	(621)
US\$79,124	A\$100,824	6 October 2017	(17)
US\$140,502	C\$175,122	6 October 2017	(471)
CNH7,327	US\$1,100	10 October 2017	(1)
CNH7,341	US\$1,099	10 October 2017	(4)
CNH7,348	US\$1,099	10 October 2017	(6)
CNH7,353	US\$1,099	10 October 2017	(7)
CNH7,353	US\$1,099	10 October 2017	(7)
CNH7,355	US\$1,096	10 October 2017	(11)
CNH34,199	US\$5,122	10 October 2017	(21)
CNH227,175	US\$34,041	10 October 2017	(121)
CNH124,191	US\$18,536	10 October 2017	(139)



# JPMORGAN ASIAN TOTAL RETURN BOND FUND

Annual report for the  
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Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
CNH117,255	US\$17,461	10 October 2017	(172)
CNH7,536,629	US\$1,131,918	10 October 2017	(1,426)
CNH1,656,394	US\$247,524	10 October 2017	(1,562)
CNH2,735,123	US\$409,633	10 October 2017	(1,670)
CNH4,219,827	US\$632,324	10 October 2017	(2,246)
CNH3,203,808	US\$479,353	10 October 2017	(2,430)
CNH5,377,188	US\$803,771	10 October 2017	(4,841)
CNH4,620,261	US\$689,608	10 October 2017	(5,179)
CNH4,965,128	US\$740,905	10 October 2017	(5,742)
CNH9,709,139	US\$1,445,819	10 October 2017	(14,224)
CNH12,305,600	US\$1,832,873	10 October 2017	(17,621)
US\$1,808	CNH12,010	10 October 2017	(2)
US\$5,956	CNH39,569	10 October 2017	(5)
US\$655	CNH4,303	10 October 2017	(8)
US\$2,607	CNH17,219	10 October 2017	(17)
US\$85,011	CNH565,118	10 October 2017	(29)
US\$7,419	CNH49,056	10 October 2017	(42)
US\$4,727	CNH31,074	10 October 2017	(54)
US\$4,177	CNH27,373	10 October 2017	(61)
US\$5,168	CNH33,949	10 October 2017	(62)
US\$4,340	CNH28,434	10 October 2017	(65)
US\$5,152	CNH33,713	10 October 2017	(82)
US\$30,261	CNH200,003	10 October 2017	(185)
US\$16,262	CNH106,551	10 October 2017	(239)
US\$704,549	CNH4,683,559	10 October 2017	(244)
US\$1,706,825	CNH11,285,310	10 October 2017	(9,764)
US\$1,627,760	CNH10,752,935	10 October 2017	(10,758)
US\$3,438,872	CNH22,794,360	10 October 2017	(11,102)
US\$2,363,901	CNH15,623,623	10 October 2017	(14,455)
US\$1,264,442	CNH8,311,964	10 October 2017	(14,510)
US\$1,084,587	CNH7,046,371	10 October 2017	(24,977)
US\$4,881,456	CNH32,263,243	10 October 2017	(29,781)
US\$2,025,552	CNH13,255,222	10 October 2017	(32,269)
US\$2,506,519	CNH16,423,319	10 October 2017	(36,826)
US\$2,786,022	CNH18,210,553	10 October 2017	(47,572)
US\$3,655,057	CNH23,952,303	10 October 2017	(53,176)
US\$2,646,986	CNH17,196,613	10 October 2017	(61,016)
US\$5,723,183	CNH37,598,064	10 October 2017	(69,284)
US\$4,069,829	CNH26,549,698	10 October 2017	(77,366)
US\$2,138	CNH14,215	12 October 2017	(1)
US\$8,063	CNH53,608	12 October 2017	(3)
A\$25,553	US\$20,013	24 October 2017	(33)
A\$551,205	US\$432,207	24 October 2017	(213)
A\$40,000,000	US\$31,198,000	24 October 2017	(182,000)
C\$348,530	US\$278,701	24 October 2017	(34)
CNH10,381	US\$1,558	24 October 2017	(2)
CNH26,126	US\$3,921	24 October 2017	(4)
CNH49,154	US\$7,377	24 October 2017	(9)
CNH58,910,368	US\$8,840,755	24 October 2017	(10,627)
GBP6,672	US\$8,957	24 October 2017	(1)
GBP6,246	US\$8,374	24 October 2017	(12)
GBP11,803	US\$15,316	24 October 2017	(531)
NZ\$5,519	US\$3,985	24 October 2017	(2)
NZ\$1,970	US\$1,419	24 October 2017	(4)
NZ\$1,534	US\$1,100	24 October 2017	(9)
NZ\$5,519	US\$3,979	24 October 2017	(9)
NZ\$113,672	US\$81,968	24 October 2017	(172)
NZ\$747,982	US\$540,293	24 October 2017	(198)
NZ\$155,380	US\$111,917	24 October 2017	(361)
NZ\$142,067	US\$102,270	24 October 2017	(388)
NZ\$266,557	US\$191,145	24 October 2017	(1,470)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
NZ\$1,165,799	US\$835,881	24 October 2017	(6,525)
NZ\$38,000,000	US\$27,371,248	24 October 2017	(87,552)
S\$27,780,800	US\$20,303,224	24 October 2017	(159,946)
US\$2,041	CNH13,414	24 October 2017	(25)
US\$11,952	A\$15,187	24 October 2017	(37)
US\$8,731	NZ\$12,000	24 October 2017	(59)
US\$397,868	CNH2,647,000	24 October 2017	(152)
US\$402,057	CNH2,674,868	24 October 2017	(153)
US\$17,001	C\$21,026	24 October 2017	(186)
US\$11,248	C\$13,750	24 October 2017	(252)
US\$396,765	CNH2,638,882	24 October 2017	(269)
US\$32,268	A\$40,686	24 October 2017	(350)
US\$314,772	CNH2,092,386	24 October 2017	(388)
US\$737,835	CNH4,907,335	24 October 2017	(501)
US\$20,939	C\$25,435	24 October 2017	(597)
US\$231,296	NZ\$319,124	24 October 2017	(697)
US\$594,936	CNH3,954,717	24 October 2017	(734)
US\$32,811	C\$40,000	24 October 2017	(821)
US\$227,700	NZ\$313,852	24 October 2017	(911)
US\$80,661	A\$101,584	24 October 2017	(968)
US\$88,859	NZ\$121,520	24 October 2017	(1,049)
US\$644,202	A\$819,625	24 October 2017	(1,206)
US\$265,033	NZ\$364,885	24 October 2017	(1,368)
US\$164,282	CNH1,083,700	24 October 2017	(1,456)
US\$357,153	NZ\$492,010	24 October 2017	(1,627)
US\$381,097	NZ\$525,020	24 October 2017	(1,718)
US\$217,221	GBP160,453	24 October 2017	(1,796)
US\$257,884	C\$320,038	24 October 2017	(1,935)
US\$238,849	CNH1,573,500	24 October 2017	(2,431)
US\$85,479	C\$103,781	24 October 2017	(2,480)
US\$88,752	C\$107,800	24 October 2017	(2,539)
US\$161,148	C\$198,151	24 October 2017	(2,678)
US\$145,323	A\$181,707	24 October 2017	(2,775)
US\$171,920	A\$215,545	24 October 2017	(2,826)
US\$636,571	CNH4,217,605	24 October 2017	(2,872)
US\$178,463	C\$219,240	24 October 2017	(3,126)
US\$702,341	CNH4,653,367	24 October 2017	(3,169)
US\$381,891	CNH2,519,795	24 October 2017	(3,292)
US\$371,089	NZ\$508,906	24 October 2017	(3,355)
US\$247,224	CNH1,621,226	24 October 2017	(3,637)
US\$207,876	CNH1,354,805	24 October 2017	(4,320)
US\$193,947	C\$236,879	24 October 2017	(4,504)
US\$222,815	C\$272,921	24 October 2017	(4,547)
US\$358,807	C\$442,751	24 October 2017	(4,718)
US\$377,166	C\$465,371	24 October 2017	(4,987)
US\$458,235	CNH3,016,550	24 October 2017	(4,999)
US\$599,341	CNH3,954,575	24 October 2017	(5,167)
US\$186,192	C\$226,194	24 October 2017	(5,294)
US\$326,149	CNH2,135,128	24 October 2017	(5,349)
US\$616,896	CNH4,069,408	24 October 2017	(5,468)
US\$240,052	A\$298,917	24 October 2017	(5,552)
US\$404,245	CNH2,652,790	24 October 2017	(5,666)
US\$478,209	CNH3,143,100	24 October 2017	(5,960)
US\$567,117	CNH3,733,818	24 October 2017	(6,112)
US\$641,045	CNH4,223,108	24 October 2017	(6,524)
US\$356,897	A\$446,529	24 October 2017	(6,596)
US\$284,317	A\$353,741	24 October 2017	(6,809)
US\$682,425	CNH4,492,988	24 October 2017	(7,355)
US\$489,538	A\$614,392	24 October 2017	(7,549)
US\$698,524	NZ\$955,513	24 October 2017	(8,074)
US\$484,792	CNH3,170,923	24 October 2017	(8,366)
US\$649,087	C\$801,023	24 October 2017	(8,472)

# JPMORGAN ASIAN TOTAL RETURN BOND FUND

Annual report for the  
year ended 30 September 2018

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$688,478	CNH4,525,124	24 October 2017	(8,581)
US\$369,424	A\$459,923	24 October 2017	(8,616)
US\$681,219	CNH4,470,385	24 October 2017	(9,549)
US\$881,643	CNH5,803,839	24 October 2017	(9,619)
US\$695,894	CNH4,563,531	24 October 2017	(10,228)
US\$714,018	NZ\$973,713	24 October 2017	(10,417)
US\$432,934	C\$527,784	24 October 2017	(10,840)
US\$823,504	A\$1,035,875	24 October 2017	(10,862)
US\$527,455	NZ\$714,266	24 October 2017	(11,331)
US\$857,315	CNH5,622,023	24 October 2017	(12,612)
US\$480,315	A\$596,086	24 October 2017	(12,688)
US\$585,193	CNH3,804,000	24 October 2017	(13,653)
US\$900,197	A\$1,128,860	24 October 2017	(14,609)
US\$763,945	CNH4,965,965	24 October 2017	(17,823)
US\$1,300,847	CNH8,527,867	24 October 2017	(19,545)
US\$955,210	CNH6,225,454	24 October 2017	(19,850)
US\$1,135,329	A\$1,419,268	24 October 2017	(21,918)
US\$1,228,275	CNH8,019,600	24 October 2017	(23,346)
US\$1,454,184	CNH9,522,000	24 October 2017	(23,517)
US\$1,361,918	CNH8,907,849	24 October 2017	(23,528)
US\$1,333,333	A\$1,669,323	24 October 2017	(23,754)
US\$1,564,862	CNH10,246,720	24 October 2017	(25,307)
US\$1,533,330	CNH10,029,000	24 October 2017	(26,490)
US\$1,006,300	A\$1,247,689	24 October 2017	(27,493)
US\$1,903,038	CNH12,475,606	24 October 2017	(28,593)
US\$2,040,474	CNH13,381,022	24 October 2017	(29,991)
US\$1,946,603	CNH12,732,319	24 October 2017	(33,594)
US\$1,966,345	CNH12,838,575	24 October 2017	(37,375)
US\$2,022,502	A\$2,523,352	24 October 2017	(42,941)
US\$24,124,514	INR1,550,000,000	24 October 2017	(466,794)
US\$54,176,404	NZ\$74,306,881	24 October 2017	(482,452)
US\$34,393,276	CNH225,155,237	24 October 2017	(564,042)
US\$137,045,188	CNH887,999,368	24 October 2017	(3,626,403)
US\$121,522,291	C\$147,057,527	24 October 2017	(3,913,123)
US\$176,423,768	A\$217,973,696	24 October 2017	(5,424,442)
US\$564,119,405	CNH3,655,273,737	24 October 2017	(14,927,369)
IDR365,715,000,000	US\$27,000,000	2 November 2017	(107,554)
CNH30,966	US\$4,640	8 November 2017	(9)
CNH2,422,348	US\$363,199	8 November 2017	(424)
US\$1,292	CNH8,511	8 November 2017	(14)
US\$15,283	CNH101,685	8 November 2017	(18)
US\$1,480	CNH9,720	8 November 2017	(21)
US\$1,698	CNH11,153	8 November 2017	(24)
US\$10,382	CNH68,041	8 November 2017	(169)
US\$16,258	CNH106,551	8 November 2017	(264)
US\$1,420,232	CNH9,456,384	8 November 2017	(719)
US\$1,189,294	CNH7,913,158	8 November 2017	(1,439)
US\$6,548,099	CNH43,603,168	8 November 2017	(2,753)
US\$1,672,130	CNH11,089,123	8 November 2017	(7,538)
US\$1,197,848	CNH7,911,920	8 November 2017	(10,198)
US\$1,111,776	CNH7,325,390	8 November 2017	(12,175)
US\$2,085,943	CNH13,773,902	8 November 2017	(18,358)
US\$1,522,658	CNH10,017,545	8 November 2017	(18,948)
US\$1,373,135	CNH8,998,768	8 November 2017	(22,363)
US\$2,558,377	CNH16,870,750	8 November 2017	(25,935)
US\$1,620,300	CNH10,619,004	8 November 2017	(26,320)
US\$2,720,714	CNH17,930,884	8 November 2017	(29,140)
US\$2,282,877	CNH14,995,064	8 November 2017	(32,011)
US\$2,942,646	CNH19,260,638	8 November 2017	(51,510)
US\$3,496,611	CNH22,950,597	8 November 2017	(51,568)
US\$3,593,402	CNH23,543,140	8 November 2017	(59,428)
US\$682,104,987	CNH4,464,613,147	8 November 2017	(11,939,980)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$147,282	NZ\$203,025	21 November 2017	(658)
US\$515,199	NZ\$710,921	21 November 2017	(1,773)
US\$220,448	C\$267,148	21 November 2017	(6,761)
US\$315,619	C\$383,082	21 November 2017	(9,200)
US\$439,365	A\$547,123	21 November 2017	(10,317)
US\$769,492	A\$959,392	21 November 2017	(17,147)
IDR527,708,200,000	US\$38,654,278	8 January 2018	(169,999)
US\$28,180,657	IDR375,000,000,000	8 January 2018	(596,759)
Total unrealized losses			(44,397,239)

Closed but not yet settled contracts:

THB100,000,000	US\$2,966,215	24 October 2017	
US\$3,010,597	THB100,000,000	24 October 2017	(44,383)
THB281,750,700	US\$8,357,331	24 October 2017	
US\$8,483,912	THB281,750,700	24 October 2017	(126,580)
MYR90,510,000	US\$21,053,734	25 October 2017	
US\$21,550,000	MYR90,510,000	25 October 2017	(496,266)
Total unrealized losses			(45,064,468)
Net unrealized losses			(22,785,845)

(b) Open futures contracts as at 30 September were as follows:

	No. of contracts long/(short)	Contract value US\$	Settlement date	Unrealized gains/(losses) US\$
<u>2018</u>				
US 10 Years Note (CBT) Futures	(300)	(36,067,969)	December 2018	433,594
US 2 Years Note (CBT) Futures	(1,050)	(221,838,281)	December 2018	567,188
				1,000,782
<u>2017</u>				
US 10 Years Note (CBT) Futures	(2,344)	(296,717,438)	December 2017	2,984,938
US 5 Years Note (CBT) Futures	(1,000)	(118,281,250)	December 2017	781,250
				3,766,188

### 13 Other income

The Fund received US\$1,673 (2017: US\$169,079) from the Manager as compensation for valuation and/or other operational error(s).

**Independent Auditor's Report**

To the Unitholders of JPMorgan Asian Total Return Bond Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Asian Total Return Bond Fund set out on pages 100 to 137, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 30 November 2004, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Asian Total Return Bond Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 30 November 2004, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund	Net asset value per unit
30/9/18		
- AUD Hedged Class (mth)	A\$151,437,984	A\$8.61
- CAD Hedged Class (mth)	C\$109,956,213	C\$8.66
- GBP Hedged Class (mth)	GBP2,722,720	GBP9.06
- HKD Class (mth)	HK\$2,370,395,595	HK\$9.22
- NZD Hedged Class (mth)	NZ\$56,146,414	NZ\$8.55
- RMB Hedged Class (acc)	CNY18,776,312	CNY12.13
- RMB Hedged Class (mth)	CNY3,249,538,350	CNY8.84
- USD Class (acc)	US\$1,974,794	US\$11.98
- USD Class (mth)	US\$371,634,095	US\$10.51
- PRC RMB Hedged Class (acc)	CNY1,721,353,017	CNY11.52
- PRC RMB Hedged Class (mth)	CNY611,206,738	CNY9.55
- PRC USD Class (acc)	US\$494,672,657	US\$10.70
- PRC USD Class (mth)	US\$22,623,212	US\$9.58
30/9/17		
- AUD Hedged Class (mth)	A\$219,559,065	A\$9.09
- CAD Hedged Class (mth)	C\$137,199,992	C\$9.13
- GBP Hedged Class (mth)	GBP4,157,347	GBP9.55
- HKD Class (mth)	HK\$4,487,647,800	HK\$9.70
- NZD Hedged Class (mth)	NZ\$78,391,549	NZ\$9.02
- RMB Hedged Class (acc)	CNY19,181,758	CNY12.07
- RMB Hedged Class (mth)	CNY4,570,432,055	CNY9.32
- USD Class (acc)	US\$14,067,443	US\$12.13
- USD Class (mth)	US\$803,248,157	US\$11.08
- PRC RMB Hedged Class (acc)	CNY3,796,281,190	CNY11.48
- PRC RMB Hedged Class (mth)	CNY948,303,236	CNY10.07
- PRC USD Class (acc)	US\$640,043,722	US\$10.84
- PRC USD Class (mth)	US\$29,438,715	US\$10.10
30/9/16		
- AUD Hedged Class (mth)	A\$321,280,527	A\$9.28
- CAD Hedged Class (mth)	C\$179,196,989	C\$9.32
- GBP Hedged Class (mth)	GBP6,555,386	GBP9.74
- HKD Class (mth)	HK\$4,722,528,266	HK\$9.82
- NZD Hedged Class (mth)	NZ\$92,826,121	NZ\$9.21
- RMB Hedged Class (acc)	CNY21,105,857	CNY11.45
- RMB Hedged Class (mth)	CNY5,166,107,748	CNY9.57
- USD Class (acc)	US\$26,539,869	US\$11.88
- USD Class (mth)	US\$919,519,116	US\$11.29
- PRC RMB Hedged Class (acc)	CNY3,763,109,762	CNY10.88
- PRC RMB Hedged Class (mth)	CNY799,689,319	CNY10.32
- PRC USD Class (acc)	US\$432,075,847	US\$10.61
- PRC USD Class (mth)	US\$18,403,254	US\$10.29

## Performance Record – Unaudited (continued)

(Continued)

## Highest Offer/Lowest Bid Prices

Financial period ended	Highest offer	Lowest bid	Financial period ended	Highest offer	Lowest bid
30/9/18			30/9/14		
- AUD Hedged Class (mth)	A\$9.14	A\$8.54	- AUD Hedged Class (mth)	A\$10.05	A\$9.41
- CAD Hedged Class (mth)	C\$9.18	C\$8.58	- CAD Hedged Class (mth)	C\$10.06	C\$9.42
- GBP Hedged Class (mth)	GBP9.59	GBP8.97	- HKD Class (mth)	HK\$10.54	HK\$9.89
- HKD Class (mth)	HK\$9.76	HK\$9.17	- NZD Hedged Class (mth)	NZ\$10.00	NZ\$9.36
- NZD Hedged Class (mth)	NZ\$9.07	NZ\$8.47	- RMB Hedged Class (acc)	CNY10.49	CNY10.01
- RMB Hedged Class (acc)	CNY12.32	CNY11.88	- RMB Hedged Class (mth)	CNY10.41	CNY9.91
- RMB Hedged Class (mth)	CNY9.38	CNY8.78	- USD Class (acc)	US\$11.61	US\$10.53
- USD Class (acc)	US\$12.30	US\$11.75	- USD Class (mth)	US\$12.13	US\$11.36
- USD Class (mth)	US\$11.13	US\$10.42			
- PRC RMB Hedged Class (acc)	CNY11.72	CNY11.30	30/9/13		
- PRC RMB Hedged Class (mth)	CNY10.14	CNY9.48	- AUD Hedged Class (mth)	A\$10.46	A\$9.29
- PRC USD Class (acc)	US\$10.99	US\$10.49	- CAD Hedged Class (mth)	C\$10.46	C\$9.29
- PRC USD Class (mth)	US\$10.15	US\$9.49	- HKD Class (mth)	HK\$10.94	HK\$9.73
			- NZD Hedged Class (mth)	NZ\$10.42	NZ\$9.24
30/9/17			- USD Class (acc)	US\$11.40	US\$10.28
- AUD Hedged Class (mth)	A\$9.56	A\$8.99	- USD Class (mth)	US\$12.58	US\$11.19
- CAD Hedged Class (mth)	C\$9.60	C\$9.03			
- GBP Hedged Class (mth)	GBP10.04	GBP9.43	30/9/12		
- HKD Class (mth)	HK\$10.12	HK\$9.51	- HKD Class (mth)	HK\$10.68	HK\$9.91
- NZD Hedged Class (mth)	NZ\$9.50	NZ\$8.93	- USD Class (acc)	US\$10.87	US\$9.97
- RMB Hedged Class (acc)	CNY12.11	CNY11.20	- USD Class (mth)	US\$12.29	US\$10.48
- RMB Hedged Class (mth)	CNY9.86	CNY9.20			
- USD Class (acc)	US\$12.24	US\$11.60	30/9/11		
- USD Class (mth)	US\$11.63	US\$10.95	- USD Class (mth)	US\$11.96	US\$10.68
- PRC RMB Hedged Class (acc)	CNY11.51	CNY10.63			
- PRC RMB Hedged Class (mth)	CNY10.42	CNY9.92	30/9/10		
- PRC USD Class (acc)	US\$10.88	US\$10.36	- USD Class (mth)	US\$11.78	US\$10.45
- PRC USD Class (mth)	US\$10.38	US\$9.98			
			30/9/09		
30/9/16			- USD Class (mth)	US\$10.82	US\$7.98
- AUD Hedged Class (mth)	A\$9.65	A\$9.01			
- CAD Hedged Class (mth)	C\$9.68	C\$9.03			
- GBP Hedged Class (mth)	GBP10.11	GBP9.41			
- HKD Class (mth)	HK\$10.20	HK\$9.53			
- NZD Hedged Class (mth)	NZ\$9.58	NZ\$8.94			
- RMB Hedged Class (acc)	CNY11.82	CNY10.36			
- RMB Hedged Class (mth)	CNY9.95	CNY9.26			
- USD Class (acc)	US\$12.29	US\$11.09			
- USD Class (mth)	US\$11.73	US\$10.93			
- PRC RMB Hedged Class (acc)	CNY11.00	CNY10.02			
- PRC RMB Hedged Class (mth)	CNY10.53	CNY10.00			
- PRC USD Class (acc)	US\$10.77	US\$9.96			
- PRC USD Class (mth)	US\$10.49	US\$9.96			
30/9/15					
- AUD Hedged Class (mth)	A\$9.97	A\$9.05			
- CAD Hedged Class (mth)	C\$9.95	C\$9.07			
- GBP Hedged Class (mth)	GBP10.35	GBP9.45			
- HKD Class (mth)	HK\$10.46	HK\$9.53			
- NZD Hedged Class (mth)	NZ\$9.90	NZ\$8.98			
- RMB Hedged Class (acc)	CNY10.92	CNY10.12			
- RMB Hedged Class (mth)	CNY10.32	CNY9.32			
- USD Class (acc)	US\$11.83	US\$11.06			
- USD Class (mth)	US\$12.04	US\$10.97			



**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Sub-Manager**

JPMorgan Asset Management  
(UK) Limited  
60 Victoria Embankment  
London  
EC4Y 0JP  
United Kingdom

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

	Place of establishment	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments</b> (99.2%)				
<b>Collective Investment Schemes</b> (99.2%)				
<b>Australia</b> (1.2%)				
JPM Australia Fund (acc)-USD **	Hong Kong	9,708	387,457	1.2
<b>China</b> (5.1%)				
JPMF-JPM China Fd 'A' (dist)-USD *	Luxembourg	20,554	1,228,503	3.7
JPMF-JPM Greater China'A'(dist)-USD *	Luxembourg	12,171	490,114	1.4
<b>Hong Kong</b> (14.2%)				
JPMF-JPM Hong Kong 'A' (dist)-USD *	Luxembourg	79,878	4,725,582	14.2
<b>India</b> (7.2%)				
JPM India Fd (acc)-USD *	Mauritius	9,575	2,407,652	7.2
<b>Indonesia</b> (9.3%)				
JPM Indonesia Fd-USD (acc) **	Hong Kong	120,164	3,120,649	9.3
<b>Japan</b> (22.1%)				
JPM Japan (Yen)(acc)-JPY **	Hong Kong	20,509	7,396,987	22.1
<b>Korea</b> (17.1%)				
JPM Korea Fd (acc)-USD **	Hong Kong	93,477	5,698,342	17.1
<b>Philippines</b> (2.9%)				
JPM Philippine Fund-USD (acc) **	Hong Kong	9,232	964,190	2.9
<b>Singapore</b> (4.6%)				
JPMF-JPM Singapore 'A' (dist)-USD *	Luxembourg	45,924	1,533,851	4.6
<b>South East Asia</b> (5.6%)				
JPM Eastern Smaller Cos (acc)-USD **	Hong Kong	9,223	1,858,016	5.6
<b>Taiwan</b> (7.4%)				
JPMF-JPM Taiwan 'A' (dist)-USD *	Luxembourg	142,434	2,481,196	7.4
<b>Thailand</b> (2.5%)				
JPM Thailand Fd (acc)-USD **	Hong Kong	4,247	849,649	2.5
<b>Total Listed/Quoted Investments</b>			33,142,188	99.2
<b>Other net assets</b>			253,149	0.8
<b>Net assets attributable to holders of redeemable units at 30 September 2018</b>			33,395,337	100.0
<b>Total investments, at cost</b>			27,302,156	

\* Issued and managed by a Connected Person of the Manager (refer to Note 7 for the definition of Connected Persons)

\*\* Issued and managed by the Manager

Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 (*Unaudited*)

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Collective Investment Schemes</b>		
Japan	22.1	18.9
Korea	17.1	12.1
Hong Kong	14.2	11.9
Indonesia	9.3	6.7
Taiwan	7.4	3.0
India	7.2	10.5
South East Asia	5.6	7.5
China	5.1	22.6
Singapore	4.6	-
Philippines	2.9	-
Thailand	2.5	3.4
Australia	1.2	1.0
	<hr/>	<hr/>
<b>Total Listed/Quoted Investments</b>	99.2	97.6
<b>Other net assets</b>	0.8	2.4
	<hr/>	<hr/>
<b>Net assets attributable to holders of redeemable units at 30 September</b>	100.0	100.0
	<hr/> <hr/>	<hr/> <hr/>

**Statement of Financial Position**  
**As at 30 September 2018**

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	507,537	488,000
Amounts due from brokers	-	739,149
Amounts receivable on allotment	3,156	1,461
Investments [Note 4(l)(a)]	33,142,188	37,182,768
Interest and other accounts receivable	74	68
<b>Total assets</b>	<u>33,652,955</u>	<u>38,411,446</u>
	-----	-----
<b>Liabilities</b>		
Amounts payable on redemption	204,371	259,996
Other accounts payable	53,247	57,524
<b>Total liabilities</b>	<u>257,618</u>	<u>317,520</u>
	-----	-----
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>33,395,337</u>	<u>38,093,926</u>
	=====	=====
<b>Equity</b>	<u>33,395,337</u>	<u>38,093,926</u>
	=====	=====

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

**Statement of Comprehensive Income**  
**For the year ended 30 September 2018**

	2018 US\$	2017 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 5]	2,869,248	6,364,537
Dividend income	78,407	79,127
Interest on deposits	14,756	651
Net foreign currency exchange (losses)/gains	(5,199)	4,656
Other income [Note 12]	3	-
	<u>2,957,215</u>	<u>6,448,971</u>
	-----	-----
<b>Expenses</b>		
Management fee [Note 7(e)]	189,953	189,375
Registrar's fee [Note 7(h)]	44,193	48,041
Auditor's fee	28,400	27,400
Valuation fee [Note 7(e)]	17,150	17,150
Trustee's fee [Note 8]	11,397	11,363
Legal and professional expenses	8,102	4,149
Transaction costs	1,700	1,220
Safe custody and bank charges	1,628	2,070
Printing and publication expenses	1,361	658
Other operating expenses	2,080	4,373
	<u>305,964</u>	<u>305,799</u>
	-----	-----
<b>Net operating profit</b>	2,651,251	6,143,172
<b>Finance costs</b>		
Interest expense	-	(25)
	<u>-</u>	<u>(25)</u>
	-----	-----
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>2,651,251</u>	<u>6,143,147</u>
	=====	=====

The notes on pages 147 to 155 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	38,093,926	40,026,477
	-----	-----
Allotment of redeemable units [Note 3]	2,011,320	1,346,087
Redemption of redeemable units [Note 3]	(9,361,160)	(9,421,785)
	-----	-----
<b>Net redemption</b>	(7,349,840)	(8,075,698)
	-----	-----
	30,744,086	31,950,779
	-----	-----
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	2,651,251	6,143,147
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	33,395,337	38,093,926
	=====	=====

**Statement of Cash Flows**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(10,655,548)	(4,774,586)
Proceeds from disposal of investments and derivatives	18,304,525	13,211,995
Dividend received	78,407	79,127
Interest received	14,753	592
Transaction costs paid	(1,800)	(1,220)
Trustee's fee paid	(11,561)	(11,433)
Registrar's fee paid	(45,780)	(48,934)
Management fee paid	(192,675)	(190,553)
Others	(63,618)	(51,087)
	-----	-----
<b>Net cash inflow from operating activities</b>	7,426,703	8,213,901
	-----	-----
<b>Financing activities</b>		
Interest paid	-	(25)
Receipts on allotment of redeemable units	2,009,625	1,374,637
Payments on redemption of redeemable units	(9,416,785)	(9,938,236)
	-----	-----
<b>Net cash outflow from financing activities</b>	(7,407,160)	(8,563,624)
	-----	-----
<b>Increase/(decrease) in cash and cash equivalents</b>	19,543	(349,723)
Cash and cash equivalents at the beginning of the year	488,000	837,735
Exchange losses on cash and cash equivalents	(6)	(12)
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	507,537	488,000
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	507,537	488,000
	=====	=====

The notes on pages 147 to 155 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan AsiaOne Fund (the "Fund") was established under a Trust Deed dated 22 August 2006, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to seek to produce a competitive total return in different market conditions. The Fund seeks to achieve this primarily through an actively managed portfolio of collective investment schemes managed by the Manager or its Connected Persons which are linked to the economies of Asian countries (including Australia) ("Underlying Funds"). The allocation to the Underlying Funds will be continually monitored and reviewed and changes will be made as considered appropriate to better achieve the Fund's objective. In other words, the Fund may invest up to all of its assets in equity funds when the Investment Manager believes market conditions and opportunities favour equities. When the Investment Manager believes market conditions and opportunities do not favour equities the Fund may invest up to all of its assets in fixed income and money market funds and other funds with a low correlation to equities. The Investment Manager may invest in a range of funds whose underlying assets embrace the full spectrum of the risk return trade off from low to high risk. The Investment Manager may carry out hedging activities via financial futures.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(d) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(e) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(f) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(g) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(h) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(i) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

	2018 Units	2017 Units
Number of units in issue:		
At the beginning of the year	1,977,666.731	2,443,355.155
Total allotments	95,015.106	78,760.104
Total redemptions	(440,651.353)	(544,448.528)
At the end of the year	<u>1,632,030.484</u>	<u>1,977,666.731</u>
	US\$	US\$
Net assets attributable to holders of redeemable units	<u>33,395,337</u>	<u>38,093,926</u>
Net assets attributable to holders of redeemable units (per unit)	<u>20.46</u>	<u>19.26</u>

As at 30 September 2018, the Fund had US\$33,395,337 (2017: US\$38,093,926) of puttable financial instruments, represented by the net assets attributable to the holders of redeemable units (or "net asset value" or "net assets" or "NAV"), classified as equity.

The Fund's policies for managing its obligations for the holders of redeemable units of the Fund are included in Note 4(ii) capital risk management.

**4 Financial risk management****(i) Financial risk factors**

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

The Fund's holding in the collective investment schemes, as a percentage of the collective investment schemes' total net asset value, will vary from time to time dependent on the volume of allotments and redemptions at the collective investment schemes level. It is possible that the Fund may, at any point in time, hold a majority of the collective investment schemes' total units in issue.



## (a) Market risk

## (i) Market price risk

The Fund solely invests in collective investment schemes. The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate collective investment schemes selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
Listed/Quoted Investments				
<u>Assets</u>				
Collective Investment Schemes				
- Japan	7,396,987	22.1	7,202,617	18.9
- Korea	5,698,342	17.1	4,618,905	12.1
- Hong Kong	4,725,582	14.2	4,513,523	11.9
- Indonesia	3,120,649	9.3	2,533,773	6.7
- Taiwan	2,481,196	7.4	1,154,109	3.0
- India	2,407,652	7.2	3,985,070	10.5
- South East Asia	1,858,016	5.6	2,864,465	7.5
- China	1,718,617	5.1	8,626,015	22.6
- Others	3,735,147	11.2	1,684,291	4.4
Total Listed/Quoted Investments	33,142,188	99.2	37,182,768	97.6

The Investment Manager monitors the Fund's market price sensitivity primarily through the Fund's volatility, which helps to describe the likely range of the Fund's return, on a regular basis. In statistical terms, it is the standard deviation of the return distribution. Greater volatility of monthly fund returns means that there is a wider range of likely returns in the future, or greater uncertainty regarding the fund returns. Most investors would equate this greater uncertainty with greater risk.

The table below summarizes the volatility of the Fund expressed in annual terms and the estimated impact on the net asset value.

	2018	2017
Annual volatility (Note*)	12.43%	13.26%

If the above volatility were to be applied to the Fund's net asset value as of 30 September 2018 of US\$33,395,337 (2017: US\$38,093,926) and assuming that the Fund's returns are normally distributed with its mean return equals to nil and with one standard deviation away from the mean return (i.e. a probability of 68%), the estimated reasonable possible change in the Fund's net asset value would be between US\$29,244,297 and US\$37,546,377; or within +/- US\$4,151,040 (2017: between US\$33,042,671 and US\$43,145,181; or within +/- US\$5,051,255) over a twelve-month period based on the Fund's historical annual volatility percentage as a result of the market price fluctuation, assuming that all other variables that may impact the net asset value of the Fund are held constant.

Note:

- \* Volatility is calculated based on the monthly Fund's returns over the maximum of past 36 months or the number of months since portfolio inception. For funds launched within a period of less than 12 months, volatility is calculated based on the weekly Fund's returns since the Fund's launch. Volatility is expressed in annual volatility by applying the square root of time adjustment. Volatility may not cover stressed market events, nor represent the Investment Manager's forecast of the Fund's range of future returns.

**(ii) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Cash at banks	507,537	488,000
Total interest sensitivity gap	507,537	488,000

Any cash and cash equivalents are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

**(iii) Currency risk**

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
Net currency exposures (Note*)			
<u>2018</u>			
Hong Kong Dollar	3,415	-0.2	(7)
Japanese Yen	7,396,987	-0.9	(66,573)
	<u>7,400,402</u>		<u>(66,580)</u>
<u>2017</u>			
Australian Dollar	1	+2.5	0
Hong Kong Dollar	1,770	-0.7	(12)
Japanese Yen	7,202,617	-10.0	(720,262)
	<u>7,204,388</u>		<u>(720,274)</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

**(b) Credit risk**

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	507,537	488,000
Amounts due from brokers	-	739,149
Amounts receivable on allotment	3,156	1,461
Interest and other accounts receivable	74	68
	<u>510,767</u>	<u>1,228,678</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	499,468	488,000
S&P(A)/Moody's(A)/FITCH(A)	8,069	-
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	<u>33,142,188</u>	<u>37,182,768</u>

**(c) Liquidity risk**

The Fund is exposed to daily redemption of units. As at 30 September 2018 and 2017, the Fund invests solely in collective investment schemes which allow daily redemption. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Amounts payable on redemption	204,371	259,996
Other accounts payable	<u>53,247</u>	<u>57,524</u>
Total financial liabilities	<u>257,618</u>	<u>317,520</u>

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

**(II) Capital risk management**

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

**(III) Fair value estimation**

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<u>2018</u>				
<u>Assets</u>				
Collective Investment Schemes	33,142,188	-	-	33,142,188
Total financial assets at fair value through profit and loss	33,142,188	-	-	33,142,188
<u>2017</u>				
<u>Assets</u>				
Collective Investment Schemes	37,182,768	-	-	37,182,768
Total financial assets at fair value through profit and loss	37,182,768	-	-	37,182,768

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the years ended 30 September 2018 and 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

**5 Net gains on investments and derivatives**

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	(3,680,290)	3,468,715
Realized gains on sale of investments and derivatives	6,549,538	2,895,822
	<u>2,869,248</u>	<u>6,364,537</u>

**6 Taxation**

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

**7 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons**

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

(a) Investment transactions with the Manager and its Connected Persons are set out below:

The Fund invests in various funds ("underlying funds") which are managed by the Manager or its Connected Persons. All fees on allotments and redemptions in the underlying funds payable by the Fund are waived by the managers of underlying funds which are managed by the Manager and/or its Connected Persons.

For the years ended 30 September 2018 and 2017, the dividend income amounted to US\$78,407 (2017: US\$79,127) in the Statement of Comprehensive Income which represented the distributions from investments in collective investment schemes issued and managed by the Manager or its Connected Persons.

Name of company	Aggregate value of purchases and sales of investments US\$	% of the Fund's total aggregate value of transactions	Commission paid US\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
JPMorgan Funds (Asia) Limited	28,220,924	100	-	-	-
<u>2017</u>					
JPMorgan Funds (Asia) Limited	18,725,730	100	-	-	-

(b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	106,408	62,080
Amounts receivable	71	68
Amounts payable	<u>(24,205)</u>	<u>(28,952)</u>

As at 30 September 2018, the Fund's investment balance of US\$33,142,188 (2017: US\$37,182,768) represents the investments in the collective investment schemes issued and managed by the Manager or its Connected Person.

During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$1,585 (2017: US\$334).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.
- (d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$737 (2017: US\$1,556).
- (e) Management fee of 0.5% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears. In addition, the Fund will indirectly bear a pro rata portion of the fees paid by the underlying funds in which it invests to the managers or other services providers of such underlying funds.

The Fund invests in collective investment schemes managed by the Manager or its Connected Persons and the management fees of these collective investment schemes currently range between 0% and 2.0% per annum (2017: 0% and 1.5% per annum).

The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.

- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (g) Refer to Note 8 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 8 Trustee's fee

Trustee's fee of 0.03% per annum of the net asset value of the Fund is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

For investment in underlying fund managed by the Manager or its Connected Persons, such connected underlying funds will be charged a trustee fee. Currently such trustee fees range between 0% and 0.5% per annum (2017: 0% and 0.3% per annum) and may not exceed 1% per annum of the net asset value of the underlying funds.

## 9 Borrowings

The Fund has no bank borrowing during the year ended 30 September 2018. During the year ended 30 September 2017, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

## 10 Soft dollar arrangements/Commission sharing arrangements

During the year, the Investment Manager and its Connected Persons did not enter into any soft dollar arrangements/commission sharing arrangements in connection with directing transactions of the Fund through a broker or dealer (2017: nil).

## 11 Distribution

No distribution was made during the year (2017: nil).

## 12 Other income

The Fund received US\$3 (2017: nil) from the Manager as compensation for valuation and/or other operational error(s).

**Independent Auditor's Report**

To the Unitholders of JPMorgan AsiaOne Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan AsiaOne Fund set out on pages 145 to 155, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 22 August 2006, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan AsiaOne Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019



**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 22 August 2006, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund US\$	Net asset value per unit US\$
30/9/18	33,395,337	20.46
30/9/17	38,093,926	19.26
30/9/16	40,026,477	16.38

**Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u> US\$	<u>Lowest bid</u> US\$
30/9/18	23.04	19.47
30/9/17	19.66	14.79
30/9/16	17.07	12.83
30/9/15	17.97	13.64
30/9/14	15.87	13.48
30/9/13	15.21	12.66
30/9/12	13.90	11.33
30/9/11	16.42	11.65
30/9/10	15.01	12.02
30/9/09	13.19	8.30

**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments</b> (94.5%)			<b>Oil &amp; Gas</b> (8.6%)		
<b>(I) Equities</b> (94.5%)			Origin Energy	133,113	795,553 2.6
<b>Australia</b> (92.4%)			Woodside Petroleum	65,598	1,831,139 6.0
<b>Airlines</b> (3.0%)			<b>Pharmaceuticals</b> (8.7%)		
Qantas Airways	215,155	918,485 3.0	CSL Ltd	18,181	2,645,575 8.7
<b>Banks</b> (19.0%)			<b>Real Estate Management &amp; Development</b> (6.8%)		
Australia & NZ Bkg Group-AU List	22,389	456,504 1.5	Ingenia Communities Stapled Sec	231,987	503,563 1.7
Commonwealth Bank of Australia	15,001	775,082 2.6	Lend Lease Group Stapled Sec	68,959	980,941 3.2
National Australia Bank	96,495	1,941,665 6.4	Stockland Stapled Sec	196,106	588,854 1.9
Westpac Banking	128,656	2,599,977 8.5	<b>New Zealand</b> (2.1%)		
<b>Beverages</b> (2.1%)			<b>Oils</b> (2.1%)		
Treasury Wine Estates	51,019	645,640 2.1	Z Energy	137,628	652,369 2.1
<b>Commercial Services &amp; Supplies</b> (1.3%)				<u>28,779,061</u>	<u>94.5</u>
Brambles Ltd	48,663	383,790 1.3	<b>(II) Derivatives</b> (0.0%)		
<b>Containers &amp; Packaging</b> (2.7%)			<b>Futures</b> (0.0%)		
Amcor Ltd	45,035	445,764 1.5	Share Price Idx 200 (SFE) Fut 12/18	8	4,920 0.0
Orora Ltd	159,858	384,009 1.2		<u>8</u>	<u>4,920 0.0</u>
<b>Diversified Financials</b> (9.0%)			<b>Total Listed/Quoted Investments</b>		
Link Administration Hldgs	103,686	583,671 1.9		28,783,981	94.5
Macquarie Group	12,233	1,115,604 3.7	<b>Other net assets</b>		
Netwealth Group	120,240	688,167 2.3		<u>1,661,857</u>	<u>5.5</u>
Steadfast Group	170,574	351,744 1.1	<b>Net assets attributable to holders of redeemable units at 30 September 2018</b>		
<b>Diversified Telecommunication Services</b> (3.0%)				<u><u>30,445,838</u></u>	<u><u>100.0</u></u>
SpeedCast Intl Ltd	125,986	365,540 1.2	<b>Total investments, at cost</b>		
Telstra Corp	239,129	551,940 1.8		<u><u>26,779,030</u></u>	
<b>Food &amp; Drug Retailing</b> (1.5%)					
Domino's Pizza Enterprises	11,316	435,585 1.5			
<b>Hotels, Restaurants &amp; Leisure</b> (4.1%)					
Aristocrat Leisure	44,827	922,439 3.0			
Tabcorp Hldgs	92,165	324,761 1.1			
<b>Insurance</b> (0.9%)					
QBE Insurance Group	34,616	278,516 0.9			
<b>Media</b> (8.8%)					
oOh Media	228,229	847,143 2.8			
Seven Group Hldgs	59,038	966,684 3.2			
Webjet Ltd	77,432	864,480 2.8			
<b>Metals &amp; Mining</b> (12.9%)					
BHP Billiton Ltd	45,087	1,129,724 3.7			
Independence Group	138,535	467,104 1.5			
New Century Resources	414,979	297,255 1.0			
Newcrest Mining	59,673	838,054 2.8			
Sims Metal Management	61,094	559,188 1.8			
Syrah Resources	210,044	349,548 1.1			
Whitehaven Coal	74,440	293,004 1.0			

Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 (*Unaudited*)

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
<b>Australia</b>		
Banks	19.0	23.0
Metals & Mining	12.9	13.5
Diversified Financials	9.0	8.0
Media	8.8	1.5
Pharmaceuticals	8.7	7.2
Oil & Gas	8.6	4.5
Real Estate Management & Development	6.8	7.7
Hotels, Restaurants & Leisure	4.1	4.7
Airlines	3.0	-
Diversified Telecommunication Services	3.0	0.6
Containers & Packaging	2.7	5.6
Beverages	2.1	-
Food & Drug Retailing	1.5	4.8
Commercial Services & Supplies	1.3	1.1
Insurance	0.9	4.2
Road & Rail	-	1.6
Auto Components	-	1.4
<b>New Zealand</b>		
Oils	2.1	2.3
<b>Derivatives</b>		
Futures	0.0	(0.0)
<b>Total Listed/Quoted Investments</b>	94.5	91.7
<b>Other net assets</b>	5.5	8.3
<b>Net assets attributable to holders of redeemable units at 30 September</b>	100.0	100.0

Statement of Financial Position  
As at 30 September 2018

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	1,877,830	2,634,526
Amounts receivable on allotment	28,423	12,833
Margin deposits	53,937	127,695
Derivatives [Note 4(l)(a)]	4,920	-
Investments [Note 4(l)(a)]	28,779,061	28,663,580
Dividend and interest receivable	118,631	69,025
	<u>30,862,802</u>	<u>31,507,659</u>
<b>Total assets</b>	<u>30,862,802</u>	<u>31,507,659</u>
<b>Liabilities</b>		
Amounts due to brokers	-	82,929
Amounts payable on redemption	347,907	110,655
Derivatives [Note 4(l)(a)]	-	4,119
Other accounts payable	69,057	70,496
	<u>416,964</u>	<u>268,199</u>
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<u>416,964</u>	<u>268,199</u>
<b>Net assets attributable to holders of redeemable units</b> [Note 3]	<u>30,445,838</u>	<u>31,239,460</u>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

Statement of Comprehensive Income  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 5]	276,141	2,171,893
Dividend income	1,095,126	1,353,383
Interest on deposits	11,679	8,428
Net foreign currency exchange (losses)/gains	(63,035)	23,729
Other income	5,699	-
	<u>1,325,610</u>	<u>3,557,433</u>
<b>Expenses</b>		
Management fee [Note 7(f)]	463,957	513,850
Registrar's fee [Note 7(j)]	50,318	50,606
Transaction costs	41,101	27,175
Trustee's fee [Note 8]	18,570	20,565
Valuation fee [Note 7(f)]	16,940	17,010
Auditor's fee	15,500	15,300
Safe custody and bank charges	10,152	22,243
Legal and professional expenses	6,202	2,021
Printing and publication expenses	648	1,236
Other operating expenses	4,968	2,477
	<u>628,356</u>	<u>672,483</u>
<b>Net operating profit</b>	<u>697,254</u>	<u>2,884,950</u>
<b>Finance costs</b>		
Interest expense	(693)	(276)
	<u>696,561</u>	<u>2,884,674</u>
<b>Profit before taxation</b>	<u>696,561</u>	<u>2,884,674</u>
Taxation [Note 6]	(28,860)	(26,353)
	<u>667,701</u>	<u>2,858,321</u>
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>667,701</u>	<u>2,858,321</u>

The notes on pages 164 to 176 form part of these financial statements.

Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	31,239,460	36,771,472
	-----	-----
Allotment of redeemable units [Note 3]	11,916,798	11,814,447
Redemption of redeemable units [Note 3]	(13,378,121)	(20,204,780)
	-----	-----
<b>Net redemption</b>	(1,461,323)	(8,390,333)
	-----	-----
	29,778,137	28,381,139
	-----	-----
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	667,701	2,858,321
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	30,445,838	31,239,460
	=====	=====

Statement of Cash Flows  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(26,240,136)	(10,376,816)
Proceeds from disposal of investments and derivatives	26,308,861	20,884,449
Dividend received	1,045,702	1,396,427
Decrease/(increase) in margin deposits	73,758	(127,695)
Interest received	11,497	8,392
Trustee's fee paid	(18,698)	(20,804)
Tax paid	(28,860)	(26,353)
Transaction costs paid	(40,770)	(27,746)
Registrar's fee paid	(51,377)	(50,749)
Management fee paid	(467,111)	(519,873)
Others	17,689	(95,008)
	-----	-----
<b>Net cash inflow from operating activities</b>	610,555	11,044,224
	-----	-----
<b>Financing activities</b>		
Interest paid	(693)	(293)
Receipts on allotment of redeemable units	11,901,208	11,965,436
Payments on redemption of redeemable units	(13,140,869)	(20,118,005)
	-----	-----
<b>Net cash outflow from financing activities</b>	(1,240,354)	(8,152,862)
	-----	-----
<b>(Decrease)/Increase in cash and cash equivalents</b>	(629,799)	2,891,362
Cash and cash equivalents at the beginning of the year	2,634,526	(315,365)
Exchange (losses)/gains on cash and cash equivalents	(126,897)	58,529
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	1,877,830	2,634,526
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	1,877,830	2,634,526
	=====	=====

The notes on pages 164 to 176 form part of these financial statements.

## Notes to the Financial Statements

### 1 The Fund

JPMorgan Australia Fund (the "Fund") was established under a Trust Deed dated 5 June 1981, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to provide investors with long-term capital growth by investing primarily in Australian securities.

Pursuant to the Supplemental Trust Deed dated 31 August 2012, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation of financial statements

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

##### *Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

#### (b) Investments and derivatives

##### *Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Securities lending and borrowing**

Securities lenders' agreements are entered into with institutions of appropriate financial standing who engage in such arrangements acceptable to the Trustee and on arm's length commercial terms. Securities lent are included in the investment portfolio of the Fund. Relevant securities lending income entitled by the Fund is accounted for in the Statement of Comprehensive Income. Collateral received for the purpose of securities lent generally consist of non-cash collateral which are off-balance sheet transactions and are therefore not included in the financial statements.

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(e) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.



**(f) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(g) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(h) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(i) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(j) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**2018

	AUD Class (acc) Units	USD Class (acc) Units
Number of units in issue:		
At the beginning of the year	62,846.080	779,920.581
Total allotments	98,744.274	258,788.060
Total redemptions	(91,225.618)	(297,632.679)
At the end of the year	<u>70,364.736</u>	<u>741,075.962</u>

A\$

US\$

Net assets attributable to holders of redeemable units	<u>1,201,118</u>	<u>29,576,769</u>
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Net assets attributable to holders of redeemable units (per unit)	<u>17.07</u>	<u>39.91</u>
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2017

	AUD Class (acc) Units	USD Class (acc) Units
Number of units in issue:		
At the beginning of the year	149,038.375	976,910.868
Total allotments	260,568.314	238,133.756
Total redemptions	(346,760.609)	(435,124.043)
At the end of the year	<u>62,846.080</u>	<u>779,920.581</u>

A\$

US\$

Net assets attributable to holders of redeemable units	<u>968,485</u>	<u>30,479,540</u>
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Net assets attributable to holders of redeemable units (per unit)	<u>15.41</u>	<u>39.08</u>
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**4 Financial risk management****(i) Financial risk factors**

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

**(a) Market risk****(i) Market price risk**

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Beta of the Fund on a regular basis. Beta measures the statistical relationship between the return of the Fund and the relevant benchmark index chosen by the Investment Manager.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
Listed/Quoted Investments				
<u>Assets</u>				
Equities				
- Banks	5,773,228	19.0	7,195,856	23.0
- Metals & Mining	3,933,877	12.9	4,219,228	13.5
- Diversified Financials	2,739,186	9.0	2,506,676	8.0
- Media	2,678,307	8.8	473,912	1.5
- Pharmaceuticals	2,645,575	8.7	2,251,388	7.2
- Oil & Gas	2,626,692	8.6	1,394,346	4.5
- Real Estate Management & Development	2,073,358	6.8	2,408,824	7.7
- Containers & Packaging	829,773	2.7	1,748,454	5.6
- Others	5,479,065	18.0	6,464,896	20.7
	<u>28,779,061</u>	<u>94.5</u>	<u>28,663,580</u>	<u>91.7</u>
Derivatives				
- Futures	4,920	0.0	-	-
	<u>28,783,981</u>	<u>94.5</u>	<u>28,663,580</u>	<u>91.7</u>
<u>Liabilities</u>				
Derivatives				
- Futures	-	-	(4,119)	(0.0)
	<u>-</u>	<u>-</u>	<u>(4,119)</u>	<u>(0.0)</u>
Total Listed/Quoted Investments	<u>28,783,981</u>	<u>94.5</u>	<u>28,659,461</u>	<u>91.7</u>

Also, refer to Note 11 for the exposures on derivative contracts.

	Net asset value US\$	Relevant benchmark index for the Fund (Note*)	Beta (Note**)	% of reasonable possible change of the relevant benchmark index (Note***)	Estimated impact on net asset value (Note****) US\$
As at 30 September 2018	<u>30,445,838</u>	S&P / ASX 300 Index Total	0.95	+5.2	<u>1,504,024</u>
As at 30 September 2017	<u>31,239,460</u>	S&P / ASX 300 Index Total	0.91	+11.8	<u>3,354,493</u>

If the relevant benchmark index return was to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

- \* Relevant benchmark index for the Fund represents the relevant market index used by the Investment Manager in monitoring the market price risk of the Fund.
- \*\* Beta measures the statistical relationship between the return of the Fund and the respective benchmark index over the maximum of past 36 months, or the number of months since portfolio inception. For funds launched within a period of less than 12 months, weekly returns of the Fund are used for calculating the Beta.
- \*\*\* % of reasonable possible change is based on the actual historical change in the benchmark index in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. For funds launched within a period of less than 12 months, actual historical change in the benchmark index since the commencement of operations will be used to calculate the % of reasonable possible change.
- \*\*\*\* Estimated impact on net asset value of the Fund is calculated by applying the relevant Beta against the net asset value of the Fund multiplied by the % of reasonable possible change of the relevant benchmark index, assuming all other variables that may impact the net asset value of the Fund are held constant.

**(ii) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Cash at banks	1,877,830	2,634,526
Margin deposits	53,937	127,695
Total interest sensitivity gap	<u>1,931,767</u>	<u>2,762,221</u>

Any cash and cash equivalents and margin deposits are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

**(iii) Currency risk**

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
Net currency exposures (Note*)			
<u>2018</u>			
Australian Dollar	29,805,683	-7.8	(2,324,843)
Hong Kong Dollar	1,025	-0.2	(2)
New Zealand Dollar	652,370	-8.3	(54,147)
	<u>30,459,078</u>		<u>(2,378,992)</u>

	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
<u>2017</u>			
Australian Dollar	30,398,880	+2.5	759,972
Hong Kong Dollar	2,226	-0.7	(16)
New Zealand Dollar	741,333	-0.6	(4,448)
	<u>31,142,439</u>		<u>755,508</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

## (b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	1,877,830	2,634,526
Amounts receivable on allotment	28,423	12,833
Margin deposits	53,937	127,695
Dividend and interest receivable	118,631	69,025
	<u>2,078,821</u>	<u>2,844,079</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/brokers/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	767,835	509,993
S&P(A)/Moody's(A)/FITCH(A)	1,109,995	2,124,533
Margin deposits with brokers and derivatives held with/issued by brokers		
S&P(AA)/Moody's(Aa)/FITCH(AA)	58,857	127,695
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	28,779,061	28,663,580

### (c) Liquidity risk

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018		2017	
	Less than 1 month US\$	1 to 12 months US\$	Less than 1 month US\$	1 to 12 months US\$
Amounts due to brokers	-	-	82,929	-
Amounts payable on redemption	347,907	-	110,655	-
Derivatives	-	-	-	4,119
Other accounts payable	69,057	-	70,496	-
Net assets attributable to holders of redeemable units	30,445,838	-	31,239,460	-
Total financial liabilities	30,862,802	-	31,503,540	4,119

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

### (d) Offsetting and amounts subject to master netting arrangements and similar agreements

As at 30 September 2018 and 2017, the Fund was subject to master netting arrangements with certain derivative counterparties. All of the derivative assets and liabilities of the Fund were held with these counterparties and the collateral and margin deposits maintained by the Fund were for the purpose of providing collateral on derivative positions.

In the event of default, the Fund and its counterparties have the option to settle transactions on net basis. An event of default may include failure to pay or deliver, breach of agreement or bankruptcy.

The following tables summarize the Fund's financial assets and liabilities subject to offsetting, master netting arrangements and similar agreements as at 30 September by types of financial instruments.

	Gross amounts of recognized financial assets presented in the Statement of Financial Position US\$	Related amounts subject to master netting arrangements and similar agreements net off against		Net amount US\$
		Financial Instruments US\$	Collateral and margin deposits US\$	
<u>2018</u>				
<u>Assets</u>				
Margin deposits	53,937	-	-	53,937
Derivatives	4,920	-	-	4,920
Financial assets at fair value through profit and loss	<u>58,857</u>	<u>-</u>	<u>-</u>	<u>58,857</u>

The amount of financial liabilities subject to offsetting, master netting arrangements and similar agreements as at 30 September 2018 was nil.

	Gross amounts of recognized financial assets presented in the Statement of Financial Position US\$	Related amounts subject to master netting arrangements and similar agreements net off against		Net amount US\$
		Financial Instruments US\$	Collateral and margin deposits US\$	
<u>2017</u>				
<u>Assets</u>				
Margin deposits	127,695	-	(4,119)	123,576
Financial assets at fair value through profit and loss	<u>127,695</u>	<u>-</u>	<u>(4,119)</u>	<u>123,576</u>

	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position US\$	Related amounts subject to master netting arrangements and similar agreements net off against		Net amount US\$
		Financial Instruments US\$	Collateral and margin deposits US\$	
<u>Liabilities</u>				
Derivatives	4,119	(4,119)	-	-
Financial liabilities at fair value through profit and loss	<u>4,119</u>	<u>(4,119)</u>	<u>-</u>	<u>-</u>

**(II) Capital risk management**

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

**(III) Fair value estimation**

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>2018</b>				
<u>Assets</u>				
Equities	28,779,061	-	-	28,779,061
Derivatives	4,920	-	-	4,920
Total financial assets at fair value through profit and loss	<u>28,783,981</u>	<u>-</u>	<u>-</u>	<u>28,783,981</u>
<b>2017</b>				
<u>Assets</u>				
Equities	28,663,580	-	-	28,663,580
Total financial assets at fair value through profit and loss	<u>28,663,580</u>	<u>-</u>	<u>-</u>	<u>28,663,580</u>
<u>Liabilities</u>				
Derivatives	4,119	-	-	4,119
Total financial liabilities at fair value through profit and loss	<u>4,119</u>	<u>-</u>	<u>-</u>	<u>4,119</u>

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.



Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the years ended 30 September 2018 and 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 5 Net gains on investments and derivatives

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	(1,534,036)	1,033,971
Realized gains on sale of investments and derivatives	1,810,177	1,137,922
	<u>276,141</u>	<u>2,171,893</u>

## 6 Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Overseas tax was withheld or paid on certain dividend income received during the years ended 30 September 2018 and 2017.

## 7 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

(a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments US\$	% of the Fund's total aggregate value of transactions	Commission paid US\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
J.P. Morgan Securities Australia Limited	1,508,111	2.88	905	2.65	0.06
J.P. Morgan Securities (Asia Pacific) Limited	25,394	0.05	20	0.06	0.08
J.P. Morgan Securities plc London	16,487,941*	31.47	192	0.56	0.00

### 2017

There were no investment transactions with the Manager and its Connected Persons during the year.

\* These amounts include futures transactions totaling US\$16,487,941 (2017: nil).

- (b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	472,084	154,996
Margin deposits	53,937	127,695
Amounts receivable	231	49
Amounts payable	(49,648)	(53,468)

During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$1,519 (2017: US\$425).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.
- (d) During the years 2018 and 2017, there were futures transactions with a Connected Person of the Manager.
- (e) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$1,550 (2017: US\$2,519).
- (f) Management fee of 1.5% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.

The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.

- (g) The Fund has a securities lender's agreement with J.P. Morgan Securities plc, a Connected Person of the Manager. However, the Fund does not intend to carry out any securities lending transactions. The arrangement is mainly intended to allow the Fund to carry out securities borrowing transactions.
- (h) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (i) Refer to Note 8 for fee paid to the Trustee.
- (j) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 8 Trustee's fee

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first US\$40 million, 0.04% per annum for the balance from US\$40 million to US\$70 million, and 0.025% per annum for the balance in excess of US\$70 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

## 9 Borrowings

During the years ended 30 September 2018 and 2017, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

## 10 Soft dollar arrangements/Commission sharing arrangements

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**11 Derivatives**

Open futures contracts as at 30 September were as follows:

	No. of contracts long/(short)	Contract value US\$	Settlement date	Unrealized gains/(losses) US\$
<u>2018</u>				
Share Price Idx 200 (SFE)	8	1,238,800	December 2018	4,920
<u>2017</u>				
Share Price Idx 200 (SFE)	14	1,560,708	December 2017	(4,119)

**12 Distribution**

No distribution was made during the year (2017: nil).

**Independent Auditor's Report**

To the Unitholders of JPMorgan Australia Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Australia Fund set out on pages 162 to 176, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 5 June 1981, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Australia Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 5 June 1981, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund	Net asset value per unit
30/9/18 - AUD Class (acc) - USD Class (acc)	A\$1,201,118 US\$29,576,769	A\$17.07 US\$ 39.91
30/9/17 - AUD Class (acc) - USD Class (acc)	A\$968,485 US\$30,479,540	A\$15.41 US\$39.08
30/9/16 - AUD Class (acc) - USD Class (acc)	A\$2,166,003 US\$35,113,937	A\$14.53 US\$35.94

**Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u>	<u>Lowest bid</u>
30/9/18		
- AUD Class (acc)	A\$17.93	A\$15.35
- USD Class (acc)	US\$43.26	US\$38.98
30/9/17		
- AUD Class (acc)	A\$15.73	A\$13.75
- USD Class (acc)	US\$40.47	US\$33.96
30/9/16		
- AUD Class (acc)	A\$15.45	A\$12.48
- USD Class (acc)	US\$38.33	US\$28.54
30/9/15		
- AUD Class (acc)	A\$15.71	A\$12.49
- USD Class (acc)	US\$40.27	US\$29.49
30/9/14		
- AUD Class (acc)	A\$14.14	A\$11.86
- USD Class (acc)	US\$42.71	US\$34.20
30/9/13		
- AUD Class (acc)	A\$12.77	A\$9.89
- USD Class (acc)	US\$40.55	US\$30.75
30/9/12		
- USD Class (acc)	US\$33.05	US\$24.01
30/9/11	US\$37.49	US\$25.46
30/9/10	US\$32.48	US\$22.95
30/9/09	US\$28.25	US\$12.98

**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

**UK Tax Information**

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 1 January 1984 to 30 September 2010.

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value CNY	% of net assets		Holding	Fair value CNY	% of net assets
Listed/Quoted Investments (100.1%)				Food Products (7.5%)			
Equities (100.1%)				Angel Yeast 'A'	375,500	11,073,495	0.9
				Angel Yeast 'A' (C1)	302,688	8,926,269	0.7
				Guangdong Haid Group Co 'A'	613,370	13,334,664	1.1
				Henan Shuanghui Inv 'A'	531,900	13,909,185	1.2
				Inner Mongolia Yili Ind 'A'	1,689,455	43,385,204	3.6
China (100.1%)							
Airlines (1.2%)				Health Care Providers & Services (1.9%)			
Spring Airlines 'A'	270,037	9,699,729	0.8	Aier Eye Hospital Group 'A'	539,091	17,385,685	1.4
Spring Airlines 'A' (C1)	123,328	4,429,942	0.4	Jointown Pharmaceutical 'A'	365,148	5,535,644	0.5
Automobiles (2.9%)				Jointown Pharmaceutical 'A' (C1)	40,950	620,802	0.0
Guangzhou Automobile Group 'H'	1,854,000	14,123,684	1.2	Hotels, Restaurants & Leisure (3.2%)			
SAIC Motor Corp 'A'	621,902	20,696,899	1.7	BTG Hotels Group 'A'	625,621	12,668,825	1.1
Banks (13.0%)				China Intl Travel Service 'A'	376,800	25,629,936	2.1
Bank of Ningbo 'A'	2,040,903	36,246,437	3.0	Household Durables (4.9%)			
Bank of Ningbo 'A'-C2	414,972	7,369,903	0.6	Midea Group 'A'	448,200	18,166,100	1.5
China Merchants Bank 'A'	859,969	26,392,449	2.2	Midea Group 'A'-C2	334,956	13,576,181	1.1
China Merchants Bank 'A' (C1)	474,900	14,574,681	1.2	Qingdao Haier Co 'A'	1,696,430	28,025,024	2.3
China Merchants Bank 'H'	1,302,000	36,379,546	3.0	Independent Power and Renewable Electricity Producers (1.9%)			
Ping An Bank 'A'	3,114,200	34,411,910	2.9	China Yangtze Power 'A'	1,376,349	22,544,597	1.9
Ping An Bank 'A'-C2	102,700	1,134,835	0.1	Insurance (9.9%)			
Beverages (8.4%)				Ping An Insurance (Group) 'A'	1,665,200	114,066,199	9.4
Jiangsu Yanghe Brewery 'A'	134,603	17,229,184	1.4	Ping An Insurance (Group) 'A' (C1)	88,006	6,028,411	0.5
Kweichow Moutai 'A'	105,578	77,071,939	6.4	Machinery (4.7%)			
Kweichow Moutai 'A' (C1)	9,700	7,081,000	0.6	Han's Laser Technology 'A'	741,000	31,396,170	2.6
Chemicals (3.1%)				Han's Laser Technology 'A'-C2	129,600	5,491,152	0.4
Kangde Xin Group 'A'	694,867	9,754,343	0.8	Inner Mongolia First Machine 'A'-C1	197,800	2,737,552	0.2
Kangde Xin Group 'A'-C2	499,258	7,008,440	0.6	Inner Mongolia First Machinery 'A'	583,700	8,078,408	0.7
Tianqi Lithium Industries-A	208,095	7,913,853	0.7	Shenzhen Inovance Technology 'A'	344,125	9,532,263	0.8
Zhejiang Weixing New Building 'A'	836,987	12,404,147	1.0	Media (1.2%)			
Commercial Services & Supplies (0.9%)				Wanda Film Hldg 'A'	128,188	3,350,694	0.3
Shanghai M&G Stationery 'A'	30,200	937,710	0.1	Zhejiang Huace Film & TV 'A'	1,167,300	11,182,734	0.9
Shanghai M&G Stationery 'A'-C1	328,979	10,214,798	0.8	Pharmaceuticals (10.0%)			
Communications Equipment (0.9%)				Jiangsu Hengrui Medicine 'A'	859,585	54,583,647	4.5
Shenzhen Sunway Communication 'A'	278,335	7,417,628	0.6	Tasly Pharmaceutical Group 'A'	636,618	14,565,820	1.2
Shenzhen Sunway Communication 'A'-C2	150,811	4,019,113	0.3	Tasly Pharmaceutical Group 'A' (C1)	457,846	10,475,516	0.9
Electrical Equipment (2.3%)				Tonghua Dongbao Pharmaceutical 'A'	1,244,356	22,572,618	1.9
Luxshare Precision Industry 'A'	1,428,420	22,026,236	1.8	Tonghua Dongbao Pharmaceutical-A-C1	390,555	7,084,668	0.6
Luxshare Precision Industry 'A'-C2	364,002	5,612,911	0.5	Yunnan Baiyao Group 'A'	160,980	11,606,965	0.9
Electronic Equipment, Instruments & Components (3.4%)							
Hangzhou Hik-Vision Digital 'A'	1,207,460	34,702,400	2.8				
Wuxi Lead Intelligent Equipment-A	266,198	6,995,683	0.6				
Food & Staples Retailing (1.6%)							
Laobaixing Pharmacy Chain	196,389	12,280,204	1.0				
Yifeng Pharmacy Chain 'A'	118,800	6,825,060	0.6				



Investment Portfolio (Continued)  
As at 30 September 2018 *(Unaudited)*

	Holding	Fair value CNY	% of net assets
Real Estate Management & Development (6.7%)			
China Merchants Shekou Ind 'A' (C2)	201,300	3,762,297	0.3
China Merchants Shekou Ind Zone-A	1,242,651	23,225,147	1.9
China Vanke 'A'	1,883,100	45,759,330	3.8
China Vanke 'A'-C2	317,925	7,725,578	0.7
Software (3.3%)			
Beijing Thunisoft Corp 'A'	780,499	10,435,272	0.9
Beijing Thunisoft Corp 'A'-C2	124,663	1,666,744	0.1
Iflytek Co 'A'	360,250	10,292,343	0.9
Iflytek Co 'A'-C2	154,259	4,407,180	0.4
Venustech Group 'A'	668,200	12,602,252	1.0
Technology Hardware, Storage & Peripherals (3.5%)			
BOE Technology Group 'A'	6,634,900	20,899,935	1.7
Focus Media Information Tech 'A'	2,476,278	21,073,126	1.8
Transportation Infrastructure (3.7%)			
Shanghai Intl Airport 'A'	593,286	34,867,418	2.9
Shanghai Intl Airport 'A' (C1)	168,835	9,922,433	0.8
Total Listed/Quoted Investments		1,209,128,147	100.1
Other net liabilities		(1,288,074)	(0.1)
Net assets attributable to holders of redeemable units at 30 September 2018		1,207,840,073	100.0
Total investments, at cost		1,186,719,833	

Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 *(Unaudited)*

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
<b>China</b>		
Banks	13.0	9.4
Pharmaceuticals	10.0	9.1
Insurance	9.9	9.8
Beverages	8.4	3.7
Food Products	7.5	6.2
Real Estate Management & Development	6.7	2.6
Household Durables	4.9	5.6
Machinery	4.7	5.9
Transportation Infrastructure	3.7	-
Technology Hardware, Storage & Peripherals	3.5	2.0
Electronic Equipment, Instruments & Components	3.4	7.9
Software	3.3	1.5
Hotels, Restaurants & Leisure	3.2	2.3
Chemicals	3.1	3.6
Automobiles	2.9	1.7
Electrical Equipment	2.3	1.5
Health Care Providers & Services	1.9	1.6
Independent Power and Renewable Electricity Producers	1.9	2.2
Food & Staples Retailing	1.6	1.6
Media	1.2	2.9
Airlines	1.2	1.0
Communications Equipment	0.9	1.9
Commercial Services & Supplies	0.9	1.8
Capital Markets	-	6.6
Energy Equipment & Services	-	1.9
Road & Rail	-	1.4
Construction & Engineering	-	1.0
<b>Hong Kong</b>		
Hotels, Restaurants & Leisure	-	1.5
<b>Derivatives</b>		
Futures	-	(0.0)
<b>Total Listed/Quoted Investments</b>	<b>100.1</b>	<b>98.2</b>
<b>Other net (liabilities)/assets</b>	<b>(0.1)</b>	<b>1.8</b>
<b>Net assets attributable to holders of redeemable units at 30 September</b>		
	<b>100.0</b>	<b>100.0</b>

Statement of Financial Position  
As at 30 September 2018

	2018 CNY	2017 CNY
<b>Assets</b>		
Cash at banks	8,117,220	17,566,036
Amounts receivable on allotment	2,255,347	6,228,911
Collateral deposits	278,958	-
Margin deposits	6,197	916,035
Investments [Note 4(l)(a)]	1,209,128,147	754,173,097
Dividend and other accounts receivable	1,592	203,420
<b>Total assets</b>	<u>1,219,787,461</u>	<u>779,087,499</u>
	-----	-----
<b>Liabilities</b>		
Amounts due to brokers	-	5,471,848
Amounts payable on redemption	9,954,533	4,491,540
Derivatives [Note 4(l)(a)]	-	31,590
Other accounts payable	1,992,855	1,360,143
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<u>11,947,388</u>	<u>11,355,121</u>
	-----	-----
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>1,207,840,073</u>	<u>767,732,378</u>
	=====	=====

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

Statement of Comprehensive Income  
For the year ended 30 September 2018

	2018 CNY	2017 CNY
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 5]	(120,658,061)	100,797,456
Dividend income	26,830,127	7,887,088
Interest on deposits	81,044	34,765
Net foreign currency exchange losses	(1,865,956)	(547,189)
Other income [Note 13]	18,747	-
	<u>(95,594,099)</u>	<u>108,172,120</u>
	-----	-----
<b>Expenses</b>		
Management fee [Note 7(e)]	20,939,946	8,266,094
Transaction costs	6,158,292	2,342,695
Safe custody and bank charges	908,587	544,059
Registrar's fee [Note 7(h)]	457,280	185,745
Trustee's fee [Note 8]	422,827	237,958
Auditor's fee	176,261	180,940
Valuation fee [Note 7(e)]	108,218	112,343
Legal and professional expenses	18,175	32,142
Printing and publication expenses	6,435	30,159
Other operating expenses	43,862	34,591
	<u>29,239,883</u>	<u>11,966,726</u>
	-----	-----
<b>Net operating (loss)/profit</b>	<u>(124,833,982)</u>	<u>96,205,394</u>
	-----	-----
<b>Finance costs</b>		
Interest expense	(40,034)	(3,685)
	<u>(124,874,016)</u>	<u>96,201,709</u>
	-----	-----
<b>(Loss)/profit before taxation</b>	<u>(124,874,016)</u>	<u>96,201,709</u>
	-----	-----
Taxation [Note 6]	(2,724,498)	(809,705)
	<u>(127,598,514)</u>	<u>95,392,004</u>
	-----	-----
Change in cumulative difference arising from the fair value adjustment of units of the Fund	-	(123,456)
	<u>(127,598,514)</u>	<u>95,268,548</u>
	=====	=====
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>(127,598,514)</u>	<u>95,268,548</u>
	=====	=====

The notes on pages 185 to 198 form part of these financial statements.

Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units  
For the year ended 30 September 2018

	2018 CNY	2017 CNY
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	767,732,378	442,128,387
	-----	-----
Allotment of redeemable units [Note 3]	2,619,318,322	751,181,744
Redemption of redeemable units [Note 3]	(2,051,612,113)	(520,846,301)
	-----	-----
<b>Net allotment</b>	567,706,209	230,335,443
	-----	-----
	1,335,438,587	672,463,830
	-----	-----
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	(127,598,514)	95,268,548
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	1,207,840,073	767,732,378
	=====	=====

Statement of Cash Flows  
For the year ended 30 September 2018

	2018 CNY	2017 CNY
<b>Operating activities</b>		
Purchase of investments and derivatives	(1,686,075,566)	(648,302,431)
Proceeds from disposal of investments and derivatives	1,104,967,645	423,460,993
Dividend received	26,902,302	7,814,913
Decrease/(increase) in margin deposits	909,838	(916,035)
Interest received	83,246	31,215
Increase in collateral deposits	(278,958)	-
Trustee's fee paid	(414,440)	(232,977)
Registrar's fee paid	(482,511)	(123,830)
Tax paid	(2,724,498)	(809,705)
Transaction costs paid	(6,173,854)	(2,303,923)
Management fee paid	(20,334,983)	(7,908,106)
Others	(2,967,524)	(1,530,009)
	-----	-----
<b>Net cash outflow from operating activities</b>	(586,589,303)	(230,819,895)
	-----	-----
<b>Financing activities</b>		
Interest paid	(40,034)	(3,685)
Receipts on allotment of redeemable units	2,623,291,886	745,790,366
Payments on redemption of redeemable units	(2,046,149,120)	(517,327,028)
	-----	-----
<b>Net cash inflow from financing activities</b>	577,102,732	228,459,653
	-----	-----
<b>Decrease in cash and cash equivalents</b>	(9,486,571)	(2,360,242)
Cash and cash equivalents at the beginning of the year	17,566,036	20,006,835
Exchange gains/(losses) on cash and cash equivalents	37,755	(80,557)
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	8,117,220	17,566,036
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	8,117,220	17,566,036
	=====	=====

The notes on pages 185 to 198 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan China A-Share Opportunities Fund (the "Fund") was established under a Trust Deed dated 2 July 2014, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to aim to achieve long-term capital growth by investing primarily in securities issued in the People's Republic of China ("PRC") including but not limited to China A-Shares listed on the PRC stock exchanges. The Fund will invest in PRC securities via the Renminbi Qualified Foreign Institutional Investor ("RQFII") quota of the Investment Manager. For the investment in China A-Shares, the Fund may also invest and have direct access to certain eligible China A-Shares via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect (collectively, the "China Connect") and/or other similar programs as approved by the relevant regulators from time to time. The Fund may invest 30% or more of its total net asset value in stocks listed on the Small and Medium Enterprise Board and/or the ChiNext Board of the Shenzhen Stock Exchange.

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(d) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(e) Foreign currency translation***Functional and presentation currency*

The Fund has adopted Renminbi as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(f) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(g) Collateral and margin deposits**

Cash collateral provided by the Fund is identified in the Statement of Financial Position as collateral deposits and is not included as a component of cash and cash equivalents.

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(h) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(i) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**(j) Taxation**

Tax provision made predominantly relates to enterprise income tax arising from investment income realized from trading PRC securities.

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**2018

	HKD Class (acc) Units	RMB Class (acc) Units	USD Class (acc) Units
Number of units in issue:			
At the beginning of the year	24,350,995.029	6,992,678.598	4,651,596.037
Total allotments	76,285,984.352	12,388,290.370	16,130,112.065
Total redemptions	(56,281,519.206)	(9,417,679.116)	(13,719,688.861)
At the end of the year	<u>44,355,460.175</u>	<u>9,963,289.852</u>	<u>7,062,019.241</u>

HK\$

CNY

US\$

Net assets attributable to holders of redeemable units	<u>609,757,470</u>	<u>151,938,227</u>	<u>75,651,515</u>
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Net assets attributable to holders of redeemable units (per unit)	<u>13.75</u>	<u>15.25</u>	<u>10.71</u>
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2017

	HKD Class (acc) Units	RMB Class (acc) Units	USD Class (acc) Units
Number of units in issue:			
At the beginning of the year	15,683,262.035	6,651,530.198	3,105,204.194
Total allotments	22,802,479.630	4,294,040.986	5,941,502.325
Total redemptions	(14,134,746.636)	(3,952,892.586)	(4,395,110.482)
At the end of the year	<u>24,350,995.029</u>	<u>6,992,678.598</u>	<u>4,651,596.037</u>

HK\$

CNY

US\$

Net assets attributable to holders of redeemable units	<u>356,955,366</u>	<u>110,130,016</u>	<u>53,230,644</u>
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Net assets attributable to holders of redeemable units (per unit)	<u>14.66</u>	<u>15.75</u>	<u>11.44</u>
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## 4 Financial risk management

### (i) Financial risk factors

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

### (a) Market risk

#### (i) Market price risk

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Beta of the Fund on a regular basis. Beta measures the statistical relationship between the return of the Fund and the relevant benchmark index chosen by the Investment Manager.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
	Fair value of investments CNY	% of net assets	Fair value of investments CNY	% of net assets
Listed/Quoted Investments				
<u>Assets</u>				
Equities				
- Banks	156,509,761	13.0	71,961,739	9.4
- Pharmaceuticals	120,889,234	10.0	69,769,697	9.1
- Insurance	120,094,610	9.9	75,355,505	9.8
- Beverages	101,382,123	8.4	28,387,378	3.7
- Food Products	90,628,817	7.5	47,792,920	6.2
- Real Estate Management & Development	80,472,352	6.7	20,191,441	2.6
- Household Durables	59,767,305	4.9	43,006,776	5.6
- Machinery	57,235,545	4.7	44,873,243	5.9
- Electronic Equipment, Instruments & Components	41,698,083	3.4	60,533,692	7.9
- Capital Markets	-	-	50,939,293	6.6
- Others	380,450,317	31.6	241,361,413	31.4
	<u>1,209,128,147</u>	<u>100.1</u>	<u>754,173,097</u>	<u>98.2</u>
Derivatives				
- Futures	-	-	(31,590)	(0.0)
	<u>-</u>	<u>-</u>	<u>(31,590)</u>	<u>(0.0)</u>
Total Listed/Quoted Investments	<u>1,209,128,147</u>	<u>100.1</u>	<u>754,141,507</u>	<u>98.2</u>

Also, refer to Note 11 for the exposures on derivative contracts.

	Net asset value CNY	Relevant benchmark index for the Fund (Note*)	Beta (Note**)	% of reasonable possible change of the relevant benchmark index (Note***)	Estimated impact on net asset value (Note****) CNY
As at 30 September 2018	<u>1,207,840,073</u>	CSI 300 Net	0.99	-8.6	<u>(102,835,504)</u>
As at 30 September 2017	<u>767,732,378</u>	CSI 300 Net	0.98	+20.1	<u>151,227,924</u>



If the relevant benchmark index return was to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

- \* Relevant benchmark index for the Fund represents the relevant market index used by the Investment Manager in monitoring the market price risk of the Fund.
- \*\* Beta measures the statistical relationship between the return of the Fund and the respective benchmark index over the maximum of past 36 months, or the number of months since portfolio inception. For funds launched within a period of less than 12 months, weekly returns of the Fund are used for calculating the Beta.
- \*\*\* % of reasonable possible change is based on the actual historical change in the benchmark index in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. For funds launched within a period of less than 12 months, actual historical change in the benchmark index since the commencement of operations will be used to calculate the % of reasonable possible change.
- \*\*\*\* Estimated impact on net asset value of the Fund is calculated by applying the relevant Beta against the net asset value of the Fund multiplied by the % of reasonable possible change of the relevant benchmark index, assuming all other variables that may impact the net asset value of the Fund are held constant.

## (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month CNY	2017 Less than 1 month CNY
Cash at banks	8,117,220	17,566,036
Collateral deposits	278,958	-
Margin deposits	6,197	916,035
Total interest sensitivity gap	<u>8,402,375</u>	<u>18,482,071</u>

Any cash and cash equivalents, collateral deposits and margin deposits are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

## (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

Net currency exposures (Note*)	CNY equivalent	% of reasonable possible change against CNY (Note**)	Estimated impact on net asset value CNY
<u>2018</u>			
Hong Kong Dollar	47,259,828	+3.2	1,512,314
United States Dollar	(3,561,491)	+3.4	(121,091)
	<u>43,698,337</u>		<u>1,391,223</u>
<u>2017</u>			
Hong Kong Dollar	37,409,818	-1.1	(411,508)
United States Dollar	7,531,109	-0.4	(30,124)
	<u>44,940,927</u>		<u>(441,632)</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

## (b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 CNY	2017 CNY
Cash at banks	8,117,220	17,566,036
Amounts receivable on allotment	2,255,347	6,228,911
Collateral deposits	278,958	-
Margin deposits	6,197	916,035
Dividend and other accounts receivable	1,592	203,420
	<u>10,659,314</u>	<u>24,914,402</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/brokers/custodians which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties CNY	2017 Exposure to counterparties CNY
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	8,117,220	11,851,589
S&P(A)/Moody's(A)/FITCH(A)	-	5,714,447
Collateral deposits with custodian		
S&P(A)/Moody's(A)/FITCH(A)	278,958	-
Margin deposits with brokers		
S&P(AA)/Moody's(Aa)/FITCH(AA)	6,197	916,035
Investment balances with custodians		
S&P(AA)/Moody's(Aa)/FITCH(AA)	194,373,636	754,173,097
S&P(A)/Moody's(A)/FITCH(A)	1,014,754,511	-

### (c) Liquidity risk

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018 Less than 1 month CNY	2017 Less than 1 month CNY
Amounts due to brokers	-	5,471,848
Amounts payable on redemption	9,954,533	4,491,540
Derivatives	-	31,590
Other accounts payable	1,992,855	1,360,143
Net assets attributable to holders of redeemable units	1,207,840,073	767,732,378
Total financial liabilities	1,219,787,461	779,087,499

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

### (d) Offsetting and amounts subject to master netting arrangements and similar agreements

As at 30 September 2018 and 2017, the Fund was subject to master netting arrangements with certain derivative counterparties. All of the derivative assets and liabilities of the Fund were held with these counterparties and the collateral and margin deposits maintained by the Fund were for the purpose of providing collateral on derivative positions.

In the event of default, the Fund and its counterparties have the option to settle transactions on net basis. An event of default may include failure to pay or deliver, breach of agreement or bankruptcy.

The following tables summarize the Fund's financial assets and liabilities subject to offsetting, master netting arrangements and similar agreements as at 30 September by types of financial instruments.

## 2018

There were no financial assets and financial liabilities subject to offsetting, master netting arrangements and similar agreements as at 30 September 2018.

	Gross amounts of recognized financial assets presented in the Statement of Financial Position CNY	Related amounts subject to master netting arrangements and similar agreements net off against		
		Financial Instruments CNY	Collateral and margin deposits CNY	Net amount CNY

## 2017

### Assets

Margin deposits	916,035	-	(31,590)	884,445
Financial assets at fair value through profit and loss	916,035	-	(31,590)	884,445

	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position CNY	Related amounts subject to master netting arrangements and similar agreements net off against		
		Financial Instruments CNY	Collateral and margin deposits CNY	Net amount CNY

  

Derivatives	31,590	(31,590)	-	-
Financial liabilities at fair value through profit and loss	31,590	(31,590)	-	-

### Liabilities

## (II) Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

**(III) Fair value estimation**

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 CNY	Level 2 CNY	Level 3 CNY	Total CNY
<u>2018</u>				
<u>Assets</u>				
Equities	1,145,665,424	-	63,462,723	1,209,128,147
Total financial assets at fair value through profit and loss	<u>1,145,665,424</u>	<u>-</u>	<u>63,462,723</u>	<u>1,209,128,147</u>
<u>2017</u>				
<u>Assets</u>				
Equities	746,686,313	7,486,784	-	754,173,097
Total financial assets at fair value through profit and loss	<u>746,686,313</u>	<u>7,486,784</u>	<u>-</u>	<u>754,173,097</u>
<u>Liabilities</u>				
Derivatives	31,590	-	-	31,590
Total financial liabilities at fair value through profit and loss	<u>31,590</u>	<u>-</u>	<u>-</u>	<u>31,590</u>

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Level 3 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The Level 3 equities of CNY63,462,723 are listed equity investments suspended from trading as at year end for periods from 1 month to more than 1 year. The Fund adjusts the last traded prices of these securities with reference to the changes in the relevant index over the suspension period.

Market volatility may result in a discrepancy between the latest available issue and realization prices for the Fund and the fair value of the Fund's net asset value. Certain investors might exploit this discrepancy. By these investors paying less than the fair value for units on issue, or receiving more than the fair value on realization, other unitholders may suffer a dilution in the value of their investment. As a safeguard against such exploitation, the Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the net asset value of each Fund or of a unit, if it considers that such adjustment is required to reflect more accurately the fair value of the net asset value. The Manager considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. Such adjustment shall be made in good faith, with the Manager taking into account the best interests of unitholders.

The table below summarizes the transfers between levels of the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September 2018 and 2017.

	Level 1 CNY	Level 2 CNY	Level 3 CNY
Transfers between Levels 1, 2 and 3:			
Financial assets at fair value through profit and loss			
<u>2018</u>			
Equities			
- China	(21,361,308)	-	21,361,308
- China	-	(3,350,694)	3,350,694

#### China

Equities transferred from Level 1 to Level 3 were equities with values adjusted with reference to the changes in the relevant index over the suspension period as at 30 September 2018, but were valued based on quoted market prices in active markets as at 30 September 2017. These equities were suspended from trading as at 30 September 2018, but were actively traded on 30 September 2017. Since the adjustment to the valuation were considered to be significant, this security was classified as Level 3 as at 30 September 2018.

#### China

Equities transferred from Level 2 to Level 3 were equities with values adjusted with reference to the changes in the relevant index over the suspension period as at 30 September 2018, but were valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs as at 30 September 2017. Since the adjustment to the valuation were considered to be significant, this security was classified as Level 3 as at 30 September 2018.

If the relevant index were to change by +/-9.1%, this would result in a change in the Fund's net asset value by +/-CNY5,775,107, assuming all other variables that may impact the net asset value of the Fund are held constant.

These Level 3 positions were not presented in prior years, as it was deemed that the unobservable inputs were not significant.

The following table presents the movement in level 3 instruments for the year ended 31 December 2018 by class of financial instrument.

	2018 CNY
Opening balance	-
Purchases	91,958,914
Sales	(37,355,608)
Transfers into Level 3	35,887,165
Net losses recognized in net (losses)/gains on investments and derivatives	(27,027,748)
Closing balance	63,462,723
Change in unrealized gains/losses for Level 3 assets held at year end and included in net (losses)/gains on investments and derivatives	(25,723,101)

	Level 1 CNY	Level 2 CNY	Level 3 CNY
Transfer between Levels 1 and 2:			
Financial assets at fair value through profit and loss			
<u>2017</u>			
Equities			
- China	(3,039,498)	3,039,498	-
- China	39,226,314	(39,226,314)	-

China

Equities transferred from Level 1 to Level 2 were valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs as at 30 September 2017, but were valued based on quoted market prices in active markets as at 30 September 2016. These equities were suspended from trading as at 30 September 2017, but were actively traded on 30 September 2016.

China

Equities transferred from Level 2 to Level 1 were valued based on quoted market prices in active markets as at 30 September 2017, but were valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs as at 30 September 2016. These equities were suspended from trading as at 30 September 2016, but were actively traded on 30 September 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

**5 Net (losses)/gains on investments and derivatives**

	2018 CNY	2017 CNY
Change in unrealized gains/losses in value of investments and derivatives	(97,959,294)	109,044,282
Realized losses on sale of investments and derivatives	(22,698,767)	(8,246,826)
	<u>(120,658,061)</u>	<u>100,797,456</u>

**6 Taxation**

Tax provision made predominantly relates to enterprise income tax arising from investment income realized from trading PRC securities.

The amount of taxation charged to the Statement of Comprehensive Income represents:

	2018 CNY	2017 CNY
Withholding tax		
- Dividend and interest income	(2,724,498)	(809,705)
Taxation	<u>(2,724,498)</u>	<u>(809,705)</u>

The movement in tax payable during the year is as follows:

	2018 CNY	2017 CNY
At the beginning of the year	-	-
Taxation charged to the Statement of Comprehensive Income	2,724,498	809,705
Tax paid	(2,724,498)	(809,705)
At the end of the year	<u>-</u>	<u>-</u>

Provisioning Policy of the Fund

The Fund held A-shares of PRC listed companies through the RQFII quota of the Investment Manager and China Connect and certain investment in other PRC securities. Under PRC tax law, enterprise income tax of 10% is payable on dividends and interests (except for Government bond interest which is specifically tax exempt) derived by foreign investors from China. The paying entity in the PRC will be responsible for withholding such tax when making a payment. Full PRC tax provision of 10% is made for PRC sourced dividends and interests where tax has not yet been withheld by the payors.

Under PRC tax law, enterprise income tax of 10% would normally be payable on gains realized from the sale of PRC securities by foreign investors. However, currently gains from disposal of China A-shares (including those on China Connect) are subject to temporary exemptions from enterprise income tax effective from 17 November 2014. Enterprise income tax on gains from China A-shares disposed of prior to 17 November 2014 has been settled in 2016. Full PRC tax provision of 10% is made for gains from disposal of certain PRC securities that are currently not specifically exempt from enterprise income tax.

Hong Kong Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

**7 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons**

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

(a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments CNY	% of the Fund's total aggregate value of transactions	Commission paid CNY	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
J.P. Morgan Securities plc London	1,394,111,429*	50.06	199,384	4.92	0.01
J.P. Morgan Securities (Asia Pacific) Limited	44,827,183	1.61	56,474	1.39	0.13

2017

J.P. Morgan Securities (Asia Pacific) Limited	5,511,879	0.51	2,205	0.14	0.04
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\* These amounts include futures transactions totaling CNY1,394,111,429 (2017: nil).

(b) Balances with the Manager and its Connected Persons as at year end:

	2018 CNY	2017 CNY
Cash at banks	608,443	6,301,062
Margin deposits	6,197	916,035
Amounts receivable	1,592	2,839
Amounts payable	(1,678,539)	(1,099,922)

During the year, the interest income on cash at banks held with Connected Persons of the Manager was CNY27,590 (2017: CNY8,547).

(c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms. The Fund invests in A-Shares via the RQFII quota of the Investment Manager and accordingly all investments are conducted via the Investment Manager.



- (d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to CNY94,145 (2017: CNY16,788).
- (e) Management fee of 1.75% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.
- The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.
- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (g) Refer to Note 8 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 8 Trustee's fee

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first CNY270 million, 0.04% per annum for the balance from CNY270 million to CNY470 million, and 0.025% per annum for the balance in excess of CNY470 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

## 9 Borrowings

During the years ended 30 September 2018 and 2017, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

## 10 Soft dollar arrangements/Commission sharing arrangements

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

## 11 Derivatives

Open futures contracts as at 30 September were as follows:

	No. of contracts long/(short)	Contract value CNY	Settlement date	Unrealized gains/(losses) CNY
<u>2018</u>				
Nil				
<u>2017</u>				
FTSE China A50 (SGX)	146	11,682,074	October 2017	(31,590)

## 12 Distribution

No distribution was made during the year (2017: nil).

## 13 Other income

The Fund received CNY18,747 (2017: nil) from the Manager as compensation for valuation and/or other operational error(s).

**Independent Auditor's Report**

To the Unitholders of JPMorgan China A-Share Opportunities Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan China A-Share Opportunities Fund set out on pages 183 to 198, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 2 July 2014, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan China A-Share Opportunities Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 2 July 2014, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund	Net asset value per unit
30/9/18 - HKD Class (acc) - RMB Class (acc) - USD Class (acc)	HK\$609,757,470 CNY151,938,227 US\$75,651,515	HK\$13.75 CNY15.25 US\$10.71
30/9/17 - HKD Class (acc) - RMB Class (acc) - USD Class (acc)	HK\$356,955,366 CNY110,130,016 US\$53,230,644	HK\$14.66 CNY15.75 US\$11.44
30/9/16 - HKD Class (acc) - RMB Class (acc) - USD Class (acc)	HK\$187,356,191 CNY86,318,793 US\$29,160,742	HK\$11.95 CNY12.98 US\$9.39

**Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u>	<u>Lowest bid</u>
30/9/18 - HKD Class (acc) - RMB Class (acc) - USD Class (acc)	HK\$18.22 CNY18.75 US\$14.21	HK\$12.68 CNY14.01 US\$9.85
30/9/17 - HKD Class (acc) - RMB Class (acc) - USD Class (acc)	HK\$14.91 CNY15.75 US\$11.62	HK\$10.98 CNY12.33 US\$8.63
30/9/16 - HKD Class (acc) - RMB Class (acc) - USD Class (acc)	HK\$14.99 CNY15.93 US\$11.79	HK\$10.17 CNY10.90 US\$7.96
30/9/15 (since inception) - HKD Class (acc) - RMB Class (acc) - USD Class (acc)	HK\$21.44 CNY21.69 US\$16.86	HK\$9.87 CNY9.83 US\$8.33

**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets						
Listed/Quoted Investments (98.1%)				Construction & Engineering (2.1%)									
(I) Equities (58.0%)				China State Construction Eng 'A'				173,100	138,116	0.0			
China (55.1%)				China State Construction Eng 'A'-C1				7,633,115	6,095,035	1.0			
				SINOPEC Engineering 'H'				6,395,000	7,306,330	1.1			
Auto Components (1.7%)				Construction Materials (1.5%)									
Fuyao Group Glass Industries 'A'-C1				1,436,653	5,317,919	0.8	Anhui Conch Cement 'A'				109,318	584,514	0.1
Huayu Automotive Systems 'A'				359,556	1,175,771	0.2	Anhui Conch Cement 'A' (C1)				1,659,779	8,881,413	1.4
Huayu Automotive Systems 'A' (C1)				1,477,776	4,836,076	0.7	Containers & Packaging (0.4%)						
				CPMC Hldgs				6,351,000	2,402,454	0.4			
Automobiles (1.5%)				Electronic Equipment, Instruments & Components (0.1%)									
Guangzhou Automobile Group 'H'				1,948,000	2,158,387	0.4	Hangzhou Hik-Vision Digital 'A'-C2				139,475	583,022	0.1
SAIC Motor Corp 'A'				283,278	1,370,155	0.2							
SAIC Motor Corp 'A' (C1)				1,230,879	5,958,003	0.9	Food Products (2.0%)						
Banks (9.7%)				Henan Shuanghui Inv 'A'				42,300	160,763	0.0			
China Construction Bank 'A'-C1				8,012,028	8,436,903	1.3	Henan Shuanghui Inv 'A'-C2				817,814	3,110,486	0.5
China Construction Bank 'H'				16,587,000	14,499,236	2.2	Inner Mongolia Yili Ind 'A'				577,700	2,156,111	0.3
China Merchants Bank 'A'				550,992	2,457,626	0.4	Inner Mongolia Yili Ind 'A' (C1)				1,983,121	7,407,067	1.2
China Merchants Bank 'A' (C1)				2,819,910	12,587,346	1.9	Health Care Providers & Services (0.2%)						
China Merchants Bank 'H'				1,909,000	7,758,080	1.2	Sinopharm Group 'H'				246,000	1,204,079	0.2
Ind & Comm Bank of China 'A'				1,192,700	1,000,186	0.2	Hotels, Restaurants & Leisure (0.0%)						
Ind & Comm Bank of China 'H'				13,510,000	9,875,807	1.5	Huangshan Tourism Development 'B'				197,617	243,464	0.0
Industrial & Commercial Bank 'A'-C1				7,622,756	6,397,199	1.0	Household Durables (3.1%)						
Beverages (3.9%)				Midea Group 'A'				191,080	1,125,586	0.2			
Jiangsu Yanghe Brewery 'A'				78,900	1,467,779	0.2	Midea Group 'A'-C2				1,892,998	11,159,430	1.7
Jiangsu Yanghe Brewery 'A'-C2				505,863	9,417,701	1.5	Qingdao Haier Co 'A'				210,000	504,200	0.1
Kweichow Moutai 'A'				21,900	2,323,489	0.4	Qingdao Haier Co 'A' (C1)				3,052,333	7,334,052	1.1
Kweichow Moutai 'A' (C1)				33,000	3,503,796	0.5	Independent Power and Renewable Electricity Producers (4.6%)						
Wuliangye Yibin 'A'				192,497	1,901,022	0.3	China Longyuan Power Group 'H'				8,727,000	7,338,581	1.1
Wuliangye Yibin 'A'-C2				688,677	6,806,237	1.0	China Resources Power Hldgs				3,706,000	6,554,849	1.0
Capital Markets (1.2%)				China Yangtze Power 'A'				538,200	1,281,242	0.2			
CITIC Securities Co 'A'				118,700	287,926	0.0	China Yangtze Power 'A' (C1)				6,194,856	14,758,666	2.3
CITIC Securities Co 'A' (C1)				3,121,441	7,577,283	1.2	Insurance (6.3%)						
Chemicals (0.3%)				China Pacific Insurance (Group) 'H'				662,800	2,558,060	0.4			
Zhejiang Weixing New Building 'A'				352,052	758,278	0.1	Ping An Insurance (Group) 'A'				203,070	2,021,669	0.3
Zhejiang Weixing New Building 'A'-C2				627,434	1,352,441	0.2	Ping An Insurance (Group) 'A' (C1)				2,107,624	20,998,376	3.2
Commercial Services & Supplies (0.5%)				Ping An Insurance (Group) 'H'				1,517,000	15,412,528	2.4			
China Everbright Intl				3,757,000	3,245,705	0.5							

Investment Portfolio (Continued)  
As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Machinery</b> (1.8%)				<b>Marine</b> (0.8%)			
China Conch Venture Hldgs	2,754,500	9,610,072	1.5	SITC Intl Hldgs	6,769,000	5,467,173	0.8
Weichai Power 'H'	1,484,000	1,839,615	0.3	<b>Real Estate Management &amp; Development</b> (0.6%)			
<b>Metals &amp; Mining</b> (0.9%)				Wharf Real Estate Investment	573,000	3,698,003	0.6
Baoshan Iron & Steel 'A'	270,000	308,040	0.0	<b>Specialty Retail</b> (0.4%)			
Baoshan Iron & Steel 'A' (CI)	4,964,670	5,668,421	0.9	Giordano Intl	5,066,000	2,544,362	0.4
<b>Oil, Gas &amp; Consumable Fuels</b> (3.3%)						376,206,551	58.0
China Petroleum & Chemical 'H'	14,726,000	14,754,416	2.3	<b>(II) Debt Securities</b> (40.2%)			
Kunlun Energy Co	5,468,000	6,366,021	1.0	<b>Australia</b> (0.6%)			
<b>Real Estate Management &amp; Development</b> (2.2%)				Commonwealth Bk AU 4.2% 10/20-RegS	CNH5,000,000	757,500	0.1
China Vanke 'A'	432,800	1,528,506	0.2	Commonwealth Bk AU 4.375% 3/19-RegS	CNH9,000,000	1,342,058	0.2
China Vanke 'A'-C2	1,873,734	6,622,413	1.0	ICBC Ltd Sydney 3.65% 27/10/18-RegS	CNH6,000,000	886,081	0.2
China Vanke 'H'	1,589,100	5,259,836	0.8	Shandong Energy Au 4.55% 07/20-RegS	USD600,000	589,299	0.1
Country Garden Hldgs	771,000	972,507	0.2	<b>Bermuda</b> (0.8%)			
<b>Road &amp; Rail</b> (0.8%)				Concord New Energy 7.9% 01/21-RegS	USD1,100,000	1,077,914	0.2
Daqin Railway 'A' (CI)	4,606,392	5,513,949	0.8	GCL New Energy 7.1% 30/01/21-RegS	USD1,700,000	1,571,702	0.2
<b>Specialty Retail</b> (0.5%)				Gome Retail Hldgs 5%10/03/20-RegS	USD1,500,000	1,405,000	0.2
China Yongda Automobiles Services	3,586,000	3,221,713	0.5	Landsea Green Grp 9.625% 04/20-RegS	USD1,300,000	1,334,721	0.2
<b>Technology Hardware, Storage &amp; Peripherals</b> (0.6%)				<b>Canada</b> (0.1%)			
Focus Media Information Tech 'A'-C2	3,102,366	3,839,942	0.6	Royal Bank of Canada 4.25% 29/09/20	CNH5,000,000	723,764	0.1
<b>Textiles, Apparel &amp; Luxury Goods</b> (0.3%)				<b>Cayman Islands</b> (6.6%)			
Crystal Int Group	2,696,000	1,770,941	0.3	Azure Orbit IV 3.75% 25/01/23-RegS	USD2,200,000	2,145,715	0.3
<b>Trading Companies &amp; Distributors</b> (1.5%)				Azure Orbit IV 4% 25/01/28-RegS	USD200,000	187,407	0.0
BOC Aviation	1,274,000	9,882,784	1.5	CAR Inc 6.5% 04/04/21-RegS	CNH16,000,000	2,285,376	0.4
<b>Transportation Infrastructure</b> (2.4%)				China Aoyuan 5.375% 13/09/22-RegS	USD200,000	178,038	0.0
Guangdong Provincial Expressway 'B'	5,566,660	4,368,017	0.7	China Aoyuan Property 7.5% 5/21-RegS	USD3,000,000	3,037,125	0.5
Jiangsu Expressway 'A'	965,900	1,274,652	0.2	China Overseas Gr 4.875% 06/21-RegS	USD1,500,000	1,518,600	0.2
Jiangsu Expressway 'A' (CI)	2,995,873	3,956,501	0.6	China SCE Group 5.875% 3/22-RegS	USD300,000	276,263	0.0
Qingdao Port Intl 'H'	8,745,000	6,202,603	0.9	China SCE Group 7.45% 04/21-RegS	USD900,000	918,710	0.1
<b>Water Utilities</b> (0.8%)				CIFI Hldgs Group 6.875% 04/21-RegS	USD500,000	506,912	0.1
Guangdong Investment	2,906,000	5,162,162	0.8				
<b>Wireless Telecommunication Services</b> (0.9%)							
China Mobile	565,500	5,575,576	0.9				
<b>Hong Kong</b> (2.9%)							
<b>Food Products</b> (0.3%)							
WH Group	2,316,500	1,631,192	0.3				
<b>Hotels, Restaurants &amp; Leisure</b> (0.8%)							
Sands China	1,186,800	5,376,690	0.8				

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Cayman Islands</b> (Continued)				WTT Investment 5.5% 21/11/22-RegS			
CK Hutchison Cap VRN 4% Perp-RegS	USD200,000	195,531	0.0	Yankuang Grp Cayman 4.75% 11/20- RegS	USD1,300,000	1,324,194	0.2
CNI Capital 4.3% 11/11/19 (RegS)	CNH6,000,000	885,196	0.1	Yuzhou Properties 6% 25/10/23-RegS	USD900,000	891,869	0.1
Country Garden 5.8% 12/03/21-RegS	CNH5,000,000	725,201	0.1	Yuzhou Properties 6.375% 03/21-RegS	USD200,000	183,320	0.0
ENN Energy Hldgs 3.25% 07/22-RegS	USD2,600,000	2,520,306	0.4		USD1,200,000	1,173,033	0.2
Fantasia Hldgs 7.95% 05/07/22-RegS	USD200,000	160,298	0.0	<b>China</b> (7.6%)			
Fantasia Hldgs 8.375% 08/03/21-RegS	USD1,600,000	1,348,561	0.2	Air China 5.1% 18/01/23 (SS)	CNY706,000	108,816	0.0
FWD Ltd VRN 0% Perp- RegS	USD500,000	348,100	0.1	Bank of China HK 4.25% 11/12/18	CNH10,000,000	1,504,062	0.2
FWD Ltd VRN 5.5% Prepr- RegS	USD1,500,000	1,384,300	0.2	Bank of China Macau 4.65% 3/21-RegS	CNH10,000,000	1,466,551	0.2
Golden Eagle Retail 4.625%5/23-RegS	USD1,300,000	1,196,587	0.2	Bank of China Paris 4.5% 11/20-RegS	CNH9,000,000	1,337,042	0.2
Greenland HK Hldgs 3.875%07/19-RegS	USD200,000	195,106	0.0	Central Huijin Inv 4.52% 22/6/20-IB	CNY30,000,000	4,455,943	0.7
Guorui Properties 10.2% 03/19-RegS	USD1,700,000	1,593,268	0.3	China Const Bk VRN 4.9% 11/24-RegS	CNH13,000,000	1,926,336	0.3
Jiayua Intl 8.25% 14/11/18- RegS	USD700,000	711,317	0.1	China Dev Bank 4.35% 06/08/24-RegS	CNH7,000,000	1,021,354	0.2
Jiayuan Intl 8.125% 17/01/19-RegS	USD200,000	198,295	0.0	China Dev Bank 5.84% 03/01/19 (SS)	CNY6,300,000	963,500	0.2
KWG Group 6% 15/09/22- RegS	USD300,000	271,925	0.0	China Dev Bank No1709 4.14% 9/20-IB	CNY6,000,000	883,527	0.1
Logan Property Hldgs5.25%02/23-RegS	USD400,000	356,207	0.1	China Dev Bank No1804 4.69% 3/23-IB	CNY18,000,000	2,756,836	0.4
Longfor Prop 3.875% 13/07/22-RegS	USD800,000	774,797	0.1	China Govt Bond 3.16% 27/06/23-RegS	CNH2,000,000	289,732	0.0
Maoye Intl Hldgs 13.25% 09/20-RegS	USD1,000,000	1,003,922	0.2	China Govt Bond 3.25% 04/07/21-RegS	CNH24,000,000	3,524,826	0.5
Maoye Intl Hldgs 7% 23/10/18-RegS	USD400,000	410,811	0.1	China Govt Bond 3.36% 21/05/22-RegS	CNH4,000,000	589,664	0.1
Overseas Chinese VRN4.3% Perp -RegS	USD700,000	691,548	0.1	China Govt Bond 3.65% 09/07/20-RegS	CNH10,000,000	1,482,459	0.2
OVPH Ltd 5.875% Perp- RegS	USD600,000	586,048	0.1	China Govt Bond 3.8% 09/07/23	CNH10,000,000	1,483,107	0.2
QNB Finance 5.1% 08/03/21-RegS	CNH7,000,000	1,052,493	0.2	China Govt Bond 3.9% 04/12/19-RegS	CNH25,000,000	3,718,929	0.6
QNB Finance 5.1% 14/05/21-RegS	CNH28,000,000	4,171,499	0.7	China Govt Bond 3.99% 26/06/20-RegS	CNH4,000,000	597,320	0.1
QNB Finance 5.2% 07/06/21-RegS	CNH8,000,000	1,188,616	0.2	China Govt Bond 4.1% 26/06/22-RegS	CNH12,000,000	1,810,011	0.3
Sands China 5.125% 08/08/25-RegS	USD600,000	604,760	0.1	China Govt Bond No1107 4.26%7/21-SS	CNY6,800,000	1,019,342	0.2
SCIG Intl Finl 4.625% 26/09/21-RegS	USD500,000	497,496	0.1	China Govt Bond No1303 3.4% 4/23-SS	CNY4,278,000	628,193	0.1
Shimao Property 5.75% 15/03/21-RegS	CNH24,000,000	3,474,077	0.5	China Govt Bond No1716 3.46%7/20-IB	CNY500,000	73,476	0.0
Sun Hung Kai Prop 4.45% Perp-RegS	USD400,000	346,829	0.1	China Guodian 5.6% 22/09/19 (SS)	CNY117,000	18,191	0.0
Sunny Optical Tech 3.75% 1/23-RegS	USD200,000	194,067	0.0	China Minmetals VRN 3.75% Perp-RegS	USD1,000,000	943,125	0.2
Times China 6.25% 17/01/21-RegS	USD1,100,000	1,066,667	0.2	China Three Gorges 4.15%11/5/26(SS)	CNY1,996,000	285,641	0.0



Investment Portfolio (Continued)  
As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>China</b> (Continued)			HK Intl (Qingdao) 3.75% 12/20-RegS	USD400,000	389,075 0.1
Chongqing Land 7.35% 25/04/19 (SS)	CNY1,000,000	30,475 0.0	HK Intl (Qingdao) 4.25% 12/22-RegS	USD1,000,000	946,163 0.1
Ford Automotive Fin 5.19% 05/21-IB	CNY20,000,000	3,014,182 0.5	HK Mortgage 4.05% 06/11/20-RegS	CNH6,000,000	895,380 0.1
GD Power Dev 4.75% 15/06/19 (SS)	CNY1,000,000	148,450 0.0	HK Red Star Macall 3.375% 9/22-RegS	USD1,200,000	1,016,625 0.1
Guangxi Comm Inv 3% 04/11/19-RegS	USD600,000	591,590 0.1	HKCG Finance 4.45% 26/09/21-RegS	CNH19,000,000	2,765,160 0.4
Haitian (BVI) Intl 3.875%12/20-RegS	USD1,400,000	1,362,456 0.2	Huasing Intl Hldgs 4.5% 03/21-RegS	USD2,600,000	2,499,575 0.4
Huzhou City Inv 4.875%20/12/20-RegS	USD2,200,000	2,187,850 0.3	Hubei Science&Tech 4.375% 3/21-RegS	USD2,500,000	2,430,524 0.4
ICBC Tokyo 3.8% 31/10/19-RegS	CNH2,000,000	294,468 0.0	ICBC Asia VRN 4.25% Perp-RegS	USD600,000	578,498 0.1
Minmetals Bount VRN 4.45% Perp-RegS	USD500,000	507,151 0.1	ICBC Asia VRN 4.5% 10/10/23-RegS	USD200,000	204,295 0.0
Nanjing Yang Zi 3.625% 5/12/22-RegS	USD2,600,000	2,451,619 0.4	ICBCIL Finance 3.125% 15/11/22-RegS	USD2,400,000	2,326,093 0.4
Postal Saving Bk VRN 4.5% Perp-RegS	USD1,000,000	991,000 0.2	Leader Goal Intl VRN 4.25%Perp-RegS	USD400,000	385,880 0.1
United Overseas BK CN 4.93% 4/21-IB	CNY15,000,000	2,266,554 0.4	Lenovo Group 4.75% 29/03/23-RegS	USD2,000,000	1,942,328 0.3
Yangzhou Urban Con 4.375%12/20-RegS	USD2,600,000	2,553,449 0.4	MCC Hldg (HK) 2.95% 31/05/20-RegS	USD2,800,000	2,770,133 0.4
<b>Hong Kong</b> (6.8%)			Shanghai Comm VRN 3.75% 11/27-RegS	USD2,600,000	2,504,836 0.4
Anhui Transport 4.875% 13/9/21-RegS	USD400,000	398,279 0.1	Sino Trendy Inv 4.875% 01/21-RegS	USD1,343,000	1,290,897 0.2
Bank of East Asi VRN5.625%Perp-RegS	USD200,000	199,896 0.0	Vanke Real Est 4.15% 18/04/23-RegS	USD2,500,000	2,487,976 0.4
Bank of East Asia VRN 5.5%Perp-RegS	USD1,300,000	1,316,810 0.2	Weichai Intl HK VRN 3.75% Perp-RegS	USD400,000	369,708 0.1
Beijing State-Owned 3% 26/5/20-RegS	USD600,000	594,970 0.1	Wing Lung Bank VRN 3.75% 11/27-RegS	USD2,500,000	2,404,594 0.4
Chalieco HK VRN 5.7% Perp-RegS	USD600,000	610,520 0.1	<b>Hungary</b> (0.2%)		
China CITIC Bank 4.25% Perp-RegS	USD1,100,000	1,056,736 0.2	Rep of Hungary 4.85% 27/07/20-IB	CNY10,000,000	1,474,591 0.2
China Life Ins VRN 3.35% 07/27-RegS	USD700,000	661,924 0.1	<b>India</b> (0.3%)		
Chong Hing Bk VRN 6.5% Perp-RegS	USD400,000	406,433 0.1	Adani Transmission 4% 03/08/26-RegS	USD300,000	269,683 0.0
CITIC Ltd 4% 11/01/28- RegS	USD1,700,000	1,619,146 0.2	Power Fin Corp 3.75% 06/12/27-RegS	USD500,000	444,715 0.1
CNAC (HK) Finbridge 3.5% 07/22-RegS	USD2,600,000	2,534,870 0.4	Yes Bank 3.75% 06/02/23- RegS	USD1,300,000	1,224,703 0.2
CNAC (HK) Finbridge 4.875%3/25-RegS	USD1,800,000	1,806,304 0.3	<b>Indonesia</b> (0.1%)		
CRCC Yupeng VRN 3.95% Perp-RegS	USD800,000	800,971 0.1	ABM Investama 7.125% 01/08/22-RegS	USD400,000	380,750 0.1
Dah Sing Bk VRN 4.25% 30/11/26-RegS	USD2,600,000	2,597,620 0.4	<b>Korea</b> (3.0%)		
Full Dragon (HK) Intl 5.6%2/21-RegS	USD200,000	193,462 0.0	Busan Bank 4.85% 25/05/21	CNH29,000,000	4,307,783 0.7
Gemdale Ever Pro 4.95% 26/7/22-RegS	USD600,000	571,613 0.1	Export-Imp Bk Kor 4.45% 09/12/19	CNH16,000,000	2,402,406 0.4
HBIS Group 4.25% 07/04/20-RegS	USD300,000	301,288 0.0	Export-Import Bk Kor4.65% 6/21-RegS	CNH15,000,000	2,210,587 0.3

Investment Portfolio (Continued)  
As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
Korea (Continued)				BOC Aviation 4.5%			
Export-Import Bk				17/10/20-RegS			
Kor4.68% 3/21-RegS				CNH5,000,000	738,514	0.1	CNH4,000,000
Heungkuk Life VRN							593,739
4.475% 11/47-RegS				USD200,000	183,020	0.0	0.1
Industrial Bk KR VRN 3.9%							Indika Energy 5.875%
Perp-RegS				USD300,000	289,050	0.0	09/11/24-RegS
Korea Dev Bank 3.785%							USD600,000
11/09/19-RegS				CNH18,000,000	2,619,532	0.4	Medco Platinum 6.75%
Korea Dev Bank 4.5%							30/01/25-RegS
10/11/20-RegS				CNH15,000,000	2,268,563	0.4	USD900,000
Korea Dev Bank 4.585%							859,669
2/21-RegS				CNH8,000,000	1,194,277	0.2	Medco Straits 8.5%
Korea Dev Bank 4.6%							17/08/22-RegS
03/07/21-RegS				CNH13,800,000	2,035,823	0.3	USD800,000
Korea Develop 4.19%							839,791
27/07/20-RegS				CNH2,000,000	290,624	0.0	USD200,000
Korean Air Lines 5.875%							192,261
03/21-RegS				USD400,000	392,632	0.1	4.25% Perp-RegS
Shinhan Bank VRN							Soechi Capital 8.375%
3.875%7/12/26-RegS				USD200,000	198,608	0.0	23/01/23-RegS
Woori Bank VRN 4.5%							USD600,000
Perp-RegS				USD600,000	586,566	0.1	SSMS Plant Hldgs 7.75%
							1/23-RegS
							USD600,000
							568,283
							0.1
							TBLA Intl Pte 7%
							24/01/23-RegS
							USD500,000
							430,264
							0.1
							United Overseas VRN
							3.875%PERP-RegS
							USD400,000
							383,075
							0.1

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>Virgin Islands</b> (Continued)			Wisdom Glory VRN 5.25% Perp-RegS	USD600,000	590,550 0.1
Fortune Star 5.25% 23/03/22-RegS	USD400,000	376,967 0.1	Xingsheng BVI 4.5% 20/09/21-RegS	USD900,000	895,973 0.1
Fortune Star 5.375% 05/12/20-RegS	USD600,000	599,892 0.1	Xinxing Ind Inv4.25% 14/12/20-RegS	USD1,000,000	983,832 0.2
Fortune Star 5.95% 29/01/23-RegS	USD1,000,000	951,497 0.1	Yuexiu REIT MTN 4.75% 27/04/21-RegS	USD3,800,000	3,877,214 0.6
Franshion Billi VRN 5.75% Perp-RegS	USD400,000	366,832 0.1		260,633,103	40.2
Franshion Brilliant 5.2% 03/21-RegS	CNH19,400,000	2,823,846 0.4		-----	----
Franshion Brilliant 4% Perp-RegS	USD200,000	181,956 0.0	<b>(III) Derivatives (-0.1%)</b>		
Gemstones Intl 8.5% 15/08/20-RegS	USD1,000,000	967,111 0.1	<b>Forward foreign exchange contracts (-0.1%)</b>		
Greenland Glb Inv 5.875% 07/24-RegS	USD1,100,000	939,797 0.1		(729,237)	(0.1)
Greenland Global 5.9% 12/02/23-RegS	USD900,000	813,853 0.1	<b>Futures (0.0%)</b>		
Huarong Fin VRN 4% Perp-RegS	USD400,000	382,540 0.1	US 5Yr Note (CBT) Fut 12/18	(32) 28,500	0.0
King Power Cap 5.625% 03/11/24-RegS	USD1,700,000	1,821,083 0.3		(700,737)	(0.1)
Knight Castle Inv 7.99% 01/21-RegS	USD900,000	762,833 0.1		-----	----
Nan Fung Tsy 3.875% 03/10/27-RegS	USD1,500,000	1,380,765 0.2	<b>Total Listed/Quoted Investments</b>		
Nan Fung Tsy 5% 05/09/28-RegS	USD300,000	289,938 0.0		636,138,917	98.1
New Metro Global 4.75% 11/2/19-RegS	USD400,000	399,586 0.1	<b>Other net assets</b>		
New Metro Global 6.5% 23/4/21-RegS	USD2,900,000	2,915,596 0.5		12,335,294	1.9
Poly Real Estate 3.95% 5/02/23-RegS	USD2,200,000	2,127,366 0.3	<b>Net assets attributable to holders of redeemable units at 30 September 2018</b>		
Poly Real Estate 4.75% 17/9/23-RegS	USD1,300,000	1,282,251 0.2		648,474,211	100.0
Radiant Access 4.6% Perp-RegS	USD200,000	171,149 0.0	<b>Total investments, at cost</b>		
RKI Overseas Fin 4.7% 06/09/21-RegS	USD200,000	191,153 0.0		647,910,015	
Sino Ocean Land 4.625% 07/19-RegS	USD1,100,000	1,111,700 0.2			
Sinochem Offsh 4.4% 14/02/21-RegS	CNH4,000,000	586,605 0.1			
Sino-Ocean Land 6% 30/07/24-RegS	USD1,200,000	1,221,320 0.2			
Sino-Ocean VRN 4.9% Perp-RegS	USD400,000	334,544 0.1			
Skyland Mining 3.25% 06/07/20-RegS	USD2,500,000	2,433,934 0.4			
Tewoo Group Fin No2 4.5% 12/19-RegS	USD1,100,000	1,077,324 0.2			
Tewoo Grp Fin No3 4.625% 04/20-RegS	USD400,000	390,993 0.1			
Tewoo Grp No5 VRN 5.8% Perp-RegS	USD1,500,000	1,346,292 0.2			
Tianqi Finco 3.75% 28/11/22-RegS	USD1,600,000	1,448,500 0.2			

Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 (*Unaudited*)

(Continued)

	% holdings of net assets			% holdings of net assets	
	2018	2017		2018	2017
<b>Listed/Quoted Investments</b>			<b>Debt Securities</b>		
<b>Equities</b>			Virgin Islands	9.0	5.4
<b>China</b>			China	7.6	7.0
Banks	9.7	11.9	Hong Kong	6.8	3.9
Insurance	6.3	3.7	Cayman Islands	6.6	4.6
Independent Power and Renewable			Korea	3.0	2.8
Electricity Producers	4.6	3.7	United Arab Emirates	1.4	-
Beverages	3.9	2.3	Netherlands	1.3	0.4
Oil, Gas & Consumable Fuels	3.3	1.7	Singapore	0.9	0.7
Household Durables	3.1	4.0	Bermuda	0.8	0.3
Transportation Infrastructure	2.4	6.1	Malaysia	0.7	0.2
Real Estate Management & Development	2.2	4.5	Australia	0.6	0.5
Construction & Engineering	2.1	0.9	United Kingdom	0.5	-
Food Products	2.0	3.6	India	0.3	1.0
Machinery	1.8	1.6	Hungary	0.2	0.5
Auto Components	1.7	2.5	Mauritius	0.2	0.4
Trading Companies & Distributors	1.5	1.0	Canada	0.1	0.3
Automobiles	1.5	1.0	Indonesia	0.1	0.1
Construction Materials	1.5	0.8	Philippines	0.1	0.1
Capital Markets	1.2	3.4	Thailand	-	0.7
Metals & Mining	0.9	1.6	<b>Money Market</b>	-	0.3
Wireless Telecommunication Services	0.9	0.8			
Road & Rail	0.8	0.3	<b>Derivatives</b>		
Water Utilities	0.8	0.4	Futures	0.0	0.0
Technology Hardware, Storage &			Forward foreign exchange contracts	(0.1)	-
Peripherals	0.6	1.4			
Commercial Services & Supplies	0.5	-	<b>Total Listed/Quoted Investments</b>	98.1	98.4
Specialty Retail	0.5	-			
Containers & Packaging	0.4	0.9	<b>Other net assets</b>	1.9	1.6
Chemicals	0.3	0.8			
Textiles, Apparel & Luxury Goods	0.3	-			
Health Care Providers & Services	0.2	-			
Electronic Equipment, Instruments &			<b>Net assets attributable to holders of</b>		
Components	0.1	0.2	<b>redeemable units at 30 September</b>	100.0	100.0
Hotels, Restaurants & Leisure	0.0	0.4			
Diversified Telecommunication Services	-	0.7			
Electrical Equipment	-	0.6			
Air Freight & Logistics	-	0.5			
Pharmaceuticals	-	0.4			
Personal Products	-	0.3			
<b>Hong Kong</b>					
Marine	0.8	0.8			
Hotels, Restaurants & Leisure	0.8	0.9			
Real Estate Management & Development	0.6	-			
Specialty Retail	0.4	1.1			
Food Products	0.3	1.4			
Textiles, Apparel & Luxury Goods	-	1.0			
Banks	-	0.8			
Auto Components	-	0.7			
Multiline Retail	-	0.5			

**Statement of Financial Position  
As at 30 September 2018**

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	16,635,254	4,667,247
Short-term deposits	1,802,554	-
Amounts due from brokers	2,090,324	-
Amounts receivable on allotment	720,840	7,726,011
Collateral deposits	15,946	-
Margin deposits	124,746	55,912
Derivatives [Note 4(l)(a)]	103,227	17,828
Investments [Note 4(l)(a)]	636,839,654	284,674,833
Dividend and other accounts receivable	510,655	844,030
<b>Total assets</b>	<b>658,843,200</b>	<b>297,985,861</b>
<b>Liabilities</b>		
Amounts due to brokers	327,907	3,465,266
Amounts payable on redemption	5,825,621	3,715,609
Distribution payable [Note 6]	2,293,844	741,241
Derivatives [Note 4(l)(a)]	803,964	-
Tax payable [Note 7]	113,538	84,117
Deferred tax liabilities [Note 7]	22,890	50,864
Other accounts payable	981,225	471,780
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>10,368,989</b>	<b>8,528,877</b>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<b>648,474,211</b>	<b>289,456,984</b>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

**Statement of Comprehensive Income  
For the year ended 30 September 2018**

	2018 US\$	2017 US\$
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 5]	(36,989,912)	19,959,222
Dividend income	16,094,608	3,714,321
Interest on deposits	272,166	4,879
Net foreign currency exchange (losses)/gains	(1,369,284)	8,525
Other income	960	600
	<b>(21,991,462)</b>	<b>23,687,547</b>
<b>Expenses</b>		
Management fee [Note 8(e)]	9,708,732	1,866,679
Transaction costs	1,177,073	439,464
Registrar's fee [Note 8(h)]	179,416	66,068
Trustee's fee [Note 9]	157,338	44,411
Safe custody and bank charges	149,116	57,596
Auditor's fee	45,909	20,500
Valuation fee [Note 8(e)]	17,150	16,870
Printing and publication expenses	8,434	17,208
Legal and professional expenses	8,201	44,187
Other operating expenses	2,750	3,517
	<b>11,454,119</b>	<b>2,576,500</b>
<b>Net operating (loss)/profit</b>	<b>(33,445,581)</b>	<b>21,111,047</b>
<b>Finance costs</b>		
Distribution [Note 6]	(21,929,942)	(3,070,759)
Interest expense	(1,695)	-
	<b>(21,931,637)</b>	<b>(3,070,759)</b>
<b>(Loss)/profit before taxation</b>	<b>(55,377,218)</b>	<b>18,040,288</b>
Taxation [Note 7]	(1,321,980)	(322,551)
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>(56,699,198)</b>	<b>17,717,737</b>

The notes on pages 212 to 230 form part of these financial statements.

Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	289,456,984	43,986,241
	-----	-----
Allotment of redeemable units [Note 3]	1,117,129,659	386,022,273
Redemption of redeemable units [Note 3]	(701,413,234)	(158,269,267)
	-----	-----
<b>Net allotment</b>	415,716,425	227,753,006
	-----	-----
	705,173,409	271,739,247
	-----	-----
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	(56,699,198)	17,717,737
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	648,474,211	289,456,984
	=====	=====

Statement of Cash Flows  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(668,546,958)	(261,267,471)
Proceeds from disposal of investments and derivatives	274,881,440	39,369,862
Dividend received	16,414,682	2,911,162
Interest received	271,469	4,683
Increase in collateral deposits (Increase)/decrease in margin deposits	(15,946)	-
Trustee's fee paid	(68,834)	256,566
Registrar's fee paid	(150,284)	(39,502)
Transaction costs paid	(184,548)	(35,319)
Tax paid	(1,179,021)	(431,247)
Management fee paid	(1,320,533)	(271,628)
Others	(9,212,247)	(1,547,909)
	(1,406,304)	(164,150)
	-----	-----
<b>Net cash outflow from operating activities</b>	(390,517,084)	(221,214,953)
	-----	-----
<b>Financing activities</b>		
Interest paid	(1,695)	-
Receipts on allotment of redeemable units	1,124,134,830	381,110,129
Payments on redemption of redeemable units	(699,303,222)	(154,709,220)
Distribution paid	(20,377,339)	(2,354,000)
	-----	-----
<b>Net cash inflow from financing activities</b>	404,452,574	224,046,909
	-----	-----
<b>Increase in cash and cash equivalents</b>	13,935,490	2,831,956
Cash and cash equivalents at the beginning of the year	4,667,247	1,831,675
Exchange (losses)/gains on cash and cash equivalents	(164,929)	3,616
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	18,437,808	4,667,247
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	16,635,254	4,667,247
Short-term deposits	1,802,554	-
	-----	-----
	18,437,808	4,667,247
	=====	=====

The notes on pages 212 to 230 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan China Income Fund (the "Fund") was established under a Trust Deed dated 21 May 2009, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to provide investors with income and long-term capital growth by investing at least 70% of its non-cash assets in (a) equity securities of companies which are based in, listed on any stock exchange of, or operate principally in the People's Republic of China ("PRC") and that the Investment Manager expects to pay dividends and (b) Chinese debt securities issued and/or distributed in or outside the PRC. The Fund may invest up to 50% of its non-cash assets in onshore PRC securities via the Qualified Foreign Institutional Investor ("QFII") quota of the Investment Manager. The Fund may invest up to 100% of its non-cash assets in certain eligible China A-Shares via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect (collectively, the "China Connect") and/or other similar programs as approved by the relevant regulators from time to time. The Fund may invest 30% or more of its total net asset value in stocks listed on the Small and Medium Enterprise Board and/or the ChiNext Board of the Shenzhen Stock Exchange.

Pursuant to the Supplemental Trust Deed dated 26 July 2016, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(d) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(e) Foreign currency translation**

*Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.



*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(f) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(g) Collateral and margin deposits**

Cash collateral provided by the Fund is identified in the Statement of Financial Position as collateral deposits and is not included as a component of cash and cash equivalents.

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(h) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(i) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**(j) Taxation**

Tax provision made predominantly relates to enterprise income tax arising from investment income realized from trading PRC securities.

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

**(k) Distribution payable to holders of redeemable units**

Proposed distributions to holders of redeemable units are recognized in the Statement of Comprehensive Income when they are appropriately authorized. The distribution on the redeemable units is recognized as a finance cost in the Statement of Comprehensive Income.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**2018

	HKD Class (mth) Units	USD Class (acc) Units	USD Class(mth) Units	AUD Hedged Class (mth) Units	RMB Hedged Class (mth) Units
Number of units in issue:					
At the beginning of the year	94,891,473.273	2,920,129.305	9,588,741.972	-	-
Total allotments	334,380,728.380	3,948,998.426	37,305,016.376	13,040,995.894	136,700.000
Total redemptions	(218,134,274.553)	(3,073,987.512)	(23,866,629.668)	(6,340,283.788)	-
At the end of the year	<u>211,137,927.100</u>	<u>3,795,140.219</u>	<u>23,027,128.680</u>	<u>6,700,712.106</u>	<u>136,700.000</u>
	HK\$	US\$	US\$	A\$	CNY
Net assets attributable to holders of redeemable units	<u>2,290,695,523</u>	<u>62,383,447</u>	<u>247,708,092</u>	<u>62,796,814</u>	<u>1,386,452</u>
Net assets attributable to holders of redeemable units (per unit)	<u>10.85</u>	<u>16.44</u>	<u>10.76</u>	<u>9.37</u>	<u>10.14</u>

2017

	HKD Class (mth) Units	USD Class (acc) Units	USD Class (mth) Units
Number of units in issue:			
At the beginning of the year	1,806,824.099	2,639,737.001	512,959.566
Total allotments	144,822,828.630	1,420,482.190	15,681,632.065
Total redemptions	(51,738,179.456)	(1,140,089.886)	(6,605,849.659)
At the end of the year	<u>94,891,473.273</u>	<u>2,920,129.305</u>	<u>9,588,741.972</u>
	HK\$	US\$	US\$
Net assets attributable to holders of redeemable units	<u>1,059,461,305</u>	<u>47,472,509</u>	<u>106,342,177</u>
Net assets attributable to holders of redeemable units (per unit)	<u>11.16</u>	<u>16.26</u>	<u>11.09</u>

**4 Financial risk management****(i) Financial risk factors**

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

## (a) Market risk

## (i) Market price risk

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Beta of the Fund on a regular basis. Beta measures the statistical relationship between the return of the Fund and the relevant benchmark index chosen by the Investment Manager.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
Listed/Quoted Investments	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
<u>Assets</u>				
Equities				
- Banks	63,012,383	9.7	36,810,094	12.7
- Insurance	40,990,633	6.3	10,821,428	3.7
- Transportation Infrastructure	15,801,773	2.4	17,568,754	6.1
- Food Products	14,465,619	2.3	14,323,845	5.0
- Others	241,936,143	37.3	120,798,028	41.7
	<u>376,206,551</u>	<u>58.0</u>	<u>200,322,149</u>	<u>69.2</u>
	-----	----	-----	----
Debt Securities				
- Virgin Islands	58,113,070	9.0	15,550,085	5.4
- China	49,287,227	7.6	20,373,823	7.0
- Hong Kong	43,878,582	6.8	11,125,036	3.9
- Cayman Islands	42,780,390	6.6	13,402,599	4.6
- Others	66,573,834	10.2	23,249,938	8.0
	<u>260,633,103</u>	<u>40.2</u>	<u>83,701,481</u>	<u>28.9</u>
	-----	----	-----	----
Money Market	-	-	651,203	0.3
	-----	----	-----	----
Derivatives				
- Forward foreign exchange contracts	74,727	0.0	-	-
- Futures	28,500	0.0	17,828	0.0
	<u>103,227</u>	<u>0.0</u>	<u>17,828</u>	<u>0.0</u>
	-----	----	-----	----
	636,942,881	98.2	284,692,661	98.4
<u>Liabilities</u>				
Derivatives				
- Forward foreign exchange contracts	(803,964)	(0.1)	-	-
	<u>(803,964)</u>	<u>(0.1)</u>	<u>-</u>	<u>-</u>
	-----	----	-----	----
Total Listed/Quoted Investments	<u>636,138,917</u>	<u>98.1</u>	<u>284,692,661</u>	<u>98.4</u>
	=====	=====	=====	=====

Also, refer to Note 12 for the exposures on derivative contracts.

	Net asset value US\$	Relevant benchmark index for the Fund (Note*)	Beta (Note**)	% of reasonable possible change of the relevant benchmark index (Note***)	Estimated impact on net asset value (Note****) US\$
		30% CSI 300 Net + 30% MSCI China Net + 20% JACI China Total + 20% FTSE Dim Sum Bond Index Total (Before 2 October 2017, 30% CSI Net + 30% MSCI China Net + 40% Citigroup Dim Sum Bond Index)			
As at 30 September 2018	<u>648,474,211</u>		1.06	-4.1	<u>(28,182,689)</u>
		30% CSI Net + 30% MSCI China Net + 40% Citigroup Dim Sum Bond Index			
As at 30 September 2017	<u>289,456,984</u>		1.14	+16.9	<u>55,766,783</u>

If the relevant benchmark index return was to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Relevant benchmark index for the Fund represents the relevant market index used by the Investment Manager in monitoring the market price risk of the Fund.

\*\* Beta measures the statistical relationship between the return of the Fund and the respective benchmark index over the maximum of past 36 months, or the number of months since portfolio inception. For funds launched within a period of less than 12 months, weekly returns of the Fund are used for calculating the Beta.

\*\*\* % of reasonable possible change is based on the actual historical change in the benchmark index in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. For funds launched within a period of less than 12 months, actual historical change in the benchmark index since the commencement of operations will be used to calculate the % of reasonable possible change.

\*\*\*\* Estimated impact on net asset value of the Fund is calculated by applying the relevant Beta against the net asset value of the Fund multiplied by the % of reasonable possible change of the relevant benchmark index, assuming all other variables that may impact the net asset value of the Fund are held constant.

## (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates. The Fund is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its investments, derivatives and cash deposits.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	Less than 1 year US\$	1-5 years US\$	Over 5 years US\$	Total US\$
<u>2018</u>				
Cash at banks	16,635,254	-	-	16,635,254
Short-term deposits	1,802,554	-	-	1,802,554
Collateral deposits	15,946	-	-	15,946
Margin deposits	124,746	-	-	124,746
Derivatives	28,500	-	-	28,500
Investments (Note*)	<u>13,458,502</u>	<u>203,300,740</u>	<u>43,873,861</u>	<u>260,633,103</u>
Total interest sensitivity gap	<u>32,065,502</u>	<u>203,300,740</u>	<u>43,873,861</u>	<u>279,240,103</u>

	Less than 1 year US\$	1-5 years US\$	Over 5 years US\$	Total US\$
<u>2017</u>				
Cash at banks	4,667,247	-	-	4,667,247
Margin deposits	55,912	-	-	55,912
Derivatives	17,828	-	-	17,828
Investments (Note*)	14,380,366	42,823,001	27,149,317	84,352,684
	<u>19,121,353</u>	<u>42,823,001</u>	<u>27,149,317</u>	<u>89,093,671</u>
Total interest sensitivity gap				
	<u>19,121,353</u>	<u>42,823,001</u>	<u>27,149,317</u>	<u>89,093,671</u>

Note:

\* The coupon rate of the investments ranged between 0.00% p.a. - 13.25% p.a. (2017: 0.00% p.a. - 8.50% p.a.).

The Fund held 40.2% (2017: 29.2%) of net asset value in debt securities with an average duration of 2.67 (2017: 2.89). If the interest rates were to rise by 25 basis points with all other variables that may impact the net asset value of the Fund held constant, this would result in a decrease in the fair value of debt securities by approximately US\$1,739,726 (2017: US\$609,448). Conversely, if the interest rates were to fall by 25 basis points, this would result in an increase in the fair value of debt securities by the same amount.

Any cash and cash equivalents, collateral deposits and margin deposits are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

### (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The Fund enters in some forward foreign exchange contracts to hedge some of its foreign currency exposures to maintain limited exposure to non-US\$ currencies. Refer to Note 12(a) for the outstanding forward foreign exchange contracts as at year end.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
Net currency exposures (Note*)			
<u>2018</u>			
Australian Dollar	45,141,887	-7.8	(3,521,067)
Chinese Yuan (Offshore)	269,749,167	-3.3	(8,901,723)
Chinese Yuan (Onshore)	46,933,771	-3.5	(1,642,682)
Hong Kong Dollar	172,773,851	-0.2	(345,548)
	<u>534,598,676</u>		<u>(14,411,020)</u>
<u>2017</u>			
Chinese Yuan (Offshore)	109,401,206	+0.4	437,605
Chinese Yuan (Onshore)	29,156,265	+0.4	116,625
Hong Kong Dollar	97,522,309	-0.7	(682,656)
	<u>236,079,780</u>		<u>(128,426)</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

## (b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	16,635,254	4,667,247
Short-term deposits	1,802,554	-
Amounts due from brokers	2,090,324	-
Amounts receivable on allotment	720,840	7,726,011
Collateral deposits	15,946	-
Margin deposits	124,746	55,912
Derivatives issued by brokers	74,727	-
Investments - debt securities	260,633,103	83,701,481
Dividend and other accounts receivable	510,655	844,030
	<u>282,608,149</u>	<u>96,994,681</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

As at 30 September 2018, the Fund held 40.2% (2017: 28.9%) of net asset value in debt securities and therefore the Fund is exposed to credit risk that the issuers may not be able to repay the principal amount and interest at maturity. Credit risk derived from debt securities is managed and monitored on an on-going basis by making reference to the credit rating and credit outlook provided by credit rating agencies, if available, and internal credit analysis.

The table below summarizes the debt securities by credit rating as at 30 September.

	2018 % of net assets	2017 % of net assets
S&P(AA)/Moody's(Aa)/FITCH(AA)	4.9	2.5
S&P(A)/Moody's(A)/FITCH(A)	9.9	6.5
S&P(BBB)/Moody's(Baa)/FITCH(BBB)	12.0	8.7
S&P(BB)/Moody's(Ba)/FITCH(BB)	5.6	5.1
S&P(B)/Moody's(B)/FITCH(B)	1.4	0.5
Unrated	6.4	5.6
	<u>40.2</u>	<u>28.9</u>

The table below summarizes the unrated debt securities as stated in the table above by their issuers' credit rating as at 30 September.

	2018 % of net assets	2017 % of net assets
S&P(AA)/Moody's(Aa)/FITCH(AA)	-	1.2
S&P(A)/Moody's(A)/FITCH(A)	2.0	0.1
S&P(BBB)/Moody's(Baa)/FITCH(BBB)	0.2	-
S&P(B)/Moody's(B)/FITCH(B)	0.6	-
Unrated	3.6	4.3
	<u>6.4</u>	<u>5.6</u>

The table below summarizes the credit rating of the banks/brokers/custodians which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances and short-term deposits		
S&P(AA)/Moody's(Aa)/FITCH(AA)	6,609,447	4,497,680
S&P(A)/Moody's(A)/FITCH(A)	11,828,361	169,567
Collateral deposits with custodian		
S&P(A)/Moody's(A)/FITCH(A)	15,946	-
Margin deposits with brokers and derivatives held with/issued by brokers		
S&P(AA)/Moody's(Aa)/FITCH(AA)	49,292	55,912
S&P(A)/Moody's(A)/FITCH(A)	178,681	-
Investment balances with custodians		
S&P(AA)/Moody's(Aa)/FITCH(AA)	609,811,415	261,859,233
S&P(A)/Moody's(A)/FITCH(A)	27,028,239	22,815,600

### (c) Liquidity risk

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018		2017	
	Less than 1 month US\$	1 to 12 months US\$	Less than 1 month US\$	1 to 12 months US\$
Amounts due to brokers	327,907	-	3,465,266	-
Amounts payable on redemption	5,825,621	-	3,715,609	-
Distribution payable	2,293,844	-	741,241	-
Derivatives	719,159	84,805	-	-
Other accounts payable	981,225	-	471,780	-
Net assets attributable to holders of redeemable units	648,474,211	-	289,456,984	-
Total financial liabilities	<u>658,621,967</u>	<u>84,805</u>	<u>297,850,880</u>	<u>-</u>

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

**(d) Offsetting and amounts subject to master netting arrangements and similar agreements**

As at 30 September 2018 and 2017, the Fund was subject to master netting arrangements with certain derivative counterparties. All of the derivative assets and liabilities of the Fund were held with these counterparties and the collateral and margin deposits maintained by the Fund were for the purpose of providing collateral on derivative positions.

In the event of default, the Fund and its counterparties have the option to settle transactions on net basis. An event of default may include failure to pay or deliver, breach of agreement or bankruptcy.

The following tables summarize the Fund's financial assets and liabilities subject to offsetting, master netting arrangements and similar agreements as at 30 September by types of financial instruments.

	Gross amounts of recognized financial assets presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>2018</u>				
<u>Assets</u>				
Margin deposits	124,746	-	-	124,746
Derivatives	49,123	(18,330)	-	30,793
	<u>173,869</u>	<u>(18,330)</u>	<u>-</u>	<u>155,539</u>
Financial assets at fair value through profit and loss				

	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>Liabilities</u>				
Derivatives	758,425	(18,330)	-	740,095
	<u>758,425</u>	<u>(18,330)</u>	<u>-</u>	<u>740,095</u>
Financial liabilities at fair value through profit and loss				

	Gross amounts of recognized financial assets presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>2017</u>				
<u>Assets</u>				
Margin deposits	55,912	-	-	55,912
Derivatives	17,828	-	-	17,828
	<u>73,740</u>	<u>-</u>	<u>-</u>	<u>73,740</u>
Financial assets at fair value through profit and loss				

The amount of financial liabilities subject to offsetting, master netting arrangements and similar agreements as at 30 September 2017 was nil.



**(II) Capital risk management**

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

**(III) Fair value estimation**

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>2018</b>				
<u>Assets</u>				
Equities	363,921,535	-	12,285,016	376,206,551
Debt Securities	-	260,633,103	-	260,633,103
Derivatives	28,500	74,727	-	103,227
Total financial assets at fair value through profit and loss	<u>363,950,035</u>	<u>260,707,830</u>	<u>12,285,016</u>	<u>636,942,881</u>
<u>Liabilities</u>				
Derivatives	-	803,964	-	803,964
Total financial liabilities at fair value through profit and loss	<u>-</u>	<u>803,964</u>	<u>-</u>	<u>803,964</u>
<b>2017</b>				
<u>Assets</u>				
Equities	200,322,149	-	-	200,322,149
Debt Securities	-	83,701,481	-	83,701,481
Money Market	-	651,203	-	651,203
Derivatives	17,828	-	-	17,828
Total financial assets at fair value through profit and loss	<u>200,339,977</u>	<u>84,352,684</u>	<u>-</u>	<u>284,692,661</u>

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Level 3 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The Level 3 equities of US\$12,285,016 are listed equity investments suspended from trading as at year end for periods from 1 month to more than 1 year. The Fund adjusts the last traded prices of these securities with reference to the changes in the relevant index over the suspension period.

Market volatility may result in a discrepancy between the latest available issue and realization prices for the Fund and the fair value of the Fund's net asset value. Certain investors might exploit this discrepancy. By these investors paying less than the fair value for units on issue, or receiving more than the fair value on realization, other unitholders may suffer a dilution in the value of their investment. As a safeguard against such exploitation, the Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the net asset value of each Fund or of a unit, if it considers that such adjustment is required to reflect more accurately the fair value of the net asset value. The Manager considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. Such adjustment shall be made in good faith, with the Manager taking into account the best interests of unitholders.

The table below summarizes the transfers between levels of the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September 2018 and 2017.

	Level 1 US\$	Level 2 US\$	Level 3 US\$
Transfers between Levels 1 and 3:			
Financial assets at fair value through profit or loss			
<u>2018</u>			
Equities			
- China	(12,285,016)	-	12,285,016

#### China

Equities transferred from Level 1 to Level 3 were equities with values adjusted with reference to the changes in the relevant index over the suspension period as at 30 September 2018, but were valued based on quoted market prices in active markets as at 30 September 2017. These equities were suspended from trading as at 30 September 2018, but were actively traded on 30 September 2017. Since the adjustment to the valuation were considered to be significant, this security was classified as Level 3 as at 30 September 2018.

If the relevant index were to change by +/-9.1%, this would result in a change in the Fund's net asset value by +/-US\$1,117,938, assuming all other variables that may impact the net asset value of the Fund are held constant.

These Level 3 positions were not presented in prior years, as it was deemed that the unobservable inputs were not significant.

The following table presents the movement in level 3 instruments for the year ended 31 December 2018 by class of financial instrument.

	2018 US\$
Opening balance	-
Purchases	13,444,880
Sales	-
Transfers into Level 3	2,930,234
Net losses recognized in net (losses)/gains on investments and derivatives	(4,090,098)
Closing balance	12,285,016
Change in unrealized gains/losses for Level 3 assets held at year end and included in net (losses)/gains on investments and derivatives	(4,090,098)

	Level 1 US\$	Level 2 US\$	Level 3 US\$
Transfers between Levels 1 and 2:			
Financial assets at fair value through profit or loss			
2017			
Equities			
- China	938,083	(938,083)	-

#### China

Equities transferred from Level 2 to Level 1 were valued based on quoted market prices in active markets as at 30 September 2017, but were valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs as at 30 September 2016. These equities were suspended from trading as at 30 September 2016, but were actively traded on September 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 5 Net (losses)/gains on investments and derivatives

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	(31,005,052)	18,226,271
Realized (losses)/gains on sale of investments and derivatives	(5,984,860)	1,732,951
	<u>(36,989,912)</u>	<u>19,959,222</u>

## 6 Distribution

It is the intention of the Manager to have at least 85% of the income attributable to the distribution class(es) respectively in respect of each accounting period, after charging the expenses attributable to these distribution class(es) respectively, to be distributed to unitholders of these distribution class(es) respectively.

In the event that the amount available for distribution is insufficient to pay distributions as the Fund declares, the Manager may in its discretion determine that such distributions be paid from capital.

	2018 US\$	2017 US\$
Net operating (loss)/profit	(33,445,581)	21,111,047
Adjustments:		
Net losses/(gains) on investments and derivatives	36,989,912	(19,959,222)
Interest income included in net gains on investments and derivatives (at coupon rate)	8,535,831	1,299,080
Net foreign currency exchange losses/(gains)	1,369,284	(8,525)
Transaction costs	1,177,073	439,464
Interest expense	(1,695)	-
Taxation	(1,321,980)	(322,551)
Capital gains tax	(25,058)	42,558
Amount available for distribution	<u>13,277,786</u>	<u>2,601,851</u>

Distribution Class	Ex date	Pay date	Rate	Units	2018 US\$	2017 US\$
HKD Class (mth)	31.10.2017	8.11.2017	HK\$0.0372	113,755,280.186	(542,400)	
USD Class (mth)	31.10.2017	8.11.2017	US\$0.0370	11,297,859.670	(418,021)	
HKD Class (mth)	30.11.2017	8.12.2017	HK\$0.0373	127,234,864.975	(607,649)	
USD Class (mth)	30.11.2017	8.12.2017	US\$0.0370	12,983,433.749	(480,387)	
HKD Class (mth)	29.12.2017	9.1.2018	HK\$0.0373	126,328,881.710	(602,774)	

Distribution Class	Ex date	Pay date	Rate	Units	2018 US\$	2017 US\$
USD Class (mth)	29.12.2017	9.1.2018	US\$0.0370	11,872,288.636	(439,275)	
AUD Hedged Class (mth)	29.12.2017	9.1.2018	A\$0.0341	26,374.786	(704)	
HKD Class (mth)	31.1.2018	8.2.2018	HK\$0.0383	150,416,769.750	(736,559)	
USD Class (mth)	31.1.2018	8.2.2018	US\$0.0380	14,556,507.132	(553,147)	
AUD Hedged Class (mth)	31.1.2018	8.2.2018	A\$0.0339	380,984.838	(10,458)	
HKD Class (mth)	28.2.2018	8.3.2018	HK\$0.0383	162,065,435.451	(793,210)	
USD Class (mth)	28.2.2018	8.3.2018	US\$0.0380	14,923,011.042	(567,074)	
AUD Hedged Class (mth)	28.2.2018	8.3.2018	A\$0.0345	616,665.208	(16,579)	
HKD Class (mth)	29.3.2018	11.4.2018	HK\$0.0384	178,749,424.485	(874,581)	
USD Class (mth)	29.3.2018	11.4.2018	US\$0.0380	16,894,679.912	(641,998)	
AUD Hedged Class (mth)	29.3.2018	11.4.2018	A\$0.0328	1,057,974.022	(26,618)	
HKD Class (mth)	30.4.2018	9.5.2018	HK\$0.0425	212,798,566.586	(1,152,351)	
USD Class (mth)	30.4.2018	9.5.2018	US\$0.0420	21,074,590.152	(885,133)	
AUD Hedged Class (mth)	30.4.2018	9.5.2018	A\$0.0363	2,703,353.919	(74,075)	
HKD Class (mth)	31.5.2018	8.6.2018	HK\$0.0425	248,002,595.937	(1,343,691)	
USD Class (mth)	31.5.2018	8.6.2018	US\$0.0420	24,765,966.183	(1,040,171)	
AUD Hedged Class (mth)	31.5.2018	8.6.2018	A\$0.0362	6,719,970.178	(184,065)	
HKD Class (mth)	29.6.2018	10.7.2018	HK\$0.0425	256,329,797.312	(1,388,578)	
USD Class (mth)	29.6.2018	10.7.2018	US\$0.0420	25,362,514.416	(1,065,226)	
AUD Hedged Class (mth)	29.6.2018	10.7.2018	A\$0.0356	6,174,808.693	(162,416)	
HKD Class (mth)	31.7.2018	8.8.2018	HK\$0.0425	247,117,098.862	(1,338,381)	
USD Class (mth)	31.7.2018	8.8.2018	US\$0.0420	26,072,270.570	(1,095,035)	
AUD Hedged Class (mth)	31.7.2018	8.8.2018	A\$0.0365	6,771,020.714	(183,726)	
HKD Class (mth)	31.8.2018	10.9.2018	HK\$0.0425	226,498,218.954	(1,226,436)	
USD Class (mth)	31.8.2018	10.9.2018	US\$0.0420	24,484,865.941	(1,028,364)	
AUD Hedged Class (mth)	31.8.2018	10.9.2018	A\$0.0356	6,098,690.271	(157,016)	
HKD Class (mth)	28.9.2018	9.10.2018	HK\$0.0425	211,562,026.194	(1,149,073)	
USD Class (mth)	28.9.2018	9.10.2018	US\$0.0420	23,061,933.325	(968,601)	
AUD Hedged Class (mth)	28.9.2018	9.10.2018	A\$0.0361	6,706,144.865	(175,166)	
RMB Hedged Class (mth)	28.9.2018	9.10.2018	CNY0.0505	136,700.000	(1,004)	
HKD Class (mth)	31.10.2016	8.11.2016	HK\$0.0340	3,595,080.409		(15,762)
USD Class (mth)	31.10.2016	8.11.2016	US\$0.0340	1,181,572.290		(40,174)
HKD Class (mth)	30.11.2016	8.12.2016	HK\$0.0340	6,543,553.245		(28,683)
USD Class (mth)	30.11.2016	8.12.2016	US\$0.0340	1,664,459.331		(56,592)
HKD Class (mth)	30.12.2016	10.1.2017	HK\$0.0340	7,915,571.746		(34,712)
USD Class (mth)	30.12.2016	10.1.2017	US\$0.0340	1,819,748.467		(61,871)
HKD Class (mth)	27.1.2017	8.2.2017	HK\$0.0340	11,997,305.358		(52,575)
USD Class (mth)	27.1.2017	8.2.2017	US\$0.0340	1,867,474.099		(63,494)
HKD Class (mth)	28.2.2017	8.3.2017	HK\$0.0340	13,618,410.439		(59,649)
USD Class (mth)	28.2.2017	8.3.2017	US\$0.0340	1,605,985.803		(54,604)
HKD Class (mth)	31.3.2017	11.4.2017	HK\$0.0340	12,306,887.182		(53,842)
USD Class (mth)	31.3.2017	11.4.2017	US\$0.0340	1,834,745.125		(62,381)
HKD Class (mth)	28.4.2017	10.5.2017	HK\$0.0340	14,503,045.453		(63,401)
USD Class (mth)	28.4.2017	10.5.2017	US\$0.0340	1,806,407.195		(61,418)
HKD Class (mth)	31.5.2017	8.6.2017	HK\$0.0340	20,885,619.026		(91,128)
USD Class (mth)	31.5.2017	8.6.2017	US\$0.0340	2,493,227.996		(84,770)
HKD Class (mth)	30.6.2017	10.7.2017	HK\$0.0340	33,152,351.655		(144,391)
USD Class (mth)	30.6.2017	10.7.2017	US\$0.0340	3,412,202.894		(116,015)
HKD Class (mth)	31.7.2017	8.8.2017	HK\$0.0340	67,677,664.821		(294,622)
USD Class (mth)	31.7.2017	8.8.2017	US\$0.0340	7,026,073.163		(238,886)
HKD Class (mth)	31.8.2017	8.9.2017	HK\$0.0343	81,701,626.582		(358,063)
USD Class (mth)	31.8.2017	8.9.2017	US\$0.0340	8,602,508.893		(292,485)
HKD Class (mth)	29.9.2017	11.10.2017	HK\$0.0342	95,126,865.273		(416,523)
USD Class (mth)	29.9.2017	11.10.2017	US\$0.0340	9,550,511.220		(324,718)
Total distribution to holders of redeemable units					(21,929,942)	(3,070,759)

**7 Taxation**

Taxation predominantly refers to enterprise income tax arising from investment income realized from trading PRC securities.

The amount of taxation charged to the Statement of Comprehensive Income represents:

	2018 US\$	2017 US\$
Withholding tax		
- Dividend and interest income	(1,347,038)	(279,993)
Capital gains tax	(2,916)	(24,385)
	<hr/>	<hr/>
Deferred tax liabilities	(1,349,954)	(304,378)
	27,974	(18,173)
	<hr/>	<hr/>
Taxation	(1,321,980)	(322,551)
	<hr/> <hr/>	<hr/> <hr/>

The movement in deferred tax liabilities during the year is as follows:

	2018 US\$	2017 US\$
At the beginning of the year	50,864	32,691
Deferred tax liabilities (reversed)/charged to the Statement of Comprehensive Income	(27,974)	18,173
	<hr/>	<hr/>
At the end of the year	22,890	50,864
	<hr/> <hr/>	<hr/> <hr/>

The movement in tax payable during the year is as follows:

	2018 US\$	2017 US\$
At the beginning of the year	84,117	51,367
Taxation charged to the Statement of Comprehensive Income	1,349,954	304,378
Tax paid	(1,320,533)	(271,628)
	<hr/>	<hr/>
At the end of the year	113,538	84,117
	<hr/> <hr/>	<hr/> <hr/>

Provisioning Policy of the Fund

The Fund held A-shares of PRC listed companies through the QFII quota of the Investment Manager and China Connect and certain investment in other PRC securities. Under PRC tax law, enterprise income tax of 10% is payable on dividends and interests (except for Government bond interest which is specifically tax exempt) derived by foreign investors from China. The paying entity in the PRC will be responsible for withholding such tax when making a payment. Full PRC tax provision of 10% is made for PRC sourced dividends and interests where tax has not yet been withheld by the payors.

Under PRC tax law, enterprise income tax of 10% would normally be payable on gains realized from the sale of PRC securities by foreign investors. However, currently gains from disposal of China A-shares (including those on China Connect) are subject to temporary exemptions from enterprise income tax effective from 17 November 2014. Enterprise income tax on gains from China A-shares disposed of prior to 17 November 2014 has been settled in 2016. Full PRC tax provision of 10% is made for gains from disposal of certain PRC securities that are currently not specifically exempt from enterprise income tax.

Hong Kong Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

**8 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons**

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

- (a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments US\$	% of the Fund's total aggregate value of transactions	Commission paid US\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
China International Fund Management Co. Ltd.	7,901,627	0.84	-	-	-
J.P. Morgan Securities (Asia Pacific) Limited	8,814,487	0.94	5,880	0.90	0.07
<u>2017</u>					
J.P. Morgan Securities (Asia Pacific) Limited	12,579,484	4.20	10,179	4.15	0.08
J.P. Morgan Securities plc London	216,567	0.07	-	-	-

- (b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	442,213	850,946
Amounts receivable	709	235
Amounts payable	(902,432)	(412,473)

During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$12,892 (2017: US\$1,702).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms. The Fund invests in A-Shares via the QFII quota of the Investment Manager and accordingly all investments are conducted via the Investment Manager.
- (d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$9,042 (2017: US\$8,465).
- (e) Management fee of 1.75% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.
- The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.
- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (g) Refer to Note 9 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

**9 Trustee's fee**

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first US\$40 million, 0.04% per annum for the balance from US\$40 million to US\$70 million, and 0.025% per annum for the balance in excess of US\$70 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

**10 Borrowings**

During the year ended 30 September 2018, the Fund has unsecured short term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms. The Fund has no bank borrowing during the year ended 30 September 2017.

**11 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**12 Derivatives**

(a) Outstanding forward foreign exchange contracts as at 30 September were as follows:

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
<u>2018</u>			
Open contracts:			
US\$1,095	A\$1,517	2 October 2018	2
A\$209,366	US\$151,971	4 October 2018	474
US\$227,245	A\$314,082	4 October 2018	25
US\$1,708	A\$2,366	4 October 2018	4
CNH1,332,389	US\$194,471	9 October 2018	679
CNH16,974	US\$2,478	9 October 2018	8
CNH7,777	US\$1,133	9 October 2018	2
A\$51,353,191	US\$37,198,505	10 October 2018	39,337
A\$1,746,724	US\$1,272,424	10 October 2018	8,495
A\$1,656,513	US\$1,203,377	10 October 2018	4,724
A\$224,169	US\$164,697	10 October 2018	2,488
A\$191,964	US\$141,158	10 October 2018	2,253
A\$387,909	US\$282,853	10 October 2018	2,162
A\$175,914	US\$128,950	10 October 2018	1,659
A\$116,965	US\$85,129	10 October 2018	493
A\$50,984	US\$37,176	10 October 2018	284
A\$3,151	US\$2,315	10 October 2018	35
A\$1,497	US\$1,101	10 October 2018	18
A\$1,497	US\$1,100	10 October 2018	17
A\$1,496	US\$1,089	10 October 2018	6
A\$1,496	US\$1,089	10 October 2018	6
A\$1,526	US\$1,109	10 October 2018	4
US\$450,188	A\$627,258	10 October 2018	3,696
US\$222,900	A\$310,401	10 October 2018	1,706
US\$212,000	A\$294,160	10 October 2018	854
US\$32,059	A\$44,872	10 October 2018	410
US\$5,488	A\$7,707	10 October 2018	90
US\$2,561	A\$3,584	10 October 2018	33

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$10,126	A\$14,029	10 October 2018	26
US\$1,797	A\$2,500	10 October 2018	12
US\$1,054	A\$1,468	10 October 2018	8
US\$1,778	A\$2,467	10 October 2018	7
A\$746,539	US\$542,039	13 November 2018	1,694
A\$240,474	US\$175,295	13 November 2018	1,240
A\$287,762	US\$209,353	13 November 2018	1,070
A\$331,254	US\$240,109	13 November 2018	347
A\$83,021	US\$60,338	13 November 2018	248
A\$18,167	US\$13,217	13 November 2018	68
A\$1,514	US\$1,104	13 November 2018	8
A\$2,547	US\$1,851	13 November 2018	8
US\$192,741	A\$266,327	13 November 2018	27
		Total unrealized gains	74,727
			-----
US\$541,911	A\$746,539	2 October 2018	(1,715)
A\$266,327	US\$192,693	9 October 2018	(21)
CNH8,883	US\$1,289	9 October 2018	(4)
CNH8,272	US\$1,200	9 October 2018	(3)
US\$1,064	CNH7,296	9 October 2018	(3)
US\$199,822	CNH1,367,000	9 October 2018	(997)
A\$2,194	US\$1,578	10 October 2018	(10)
A\$1,539	US\$1,096	10 October 2018	(18)
A\$1,545	US\$1,097	10 October 2018	(21)
A\$5,304	US\$3,814	10 October 2018	(24)
A\$8,298	US\$5,959	10 October 2018	(45)
A\$5,059	US\$3,615	10 October 2018	(46)
A\$10,804	US\$7,758	10 October 2018	(59)
A\$136,354	US\$98,283	10 October 2018	(383)
A\$246,313	US\$177,795	10 October 2018	(437)
A\$283,641	US\$204,764	10 October 2018	(479)
A\$51,955	US\$36,993	10 October 2018	(602)
A\$368,074	US\$265,719	10 October 2018	(619)
A\$190,541	US\$137,017	10 October 2018	(858)
A\$115,367	US\$82,347	10 October 2018	(1,133)
A\$461,099	US\$332,379	10 October 2018	(1,273)
A\$655,926	US\$472,753	10 October 2018	(1,876)
A\$142,620	US\$101,211	10 October 2018	(1,989)
A\$232,670	US\$166,243	10 October 2018	(2,116)
A\$505,429	US\$362,970	10 October 2018	(2,758)
A\$554,861	US\$398,480	10 October 2018	(3,017)
A\$599,812	US\$431,007	10 October 2018	(3,017)
A\$320,639	US\$228,766	10 October 2018	(3,248)
A\$741,314	US\$532,834	10 October 2018	(3,581)
A\$345,117	US\$245,071	10 October 2018	(4,655)
US\$13,511	A\$18,599	10 October 2018	(52)
US\$325,884	A\$449,898	10 October 2018	(337)
US\$51,123	A\$69,530	10 October 2018	(811)
US\$210,533	A\$288,751	10 October 2018	(1,593)
US\$262,514	A\$357,293	10 October 2018	(3,976)
US\$427,033	A\$580,483	10 October 2018	(6,995)
US\$608,449	A\$826,925	10 October 2018	(10,085)
US\$42,630,267	A\$58,001,547	10 October 2018	(660,303)
CNH7,062	US\$1,025	5 November 2018	(0)
US\$986	CNH6,785	5 November 2018	(1)
US\$3,898	CNH26,834	5 November 2018	(2)
US\$1,410	CNH9,684	5 November 2018	(4)
US\$2,916	CNH19,978	5 November 2018	(16)
US\$194,274	CNH1,332,389	5 November 2018	(831)



Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
A\$1,517	US\$1,095	13 November 2018	(2)
A\$2,366	US\$1,709	13 November 2018	(4)
A\$314,082	US\$227,309	13 November 2018	(24)
US\$152,006	A\$209,366	13 November 2018	(467)
US\$84,189	A\$115,498	13 November 2018	(591)
US\$408,001	A\$560,046	13 November 2018	(2,639)
US\$874,773	A\$1,204,340	13 November 2018	(3,070)
US\$37,206,208	A\$51,353,191	13 November 2018	(36,756)
US\$8,009,697	A\$11,010,341	13 November 2018	(40,398)
		Total unrealized losses	(803,964)
			-----
		Net unrealized losses	(729,237)
			=====

2017

Nil

(b) Open futures contracts as at 30 September were as follows:

	No. of contracts long/(short)	Contract value US\$	Settlement date	Unrealized gains/(losses) US\$
<u>2018</u>				
US 5Years Note (CBT) Futures	(32)	(3,627,750)	December 2018	28,500
<u>2017</u>				
US 10Years Note (CBT) Futures	(14)	(1,772,203)	December 2017	17,828

**Independent Auditor's Report**

To the Unitholders of JPMorgan China Income Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan China Income Fund set out on pages 210 to 230, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 21 May 2009, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan China Income Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 21 May 2009, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund	Net asset value per unit
30/9/18 - AUD Hedged Class (mth) - HKD Class (mth) - RMB Hedged Class (mth) - USD Class (acc) - USD Class (mth)	A\$62,796,814 HK\$2,290,695,523 CNY1,386,452 US\$62,383,447 US\$247,708,092	A\$9.37 HK\$10.85 CNY10.14 US\$16.44 US\$10.76
30/9/17 - HKD Class (mth) - USD Class (acc) - USD Class (mth)	HK\$1,059,461,305 US\$47,472,509 US\$106,342,177	HK\$11.16 US\$16.26 US\$11.09
30/9/16 - HKD Class (mth) - USD Class (acc) - USD Class (mth)	HK\$17,802,465 US\$36,636,191 US\$5,054,720	HK\$9.85 US\$13.88 US\$9.85

**Highest Offer/Lowest Bid Prices**

Financial period ended	Highest offer	Lowest bid
30/9/18 - AUD Hedged Class (mth) - HKD Class (mth) - RMB Hedged Class (mth) - USD Class (acc) - USD Class (mth)	A\$11.29 HK\$13.02 CNY10.18 US\$19.13 US\$12.92	A\$8.94 HK\$10.39 CNY9.69 US\$15.64 US\$10.27
30/9/17 - HKD Class (mth) - USD Class (acc) - USD Class (mth)	HK\$11.28 US\$16.38 US\$11.21	HK\$9.29 US\$13.18 US\$9.29
30/9/16 - HKD Class (mth) - USD Class (acc) - USD Class (mth)	HK\$10.58 US\$14.85 US\$10.58	HK\$9.83 US\$13.79 US\$9.82
30/9/15	US\$19.27	US\$9.15
30/9/14	US\$11.13	US\$8.38
30/9/13	US\$10.97	US\$7.90
30/9/12	US\$9.72	US\$7.97
30/9/11	US\$11.43	US\$8.50
30/9/10 (since inception)	US\$11.24	US\$8.42

**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Sub-Manager**

JPMorgan Asset Management  
(UK) Limited  
60 Victoria Embankment  
London  
EC4Y 0JP  
United Kingdom

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

**Investment Adviser**

China International Fund  
Management Co. Ltd.  
25/F, Aurora Plaza  
99 Fu Cheng Road, Pudong  
Shanghai 200120  
People's Republic of China

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets						
Listed/Quoted Investments (99.6%)				Hotels, Restaurants & Leisure (3.1%)									
Equities (99.6%)				BTG Hotels Group 'A'				3,216,260	9,465,637	1.0			
				China Intl Travel Service 'A'				1,931,894	19,098,252	2.1			
China (99.6%)				Household Durables (4.8%)									
Airlines (1.2%)				Midea Group 'A'				3,976,646	23,425,047	2.6			
				Qingdao Haier Co 'A'				8,506,706	20,424,205	2.2			
Spring Airlines 'A'				2,109,059	11,010,290	1.2	Independent Power and Renewable Electricity Producers (1.9%)						
Automobiles (2.9%)				China Yangtze Power 'A'				7,079,811	16,854,243	1.9			
				Guangzhou Automobile Group 'H'				9,490,000	10,514,933	1.2			
SAIC Motor Corp 'A'				3,214,991	15,550,228	1.7	Insurance (9.9%)						
Banks (12.8%)				Ping An Insurance (Group) 'A'				8,981,502	89,415,587	9.9			
				Machinery (4.7%)									
Bank of Ningbo 'A'				12,599,122	32,520,479	3.6	Han's Laser Technology 'A'				4,451,546	27,412,145	3.0
China Merchants Bank 'A'				6,978,678	31,127,464	3.4	Inner Mongolia First Machinery 'A'				4,009,203	8,064,321	0.9
China Merchants Bank 'H'				6,397,000	25,997,086	2.9	Shenzhen Inovance Technology 'A'				1,742,786	7,016,128	0.8
Ping An Bank 'A'				16,485,300	26,474,808	2.9	Media (1.4%)						
Beverages (8.5%)				Wanda Film Hldg 'A'				1,114,600	4,234,285	0.5			
				Kweichow Moutai 'A'				596,485	63,284,314	7.0	Zhejiang Huace Film & TV 'A'		
Chemicals (3.0%)				Pharmaceuticals (10.0%)									
				Jiangsu Hengrui Medicine 'A'				4,397,812	40,586,731	4.5			
Kangde Xin Group 'A'				5,826,449	11,887,046	1.3	Tasly Pharmaceutical Group 'A'				5,593,599	18,600,347	2.1
Tianqi Lithium Industries-A				1,071,511	5,922,385	0.7	Tonghua Dongbao Pharmaceutical 'A'				8,365,335	22,054,352	2.4
Zhejiang Weixing New Building 'A'				4,158,897	8,957,773	1.0	Yunnan Baiyao Group 'A'				886,793	9,292,717	1.0
Commercial Services & Supplies (0.9%)				Real Estate Management & Development (6.5%)									
				China Merchants Shekou Ind Zone-A				7,397,438	20,093,904	2.2			
Shanghai M&G Stationery 'A'				1,839,165	8,299,578	0.9	China Vanke 'A'				10,985,895	38,798,542	4.3
Communications Equipment (0.9%)				Software (3.2%)									
				Beijing Thunisoft Corp 'A'				4,587,234	8,913,658	1.0			
Shenzhen Sunway Communication 'A'				2,214,459	8,577,062	0.9	Iflytek Co 'A'				2,641,928	10,969,957	1.2
Electrical Equipment (2.3%)				Venustech Group 'A'				3,410,574	9,348,520	1.0			
				Technology Hardware, Storage & Peripherals (3.4%)									
Luxshare Precision Industry 'A'				9,267,265	20,768,716	2.3	BOE Technology Group 'A'				33,890,300	15,515,281	1.7
Electronic Equipment, Instruments & Components (3.4%)				Focus Media Information Tech 'A'				12,669,188	15,669,388	1.7			
				Transportation Infrastructure (3.7%)									
Hangzhou Hik-Vision Digital 'A'				6,190,878	25,859,058	2.8	Shanghai Intl Airport 'A'				3,977,242	33,971,240	3.7
Wuxi Lead Intelligent Equipment-A				1,344,536	5,135,367	0.6	Total Listed/Quoted Investments				903,137,115	99.6	
Food & Staples Retailing (1.6%)				Health Care Providers & Services (2.0%)									
				Aier Eye Hospital Group 'A'				1,229,917	5,764,733	0.6			
Laobaixing Pharmacy Chain				1,008,656	9,166,535	1.0	Aier Eye Hospital Group 'A'-C2				1,524,011	7,148,581	0.8
Yifeng Pharmacy Chain 'A'				662,052	5,527,845	0.6	Jointown Pharmaceutical 'A'				2,219,134	4,889,410	0.6
Food Products (7.5%)													
Angel Yeast 'A'				3,541,926	15,180,565	1.7							
Guangdong Haid Group Co 'A'				3,121,852	9,863,829	1.1							
Henan Shuanghui Inv 'A'				2,704,467	10,278,437	1.1							
Inner Mongolia Yili Ind 'A'				8,691,966	32,440,439	3.6							

Investment Portfolio (Continued)  
As at 30 September 2018 *(Unaudited)*

Holding	Fair value US\$	% of net assets
Other net assets	3,695,609	0.4
Net assets attributable to holders of redeemable units at 30 September 2018	906,832,724	100.0
Total investments, at cost	863,498,147	

Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 *(Unaudited)*

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
<b>China</b>		
Banks	12.8	10.6
Pharmaceuticals	10.0	9.1
Insurance	9.9	10.2
Beverages	8.5	3.7
Food Products	7.5	6.2
Real Estate Management & Development	6.5	2.5
Household Durables	4.8	5.7
Machinery	4.7	6.0
Transportation Infrastructure	3.7	-
Technology Hardware, Storage & Peripherals	3.4	2.0
Electronic Equipment, Instruments & Components	3.4	7.8
Software	3.2	1.3
Hotels, Restaurants & Leisure	3.1	2.4
Chemicals	3.0	3.4
Automobiles	2.9	1.9
Electrical Equipment	2.3	1.5
Health Care Providers & Services	2.0	1.3
Independent Power and Renewable Electricity Producers	1.9	2.1
Food & Staples Retailing	1.6	1.7
Media	1.4	3.1
Airlines	1.2	1.0
Communications Equipment	0.9	1.9
Commercial Services & Supplies	0.9	1.9
Capital Markets	-	6.8
Energy Equipment & Services	-	1.8
Road & Rail	-	1.4
Construction & Engineering	-	1.1
<b>Hong Kong</b>		
Hotels, Restaurants & Leisure	-	1.5
<b>Total Listed/Quoted Investments</b>	99.6	99.9
<b>Other net assets</b>	0.4	0.1
<b>Net assets attributable to holders of redeemable units at 30 September</b>	100.0	100.0

Statement of Financial Position  
As at 30 September 2018

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	1,238,606	11,845,182
Amounts receivable on allotment	6,148,541	7,494,401
Collateral deposits	845,499	-
Margin deposits	1,277	-
Investments [Note 4(l)(a)]	903,137,115	752,783,174
Dividend and other accounts receivable	159	508,329
<b>Total assets</b>	<u>911,371,197</u>	<u>772,631,086</u>
	-----	-----
<b>Liabilities</b>		
Amounts due to brokers	-	5,485,502
Amounts payable on redemption	2,491,828	11,738,649
Tax payable [Note 6]	788,451	789,288
Other accounts payable	1,258,194	1,095,647
<b>Total liabilities</b>	<u>4,538,473</u>	<u>19,109,086</u>
	-----	-----
<b>Net assets attributable to holders of redeemable units</b> [Note 3]	<u>906,832,724</u>	<u>753,522,000</u>
	=====	=====
<b>Equity</b>	<u>906,832,724</u>	<u>753,522,000</u>
	=====	=====

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

Statement of Comprehensive Income  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 5]	(100,339,838)	132,568,727
Dividend income	19,943,605	9,940,676
Interest on deposits	66,717	40,985
Net foreign currency exchange losses	(1,276,600)	(558,553)
Other income [Note 12]	2,767	-
	<u>(81,603,349)</u>	<u>141,991,835</u>
	-----	-----
<b>Expenses</b>		
Management fee [Note 7(e)]	17,310,353	10,307,598
Transaction costs	3,745,144	2,215,650
Safe custody and bank charges	564,961	347,043
Trustee's fee [Note 8]	265,740	165,701
Registrar's fee [Note 7(h)]	152,042	99,691
Auditor's fee	47,044	47,287
Printing and publication expenses	16,813	20,522
Valuation fee [Note 7(e)]	16,520	16,520
Legal and professional expenses	8,102	78,817
Other operating expenses	8,307	13,344
	<u>22,135,026</u>	<u>13,312,173</u>
	-----	-----
<b>Net operating (loss)/profit</b>	<u>(103,738,375)</u>	<u>128,679,662</u>
	-----	-----
<b>Finance costs</b>		
Interest expense	(72,215)	(2,738)
	<u>(72,215)</u>	<u>(2,738)</u>
	-----	-----
<b>(Loss)/profit before taxation</b>	<u>(103,810,590)</u>	<u>128,676,924</u>
	-----	-----
Taxation [Note 6]	(2,024,697)	(1,022,765)
	<u>(2,024,697)</u>	<u>(1,022,765)</u>
	-----	-----
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>(105,835,287)</u>	<u>127,654,159</u>
	=====	=====

The notes on pages 239 to 251 form part of these financial statements.



**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	753,522,000	592,092,511
	-----	-----
Allotment of redeemable units [Note 3]	1,124,342,403	373,026,210
Redemption of redeemable units [Note 3]	(865,196,392)	(339,250,880)
	-----	-----
<b>Net allotment</b>	259,146,011	33,775,330
	-----	-----
	1,012,668,011	625,867,841
	-----	-----
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	(105,835,287)	127,654,159
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	906,832,724	753,522,000
	=====	=====

**Statement of Cash Flows**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(1,062,987,513)	(550,289,875)
Proceeds from disposal of investments and derivatives	806,816,876	506,363,967
Dividend received	20,013,528	9,870,753
Interest received	71,750	35,933
(Increase)/decrease in margin deposits	(1,277)	7,267,359
Registrar's fee paid	(146,800)	(86,170)
Trustee's fee paid	(263,610)	(163,476)
Increase in collateral deposits	(845,499)	-
Tax paid	(2,025,534)	(1,026,015)
Transaction costs paid	(3,754,120)	(2,206,580)
Management fee paid	(17,157,744)	(10,148,299)
Others	(1,479,201)	(1,535,875)
	-----	-----
<b>Net cash outflow from operating activities</b>	(261,759,144)	(41,918,278)
	-----	-----
<b>Financing activities</b>		
Interest paid	(72,215)	(2,738)
Receipts on allotment of redeemable units	1,125,688,263	366,740,807
Payments on redemption of redeemable units	(874,443,213)	(327,778,855)
	-----	-----
<b>Net cash inflow from financing activities</b>	251,172,835	38,959,214
	-----	-----
<b>Decrease in cash and cash equivalents</b>	(10,586,309)	(2,959,064)
Cash and cash equivalents at the beginning of the year	11,845,182	14,782,068
Exchange (losses)/gains on cash and cash equivalents	(20,267)	22,178
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	1,238,606	11,845,182
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	1,238,606	11,845,182
	=====	=====

The notes on pages 239 to 251 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan China Pioneer A-Share Fund (the "Fund") was established under a Trust Deed dated 14 June 2006, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to achieve long-term capital growth by investing primarily in the People's Republic of China ("PRC") securities, including but not limited to A-Shares. The Fund will invest in PRC securities via the Qualified Foreign Institutional Investor ("QFII") quota of the Investment Manager. For the investment in China A-Shares, the Fund may also invest and have direct access to certain eligible China A-Shares via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect (collectively, the "China Connect") and/or other similar programs as approved by the relevant regulators from time to time. The Fund may invest 30% or more of its total net asset value in stocks listed on the Small and Medium Enterprise Board and/or the ChiNext Board of the Shenzhen Stock Exchange.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(d) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(e) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(f) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(g) Collateral and margin deposits**

Cash collateral provided by the Fund is identified in the Statement of Financial Position as collateral deposits and is not included as a component of cash and cash equivalents.

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(h) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(i) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

**(j) Taxation**

Tax provision made predominantly relates to enterprise income tax arising from investment income realized from trading PRC securities.

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

	2018 Units	2017 Units
Number of units in issue:		
At the beginning of the year	18,536,390.069	17,927,356.730
Total allotments	24,531,069.697	10,112,064.778
Total redemptions	(19,277,522.927)	(9,503,031.439)
At the end of the year	<u>23,789,936.839</u>	<u>18,536,390.069</u>
	US\$	US\$
Net assets attributable to holders of redeemable units	<u>906,832,724</u>	<u>753,522,000</u>
Net assets attributable to holders of redeemable units (per unit)	<u>38.12</u>	<u>40.65</u>

As at 30 September 2018, the Fund had US\$906,832,724 (2017: US\$753,522,000) of puttable financial instruments, represented by the net assets attributable to the holders of redeemable units (or "net asset value" or "net assets" or "NAV"), classified as equity.

The Fund's policies for managing its obligations for the holders of redeemable units of the Fund are included in Note 4(II) capital risk management.

**4 Financial risk management****(I) Financial risk factors**

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

**(a) Market risk****(i) Market price risk**

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Beta of the Fund on a regular basis. Beta measures the statistical relationship between the return of the Fund and the relevant benchmark index chosen by the Investment Manager.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
Listed/Quoted Investments	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
<u>Assets</u>				
Equities				
- Banks	116,119,837	12.8	79,599,860	10.6
- Pharmaceuticals	90,534,147	10.0	68,504,227	9.1
- Insurance	89,415,587	9.9	76,915,598	10.2
- Beverages	76,840,006	8.5	27,784,694	3.7
- Food Products	67,763,270	7.5	46,664,780	6.2
- Real Estate Management & Development	58,892,446	6.5	19,113,862	2.5
- Household Durables	43,849,252	4.8	42,705,041	5.7
- Machinery	42,492,594	4.7	45,307,576	6.0
- Electronic Equipment, Instruments & Components	30,994,425	3.4	58,846,682	7.8
- Capital Markets	-	-	51,021,219	6.8
- Others	286,235,551	31.5	236,319,635	31.3
Total Listed/Quoted Investments	903,137,115	99.6	752,783,174	99.9

	Net asset value US\$	Relevant benchmark index for the Fund (Note*)	Beta (Note**)	% of reasonable possible change of the relevant benchmark index (Note***)	Estimated impact on net asset value (Note****) US\$
As at 30 September 2018	906,832,724	CSI 300 Net	1.14	-11.8	(121,987,138)
As at 30 September 2017	753,522,000	CSI 300 Net	1.06	+20.6	164,539,064

If the relevant benchmark index return was to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Relevant benchmark index for the Fund represents the relevant market index used by the Investment Manager in monitoring the market price risk of the Fund.

\*\* Beta measures the statistical relationship between the return of the Fund and the respective benchmark index over the maximum of past 36 months, or the number of months since portfolio inception. For funds launched within a period of less than 12 months, weekly returns of the Fund are used for calculating the Beta.

\*\*\* % of reasonable possible change is based on the actual historical change in the benchmark index in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. For funds launched within a period of less than 12 months, actual historical change in the benchmark index since the commencement of operations will be used to calculate the % of reasonable possible change.

\*\*\*\* Estimated impact on net asset value of the Fund is calculated by applying the relevant Beta against the net asset value of the Fund multiplied by the % of reasonable possible change of the relevant benchmark index, assuming all other variables that may impact the net asset value of the Fund are held constant.

**(ii) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Cash at banks	1,238,606	11,845,182
Collateral deposits	845,499	-
Margin deposits	1,277	-
	<hr/>	<hr/>
Total interest sensitivity gap	2,085,382	11,845,182
	<hr/>	<hr/>

Any cash and cash equivalents, collateral deposits and margin deposits are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

**(iii) Currency risk**

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
Net currency exposures (Note*)			
<u>2018</u>			
Chinese Yuan (Offshore)	7,219,859	-3.3	(238,255)
Chinese Yuan (Onshore)	860,818,637	-3.5	(30,128,652)
Hong Kong Dollar	36,074,635	-0.2	(72,149)
	<hr/>		<hr/>
	904,113,131		(30,439,056)
	<hr/>		<hr/>
<u>2017</u>			
Chinese Yuan (Offshore)	3,904,292	+0.4	15,617
Chinese Yuan (Onshore)	716,758,897	+0.4	2,867,036
Hong Kong Dollar	32,236,456	-0.7	(225,655)
	<hr/>		<hr/>
	752,899,645		2,656,998
	<hr/>		<hr/>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

## (b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	1,238,606	11,845,182
Amounts receivable on allotment	6,148,541	7,494,401
Collateral deposits	845,499	-
Margin deposits	1,277	-
Dividend and other accounts receivable	159	508,329
	<u>8,234,082</u>	<u>19,847,912</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/brokers/custodians which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	1,226,633	6,831,027
S&P(A)/Moody's(A)/FITCH(A)	11,973	5,014,155
Collateral deposits with custodian		
S&P(A)/Moody's(A)/FITCH(A)	845,499	-
Margin deposits with brokers		
S&P(AA)/Moody's(Aa)/FITCH(AA)	1,277	-
Investment balances with custodians		
S&P(AA)/Moody's(Aa)/FITCH(AA)	43,660,600	36,483,530
S&P(A)/Moody's(A)/FITCH(A)	859,476,515	716,299,644

## (c) Liquidity risk

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.



The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Amounts due to brokers	-	5,485,502
Amounts payable on redemption	2,491,828	11,738,649
Other accounts payable	1,258,194	1,095,647
Total financial liabilities	3,750,022	18,319,798

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

## (II) Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

## (III) Fair value estimation

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>2018</b>				
<u>Assets</u>				
Equities	854,298,020	-	48,839,095	903,137,115
Total financial assets at fair value through profit and loss	854,298,020	-	48,839,095	903,137,115

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<u>2017</u>				
<u>Assets</u>				
Equities	743,059,583	9,723,591	-	752,783,174
Total financial assets at fair value through profit and loss	743,059,583	9,723,591	-	752,783,174

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Level 3 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The Level 3 equities of US\$48,839,095 are listed equity investments suspended from trading as at year end for periods from 1 month to more than 1 year. The Fund adjusts the last traded prices of these securities with reference to the changes in the relevant index over the suspension period.

Market volatility may result in a discrepancy between the latest available issue and realization prices for the Fund and the fair value of the Fund's net asset value. Certain investors might exploit this discrepancy. By these investors paying less than the fair value for units on issue, or receiving more than the fair value on realization, other unitholders may suffer a dilution in the value of their investment. As a safeguard against such exploitation, the Manager may, with due care, skill and diligence, in good faith, and in consultation with the Trustee, adjust the net asset value of each Fund or of a unit, if it considers that such adjustment is required to reflect more accurately the fair value of the net asset value. The Manager considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. Such adjustment shall be made in good faith, with the Manager taking into account the best interests of unitholders.

The table below summarizes the transfers between levels of the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September 2018 and 2017.

	Level 1 US\$	Level 2 US\$	Level 3 US\$
Transfers between Levels 1, 2 and 3:			
Financial assets at fair value through profit or loss			
<u>2018</u>			
Equities			
- China	(21,179,763)	-	21,179,763
- China	-	(4,234,285)	4,234,285

#### China

Equities transferred from Level 1 to Level 3 were equities with values adjusted with reference to the changes in the relevant index over the suspension period as at 30 September 2018, but were valued based on quoted market prices in active markets as at 30 September 2017. These equities were suspended from trading as at 30 September 2018, but were actively traded on 30 September 2017. Since the adjustment to the valuation were considered to be significant, this security was classified as Level 3 as at 30 September 2018.

#### China

Equities transferred from Level 2 to Level 3 were equities with values adjusted with reference to the changes in the relevant index over the suspension period as at 30 September 2018, but were valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs as at 30 September 2017. Since the adjustment to the valuation were considered to be significant, this security was classified as Level 3 as at 30 September 2018.

If the relevant index were to change by +/-9.1%, this would result in a change in the Fund's net asset value by +/-US\$4,444,358, assuming all other variables that may impact the net asset value of the Fund are held constant.

These Level 3 positions were not presented in prior years, as it was deemed that the unobservable inputs were not significant.

The following table presents the movement in level 3 instruments for the year ended 31 December 2018 by class of financial instrument.

	2018 US\$
Opening balance	-
Purchases	60,078,644
Sales	(24,167,567)
Transfers into Level 3	36,479,754
Net losses recognized in net (losses)/gains on investments and derivatives	(23,551,736)
Closing balance	48,839,095
Change in unrealized gains/losses for Level 3 assets held at year end and included in net (losses)/gains on investments and derivatives	(22,859,095)

	Level 1 US\$	Level 2 US\$	Level 3 US\$
Transfers between Levels 1 and 2:			
Financial assets at fair value through profit or loss			
<u>2017</u>			
Equities			
- China	(3,902,370)	3,902,370	-
- China	39,091,611	(39,091,611)	-

#### China

Equities transferred from Level 1 to Level 2 were valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs as at 30 September 2017, but were valued based on quoted market prices in active markets as at 30 September 2016. These equities were suspended from trading as at 30 September 2017, but were actively traded on 30 September 2016.

#### China

Equities transferred from Level 2 to Level 1 were valued based on quoted market prices in active markets as at 30 September 2017, but were valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs as at 30 September 2016. These equities were suspended from trading as at 30 September 2016, but were actively traded on 30 September 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 5 Net (losses)/gains on investments and derivatives

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	(132,161,266)	156,419,666
Realized gains/(losses) on sale of investments and derivatives	31,821,428	(23,850,939)
	(100,339,838)	132,568,727

**6 Taxation**

Tax provision made predominantly relates to enterprise income tax arising from investment income realized from trading PRC securities.

The amount of taxation charged to the Statement of Comprehensive Income represents:

	2018 US\$	2017 US\$
Withholding tax		
- Dividend and interest income	(2,024,697)	(1,022,765)
Taxation	<u>(2,024,697)</u>	<u>(1,022,765)</u>

The movement in tax payable during the year is as follows:

	2018 US\$	2017 US\$
At the beginning of the year	789,288	792,538
Taxation charged to the Statement of Comprehensive Income	2,024,697	1,022,765
Tax paid	<u>(2,025,534)</u>	<u>(1,026,015)</u>
At the end of the year	<u>788,451</u>	<u>789,288</u>

Provisioning Policy of the Fund

The Fund held A-shares of PRC listed companies through the QFII quota of the Investment Manager and China Connect and certain investment in other PRC securities. Under PRC tax law, enterprise income tax of 10% is payable on dividends and interests (except for Government bond interest which is specifically tax exempt) derived by foreign investors from China. The paying entity in the PRC will be responsible for withholding such tax when making a payment. Full PRC tax provision of 10% is made for PRC sourced dividends and interests where tax has not yet been withheld by the payors.

Under PRC tax law, enterprise income tax of 10% would normally be payable on gains realized from the sale of PRC securities by foreign investors. However, currently gains from disposal of China A-shares (including those on China Connect) are subject to temporary exemptions from enterprise income tax effective from 17 November 2014. Enterprise income tax on gains from China A-shares disposed of prior to 17 November 2014 has been settled in 2016. Full PRC tax provision of 10% is made for gains from disposal of certain PRC securities that are currently not specifically exempt from enterprise income tax.

Hong Kong Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

**7 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons**

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

(a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments US\$	% of the Fund's total aggregate value of transactions	Commission paid US\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
J.P. Morgan Securities (Asia Pacific) Limited	15,193,174	0.82	16,203	6.04	0.11
J.P. Morgan Securities plc London	386,840,946*	20.77	56,931	21.21	0.01

2017

J.P. Morgan Securities (Asia Pacific) Limited	2,766,800	0.26	1,107	2.82	0.04
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\* These amounts include futures transactions totaling US\$386,840,946 (2017: nil).

(b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	196,177	6,390,439
Margin deposits	1,277	-
Amounts receivable	158	5,191
Amounts payable	(1,210,616)	(1,054,345)

During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$14,109 (2017: US\$13,490).

(c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms. The Fund invests in A-Shares via the QFII quota of the Investment Manager and accordingly all investments are conducted via the Investment Manager.

(d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$18,745 (2017: US\$10,065).

(e) Management fee of 1.75% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.

The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.

(f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.

(g) Refer to Note 8 for fee paid to the Trustee.

(h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

**8 Trustee's fee**

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first US\$40 million, 0.04% per annum for the balance from US\$40 million to US\$70 million, and 0.025% per annum for the balance in excess of US\$70 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

**9 Borrowings**

During the year ended 30 September 2018, the Fund has unsecured short-term bank borrowing with different financial institutions, one of which is The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. During the year ended 30 September 2017, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

**10 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**11 Distribution**

No distribution was made during the year (2017: nil).

**12 Other income**

The Fund received US\$2,767 (2017: nil) from the Manager as compensation for valuation and/or other operational error(s).

**Independent Auditor's Report**

To the Unitholders of JPMorgan China Pioneer A-Share Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan China Pioneer A-Share Fund set out on pages 237 to 251, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 14 June 2006, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKASs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan China Pioneer A-Share Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019



**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 14 June 2006, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund US\$	Net asset value per unit US\$
30/9/18	906,832,724	38.12
30/9/17	753,522,000	40.65
30/9/16	592,092,511	33.03

**Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u> US\$	<u>Lowest bid</u> US\$
30/9/18	50.53	35.07
30/9/17	41.26	30.41
30/9/16	38.08	25.49
30/9/15	53.03	23.97
30/9/14	28.95	22.06
30/9/13	28.85	21.63
30/9/12	26.28	20.88
30/9/11	33.81	22.73
30/9/10	30.43	22.05
30/9/09	31.08	14.60

**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Investment Adviser**

China International Fund  
Management Co. Ltd.  
25/F, Aurora Plaza  
99 Fu Cheng Road, Pudong  
Shanghai 200120  
People's Republic of China

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

**UK Tax Information**

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 14 June 2006 to 30 September 2010.

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments</b> (100.0%)			<b>Philippines</b> (1.1%)		
			Ayala Land	2,979,000	2,208,198 1.1
<b>(I) Equities</b> (98.2%)			<b>Singapore</b> (4.1%)		
<b>China</b> (36.9%)			City Developments	110,700	738,081 0.4
3SBio Inc	1,380,500	2,321,740 1.2	DBS Group Hldgs	212,358	4,054,906 2.1
Alibaba Group Hldg ADR	42,539	7,008,726 3.6	United Overseas Bank	165,000	3,270,172 1.6
China Construction Bank 'H'	8,997,270	7,864,807 4.0			
China Mobile	273,000	2,691,657 1.4	<b>Taiwan</b> (11.4%)		
China Overseas Land & Investment	1,524,000	4,771,690 2.4	Delta Electronics	739,000	3,170,635 1.6
China Unicom (Hong Kong)	3,084,000	3,633,846 1.9	Eclat Textile	279,700	3,462,699 1.8
China Vanke 'H'	1,173,800	3,885,215 2.0	Giant Manufacturing	242,000	1,038,286 0.5
CNOOC Ltd	1,926,000	3,815,129 2.0	Largan Precision	11,306	1,345,996 0.7
GF Securities 'H'	1,070,400	1,373,413 0.7	Taiwan Semiconductor Mfg	1,538,000	13,222,578 6.8
Jiangsu Hengrui Medicine 'A' (CI)	108,500	1,002,087 0.5	<b>Thailand</b> (3.0%)		
PetroChina Co 'H'	1,338,000	1,084,093 0.6	CP ALL (F)	1,256,000	2,679,777 1.4
PICC Property & Casualty 'H'	3,043,000	3,593,314 1.8	Kasikornbank Public Co (F)	318,200	2,144,947 1.1
Ping An Insurance (Group) 'H'	552,500	5,613,331 2.9	Kasikornbank Public Co NVDR	144,600	965,789 0.5
Shenzhou Intl Grp	326,000	4,182,852 2.1			191,643,421 98.2
Tencent Hldgs	345,500	14,270,546 7.3			
Wuxi Biologics (Cayman)	300,000	3,034,544 1.6	<b>(II) Collective Investment Schemes</b> (1.8%)		
Yum China Holdings	51,534	1,809,359 0.9	<b>Vietnam</b> (1.8%)		
			JPM Vietnam Opportunities (acc)-USD*	188,939	3,493,486 1.8
<b>Hong Kong</b> (12.1%)					
AIA Group	1,289,400	11,518,237 5.9	<b>Total Listed/Quoted Investments</b>		
BOC Hong Kong (Hldgs)	199,500	948,434 0.5		195,136,907	100.0
CK Hutchison Hldgs	57,500	662,820 0.3	<b>Other net assets</b>		
Galaxy Entertainment Group	365,000	2,315,972 1.2		70,460	0.0
Hong Kong Exchanges & Clearing	117,700	3,369,347 1.7			
Jardine Matheson Hldgs	39,313	2,466,891 1.3	<b>Net assets attributable to holders of redeemable units at 30 September 2018</b>		
Swire Pacific 'A'	213,000	2,334,183 1.2		195,207,367	100.0
<b>India</b> (7.8%)					
Castrol India	420,268	828,187 0.4	<b>Total investments, at cost</b>		
HDFC Bank	257,500	7,125,919 3.7		165,756,552	
HDFC Standard Life Insurance	180,917	977,336 0.5			
IndusInd Bank	161,170	3,757,558 1.9			
Maruti Suzuki India	24,437	2,477,057 1.3			
<b>Indonesia</b> (4.8%)			*Issued and managed by the Manager		
Astra Intl	8,996,800	4,437,572 2.3			
Bank Central Asia	1,751,400	2,838,393 1.4			
Telekomunikasi Indonesia	8,901,200	2,174,302 1.1			
<b>Korea</b> (17.0%)					
E-MART Co	18,315	3,426,065 1.8			
Hyundai Heavy Industries	22,615	2,742,139 1.4			
Korea Electric Power	64,401	1,704,007 0.9			
LG Chem	5,927	1,952,958 1.0			
NCsoft Corp	6,114	2,438,986 1.2			
Samsung Electronics	265,744	11,128,066 5.7			
Samsung Electronics Pref	37,353	1,274,565 0.7			
Samsung Engineering	56,383	981,016 0.5			
Samsung Fire & Marine Insurance	14,092	3,607,959 1.8			
Shinhan Financial Group	96,062	3,897,039 2.0			

Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 (*Unaudited*)

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities and Warrants</b>		
China	36.9	34.8
Korea	17.0	21.0
Hong Kong	12.1	13.1
Taiwan	11.4	8.9
India	7.8	9.1
Indonesia	4.8	5.2
Singapore	4.1	2.9
Thailand	3.0	2.5
Philippines	1.1	-
Malaysia	-	1.1
<b>Collective Investment Schemes</b>		
Vietnam	1.8	1.1
<b>Total Listed/Quoted Investments</b>	100.0	99.7
<b>Other net assets</b>	0.0	0.3
<b>Net assets attributable to holders of redeemable units at 30 September</b>	100.0	100.0

**Statement of Financial Position**  
**As at 30 September 2018**

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	895,907	729,957
Amounts due from brokers	-	2,194,059
Amounts receivable on allotment	573,135	1,011,067
Investments [Note 4(l)(a)]	195,136,907	253,793,309
Dividend and other accounts receivable	311,262	332,290
	<u>196,917,211</u>	<u>258,060,682</u>
<b>Total assets</b>	<u>196,917,211</u>	<u>258,060,682</u>
<b>Liabilities</b>		
Amounts due to brokers	429,563	577,535
Amounts payable on redemption	987,037	2,512,968
Other accounts payable	293,244	408,062
	<u>1,709,844</u>	<u>3,498,565</u>
<b>Total liabilities</b>	<u>1,709,844</u>	<u>3,498,565</u>
<b>Net assets attributable to holders of redeemable units</b> [Note 3]	<u>195,207,367</u>	<u>254,562,117</u>
<b>Equity</b>	<u>195,207,367</u>	<u>254,562,117</u>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

**Statement of Comprehensive Income**  
**For the year ended 30 September 2018**

	2018 US\$	2017 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 5]	10,928,338	54,447,801
Dividend income	5,432,107	4,569,716
Interest on deposits	9,355	4,684
Net foreign currency exchange losses	(323,043)	(218,842)
Other income [Note 12]	3	-
	<u>16,046,760</u>	<u>58,803,359</u>
<b>Expenses</b>		
Management fee [Note 7(e)]	3,625,897	3,498,395
Transaction costs	728,795	591,694
Registrar's fee [Note 7(h)]	170,832	183,953
Safe custody and bank charges	80,610	86,886
Trustee's fee [Note 8]	79,371	77,895
Legal and professional expenses	28,497	26,401
Auditor's fee	22,400	22,200
Valuation fee [Note 7(e)]	17,150	17,220
Printing and publication expenses	5,681	2,096
Other operating expenses	12,843	8,697
	<u>4,772,076</u>	<u>4,515,437</u>
<b>Net operating profit</b>	<u>11,274,684</u>	<u>54,287,922</u>
<b>Finance costs</b>		
Interest expense	(2,805)	(1,609)
	<u>11,271,879</u>	<u>54,286,313</u>
<b>Profit before taxation</b>	<u>11,271,879</u>	<u>54,286,313</u>
Taxation [Note 6]	(704,020)	(370,320)
	<u>10,567,859</u>	<u>53,915,993</u>
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>10,567,859</u>	<u>53,915,993</u>

The notes on pages 260 to 270 form part of these financial statements.

Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	254,562,117	236,118,842
	-----	-----
Allotment of redeemable units [Note 3]	36,727,666	65,027,588
Redemption of redeemable units [Note 3]	(106,650,275)	(100,500,306)
	-----	-----
<b>Net redemption</b>	(69,922,609)	(35,472,718)
	-----	-----
	184,639,508	200,646,124
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	10,567,859	53,915,993
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	195,207,367	254,562,117
	=====	=====

Statement of Cash Flows  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(144,808,406)	(123,912,150)
Proceeds from disposal of investments and derivatives	216,442,755	159,586,020
Dividend received	5,452,994	4,565,331
Interest received	9,386	4,598
Trustee's fee paid	(80,913)	(77,635)
Registrar's fee paid	(185,000)	(180,438)
Tax paid	(708,597)	(595,880)
Transaction costs paid	(733,487)	(593,886)
Management fee paid	(3,715,050)	(3,477,328)
Others	(492,250)	(381,800)
	-----	-----
<b>Net cash inflow from operating activities</b>	71,181,432	34,936,832
	-----	-----
<b>Financing activities</b>		
Interest paid	(2,805)	(1,609)
Receipts on allotment of redeemable units	37,165,598	64,345,227
Payments on redemption of redeemable units	(108,176,206)	(99,499,731)
	-----	-----
<b>Net cash outflow from financing activities</b>	(71,013,413)	(35,156,113)
	-----	-----
<b>Increase/(decrease) in cash and cash equivalents</b>	168,019	(219,281)
Cash and cash equivalents at the beginning of the year	729,957	945,142
Exchange (losses)/gains on cash and cash equivalents	(2,069)	4,096
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	895,907	729,957
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	895,907	729,957
	=====	=====

The notes on pages 260 to 270 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Eastern Fund (the "Fund") was established under a Trust Deed dated 20 January 1971, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to provide investors with long-term capital growth by investing primarily in the securities of companies in the Asia-Pacific region, excluding Japan and Australia except the Manager may, from time to time, invest in Japan and Australia when appropriate investment opportunities arise.

Pursuant to the Supplemental Trust Deed dated 4 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

Pursuant to the resolutions passed at the general meeting of unitholders held on 23 August 2018, the Fund was merged into JPMorgan Asia Growth Fund (the "Receiving Fund") on 7 December 2018 (the "Merger Date"). Units held by unitholders in the Fund were exchanged for units in the Receiving Fund on the Merger Date.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss. The financial statements are prepared on a non-going concern basis (refer to Note 1). The Manager and the Trustee (the "Management") assessed that the values of all assets and liabilities at the reporting date approximate their net realizable value, and therefore no changes of accounting policies or adjustments have been made in the financial statements in order to reflect the fact that the Fund will be able to realize its assets or to extinguish its liabilities in the normal course of business.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Management to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

#### *Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

#### *Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value. When trading of financial instruments in markets that are not considered to be active, the financial instruments are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

#### *Transfers between levels of the fair value hierarchy*

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

### **(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

### **(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

### **(e) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.



**(f) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(g) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(h) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(i) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(j) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**2018

	USD Class (acc) Units
Number of units in issue:	
At the beginning of the year	703,863.352
Total allotments	94,457.329
Total redemptions	(273,696.994)
At the end of the year	<u>524,623.687</u>

US\$

Net assets attributable to holders of redeemable units	<u>195,207,367</u>
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Net assets attributable to holders of redeemable units (per unit)	<u>372.09</u>
---	---------------

2017

	USD Class (acc) Units
Number of units in issue:	
At the beginning of the year	816,317.609
Total allotments	207,944.506
Total redemptions	(320,398.763)
At the end of the year	<u>703,863.352</u>

US\$

Net assets attributable to holders of redeemable units	<u>254,562,117</u>
--	--------------------

Net assets attributable to holders of redeemable units (per unit)	<u>361.66</u>
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As at 30 September 2018, the Fund had US\$195,207,367 (2017: US\$254,562,117) of puttable financial instruments, represented by the net assets attributable to the holders of redeemable units (or "net asset value" or "net assets" or "NAV"), classified as equity.

The Fund's policies for managing its obligations for the holders of redeemable units of the Fund are included in Note 4(II) capital risk management.

**4 Financial risk management****(I) Financial risk factors**

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

The Fund's holding in the collective investment schemes, as a percentage of the collective investment schemes' total net asset value, will vary from time to time dependent on the volume of allotments and redemptions at the collective investment schemes level. It is possible that the Fund may, at any point in time, hold a majority of the collective investment schemes' total units in issue.

**(a) Market risk**

**(i) Market price risk**

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Beta of the Fund on a regular basis. Beta measures the statistical relationship between the return of the Fund and the relevant benchmark index chosen by the Investment Manager.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
Listed/Quoted Investments				
<u>Assets</u>				
Equities and Warrants				
- China	71,956,349	36.9	88,689,893	34.8
- Korea	33,152,800	17.0	53,387,274	21.0
- Hong Kong	23,615,884	12.1	33,435,982	13.1
- Taiwan	22,240,194	11.4	22,647,293	8.9
- India	15,166,057	7.8	23,254,076	9.1
- Indonesia	9,450,267	4.8	13,222,548	5.2
- Others	16,061,870	8.2	16,413,288	6.5
	191,643,421	98.2	251,050,354	98.6
Collective Investment Schemes	3,493,486	1.8	2,742,955	1.1
Total Listed/Quoted Investments	195,136,907	100.0	253,793,309	99.7

	Net asset value US\$	Relevant benchmark index for the Fund (Note*)	Beta (Note**)	% of reasonable possible change of the relevant benchmark index (Note***)	Estimated impact on net asset value (Note****) US\$
As at 30 September 2018	195,207,367	MSCI AC Asia ex Japan Net	1.09	+1.5	3,191,640
As at 30 September 2017	254,562,117	MSCI AC Asia ex Japan Net	1.04	+22.7	60,097,025

If the relevant benchmark index return was to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Relevant benchmark index for the Fund represents the relevant market index used by the Investment Manager in monitoring the market price risk of the Fund.

\*\* Beta measures the statistical relationship between the return of the Fund and the respective benchmark index over the maximum of past 36 months, or the number of months since portfolio inception. For funds launched within a period of less than 12 months, weekly returns of the Fund are used for calculating the Beta.

\*\*\* % of reasonable possible change is based on the actual historical change in the benchmark index in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. For funds launched within a period of less than 12 months, actual historical change in the benchmark index since the commencement of operations will be used to calculate the % of reasonable possible change.

\*\*\*\* Estimated impact on net asset value of the Fund is calculated by applying the relevant Beta against the net asset value of the Fund multiplied by the % of reasonable possible change of the relevant benchmark index, assuming all other variables that may impact the net asset value of the Fund are held constant.

## (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Cash at banks	895,907	729,957
Total interest sensitivity gap	895,907	729,957

Any cash and cash equivalents are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

## (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
Net currency exposures (Note*)			
<u>2018</u>			
Chinese Yuan (Offshore)	1,048,304	-3.3	(34,594)
Hong Kong Dollar	83,716,912	-0.2	(167,434)
Indian Rupee	15,166,057	-9.9	(1,501,440)
Indonesian Rupiah	9,450,267	-9.6	(907,226)
Korean Won	33,152,800	+3.3	1,094,042
Malaysian Ringgit	1	+2.0	0
Philippine Peso	2,217,924	-6.0	(133,075)
Singapore Dollar	8,068,020	-0.6	(48,408)
Taiwan Dollar	22,266,271	-0.7	(155,864)
Thai Baht	5,792,525	+3.1	179,568
	180,879,081		(1,674,431)

	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
Net currency exposures (Note*)			
<u>2017</u>			
Hong Kong Dollar	100,207,433	-0.7	(701,452)
Indian Rupee	19,352,363	+1.9	367,695
Indonesian Rupiah	13,222,548	-3.1	(409,899)
Korean Won	53,387,274	-3.8	(2,028,716)
Malaysian Ringgit	2,985,738	-2.1	(62,700)
Singapore Dollar	7,307,631	+0.4	29,231
Taiwan Dollar	21,014,193	+3.4	714,483
Thai Baht	6,806,019	+3.9	265,435
	<u>224,283,199</u>		<u>(1,825,923)</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

## (b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	895,907	729,957
Amounts due from brokers	-	2,194,059
Amounts receivable on allotment	573,135	1,011,067
Investments issued by brokers	-	3,897,183
Dividend and other accounts receivable	311,262	332,290
	<u>1,780,304</u>	<u>8,164,556</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/brokers/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	894,042	529,752
S&P(A)/Moody's(A)/FITCH(A)	1,865	200,205
Investments issued by brokers		
S&P(AA)/Moody's(Aa)/FITCH(AA)	-	3,897,183
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	195,136,907	253,793,309

### (c) Liquidity risk

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Amounts due to brokers	429,563	577,535
Amounts payable on redemption	987,037	2,512,968
Other accounts payable	293,244	408,062
Total financial liabilities	1,709,844	3,498,565

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

### (II) Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

**(III) Fair value estimation**

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
---------------------------	-----------------	-----------------	-----------------	---------------

2018Assets

Equities	191,643,421	-	-	191,643,421
Collective Investment Schemes	3,493,486	-	-	3,493,486
Total financial assets at fair value through profit and loss	195,136,907	-	-	195,136,907

2017Assets

Equities and Warrants	239,939,739	11,110,615	-	251,050,354
Collective Investment Schemes	2,742,955	-	-	2,742,955
Total financial assets at fair value through profit and loss	242,682,694	11,110,615	-	253,793,309

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities, collective investment schemes and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

The table below summarizes the transfers between levels of the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September 2018.

	Level 1 US\$	Level 2 US\$	Level 3 US\$
Transfers between Levels 1 and 2:			
Financial assets at fair value through profit or loss			

2018Equities

- India	7,125,919	(7,125,919)	-
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India

Equities transferred from Level 2 to Level 1 were valued based on quoted market prices in active markets as at 30 September 2018, but were valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs as at 30 September 2017.

There were no transfers between levels for the year ended 30 September 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 5 Net gains on investments and derivatives

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	(30,394,981)	26,728,821
Realized gains on sale of investments and derivatives	41,323,319	27,718,980
	<u>10,928,338</u>	<u>54,447,801</u>

## 6 Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Overseas tax was withheld or paid on certain dividend income received and capital gains derived during the years ended 30 September 2018 and 2017.

## 7 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

(a) Investment transactions with the Manager and its Connected Persons are set out below:

The Fund invests in various funds ("underlying funds") which are managed by the Manager or its Connected Persons. All fees on allotments and redemptions in the underlying funds payable by the Fund are waived by the managers of underlying funds which are managed by the Manager and/or its Connected Persons.

Name of company	Aggregate value of purchases and sales of investments US\$	% of the Fund's total aggregate value of transactions	Commission paid US\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
J.P. Morgan Securities (Asia Pacific) Limited	85,003	0.02	51	0.02	0.06
<u>2017</u>					
J.P. Morgan India Private Limited	1,047,502	0.37	524	0.21	0.05
J.P. Morgan Securities (Asia Pacific) Limited	3,890,733	1.37	1,577	0.63	0.04

(b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	50,224	125,441
Amounts receivable	3,062	3,231
Amounts payable	(260,118)	(365,372)

As at 30 September 2018, the Fund's investment balance of US\$3,493,486 (2017: US\$2,742,955) represents the investments in the collective investment schemes issued and managed by the Manager.



During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$3,031 (2017: US\$1,265).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.
- (d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$13,121 (2017: US\$12,497).
- (e) Management fee of 1.5% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears. If the Fund invests in the collective investment scheme managed by the Manager or its Connected Persons, the management fee of the Manager will be reduced to take account of the management fee levied in respect of such collective investment scheme to the extent attributable to that Fund's interest in such collective investment scheme.

The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.

- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (g) Refer to Note 8 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 8 Trustee's fee

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first US\$40 million, 0.04% per annum for the balance from US\$40 million to US\$70 million, and 0.025% per annum for the balance in excess of US\$70 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

## 9 Borrowings

During the years ended 30 September 2018 and 2017, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

## 10 Soft dollar arrangements/Commission sharing arrangements

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

## 11 Distribution

No distribution was made during the year (2017: nil).

## 12 Other income

The Fund received US\$3 (2017: nil) from the Manager as compensation for valuation and/or other operational error(s).

## 13 Subsequent events

Pursuant to the resolutions passed at the general meeting of unitholders held on 23 August 2018, the Fund was merged into JPMorgan Asia Growth Fund (the "Receiving Fund") on 7 December 2018 (the "Merger Date"). Units held by unitholders in the Fund were exchanged for units in the Receiving Fund on the Merger Date.

**Independent Auditor's Report**

To the Unitholders of JPMorgan Eastern Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Eastern Fund set out on pages 258 to 270, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Emphasis of Matter**

We draw attention to Note 1 and Note 2(a) to the financial statements which states that pursuant to the resolutions passed at the general meeting of unitholders held on 23 August 2018, the Fund was merged into JPMorgan Asia Growth Fund on 7 December 2018. The financial statements have therefore been prepared on a non-going concern basis of accounting. Our opinion is not qualified in respect of this matter.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 20 January 1971, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Eastern Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 20 January 1971, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund US\$	Net asset value per unit US\$
30/9/18 -USD Class (acc)	195,207,367	372.09
30/9/17 -USD Class (acc)	254,562,117	361.66
30/9/16 -USD Class (acc)	236,118,842	289.25

**Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u> US\$	<u>Lowest bid</u> US\$
30/9/18 - USD class (acc)	428.22	355.78
30/9/17 - USD class (acc)	398.63	276.30
30/9/16 - USD class (acc)	310.13	213.73
30/9/15 - USD class (acc)	325.22	232.40
30/9/14 - USD class (acc)	315.83	258.28
30/9/13 - USD class (acc)	299.74	242.16
30/9/12	270.40	196.36
30/9/11	319.45	202.23
30/9/10	269.34	202.85
30/9/09	237.66	104.37

**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

**UK Tax Information**

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 1 January 1984 to 30 September 2010.

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments</b> (95.6%)				Shriram Transport Finance	75,804	1,203,568	0.8
				TeamLease Services	29,180	992,277	0.7
<b>Equities and Warrants</b> (95.6%)				<b>Indonesia</b> (2.4%)			
<b>China</b> (20.5%)				BFI Finance Indonesia	28,873,100	1,191,622	0.8
51Jobs Inc ADR	39,528	3,043,261	2.0	Midi Utama Indonesia	10,680,100	763,299	0.5
Bilibili Inc ADR	36,868	496,981	0.3	Mitra Adiperkasa	17,384,000	962,440	0.7
BOC Aviation	453,100	3,514,827	2.3	Sarimelati Kencana	9,438,600	661,902	0.4
China New Higher Education- RegS144A	2,144,000	1,476,844	1.0	<b>Korea</b> (14.0%)			
CITIC Telecom Intl Hldgs	2,325,500	793,503	0.5	AfreecaTV Co	44,689	1,442,295	1.0
Crystal Int Group	2,924,000	1,920,710	1.3	CJ CheilJedang	4,294	1,291,007	0.9
Greentown Service Group	470,000	377,206	0.3	Com2us Corp	11,262	1,488,401	1.0
Guangdong Investment	528,000	937,929	0.6	Daelim Industrial	24,819	1,848,140	1.2
Haier Electronics Group	952,000	2,585,337	1.7	Farmsco	166,882	1,456,315	1.0
Hangzhou Tigermed				GS Retail	28,183	978,179	0.7
Consulting 'A'-C2	59,500	464,895	0.3	Hankook Tire Worldwide	95,220	1,545,152	1.0
Hutchison China Meditech ADR	72,660	2,338,925	1.6	Hite Jinro	30,649	465,572	0.3
HUYA Inc ADR	15,720	370,678	0.3	Hyundai Heavy Industries	17,614	2,135,752	1.4
Laobaixing Pharmacy Chain 'A' (C1)	111,400	1,013,154	0.7	KCC Corp	4,564	1,394,813	0.9
Nexteer Automotive Group	1,613,000	2,556,097	1.7	KIWOOM Securities	31,822	2,797,066	1.9
Shenzhen Intl Grp	116,000	1,488,377	1.0	Kolon Industries	8,465	474,666	0.3
SINOPEC Engineering 'H'	1,371,500	1,566,948	1.0	Nasmedia Co	22,944	836,678	0.6
Uni-President China Hldgs	1,075,000	1,147,139	0.8	Nong Shim Co	3,272	718,262	0.5
Yifeng Pharmacy Chain 'A' (C1)	180,100	1,504,894	1.0	Samsung Engineering	62,308	1,084,106	0.7
Yuexiu Transport				Shinsegae Food	3,069	315,408	0.2
Infrastructure	788,000	625,373	0.4	Vitrocell Co	60,495	627,174	0.4
Zhejiang Supor 'A'-C2	319,680	2,509,865	1.7	<b>Malaysia</b> (3.7%)			
<b>Hong Kong</b> (13.8%)				Bursa Malaysia	901,600	1,703,639	1.1
Chow Sang Sang Hldgs	556,000	1,092,829	0.7	Carlsberg Brewery Malaysia	459,300	2,219,645	1.5
Dah Sing Banking Group	876,960	1,764,029	1.2	Mynews Hldgs	4,542,600	1,580,607	1.1
Dah Sing Financial Hldgs	258,772	1,658,477	1.1	<b>Philippines</b> (2.0%)			
Intl Housewares Retail	7,488,000	1,808,626	1.2	Philippine Seven	350,000	659,448	0.5
Johnson Electric Hldgs	177,000	499,904	0.4	Shakey's Pizza Asia Ventures	2,874,000	638,312	0.4
Melco Intl Dev	462,000	923,421	0.6	Wilcon Depot	8,801,000	1,677,777	1.1
Minth Group	624,000	2,575,777	1.7	<b>Singapore</b> (1.7%)			
Samsonite Intl	324,600	1,203,006	0.8	Cityneon Hldgs	959,400	870,682	0.6
SITC Intl Hldgs	1,513,000	1,222,017	0.8	MM2 Asia	1,258,000	354,470	0.2
Technronic Industries	1,073,500	6,859,512	4.6	Venture Corp (CDP)	102,600	1,323,847	0.9
Xinyi Glass Hldgs	854,000	1,079,382	0.7	<b>Taiwan</b> (15.0%)			
<b>India</b> (14.6%)				Aspeed Technology	20,563	410,816	0.3
Ashok Leyland	750,124	1,232,443	0.8	Chailease Hldg	526,440	1,844,859	1.2
Castrol India	606,858	1,195,884	0.8	Chipbond Technology	1,409,000	2,722,661	1.8
Eicher Motors	4,980	1,661,516	1.1	Eclat Textile	256,771	3,178,837	2.1
EIH Ltd (DEMAT)	1,230,126	2,510,652	1.7	Parade Technologies	139,000	2,116,890	1.4
Endurance Technologies	73,520	1,344,993	0.9	Realtek Semiconductor	476,000	2,120,198	1.4
Godrej Industries	151,540	1,079,950	0.7	Shinkong Insurance	653,000	865,092	0.6
Gujarat Pipavav Port	1,235,557	1,709,565	1.1	Silergy Corp	28,000	504,372	0.3
IndusInd Bank	151,672	3,536,119	2.4	Taiwan FamilyMart	137,000	960,207	0.7
Jubilant Foodworks	46,360	786,470	0.5	Tripod Technology	463,000	1,263,155	0.9
L&T Technology Services	75,167	1,800,368	1.2	Vanguard Intl Semiconductor	1,004,000	2,236,007	1.5
Mahindra & Mahindra Fin Services	200,170	1,105,091	0.7	Voltronic Power Technology	214,415	3,764,007	2.5
Mahindra Logistics	53,980	382,641	0.3	Wistron NeWeb	179,520	435,674	0.3
Multi Commodity Exchange of India	36,457	346,238	0.2	<b>Thailand</b> (6.0%)			
Shree Cement	4,199	978,487	0.7	Erawan Group (F)	4,751,200	1,190,004	0.8

**Investment Portfolio (Continued)**  
**As at 30 September 2018 (Unaudited)**

Holding	Fair value US\$	% of net assets
<b>Thailand (Continued)</b>		
Home Product Center (F)	5,993,200	2,928,032 2.0
KCE Electronics (F)	1,591,900	2,079,709 1.4
TOA Paint Thailand (F)	665,400	776,712 0.5
VGI Global Media (F)	8,249,200	2,027,865 1.3
VGI Global Media (F) Wts 31/12/22	1,393,880	25,860 0.0
<b>Vietnam (1.9%)</b>		
Saigon Beer Alcohol Beverage	95,000	906,119 0.6
Viet Capital Securities	377,354	1,048,228 0.7
Vincom Retail JSC	489,510	879,240 0.6
<b>Total Listed/Quoted Investments</b>	143,077,405	95.6
<b>Other net assets</b>	6,654,774	4.4
<b>Net assets attributable to holders of redeemable units at 30 September 2018</b>	149,732,179	100.0
<b>Total investments, at cost</b>	126,132,581	

**Statement of Movements in Portfolio Holdings**  
**For the year ended 30 September 2018 (Unaudited)**

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities and Warrants</b>		
China	20.5	18.7
Taiwan	15.0	16.5
India	14.6	14.5
Korea	14.0	14.4
Hong Kong	13.8	14.9
Thailand	6.0	8.5
Malaysia	3.7	2.7
Indonesia	2.4	2.3
Philippines	2.0	3.2
Vietnam	1.9	0.6
Singapore	1.7	0.8
<b>Total Listed/Quoted Investments</b>	95.6	97.1
<b>Other net assets</b>	4.4	2.9
<b>Net assets attributable to holders of redeemable units at 30 September</b>	100.0	100.0

**Statement of Financial Position**  
**As at 30 September 2018**

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	7,159,315	6,447,007
Amounts due from brokers	-	986,933
Amounts receivable on allotment	268,547	134,729
Investments [Note 4(l)(a)]	143,077,405	163,462,226
Dividend and other accounts receivable	247,236	184,943
<b>Total assets</b>	<b>150,752,503</b>	<b>171,215,838</b>
	-----	-----
<b>Liabilities</b>		
Amounts due to brokers	455,446	2,204,196
Amounts payable on redemption	276,985	332,260
Tax payable	50,698	-
Other accounts payable	237,195	275,859
<b>Total liabilities</b>	<b>1,020,324</b>	<b>2,812,315</b>
	-----	-----
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<b>149,732,179</b>	<b>168,403,523</b>
	=====	=====
<b>Equity</b>	<b>149,732,179</b>	<b>168,403,523</b>
	=====	=====

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

**Statement of Comprehensive Income**  
**For the year ended 30 September 2018**

	2018 US\$	2017 US\$
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 5]	(1,096,714)	14,808,396
Dividend income	3,286,715	4,616,648
Interest on deposits	37,598	3,260
Net foreign currency exchange losses	(229,473)	(93,474)
Other income [Note 12]	197	-
	<b>1,998,323</b>	<b>19,334,830</b>
	-----	-----
<b>Expenses</b>		
Management fee [Note 7(e)]	2,501,440	2,488,313
Transaction costs	488,675	438,763
Registrar's fee [Note 7(h)]	136,017	131,552
Safe custody and bank charges	70,504	75,438
Trustee's fee [Note 8]	60,164	59,945
Legal and professional expenses	23,440	24,733
Auditor's fee	19,800	19,600
Valuation fee [Note 7(e)]	17,150	17,220
Printing and publication expenses	2,245	1,683
Other operating expenses	5,619	9,857
	<b>3,325,054</b>	<b>3,267,104</b>
	-----	-----
<b>Net operating (loss)/profit</b>	<b>(1,326,731)</b>	<b>16,067,726</b>
<b>Finance costs</b>		
Interest expense	-	(63)
	-----	-----
<b>(Loss)/profit before taxation</b>	<b>(1,326,731)</b>	<b>16,067,663</b>
Taxation [Note 6]	(289,705)	(302,556)
	-----	-----
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>(1,616,436)</b>	<b>15,765,107</b>
	=====	=====

The notes on pages 279 to 289 form part of these financial statements.



**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	168,403,523	175,409,433
Allotment of redeemable units [Note 3]	26,891,436	30,173,059
Redemption of redeemable units [Note 3]	(43,946,344)	(52,944,076)
<b>Net redemption</b>	(17,054,908)	(22,771,017)
	151,348,615	152,638,416
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	(1,616,436)	15,765,107
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	149,732,179	168,403,523

**Statement of Cash Flows**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(97,242,221)	(79,545,726)
Proceeds from disposal of investments and derivatives	115,772,457	99,769,095
Dividend received	3,223,993	5,049,261
Interest received	37,377	3,337
Trustee's fee paid	(60,765)	(60,205)
Registrar's fee paid	(142,765)	(132,137)
Tax paid	(239,007)	(303,080)
Transaction costs paid	(492,590)	(438,820)
Management fee paid	(2,534,399)	(2,500,879)
Others	(317,490)	(372,796)
<b>Net cash inflow from operating activities</b>	18,004,590	21,468,050
<b>Financing activities</b>		
Interest paid	-	(63)
Receipts on allotment of redeemable units	26,757,618	30,646,141
Payments on redemption of redeemable units	(44,001,619)	(52,870,084)
<b>Net cash outflow from financing activities</b>	(17,244,001)	(22,224,006)
<b>Increase/(decrease) in cash and cash equivalents</b>	760,589	(755,956)
Cash and cash equivalents at the beginning of the year	6,447,007	7,130,566
Exchange (losses)/gains on cash and cash equivalents	(48,281)	72,397
<b>Cash and cash equivalents at the end of the year</b>	7,159,315	6,447,007
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	7,159,315	6,447,007

The notes on pages 279 to 289 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Eastern Smaller Companies Fund (the "Fund") was established under a Trust Deed dated 2 December 1991, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to provide investors with long-term capital growth by investing primarily in the securities of small to medium sized companies in the Asia-Pacific region, excluding Japan and Australia except the Manager may, from time to time, invest in Japan and Australia when appropriate investment opportunities arise.

Pursuant to the Supplemental Trust Deed dated 4 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial Instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(e) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(f) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(g) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(h) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(i) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(j) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**2018

	USD Class (acc) Units
Number of units in issue:	
At the beginning of the year	822,388,938
Total allotments	122,297,662
Total redemptions	(201,427,458)
At the end of the year	<u>743,259,142</u>

US\$

Net assets attributable to holders of redeemable units	<u>149,732,179</u>
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Net assets attributable to holders of redeemable units (per unit)	<u>201.45</u>
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2017

	USD Class (acc) Units
Number of units in issue:	
At the beginning of the year	943,294,170
Total allotments	159,268,815
Total redemptions	(280,174,047)
At the end of the year	<u>822,388,938</u>

US\$

Net assets attributable to holders of redeemable units	<u>168,403,523</u>
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Net assets attributable to holders of redeemable units (per unit)	<u>204.77</u>
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As at 30 September 2018, the Fund had US\$149,732,179 (2017: US\$168,403,523) of puttable financial instruments, represented by the net assets attributable to the holders of redeemable units (or "net asset value" or "net assets" or "NAV"), classified as equity.

The Fund's policies for managing its obligations for the holders of redeemable units of the Fund are included in Note 4(II) capital risk management.

**4 Financial risk management****(I) Financial risk factors**

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

## (a) Market risk

## (i) Market price risk

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Beta of the Fund on a regular basis. Beta measures the statistical relationship between the return of the Fund and the relevant benchmark index chosen by the Investment Manager.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
Listed/Quoted Investments	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
<u>Assets</u>				
Equities and Warrants				
- China	30,732,943	20.5	31,471,052	18.7
- Taiwan	22,422,775	15.0	27,768,058	16.5
- India	21,866,262	14.6	24,398,357	14.5
- Korea	20,898,986	14.0	24,191,944	14.4
- Hong Kong	20,686,980	13.8	25,026,823	14.9
- Thailand	9,028,182	6.0	14,294,186	8.5
- Others	17,441,277	11.7	16,311,806	9.6
Total Listed/Quoted Investments	143,077,405	95.6	163,462,226	97.1

	Net asset value US\$	Relevant benchmark index for the Fund (Note*)	Beta (Note**)	% of reasonable possible change of the relevant benchmark index (Note***)	Estimated impact on net asset value (Note****) US\$
As at 30 September 2018	149,732,179	MSCI AC Asia ex Japan Small Cap Net	0.88	-2.6	(3,425,872)
As at 30 September 2017	168,403,523	MSCI AC Asia ex Japan Small Cap Net	0.80	+12.8	17,244,521

If the relevant benchmark index return was to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Relevant benchmark index for the Fund represents the relevant market index used by the Investment Manager in monitoring the market price risk of the Fund.

\*\* Beta measures the statistical relationship between the return of the Fund and the respective benchmark index over the maximum of past 36 months, or the number of months since portfolio inception. For funds launched within a period of less than 12 months, weekly returns of the Fund are used for calculating the Beta.

\*\*\* % of reasonable possible change is based on the actual historical change in the benchmark index in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. For funds launched within a period of less than 12 months, actual historical change in the benchmark index since the commencement of operations will be used to calculate the % of reasonable possible change.

\*\*\*\* Estimated impact on net asset value of the Fund is calculated by applying the relevant Beta against the net asset value of the Fund multiplied by the % of reasonable possible change of the relevant benchmark index, assuming all other variables that may impact the net asset value of the Fund are held constant.

## (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Cash at banks	7,159,315	6,447,007
Total interest sensitivity gap	<u>7,159,315</u>	<u>6,447,007</u>

Any cash and cash equivalents are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

## (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
Net currency exposures (Note*)			
<u>2018</u>			
Chinese Yuan (Offshore)	5,975,400	-3.3	(197,188)
Chinese Yuan (Onshore)	17,940	-3.5	(628)
Hong Kong Dollar	40,079,417	-0.2	(80,159)
Indian Rupee	21,817,162	-9.9	(2,159,899)
Indonesian Rupiah	3,579,263	-9.6	(343,609)
Korean Won	20,898,986	+3.3	689,667
Malaysian Ringgit	5,521,315	+2.0	110,426
Philippine Peso	2,979,260	-6.0	(178,756)
Singapore Dollar	2,609,073	-0.6	(15,654)
Taiwan Dollar	22,964,243	-0.7	(160,750)
Thai Baht	9,028,182	+3.1	279,874
Vietnamese Dong	3,642,334	-2.6	(94,701)
	<u>139,112,575</u>		<u>(2,151,377)</u>

	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
<u>2017</u>			
Chinese Yuan (Offshore)	2,139,361	+0.4	8,557
Hong Kong Dollar	52,910,524	-0.7	(370,374)
Indian Rupee	24,603,176	+1.9	467,460
Indonesian Rupiah	3,915,871	-3.1	(121,392)
Korean Won	23,770,081	-3.8	(903,263)
Malaysian Ringgit	4,628,429	-2.1	(97,197)
Philippine Peso	5,430,442	-4.5	(244,370)
Singapore Dollar	1,273,247	+0.4	5,093
Taiwan Dollar	29,375,179	+3.4	998,756
Thai Baht	14,408,742	+3.9	561,941
Vietnamese Dong	1,159,582	-1.9	(22,032)
	<u>163,614,634</u>		<u>283,179</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

## (b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	7,159,315	6,447,007
Amounts due from brokers	-	986,933
Amounts receivable on allotment	268,547	134,729
Dividend and other accounts receivable	247,236	184,943
	<u>7,675,098</u>	<u>7,753,612</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.



The table below summarizes the credit rating of the banks/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	4,138,652	6,446,818
S&P(A)/Moody's(A)/FITCH(A)	3,020,663	189
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	143,077,405	163,462,226

### (c) Liquidity risk

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Amounts due to brokers	455,446	2,204,196
Amounts payable on redemption	276,985	332,260
Other accounts payable	237,195	275,859
Total financial liabilities	969,626	2,812,315

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

### (ii) Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

**(III) Fair value estimation**

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
---------------------------	-----------------	-----------------	-----------------	---------------

2018Assets

Equities and Warrants	143,077,405	-	-	143,077,405
Total financial assets at fair value through profit and loss	<u>143,077,405</u>	<u>-</u>	<u>-</u>	<u>143,077,405</u>

2017Assets

Equities	163,462,226	-	-	163,462,226
Total financial assets at fair value through profit and loss	<u>163,462,226</u>	<u>-</u>	<u>-</u>	<u>163,462,226</u>

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the year ended 30 September 2018.

The table below summarizes the transfers between levels of the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September 2017.

	Level 1 US\$	Level 2 US\$	Level 3 US\$
Transfers between Levels 1 and 2:			
Financial assets at fair value through profit or loss			
<u>2017</u>			
Equities			
- Indonesia	<u>773,116</u>	<u>(773,116)</u>	<u>-</u>

Indonesia

Equities transferred from Level 2 to Level 1 were valued based on quoted market prices in active markets as at 30 September 2017, but were valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs as at 30 September 2016. These equities were suspended from trading as at 30 September 2016, but were actively traded on 30 September 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

**5 Net (losses)/gains on investments and derivatives**

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	(18,596,284)	(264,598)
Realized gains on sale of investments and derivatives	17,499,570	15,072,994
	<u>(1,096,714)</u>	<u>14,808,396</u>

**6 Taxation**

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Overseas tax was withheld or paid on certain dividend income received and capital gains derived during the years ended 30 September 2018 and 2017.

**7 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons**

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

(a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments US\$	% of the Fund's total aggregate value of transactions	Commission paid US\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
J.P. Morgan India Private Limited	778,392	0.37	1,368	0.68	0.18
J.P. Morgan Securities (Asia Pacific) Limited	11,200,957	5.33	12,054	5.99	0.11
<u>2017</u>					
J.P. Morgan India Private Limited	2,140,822	1.18	1,005	0.57	0.05
J.P. Morgan Securities (Asia Pacific) Limited	13,139,942	7.25	16,465	9.27	0.13

(b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	673,976	513,789
Amounts receivable	221	-
Amounts payable	<u>(200,847)</u>	<u>(242,761)</u>

During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$4,272 (2017: US\$1,733).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.
- (d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$4,453 (2017: US\$8,382).
- (e) Management fee of 1.5% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.

The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.

- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (g) Refer to Note 8 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 8 Trustee's fee

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first US\$40 million, 0.04% per annum for the balance from US\$40 million to US\$70 million, and 0.025% per annum for the balance in excess of US\$70 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

## 9 Borrowings

The Fund has no bank borrowing during the year ended 30 September 2018. During the year ended 30 September 2017, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

## 10 Soft dollar arrangements/Commission sharing arrangements

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

## 11 Distribution

No distribution was made during the year (2017: nil).

## 12 Other income

The Fund received US\$197 (2017: nil) from the Manager as compensation for valuation and/or other operational error(s).

**Independent Auditor's Report**

To the Unitholders of JPMorgan Eastern Smaller Companies Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Eastern Smaller Companies Fund set out on pages 277 to 289, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 2 December 1991, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Eastern Smaller Companies Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 2 December 1991, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund US\$	Net asset value per unit US\$
30/9/18 - USD Class (acc)	149,732,179	201.45
30/9/17 - USD Class (acc)	168,403,523	204.77
30/9/16 - USD Class (acc)	175,409,433	185.95

**Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u> US\$	<u>Lowest bid</u> US\$
30/9/18 - USD Class (acc)	233.94	196.08
30/9/17 - USD Class (acc)	209.66	165.12
30/9/16 - USD Class (acc)	197.48	144.27
30/9/15 - USD Class (acc)	188.74	144.58
30/9/14 - USD Class (acc)	174.99	140.10
30/9/13 - USD Class (acc)	158.07	120.44
30/9/12	128.04	94.48
30/9/11	155.57	97.26
30/9/10	145.22	102.21
30/9/09	112.89	45.01

**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

**UK Tax Information**

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 2 December 1991 to 30 September 2010.



Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value EUR	% of net assets	Holding	Fair value EUR	% of net assets
<b>Listed/Quoted Investments</b> (94.0%)			Loxam SAS 4.25% 15/04/24-RegS	EUR450,000	480,588 0.7
<b>(I) Debt Securities</b> (93.7%)			Loxam SAS 6% 15/04/25- RegS	EUR150,000	165,003 0.2
<b>Australia</b> (0.3%)			NEW Areva Holding 3.5% 22/03/21	EUR400,000	417,543 0.6
Origin Energy Fin VRN 4% 09/74-RegS	EUR200,000	206,261 0.3	NEW Areva Holding 4.875% 23/09/24	EUR300,000	309,729 0.5
<b>Cayman Islands</b> (0.7%)			Novafives SAS 4.875% 15/04/25-RegS	EUR318,000	302,266 0.5
UPCB Finance IV 4% 15/01/27-RegS	EUR300,000	281,609 0.4	Paprec Hldg 4% 31/03/25- RegS	EUR303,000	306,782 0.5
Upcb Finance VII 3.625% 06/29-RegS	EUR200,000	201,141 0.3	Peugeot SA 2% 20/03/25- RegS	EUR600,000	607,371 0.9
<b>Denmark</b> (1.3%)			Peugeot SA 2% 23/03/24- RegS	EUR100,000	103,132 0.2
DKT Finance 7% 17/06/23- RegS	EUR550,000	598,431 0.9	Picard Groupe FRN 30/11/23-RegS	EUR200,000	199,974 0.3
TDC A/S 3.75% 02/03/22	EUR250,000	280,196 0.4	Rexel SA 2.625% 15/06/24-RegS	EUR600,000	617,218 0.9
<b>Finland</b> (0.2%)			Rexel SA 3.5% 15/06/23- RegS	EUR150,000	157,268 0.2
Stora Enso 2.5% 07/06/27-RegS	EUR100,000	104,885 0.2	Solvay Finance VRN 5.425% Perp-RegS	EUR550,000	651,149 1.0
<b>France</b> (17.7%)			SPIE SA 3.125% 22/03/24- RegS	EUR500,000	515,937 0.8
Accor SA VRN 4.125% Perp-RegS	EUR300,000	318,978 0.5	Vallourec SA 2.25% 30/09/24-RegS	EUR600,000	516,637 0.8
Altice France 5.625% 15/05/24-RegS	EUR475,000	500,739 0.8	Vallourec SA 6.375% 15/10/23-RegS	EUR113,000	119,728 0.2
Altice France 5.875% 01/02/27-RegS	EUR150,000	158,234 0.2	Vallourec SA 6.625% 15/10/22-RegS	EUR250,000	272,625 0.4
Arkema SA VRN 4.75% Perp-RegS	EUR300,000	334,922 0.5	WFS Global 9.5% 15/07/22-RegS	EUR125,000	133,813 0.2
Casino Guichard 4.498% 03/24-RegS	EUR400,000	392,593 0.6	<b>Germany</b> (8.7%)		
CMA CGM 6.5% 15/07/22- RegS	EUR100,000	101,147 0.2	ADLER Real Estate 1.5% 6/12/21-RegS	EUR100,000	101,979 0.2
CMA CGM SA 5.25% 15/01/25-RegS	EUR175,000	160,074 0.2	Blitz F 18-674 6% 30/07/26-RegS	EUR200,000	204,513 0.3
Constantin Invest 15/04/25-RegS	EUR150,000	153,005 0.2	CTC BondCo GmbH 5.25% 15/12/25-RegS	EUR450,000	449,194 0.7
Crown Euro Hldgs 2.625%30/9/24-RegS	EUR500,000	514,124 0.8	Douglas GmbH 6.25% 15/07/22-RegS	EUR150,000	125,302 0.2
Crown Euro Hldgs 4% 15/07/22-RegS	EUR700,000	780,705 1.2	Hapag-Lloyd 6.75% 01/02/22-RegS	EUR100,000	105,995 0.2
Elis SA 1.875% 15/02/23- RegS	EUR500,000	509,706 0.8	IHO Verwaltungs 3.25%9/23-RegS	EUR145,000	151,464 0.2
Elis SA 3% 30/04/22-RegS	EUR125,000	128,792 0.2	IHO Verwaltungs 3.75% 15/09/26-RegS	EUR250,000	262,204 0.4
Europcar Mobility 4.125% 11/24-RegS	EUR429,000	434,098 0.7	Lanxess AG VRN 4.5% 06/12/76-RegS	EUR100,000	110,217 0.2
FAURECIA 2.625% 15/06/25-RegS	EUR254,000	261,742 0.4	Nidda BondCo 5% 30/09/25-RegS	EUR450,000	458,928 0.7
Faurecia 3.625% 15/06/23-RegS	EUR225,000	236,402 0.4	Nidda Healthcare 3.5% 30/09/24-RegS	EUR414,000	422,569 0.6
Fnac Darty 3.25% 30/09/23-RegS	EUR225,000	236,900 0.4	Progroup AG 3% 31/03/26-RegS	EUR326,000	334,258 0.5
La Finac Atalian 5.125% 05/25-RegS	EUR200,000	200,416 0.3	Senvion Hldg 3.875% 25/10/22-RegS	EUR100,000	91,820 0.1
La Finaciére Atalian 4% 05/24-RegS	EUR300,000	295,563 0.4			

# JPMORGAN EUROPE HIGH YIELD BOND FUND

Annual report for the  
year ended 30 September 2018

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value EUR	% of net assets	Holding	Fair value EUR	% of net assets
<b>Germany</b> (Continued)			Wind Tre 3.125% 20/01/25-RegS	EUR300,000	276,589 0.4
Tele Columbus 3.875% 02/05/25-RegS	EUR212,000	197,409 0.3	<b>Jersey C.I.</b> (1.7%)		
Thyssenkrupp AG 1.375% 3/3/22-RegS	EUR1,200,000	1,223,923 1.9	Adient Global 3.5% 15/08/24-RegS	EUR300,000	281,451 0.4
Thyssenkrupp AG 2.75% 08/03/21-RegS	EUR200,000	212,549 0.3	Avis Budget Fin 4.125% 11/24-RegS	EUR400,000	412,753 0.7
Unitymedia GmbH 3.75% 15/01/27-RegS	EUR100,000	106,687 0.2	CPUK Finance 4.25% 28/08/22-RegS	GBP350,000	395,736 0.6
Unitymedia Hes/NRW 4% 15/01/25-RegS	EUR725,000	770,489 1.2	<b>Luxembourg</b> (12.4%)		
Unitymedia Hessen 3.5% 15/1/27-RegS	EUR225,000	239,611 0.4	Altice Financing 5.25% 15/2/23-RegS	EUR100,000	106,805 0.2
Wepa Hygienepro 3.75% 15/05/24-RegS	EUR100,000	100,612 0.1	Altice Finco 4.75% 15/01/28-RegS	EUR464,000	397,893 0.6
<b>International</b> (0.3%)			Altice Lux 7.25% 15/05/22-RegS	EUR650,000	655,339 1.0
Eagle Intermediate 5.375% 5/23-RegS	EUR200,000	200,330 0.3	Altice NV 6.25% 15/02/25- RegS	EUR750,000	724,837 1.1
<b>Ireland</b> (2.9%)			Aramark Intl Fin 3.125% 04/25-RegS	EUR150,000	158,951 0.2
Ardagh Pkg/Hldgs 4.125%15/5/23-RegS	EUR100,000	105,883 0.2	Crystal Almond 10% 01/11/21-RegS	EUR350,000	394,316 0.6
Ardagh Pkg/Hldgs 6.75% 15/5/24-RegS	EUR479,000	532,217 0.8	eDreams ODIGEO 5.5% 01/09/23-RegS	EUR200,000	201,533 0.3
Ardagh Pkg/Hldgs USA 2.75%3/24-RegS	EUR200,000	203,554 0.3	FAGE Intl /USA 5.625% 8/26-144A	USD400,000	318,446 0.5
Bank Of Ireland VRN7.375% Perp-RegS	EUR200,000	221,192 0.3	Fiat Chrysler Fin 4.75% 03/21-RegS	EUR100,000	112,122 0.2
Eircom Finance 4.5% 31/05/22-RegS	EUR300,000	311,835 0.5	Fiat Chrysler Fin 4.75% 7/22-RegS	EUR350,000	398,125 0.6
Smurfit Kappa Acq 2.75% 2/25-RegS	EUR320,000	337,739 0.5	Galapagos SA 5.375% 15/06/21-RegS	EUR320,000	293,775 0.5
Smurfit Kappa Acq 3.25% 06/21-RegS	EUR150,000	162,440 0.3	Garfunkelux Holdc 2 11% 11/23-RegS	GBP100,000	116,481 0.2
<b>Italy</b> (6.9%)			Horizon Parent Hldgs 8.25%2/22-RegS	EUR200,000	211,788 0.3
Buzzi Unicem 2.125% 28/4/23-RegS	EUR164,000	170,098 0.3	INEOS Group 5.375% 01/08/24-RegS	EUR300,000	319,053 0.5
EVOCA 7% 15/10/23-RegS	EUR700,000	771,348 1.2	LHMC Finco Sarl 6.25% 20/12/23-RegS	EUR305,000	321,425 0.5
Intesa Sanpaolo 7.75% Perp-RegS	EUR200,000	218,620 0.4	Matterhorn Tele 4.875% 1/5/23-RegS	EUR500,000	518,191 0.8
Leonardo SpA 4.5% 19/01/21	EUR310,000	346,328 0.5	Monitchem Holdco 6.875% 06/22-RegS	EUR500,000	460,097 0.7
Leonardo SpA 4.875% 24/03/25	EUR400,000	469,204 0.7	Picard Bondco 5.5% 30/11/24-RegS	EUR150,000	145,208 0.2
LKQ Italia Bond 3.875% 1/4/24-RegS	EUR250,000	270,269 0.4	SES SA VRN 4.625% Perp- RegS	EUR600,000	645,249 1.0
Nexi Capital 4.125% 01/11/23-RegS	EUR200,000	205,858 0.3	SIG Combibloc 7.75% 15/02/23-RegS	EUR520,000	546,235 0.8
Telecom Italia 2.375% 12/10/27-RegS	EUR150,000	145,190 0.2	Telecom Italia Fin 7.75% 24/01/33	EUR350,000	501,316 0.8
Telecom Italia 3.25% 16/01/23-RegS	EUR350,000	376,170 0.6	Telenet Finance 4.875% 15/7/27-RegS	EUR150,000	147,844 0.2
Telecom Italia 3.625% 19/01/24-RegS	EUR350,000	381,001 0.6	Telenet Intl Fin 3.5% 01/03/28-RegS	EUR400,000	398,907 0.6
Telecom Italia 3.625% 25/05/26-RegS	EUR500,000	529,906 0.8			
Wind Tre 2.625% 20/01/23-RegS	EUR348,000	330,140 0.5			

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value EUR	% of net assets	Holding	Fair value EUR	% of net assets
<b>Netherlands</b> (14.1%)			<b>Portugal</b> (0.7%)		
CBR Fashion Fin			Energias De Port 5.375%		
5.125%01/10/22-RegS	EUR100,000	87,733 0.1	09/75-RegS	EUR400,000	445,202 0.7
Constellium N.V. 4.625%					
05/21-RegS	EUR200,000	206,994 0.3	<b>Spain</b> (2.0%)		
Constellium NV 4.25%			Bankia SA VRN 3.375%		
15/02/26-RegS	EUR200,000	204,776 0.3	15/03/27-RegS	EUR400,000	421,437 0.6
Darling Ingred 2026-RegS			CaixaBank SA VRN 5.25%		
(New)	EUR381,000	398,584 0.6	Perp-RegS	EUR400,000	373,900 0.6
Dufry One 2.5% 15/10/24-			Cellnex Telecom 2.875%		
RegS	EUR200,000	202,566 0.3	18/4/25-RegS	EUR100,000	103,903 0.2
Energizer Gamma 4.625%			Grifols Sa 3.2% 01/05/25-		
15/7/26-RegS	EUR236,000	248,135 0.4	RegS	EUR300,000	308,845 0.5
Fiat Chry Auto 3.75%			Grupo-Antolin Irausa		
29/03/24-RegS	EUR500,000	555,005 0.9	3.25%4/24-RegS	EUR100,000	100,633 0.1
Hema Bondco I FRN					
15/07/22-RegS	EUR125,000	115,696 0.2	<b>Sweden</b> (2.0%)		
Hertz Hldgs 5.5%			Telefon AB 1.875%		
30/03/23-RegS	EUR307,000	323,125 0.5	01/03/24-RegS	EUR150,000	150,441 0.2
Kongsberg Actuation 5%			Verisure Hldg 6%		
15/7/25-RegS	EUR115,000	115,684 0.2	01/11/22-RegS	EUR375,000	358,206 0.5
LKQ Euro Hldgs 3.625%			Verisure Midhol 5.75%		
01/04/26-RegS	EUR288,000	298,215 0.5	01/12/23-RegS	EUR600,000	621,850 1.0
Naturgy Finance VRN			Volvo Car 2% 24/01/25-		
4.125%Perp-RegS	EUR200,000	217,545 0.3	RegS	EUR200,000	199,898 0.3
Nyrstar Netherlands 8.5%					
09/19-RegS	EUR350,000	326,927 0.5	<b>Switzerland</b> (0.4%)		
Nyrstar			UBS Group VRN 5.75%		
Netherlands6.875%			Perp-RegS	EUR200,000	229,138 0.4
3/24-RegS	EUR277,000	211,076 0.3			
Repsol Int Fin 4.5%			<b>United Kingdom</b> (10.2%)		
25/03/75-RegS	EUR660,000	724,498 1.1	Algeco Global Fin 6.5%		
Saipem Finance Intl 2.75%			15/2/23-RegS	EUR275,000	293,509 0.4
05/04/22	EUR350,000	364,748 0.6	Arqiva Broadca Fin 6.75%		
Saipem Finance Intl 3.75%			09/23-RegS	GBP250,000	287,924 0.4
08/09/23	EUR100,000	106,166 0.2	Barclays PLC VRN 7.25%		
Sigma Holdco 5.75%			Perp-RegS	GBP200,000	233,478 0.4
15/05/26-RegS	EUR400,000	388,732 0.6	EC Finance 2.375%		
Sunshine Mid 6.5%			15/11/22-RegS	EUR125,000	126,615 0.2
15/05/26-RegS	EUR400,000	403,169 0.6	Iceland Bondco 4.625%		
Telefonica Eur VRN			15/03/25-RegS	GBP415,000	442,206 0.7
2.625% Perp-RegS	EUR300,000	289,228 0.4	Ineos Finance 4%		
Telefonica Eur VRN			01/05/23-RegS	EUR150,000	155,845 0.2
5.875% Perp-RegS	EUR600,000	680,560 1.0	Intl Game Tech 4.75%		
Telefonica Euro VRN 3%			05/03/20-RegS	EUR500,000	546,314 0.8
Perp-RegS	EUR500,000	486,932 0.8	Intl Game Tech 4.75%		
Telefonica Euro VRN			15/02/23-RegS	EUR470,000	511,158 0.8
3.75% Perp-RegS	EUR500,000	523,074 0.8	Merlin Enter 2.75%		
Telefonica Euro VRN			15/03/22-RegS	EUR300,000	313,192 0.5
3.875%Perp-RegS	EUR100,000	94,196 0.1	New Look Secured 6.5%		
Telefonica Europe VRN 5%			01/07/22-RegS	GBP400,000	259,137 0.4
Perp-RegS	EUR100,000	107,856 0.2	Nomad Foods 3.25%		
Ziggo Bond Fin 4.625%			15/05/24-RegS	EUR350,000	359,800 0.5
15/01/25-RegS	EUR700,000	702,320 1.1	OTE PLC 2.375% 18/07/22-		
Ziggo BV 3.75% 1/25-RegS	EUR600,000	606,490 0.9	RegS	EUR251,000	259,065 0.4
Ziggo BV 4.25% 15/01/27-			OTE PLC 3.5% 09/07/20-		
RegS	EUR200,000	201,984 0.3	RegS	EUR150,000	158,303 0.2
			Pizzaexpress Fin 6.625%		
			1/8/21-RegS	GBP100,000	101,730 0.2

Annual report for the  
year ended 30 September 2018

## (Continued)

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Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 (*Unaudited*)

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Debt Securities</b>		
France	17.7	18.1
Netherlands	14.1	11.0
Luxembourg	12.4	13.2
United States	11.2	6.2
United Kingdom	10.2	9.6
Germany	8.7	9.3
Italy	6.9	6.8
Ireland	2.9	5.3
Sweden	2.0	1.6
Spain	2.0	1.7
Jersey C.I.	1.7	1.3
Denmark	1.3	0.4
Cayman Islands	0.7	0.8
Portugal	0.7	0.4
Switzerland	0.4	0.8
Australia	0.3	0.8
International	0.3	-
Finland	0.2	-
Japan	-	1.8
Belgium	-	0.4
<b>Derivatives</b>		
Forward foreign exchange contracts	0.3	0.9
<b>Total Listed/Quoted Investments</b>	94.0	90.4
<b>Other net assets</b>	6.0	9.6
<b>Net assets attributable to holders of redeemable units at 30 September</b>	100.0	100.0

**Statement of Financial Position**  
**As at 30 September 2018**

	2018 EUR	2017 EUR
<b>Assets</b>		
Cash at banks	3,467,285	4,860,336
Amounts due from brokers	216,756	105,247
Amounts receivable on allotment	2,635,851	1,424,090
Derivatives [Note 4(l)(a)]	903,990	821,797
Investments [Note 4(l)(a)]	61,192,863	54,419,690
Interest and other accounts receivable	703	449
	<u>68,417,448</u>	<u>61,631,609</u>
<b>Total assets</b>	<u>68,417,448</u>	<u>61,631,609</u>
<b>Liabilities</b>		
Amounts due to brokers	1,490,146	110,423
Amounts payable on redemption	410,206	57,024
Distribution payable [Note 6]	382,551	310,532
Derivatives [Note 4(l)(a)]	703,278	302,907
Other accounts payable	95,223	85,481
	<u>3,081,404</u>	<u>866,367</u>
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<u>3,081,404</u>	<u>866,367</u>
<b>Net assets attributable to holders of redeemable units (In accordance with HKFRS)</b> [Note 3]	65,336,044	60,765,242
Fair value adjustment of units of the Fund [Note 3]	-	15,179
	<u>65,336,044</u>	<u>60,780,421</u>
<b>Net assets attributable to holders of redeemable units (In accordance with the Trust Deed) [Note 3]</b>	<u>65,336,044</u>	<u>60,780,421</u>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

**Statement of Comprehensive Income**  
**For the year ended 30 September 2018**

	2018 EUR	2017 EUR
<b>Income</b>		
Net gains on investments and derivatives [Note 5]	1,337,671	624,276
Net foreign currency exchange gains/(losses)	19,989	(157,106)
Interest on deposits	2,817	1,253
Other income	8,625	7,478
	<u>1,369,102</u>	<u>475,901</u>
<b>Expenses</b>		
Management fee [Note 8(e)]	597,989	328,172
Safe custody and bank charges	36,566	28,307
Trustee's fee [Note 9]	30,684	18,746
Registrar's fee [Note 8(h)]	16,553	14,645
Valuation fee [Note 8(e)]	14,410	15,531
Auditor's fee	13,854	13,971
Transaction costs	6,926	4,645
Legal and professional expenses	2,291	1,524
Printing and publication expenses	697	636
Other operating expenses	945	568
	<u>720,915</u>	<u>426,745</u>
<b>Net operating profit</b>	<u>648,187</u>	<u>49,156</u>
<b>Finance costs</b>		
Distribution [Note 6]	(4,015,154)	(2,306,198)
Interest expense	(11)	(7)
	<u>(4,015,165)</u>	<u>(2,306,205)</u>
<b>Loss before taxation</b>	<u>(3,366,978)</u>	<u>(2,257,049)</u>
Taxation [Note 7]	(6,039)	(13,616)
	<u>(3,373,017)</u>	<u>(2,270,665)</u>
Change in cumulative difference arising from the fair value adjustment of units of the Fund	(15,179)	(17,865)
<b>Decrease in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>(3,388,196)</u>	<u>(2,288,530)</u>

The notes on pages 301 to 322 form part of these financial statements.

Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units  
For the year ended 30 September 2018

	2018 EUR	2017 EUR
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	60,780,421	25,407,378
	-----	-----
Allotment of redeemable units [Note 3]	55,595,262	56,519,532
Redemption of redeemable units [Note 3]	(47,651,443)	(18,857,959)
	-----	-----
<b>Net allotment</b>	7,943,819	37,661,573
	-----	-----
	68,724,240	63,068,951
<b>Decrease in net assets attributable to holders of redeemable units and total comprehensive income</b>	(3,388,196)	(2,288,530)
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	65,336,044	60,780,421
	=====	=====

Statement of Cash Flows  
For the year ended 30 September 2018

	2018 EUR	2017 EUR
<b>Operating activities</b>		
Purchase of investments and derivatives	(48,361,756)	(43,882,592)
Proceeds from disposal of investments and derivatives	44,512,646	13,932,659
Interest received	2,484	889
Tax paid	(1,125)	(18,530)
Transaction costs paid	(6,577)	(5,172)
Registrar's fee paid	(17,843)	(12,743)
Trustee's fee paid	(30,696)	(17,601)
Management fee paid	(592,283)	(307,845)
Others	(38,090)	(200,666)
	-----	-----
<b>Net cash outflow from operating activities</b>	(4,533,240)	(30,511,601)
	-----	-----
<b>Financing activities</b>		
Interest paid	(11)	(7)
Receipts on allotment of redeemable units	54,383,501	55,151,957
Payments on redemption of redeemable units	(47,298,261)	(19,635,548)
Distribution paid	(3,943,135)	(2,142,507)
	-----	-----
<b>Net cash inflow from financing activities</b>	3,142,094	33,373,895
	-----	-----
<b>(Decrease)/increase in cash and cash equivalents</b>	(1,391,146)	2,862,294
Cash and cash equivalents at the beginning of the year	4,860,336	2,016,344
Exchange losses on cash and cash equivalents	(1,905)	(18,302)
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	3,467,285	4,860,336
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	3,467,285	4,860,336
	=====	=====

The notes on pages 301 to 322 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Europe High Yield Bond Fund (the "Fund") was established under a Trust Deed dated 10 March 2016, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to aim to achieve a return in excess of European bond markets by investing at least 70% of its non-cash assets in European and non-European below investment grade debt securities denominated in European currencies.

Due to re-allocation of resources, the discretionary investment management of the Fund rests with JF Asset Management Limited (being the current Investment Manager of the Fund) and JPMorgan Asset Management (UK) Limited (being the current Sub-Manager of the Fund). The sub-delegation of the investment management role of the Fund to J.P. Morgan Investment Management Inc. was terminated with effect from 1 February 2018.

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.



As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

#### *Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

#### *Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Credit default swaps are marked to market daily based upon quotations from the market makers and the change in value, if any, is recorded as an unrealized gain or loss in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

#### *Transfers between levels of the fair value hierarchy*

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

### **(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

### **(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

### **(e) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(f) Foreign currency translation***Functional and presentation currency*

The Fund has adopted Euro as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(g) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(h) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(i) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(j) Formation expenses**

Formation expenses are recognized as an expense in the period in which they are incurred.

**(k) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**(l) Distribution payable to holders of redeemable units**

Proposed distributions to holders of redeemable units are recognized in the Statement of Comprehensive Income when they are appropriately authorized. The distribution on the redeemable units is recognized as a finance cost in the Statement of Comprehensive Income.

**3 Net assets attributable to holders of redeemable units and number of units in issue**Fair value adjustment of units of the Fund

As stated in Note 2(k), units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to the holders of redeemable units and is carried at the redemption amount that would be payable at the Statement of Financial Position date, if the holders of redeemable units exercised the right to redeem units of the Fund. The redemption amount is determined based on the net assets attributable to holders of redeemable units calculated in accordance with the provisions of the Trust Deed ("Trust Deed NAV").

	2018 EUR	2017 EUR
Net assets attributable to holders of redeemable units (In accordance with HKFRS)	65,336,044	60,765,242
Fair value adjustment of units of the Fund:		
Unamortized formation expenses as at 30 September [Note 3(a)]	-	15,179
Net assets attributable to holders of redeemable units (In accordance with the Trust Deed)	<u>65,336,044</u>	<u>60,780,421</u>

Note:

- (a) In accordance with the provisions of the Trust Deed, the formation expenses (including legal, accounting, and other professional fees and expenses) or costs incidental to the establishment of the Fund will be paid out of the assets of the Fund and amortized over the first three financial years. However, as stated in Note 2(j), the accounting policy of the Fund for the purpose of compliance with HKAS 38 "Intangible Assets" and for reporting purposes is to expense the expenditure incurred in the formation of the Fund in the period in which they arose.

Number of units in issue2018

	AUD Hedged Class (mth) Units	EUR Class (mth) Units	HKD Hedged Class (mth) Units	RMB Hedged Class (mth) Units	USD Hedged Class (mth) Units
Number of units in issue:					
At the beginning of the year	784,917.921	470,461.820	13,973,950.247	8,898,384.215	2,731,075.060
Total allotments	839,439.159	261,330.111	4,416,647.048	14,001,395.875	2,927,543.325
Total redemptions	(640,393.370)	(112,263.605)	(10,596,976.895)	(3,701,930.895)	(3,116,006.572)
At the end of the year	<u>983,963.710</u>	<u>619,528.326</u>	<u>7,793,620.400</u>	<u>19,197,849.195</u>	<u>2,542,611.813</u>
	A\$	EUR	HK\$	CNY	US\$
Net assets attributable to holders of redeemable units (In accordance with the Trust Deed)	<u>9,629,805</u>	<u>6,072,485</u>	<u>76,372,149</u>	<u>187,192,668</u>	<u>24,880,394</u>
Net assets attributable to holders of redeemable units (per unit)	<u>9.79</u>	<u>9.80</u>	<u>9.80</u>	<u>9.75</u>	<u>9.79</u>

2017

	AUD Hedged Class (mth) Units	EUR Class (mth) Units	HKD Hedged Class (mth) Units	RMB Hedged Class (mth) Units	USD Hedged Class (mth) Units
Number of units in issue:					
At the beginning of the year	585,942.074	359,159.379	4,643,235.424	3,061,836.768	907,633.714
Total allotments	464,048.064	123,432.147	12,430,601.604	6,353,278.012	3,202,782.186
Total redemptions	(265,072.217)	(12,129.706)	(3,099,886.781)	(516,730.565)	(1,379,340.840)
At the end of the year	<u>784,917.921</u>	<u>470,461.820</u>	<u>13,973,950.247</u>	<u>8,898,384.215</u>	<u>2,731,075.060</u>
	A\$	EUR	HK\$	CNY	US\$
Net assets attributable to holders of redeemable units (In accordance with the Trust Deed)	<u>8,028,061</u>	<u>4,813,477</u>	<u>142,999,497</u>	<u>90,651,396</u>	<u>27,918,911</u>
Net assets attributable to holders of redeemable units (per unit)	<u>10.23</u>	<u>10.23</u>	<u>10.23</u>	<u>10.19</u>	<u>10.22</u>

**4 Financial risk management****(l) Financial risk factors**

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

**(a) Market risk****(i) Market price risk**

The Fund primarily invests in debt securities which are subject to interest rate risk. Refer to Note 4(l)(a)(ii) for interest rate risk.

**(ii) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates. The Fund is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its investments, derivatives and cash deposits.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	Less than 1 year EUR	1-5 years EUR	Over 5 years EUR	Total EUR
<u>2018</u>				
Cash at banks	3,467,285	-	-	3,467,285
Investments (Note*)	<u>326,927</u>	<u>18,911,534</u>	<u>41,954,402</u>	<u>61,192,863</u>
Total interest sensitivity gap	<u>3,794,212</u>	<u>18,911,534</u>	<u>41,954,402</u>	<u>64,660,148</u>
<u>2017</u>				
Cash at banks	4,860,336	-	-	4,860,336
Investments (Note*)	<u>-</u>	<u>13,965,698</u>	<u>40,453,992</u>	<u>54,419,690</u>
Total interest sensitivity gap	<u>4,860,336</u>	<u>13,965,698</u>	<u>40,453,992</u>	<u>59,280,026</u>

Note:

\* The coupon rate of the investments ranged between 1.38% p.a. - 10.00% p.a. (2017: 1.38% p.a. - 11.00% p.a.)

As at 30 September, the Fund's fair value of investments and derivatives were as follows:

	2018		2017	
Listed/Quoted Investments	Fair value of investments EUR	% of net assets	Fair value of investments EUR	% of net assets
<u>Assets</u>				
Debt Securities				
- France	11,594,903	17.7	11,012,730	18.1
- Netherlands	9,192,014	14.1	6,700,188	11.0
- Luxembourg	8,093,936	12.4	8,046,175	13.2
- United States	7,324,948	11.2	3,791,581	6.2
- United Kingdom	6,675,512	10.2	5,836,375	9.6
- Germany	5,669,723	8.7	5,636,003	9.3
- Italy	4,490,721	6.9	4,165,332	6.8
- Ireland	1,874,860	2.9	3,247,648	5.3
- Others	6,276,246	9.6	5,983,658	10.0
	61,192,863	93.7	54,419,690	89.5
Derivatives				
- Forward foreign exchange contracts	903,990	1.4	821,797	1.4
	62,096,853	95.1	55,241,487	90.9
<u>Liabilities</u>				
Derivatives				
- Forward foreign exchange contracts	(703,278)	(1.1)	(302,907)	(0.5)
Total Listed/Quoted Investments	61,393,575	94.0	54,938,580	90.4

Also, refer to Note 12 for the exposures on derivative contracts.

The Investment Manager monitors the Fund's interest rate risk sensitivity primarily through the modified duration of the Fund on a regular basis. The modified duration measures the sensitivity of the price of a bond relative to the change in interest rate. As at 30 September 2018, the Investment Manager estimates that the Fund has a modified duration of 4.30 (2017: 4.20). For the purpose of disclosing relevant sensitivities, the percentage of reasonable possible change in interest rate adopted is 25 basis points, and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. If the interest rates were to rise by 25 basis points with all other variables that may impact the net asset value of the Fund held constant, this would result in a decrease in net asset value of the Fund by approximately EUR702,362 (2017: EUR638,194). If the interest rates were to fall by 25 basis points, this would result in an increase in the net asset value of the Fund by the same amount.

Any cash and cash equivalents are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

### (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The Fund enters in some forward foreign exchange contracts to hedge some of its foreign currency exposures to maintain limited exposure to non-EUR currencies. Refer to Note 12 for the outstanding forward foreign exchange contracts as at year end.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

Net currency exposures (Note*)	EUR equivalent	% of reasonable possible change against EUR (Note**)	Estimated impact on net asset value EUR
<u>2018</u>			
Australian Dollar	6,034,324	-6.1	(368,094)
Chinese Yuan (Offshore)	23,611,392	-1.6	(377,782)
Hong Kong Dollar	8,420,376	+1.6	134,726
Sterling	33,039	-1.1	(363)
United States Dollar	21,566,907	+1.8	388,204
	<u>59,666,038</u>		<u>(223,309)</u>
<u>2017</u>			
Australian Dollar	5,331,602	-2.5	(133,290)
Chinese Yuan (Offshore)	11,529,292	-4.6	(530,347)
Hong Kong Dollar	15,438,298	-5.6	(864,545)
Sterling	61,735	-1.8	(1,111)
United States Dollar	23,630,510	-4.9	(1,157,895)
	<u>55,991,437</u>		<u>(2,687,188)</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

## (b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment or amounts due from brokers, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 EUR	2017 EUR
Cash at banks	3,467,285	4,860,336
Amounts due from brokers	216,756	105,247
Amounts receivable on allotment	2,635,851	1,424,090
Derivatives issued by brokers	903,990	821,797
Investments – debt securities	61,192,863	54,419,690
Interest and other accounts receivable	703	449
	<u>68,417,448</u>	<u>61,631,609</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The Fund's investments are predominantly in debt securities and therefore the Fund is exposed to credit risk that the issuers may not be able to repay the principal amount and interest at maturity. Credit risk derived from debt securities is managed and monitored on an on-going basis by making reference to the credit rating and credit outlook provided by credit rating agencies, if available, and internal credit analysis.

The table below summarizes the debt securities by credit rating as at 30 September.

	2018 % of net assets	2017 % of net assets
S&P(BBB)/Moody's(Baa)/FITCH(BBB)	7.8	10.1
S&P(BB)/Moody's(Ba)/FITCH(BB)	54.9	49.0
S&P(B)/Moody's(B)/FITCH(B)	26.7	27.0
S&P(CCC)/Moody's(Caa)/FITCH(CCC)	4.3	3.4
	<u>93.7</u>	<u>89.5</u>

The table below summarizes the credit rating of the banks/brokers/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties EUR	2017 Exposure to counterparties EUR
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	3,467,285	4,860,336
Derivatives issued by brokers		
S&P(AA)/Moody's(Aa)/FITCH(AA)	50,506	358,189
S&P(A)/Moody's(A)/FITCH(A)	852,756	463,608
S&P(BBB)/Moody's(Baa)/FITCH(BBB)	728	-
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	<u>61,192,863</u>	<u>54,419,690</u>

**(c) Liquidity risk**

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018		2017	
	Less than 1 month EUR	1 to 12 months EUR	Less than 1 month EUR	1 to 12 months EUR
Amounts due to brokers	1,490,146	-	110,423	-
Amounts payable on redemption	410,206	-	57,024	-
Distribution payable	382,551	-	310,532	-
Derivatives	696,706	6,572	302,257	650
Other accounts payable	95,223	-	85,481	-
Net assets attributable to holders of redeemable units	65,336,044	-	60,780,421	-
Total financial liabilities	68,410,876	6,572	61,646,138	650

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

**(d) Offsetting and amounts subject to master netting arrangements and similar agreements**

As at 30 September 2018 and 2017, the Fund was subject to master netting arrangements with certain derivative counterparties. All of the derivative assets and liabilities of the Fund were held with these counterparties and the collateral and margin deposits maintained by the Fund were for the purpose of providing collateral on derivative positions.

In the event of default, the Fund and its counterparties have the option to settle transactions on net basis. An event of default may include failure to pay or deliver, breach of agreement or bankruptcy.

The following tables summarize the Fund's financial assets and liabilities subject to offsetting, master netting arrangements and similar agreements as at 30 September by types of financial instruments.

	Gross amounts of recognized financial assets presented in the Statement of Financial Position EUR	Related amounts subject to master netting arrangements and similar agreements net off against		
		Financial Instruments EUR	Collateral and margin deposits EUR	Net amount EUR
<b>2018</b>				
<u>Assets</u>				
Derivatives	212,444	(205,067)	-	7,377
Financial assets at fair value through profit and loss	212,444	(205,067)	-	7,377



	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position EUR	Related amounts subject to master netting arrangements and similar agreements net off against  Financial Instruments EUR	Collateral and margin deposits EUR	Net amount EUR
<u>2018</u>				
<u>Liabilities</u>				
Derivatives	237,434	(205,067)	-	32,367
Financial liabilities at fair value through profit and loss	237,434	(205,067)	-	32,367

	Gross amounts of recognized financial assets presented in the Statement of Financial Position EUR	Related amounts subject to master netting arrangements and similar agreements net off against  Financial Instruments EUR	Collateral and margin deposits EUR	Net amount EUR
<u>2017</u>				
<u>Assets</u>				
Derivatives	9	(9)	-	-
Financial assets at fair value through profit and loss	9	(9)	-	-

	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position EUR	Related amounts subject to master netting arrangements and similar agreements net off against  Financial Instruments EUR	Collateral and margin deposits EUR	Net amount EUR
<u>Liabilities</u>				
Derivatives	9	(9)	-	-
Financial liabilities at fair value through profit and loss	9	(9)	-	-

**(II) Capital risk management**

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

**(III) Fair value estimation**

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
<u>2018</u>				
<u>Assets</u>				
Debt Securities	-	61,192,863	-	61,192,863
Derivatives	-	903,990	-	903,990
Total financial assets at fair value through profit and loss	-	62,096,853	-	62,096,853
<u>Liabilities</u>				
Derivatives	-	703,278	-	703,278
Total financial liabilities at fair value through profit and loss	-	703,278	-	703,278
<u>2017</u>				
<u>Assets</u>				
Debt Securities	-	54,419,690	-	54,419,690
Derivatives	-	821,797	-	821,797
Total financial assets at fair value through profit and loss	-	55,241,487	-	55,241,487
<u>Liabilities</u>				
Derivatives	-	302,907	-	302,907
Total financial liabilities at fair value through profit and loss	-	302,907	-	302,907

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the years ended 30 September 2018 and 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

**5 Net gains on investments and derivatives**

	2018 EUR	2017 EUR
Change in unrealized gains/losses in value of investments and derivatives	(1,669,202)	1,358,212
Realized gains/(losses) on sale of investments and derivatives	3,006,873	(733,936)
	<u>1,337,671</u>	<u>624,276</u>

**6 Distribution**

It is the intention of the Manager to have at least 85% of the income attributable to the distribution class(es) respectively in respect of each accounting period, after charging the expenses attributable to these distribution class(es) respectively, to be distributed to unitholders of these distribution class(es) respectively.

In the event that the amount available for distribution is insufficient to pay distributions as the Fund declares, the Manager may in its discretion determine that such distributions be paid from capital.

	2018 EUR	2017 EUR
Net operating profit	648,187	49,156
Adjustments:		
Net gains on investments and derivatives	(1,337,671)	(624,276)
Interest income included in net gains on investments and derivatives (at coupon rate)	2,429,829	1,346,462
Net foreign currency exchange (gains)/losses	(19,989)	157,106
Transaction costs	6,926	4,645
Interest expense	(11)	(7)
Taxation	(6,039)	(13,616)
Amount available for distribution	<u>1,721,232</u>	<u>919,470</u>

Distribution Class	Ex-date	Pay date	Rate	Units	2018 EUR	2017 EUR
AUD Hedged Class (mth)	31.10.2017	8.11.2017	A\$0.0584	841,563.492	(32,348)	
EUR Class (mth)	31.10.2017	8.11.2017	EUR0.0370	462,709.787	(17,120)	
HKD Hedged Class (mth)	31.10.2017	8.11.2017	HK\$0.0458	13,264,279.123	(66,842)	
RMB Hedged Class (mth)	31.10.2017	8.11.2017	CNY0.0729	9,623,497.579	(90,810)	
USD Hedged Class (mth)	31.10.2017	8.11.2017	US\$0.0543	2,530,385.772	(117,945)	
AUD Hedged Class (mth)	30.11.2017	8.12.2017	A\$0.0567	1,209,997.510	(43,681)	
EUR Class (mth)	30.11.2017	8.12.2017	EUR0.0370	469,264.363	(17,363)	
HKD Hedged Class (mth)	30.11.2017	8.12.2017	HK\$0.0482	13,374,810.127	(69,226)	
RMB Hedged Class (mth)	30.11.2017	8.12.2017	CNY0.0719	10,056,802.556	(91,707)	
USD Hedged Class (mth)	30.11.2017	8.12.2017	US\$0.0534	2,945,115.902	(131,899)	
AUD Hedged Class (mth)	29.12.2017	9.1.2018	A\$0.0647	1,158,273.763	(48,813)	
EUR Class (mth)	29.12.2017	9.1.2018	EUR0.0370	470,582.032	(17,412)	
HKD Hedged Class (mth)	29.12.2017	9.1.2018	HK\$0.0580	12,840,667.314	(79,339)	
RMB Hedged Class (mth)	29.12.2017	9.1.2018	CNY0.0818	10,169,184.998	(106,378)	
USD Hedged Class (mth)	29.12.2017	9.1.2018	US\$0.0629	2,804,127.612	(146,885)	
AUD Hedged Class (mth)	31.1.2018	8.2.2018	A\$0.0553	1,123,429.075	(40,382)	
EUR Class (mth)	31.1.2018	8.2.2018	EUR0.0320	588,545.592	(18,833)	
HKD Hedged Class (mth)	31.1.2018	8.2.2018	HK\$0.0477	10,564,564.534	(51,719)	
RMB Hedged Class (mth)	31.1.2018	8.2.2018	CNY0.0719	10,114,977.720	(92,750)	
USD Hedged Class (mth)	31.1.2018	8.2.2018	US\$0.0547	2,751,080.405	(120,798)	
AUD Hedged Class (mth)	28.2.2018	8.3.2018	A\$0.0511	983,431.502	(32,108)	
EUR Class (mth)	28.2.2018	8.3.2018	EUR0.0320	639,618.297	(20,468)	
HKD Hedged Class (mth)	28.2.2018	8.3.2018	HK\$0.0425	9,847,333.716	(43,850)	
RMB Hedged Class (mth)	28.2.2018	8.3.2018	CNY0.0677	9,917,452.759	(86,974)	
USD Hedged Class (mth)	28.2.2018	8.3.2018	US\$0.0498	2,500,021.911	(102,079)	
AUD Hedged Class (mth)	29.3.2018	11.4.2018	A\$0.0556	994,957.889	(34,503)	
EUR Class (mth)	29.3.2018	11.4.2018	EUR0.0320	609,796.560	(19,512)	

Distribution Class	Ex-date	Pay date	Rate	Units	2018 EUR	2017 EUR
HKD Hedged Class (mth)	29.3.2018	11.4.2018	HK\$0.0454	9,254,804.260	(43,531)	
RMB Hedged Class (mth)	29.3.2018	11.4.2018	CNY0.0734	9,555,694.929	(90,754)	
USD Hedged Class (mth)	29.3.2018	11.4.2018	US\$0.0560	2,584,630.906	(117,689)	
AUD Hedged Class (mth)	30.4.2018	9.5.2018	A\$0.0539	1,016,227.020	(34,222)	
EUR Class (mth)	30.4.2018	9.5.2018	EUR0.0320	608,725.110	(19,479)	
HKD Hedged Class (mth)	30.4.2018	9.5.2018	HK\$0.0436	8,243,095.082	(37,902)	
RMB Hedged Class (mth)	30.4.2018	9.5.2018	CNY0.0658	14,955,002.025	(128,891)	
USD Hedged Class (mth)	30.4.2018	9.5.2018	US\$0.0543	2,494,027.630	(112,089)	
AUD Hedged Class (mth)	31.5.2018	8.6.2018	A\$0.0532	767,655.951	(26,472)	
EUR Class (mth)	31.5.2018	8.6.2018	EUR0.0320	607,381.730	(19,436)	
HKD Hedged Class (mth)	31.5.2018	8.6.2018	HK\$0.0451	8,797,914.225	(43,334)	
RMB Hedged Class (mth)	31.5.2018	8.6.2018	CNY0.0682	15,073,647.195	(137,490)	
USD Hedged Class (mth)	31.5.2018	8.6.2018	US\$0.0537	2,433,028.464	(111,928)	
AUD Hedged Class (mth)	29.6.2018	10.7.2018	A\$0.0540	793,494.283	(27,116)	
EUR Class (mth)	29.6.2018	10.7.2018	EUR0.0320	608,508.916	(19,472)	
HKD Hedged Class (mth)	29.6.2018	10.7.2018	HK\$0.0482	7,641,683.440	(40,211)	
RMB Hedged Class (mth)	29.6.2018	10.7.2018	CNY0.0693	15,243,257.078	(136,511)	
USD Hedged Class (mth)	29.6.2018	10.7.2018	US\$0.0551	2,231,764.050	(105,323)	
AUD Hedged Class (mth)	31.7.2018	8.8.2018	A\$0.0563	814,129.862	(29,122)	
EUR Class (mth)	31.7.2018	8.8.2018	EUR0.0340	609,804.235	(20,733)	
HKD Hedged Class (mth)	31.7.2018	8.8.2018	HK\$0.0526	6,884,426.967	(39,440)	
RMB Hedged Class (mth)	31.7.2018	8.8.2018	CNY0.0637	15,739,793.687	(125,735)	
USD Hedged Class (mth)	31.7.2018	8.8.2018	US\$0.0564	2,141,155.389	(103,210)	
AUD Hedged Class (mth)	31.8.2018	10.9.2018	A\$0.0553	906,266.565	(31,151)	
EUR Class (mth)	31.8.2018	10.9.2018	EUR0.0340	613,847.420	(20,871)	
HKD Hedged Class (mth)	31.8.2018	10.9.2018	HK\$0.0498	6,832,613.848	(37,260)	
RMB Hedged Class (mth)	31.8.2018	10.9.2018	CNY0.0595	16,263,855.423	(121,736)	
USD Hedged Class (mth)	31.8.2018	10.9.2018	US\$0.0564	2,264,100.052	(109,751)	
AUD Hedged Class (mth)	28.9.2018	9.10.2018	A\$0.0558	983,963.710	(34,203)	
EUR Class (mth)	28.9.2018	9.10.2018	EUR0.0340	619,528.326	(21,064)	
HKD Hedged Class (mth)	28.9.2018	9.10.2018	HK\$0.0509	7,793,620.400	(43,647)	
RMB Hedged Class (mth)	28.9.2018	9.10.2018	CNY0.0670	19,117,219.593	(160,392)	
USD Hedged Class (mth)	28.9.2018	9.10.2018	US\$0.0563	2,542,611.813	(123,245)	
AUD Hedged Class (mth)	31.10.2016	8.11.2016	A\$0.0640	580,972.355		(25,811)
EUR Class (mth)	31.10.2016	8.11.2016	EUR0.0420	361,117.423		(15,167)
HKD Hedged Class (mth)	31.10.2016	8.11.2016	HK\$0.0525	4,671,447.111		(28,850)
RMB Hedged Class (mth)	31.10.2016	8.11.2016	CNY0.0830	3,176,516.195		(35,464)
USD Hedged Class (mth)	31.10.2016	8.11.2016	US\$0.0559	841,410.032		(42,907)
AUD Hedged Class (mth)	30.11.2016	8.12.2016	A\$0.0619	584,451.190		(25,198)
EUR Class (mth)	30.11.2016	8.12.2016	EUR0.0420	364,161.617		(15,295)
HKD Hedged Class (mth)	30.11.2016	8.12.2016	HK\$0.0512	4,518,559.292		(28,117)
RMB Hedged Class (mth)	30.11.2016	8.12.2016	CNY0.0790	3,449,337.761		(37,181)
USD Hedged Class (mth)	30.11.2016	8.12.2016	US\$0.0535	376,390.504		(18,983)
AUD Hedged Class (mth)	30.12.2016	10.1.2017	A\$0.0684	586,387.422		(27,535)
EUR Class (mth)	30.12.2016	10.1.2017	EUR0.0420	365,094.122		(15,334)
HKD Hedged Class (mth)	30.12.2016	10.1.2017	HK\$0.0583	4,729,300.826		(33,716)
RMB Hedged Class (mth)	30.12.2016	10.1.2017	CNY0.1083	3,568,637.886		(52,596)
USD Hedged Class (mth)	30.12.2016	10.1.2017	US\$0.0601	370,700.476		(21,123)
AUD Hedged Class (mth)	27.1.2017	8.2.2017	A\$0.0670	647,569.278		(30,615)
EUR Class (mth)	27.1.2017	8.2.2017	EUR0.0420	366,196.620		(15,380)
HKD Hedged Class (mth)	27.1.2017	8.2.2017	HK\$0.0561	4,480,974.301		(30,265)
RMB Hedged Class (mth)	27.1.2017	8.2.2017	CNY0.1424	3,530,344.344		(68,423)
USD Hedged Class (mth)	27.1.2017	8.2.2017	US\$0.0586	338,649.979		(18,537)
AUD Hedged Class (mth)	28.2.2017	8.3.2017	A\$0.0602	573,086.478		(24,963)
EUR Class (mth)	28.2.2017	8.3.2017	EUR0.0420	367,686.165		(15,443)
HKD Hedged Class (mth)	28.2.2017	8.3.2017	HK\$0.0494	4,729,270.312		(28,324)
RMB Hedged Class (mth)	28.2.2017	8.3.2017	CNY0.0932	3,650,561.193		(46,766)
USD Hedged Class (mth)	28.2.2017	8.3.2017	US\$0.0532	382,349.868		(19,143)
AUD Hedged Class (mth)	31.3.2017	11.4.2017	A\$0.0640	624,575.855		(28,510)
EUR Class (mth)	31.3.2017	11.4.2017	EUR0.0420	369,274.652		(15,510)
HKD Hedged Class (mth)	31.3.2017	11.4.2017	HK\$0.0517	5,214,647.762		(32,435)
RMB Hedged Class (mth)	31.3.2017	11.4.2017	CNY0.0874	3,740,842.964		(44,484)
USD Hedged Class (mth)	31.3.2017	11.4.2017	US\$0.0573	364,748.281		(19,541)

Distribution Class	Ex-date	Pay date	Rate	Units	2018 EUR	2017 EUR
AUD Hedged Class (mth)	28.4.2017	10.5.2017	A\$0.0570	635,732.208		(24,886)
EUR Class (mth)	28.4.2017	10.5.2017	EUR0.0370	377,405.257		(13,964)
HKD Hedged Class (mth)	28.4.2017	10.5.2017	HK\$0.0441	5,314,756.502		(27,674)
RMB Hedged Class (mth)	28.4.2017	10.5.2017	CNY0.0743	4,129,234.752		(40,841)
USD Hedged Class (mth)	28.4.2017	10.5.2017	US\$0.0514	609,718.688		(28,780)
AUD Hedged Class (mth)	31.5.2017	8.6.2017	A\$0.0583	667,555.233		(25,765)
EUR Class (mth)	31.5.2017	8.6.2017	EUR0.0370	382,564.519		(14,155)
HKD Hedged Class (mth)	31.5.2017	8.6.2017	HK\$0.0446	6,616,957.972		(33,679)
RMB Hedged Class (mth)	31.5.2017	8.6.2017	CNY0.0790	4,116,093.145		(42,788)
USD Hedged Class (mth)	31.5.2017	8.6.2017	US\$0.0520	1,064,079.053		(49,206)
AUD Hedged Class (mth)	30.6.2017	10.7.2017	A\$0.0589	803,098.634		(31,812)
EUR Class (mth)	30.6.2017	10.7.2017	EUR0.0370	433,030.718		(16,022)
HKD Hedged Class (mth)	30.6.2017	10.7.2017	HK\$0.0459	8,892,178.533		(45,841)
RMB Hedged Class (mth)	30.6.2017	10.7.2017	CNY0.0886	6,275,967.156		(71,902)
USD Hedged Class (mth)	30.6.2017	10.7.2017	US\$0.0540	2,117,571.443		(100,258)
AUD Hedged Class (mth)	31.7.2017	8.8.2017	A\$0.0580	808,215.951		(31,742)
EUR Class (mth)	31.7.2017	8.8.2017	EUR0.0370	443,474.573		(16,409)
HKD Hedged Class (mth)	31.7.2017	8.8.2017	HK\$0.0441	9,439,365.970		(45,207)
RMB Hedged Class (mth)	31.7.2017	8.8.2017	CNY0.0751	6,972,589.968		(65,982)
USD Hedged Class (mth)	31.7.2017	8.8.2017	US\$0.0539	2,469,241.999		(112,886)
AUD Hedged Class (mth)	31.8.2017	8.9.2017	A\$0.0578	808,455.682		(31,174)
EUR Class (mth)	31.8.2017	8.9.2017	EUR0.0370	474,841.550		(17,569)
HKD Hedged Class (mth)	31.8.2017	8.9.2017	HK\$0.0444	12,586,584.896		(60,059)
RMB Hedged Class (mth)	31.8.2017	8.9.2017	CNY0.0663	8,427,758.418		(71,221)
USD Hedged Class (mth)	31.8.2017	8.9.2017	US\$0.0538	2,524,279.861		(114,228)
AUD Hedged Class (mth)	29.9.2017	11.10.2017	A\$0.0575	784,917.921		(29,956)
EUR Class (mth)	29.9.2017	11.10.2017	EUR0.0370	470,461.820		(17,407)
HKD Hedged Class (mth)	29.9.2017	11.10.2017	HK\$0.0447	13,221,595.803		(64,004)
RMB Hedged Class (mth)	29.9.2017	11.10.2017	CNY0.0681	8,797,072.297		(76,237)
USD Hedged Class (mth)	29.9.2017	11.10.2017	US\$0.0536	2,711,290.351		(122,928)
Total distribution to holders of redeemable units					(4,015,154)	(2,306,198)

## 7 Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Overseas tax was withheld or paid on certain interest income received during the years ended 30 September 2018 and 2017.

## 8 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

(a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments EUR	% of the Fund's total aggregate value of transactions	Commission paid EUR	% of the Fund's total commission paid in the year	Average commission rate %
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### 2018

There were no investment transactions with the Manager and its Connected Persons during the year.

### 2017

J.P. Morgan Securities plc London	389,305	0.67	-	-	-
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- (b) Balances with the Manager and its Connected Persons as at year end:

	2018 EUR	2017 EUR
Cash at banks	1,471,901	349,447
Amounts receivable	612	-
Amounts payable	(51,640)	(38,119)

During the year, the interest income on cash at banks held with Connected Persons of the Manager was EUR2,787 (2017: EUR1,247).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.
- (d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to EUR210 (2017: EUR2,255).
- (e) Management fee of 1% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.
- The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.
- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (g) Refer to Note 9 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 9 Trustee's fee

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first EUR35 million, 0.04% per annum for the balance from EUR35 million to EUR60 million, and 0.025% per annum for the balance in excess of EUR60 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

## 10 Borrowings

During the years ended 30 September 2018 and 30 September 2017, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

## 11 Soft dollar arrangements/Commission sharing arrangements

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

## 12 Derivatives

Outstanding forward foreign exchange contracts as at 30 September were as follows:

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) EUR
<u>2018</u>			
Open contracts:			
EUR210,233	HK\$1,930,380	2 October 2018	2,163
EUR121,227	A\$196,279	2 October 2018	1,043
EUR3,256	US\$3,827	2 October 2018	39
EUR6,037	HK\$55,431	3 October 2018	62
EUR1,821	HK\$16,613	4 October 2018	7
A\$1,509	EUR940	10 October 2018	1
CNH1,318,143	EUR165,751	10 October 2018	804
CNH290,396	EUR36,506	10 October 2018	167
CNH132,558	EUR16,664	10 October 2018	76
CNH16,027	EUR2,015	10 October 2018	10
CNH27,454	EUR3,442	10 October 2018	7
CNH24,425	EUR3,063	10 October 2018	6
CNH13,993	EUR1,755	10 October 2018	4
CNH7,523	EUR946	10 October 2018	4
CNH7,521	EUR944	10 October 2018	3
CNH11,186	EUR1,403	10 October 2018	3
CNH7,478	EUR937	10 October 2018	2
EUR18,999,617	US\$22,277,678	10 October 2018	169,026
EUR7,396,997	HK\$67,932,820	10 October 2018	73,605
EUR422,945	A\$690,827	10 October 2018	7,159
EUR441,598	HK\$4,057,968	10 October 2018	4,659
EUR216,864	A\$352,387	10 October 2018	2,530
EUR247,848	US\$290,811	10 October 2018	2,379
EUR524,101	US\$610,978	10 October 2018	1,608
EUR258,731	US\$302,436	10 October 2018	1,496
EUR184,590	HK\$1,688,356	10 October 2018	1,079
EUR228,858	A\$369,200	10 October 2018	1,002
EUR121,895	A\$197,182	10 October 2018	868
EUR269,858	US\$314,513	10 October 2018	761
EUR172,577	US\$201,191	10 October 2018	535
EUR41,942	US\$49,192	10 October 2018	385
EUR40,427	CNH326,060	10 October 2018	375
EUR83,027	US\$96,883	10 October 2018	335
EUR138,262	CNH1,107,508	10 October 2018	328
EUR37,851	HK\$347,090	10 October 2018	319
EUR50,205	US\$58,718	10 October 2018	318
EUR46,332	US\$54,193	10 October 2018	299
EUR57,850	CNH464,099	10 October 2018	226
EUR14,755	A\$24,017	10 October 2018	198
EUR13,818	A\$22,499	10 October 2018	190
EUR22,583	A\$36,567	10 October 2018	183
EUR26,971	HK\$246,884	10 October 2018	179
EUR15,284	HK\$140,598	10 October 2018	178
EUR16,055	HK\$147,598	10 October 2018	176
EUR13,240	US\$15,558	10 October 2018	147
EUR15,569	HK\$142,871	10 October 2018	142
EUR21,817	HK\$199,582	10 October 2018	131
EUR18,413	CNH148,180	10 October 2018	129
EUR63,149	CNH505,611	10 October 2018	122
EUR45,428	CNH363,807	10 October 2018	97
EUR22,812	HK\$208,151	10 October 2018	78
EUR37,618	A\$60,512	10 October 2018	56
EUR11,230	HK\$102,418	10 October 2018	33
EUR21,954	US\$25,551	10 October 2018	31
EUR5,105	CNH41,000	10 October 2018	26
EUR25,478	CNH203,808	10 October 2018	25

# JPMORGAN EUROPE HIGH YIELD BOND FUND

Annual report for the  
year ended 30 September 2018

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) EUR
EUR13,406	CNH107,330	10 October 2018	25
EUR90,909	CNH726,678	10 October 2018	25
EUR2,309	CNH18,594	10 October 2018	18
EUR1,155	HK\$10,610	10 October 2018	12
EUR5,929	US\$6,896	10 October 2018	5
EUR3,261	CNH26,093	10 October 2018	4
EUR2,502	CNH20,000	10 October 2018	0
HK\$494,536	EUR54,410	10 October 2018	26
HK\$16,700	EUR1,837	10 October 2018	1
US\$174,914	EUR150,990	10 October 2018	488
US\$124,278	EUR107,126	10 October 2018	192
US\$18,496	EUR15,944	10 October 2018	29
US\$6,539	EUR5,637	10 October 2018	10
US\$2,469	EUR2,131	10 October 2018	7
US\$1,100	EUR947	10 October 2018	1
GBP246,272	EUR276,445	5 November 2018	263
EUR20,889,894	US\$24,660,904	13 November 2018	270,111
EUR20,166,392	CNH163,093,538	13 November 2018	142,914
EUR7,903,214	HK\$72,867,512	13 November 2018	91,814
EUR6,350,994	A\$10,338,524	13 November 2018	69,865
EUR2,032,487	CNH16,520,075	13 November 2018	24,741
EUR752,755	CNH6,124,072	13 November 2018	9,873
EUR434,696	HK\$4,018,004	13 November 2018	6,163
EUR262,060	US\$310,125	13 November 2018	4,041
EUR201,650	HK\$1,856,837	13 November 2018	2,081
EUR129,409	A\$209,819	13 November 2018	900
EUR72,319	US\$85,135	13 November 2018	729
EUR95,512	CNH772,853	13 November 2018	728
EUR134,601	CNH1,086,265	13 November 2018	665
EUR40,706	US\$48,088	13 November 2018	556
EUR116,326	CNH936,829	13 November 2018	330
EUR37,453	CNH303,072	13 November 2018	288
EUR48,471	US\$56,791	13 November 2018	257
EUR15,432	HK\$142,891	13 November 2018	247
EUR25,782	HK\$236,994	13 November 2018	221
EUR42,714	CNH344,654	13 November 2018	203
EUR16,384	A\$26,622	13 November 2018	150
EUR12,721	A\$20,630	13 November 2018	92
EUR8,186	A\$13,295	13 November 2018	71
EUR1,460	HK\$13,500	13 November 2018	21
EUR3,372	CNH27,153	13 November 2018	9
US\$1,100	EUR944	13 November 2018	0
Total unrealized gains			903,990
			-----
US\$310,125	EUR262,916	2 October 2018	(4,088)
HK\$4,018,004	EUR435,942	3 October 2018	(6,117)
A\$13,295	EUR8,210	4 October 2018	(71)
EUR947	US\$1,100	4 October 2018	(0)
HK\$1,856,837	EUR202,196	4 October 2018	(2,079)
US\$56,791	EUR48,624	4 October 2018	(263)
GBP50,684	EUR56,176	5 October 2018	(721)
GBP1,748,415	EUR1,947,611	5 October 2018	(15,137)
US\$319,286	EUR272,399	5 October 2018	(2,420)
CNH16,520,075	EUR2,041,495	8 October 2018	(26,229)
CNH1,086,265	EUR135,178	9 October 2018	(773)
CNH6,124,072	EUR756,201	9 October 2018	(10,256)
A\$4,065	EUR2,528	10 October 2018	(3)
A\$2,071	EUR1,278	10 October 2018	(12)
A\$1,541	EUR947	10 October 2018	(12)
A\$1,952	EUR1,202	10 October 2018	(14)
A\$3,533	EUR2,163	10 October 2018	(36)



Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) EUR
A\$7,135	EUR4,391	10 October 2018	(51)
A\$6,354	EUR3,884	10 October 2018	(71)
A\$49,144	EUR30,466	10 October 2018	(131)
A\$69,507	EUR43,091	10 October 2018	(183)
A\$59,550	EUR36,406	10 October 2018	(668)
A\$123,471	EUR75,670	10 October 2018	(1,202)
A\$10,338,524	EUR6,366,290	10 October 2018	(70,345)
CNH7,466	EUR933	10 October 2018	(1)
CNH7,500	EUR936	10 October 2018	(2)
CNH7,552	EUR943	10 October 2018	(2)
CNH7,528	EUR940	10 October 2018	(2)
CNH18,015	EUR2,252	10 October 2018	(2)
CNH7,572	EUR945	10 October 2018	(3)
CNH22,923	EUR2,866	10 October 2018	(3)
CNH7,552	EUR938	10 October 2018	(7)
CNH11,784	EUR1,468	10 October 2018	(7)
CNH569,278	EUR71,226	10 October 2018	(11)
CNH967,699	EUR121,076	10 October 2018	(18)
CNH344,654	EUR42,894	10 October 2018	(234)
CNH939,522	EUR117,032	10 October 2018	(536)
CNH163,093,538	EUR20,253,040	10 October 2018	(155,847)
EUR14,349	A\$23,044	10 October 2018	(2)
EUR4,782	CNH38,191	10 October 2018	(3)
EUR3,762	CNH30,000	10 October 2018	(8)
EUR9,639	CNH76,890	10 October 2018	(17)
EUR28,158	US\$32,691	10 October 2018	(30)
EUR29,465	US\$34,181	10 October 2018	(55)
EUR21,785	CNH173,605	10 October 2018	(60)
EUR8,142	A\$12,959	10 October 2018	(74)
EUR31,945	CNH253,857	10 October 2018	(179)
EUR120,594	CNH961,823	10 October 2018	(236)
EUR240,079	CNH1,914,391	10 October 2018	(520)
EUR311,729	US\$361,641	10 October 2018	(559)
EUR104,951	CNH833,094	10 October 2018	(701)
EUR208,247	CNH1,656,586	10 October 2018	(949)
EUR270,394	A\$432,423	10 October 2018	(1,173)
EUR774,122	US\$896,796	10 October 2018	(2,487)
EUR19,762,218	CNH157,872,079	10 October 2018	(6,729)
EUR5,273,702	A\$8,446,738	10 October 2018	(14,878)
HK\$8,635	EUR946	10 October 2018	(3)
HK\$50,426	EUR5,541	10 October 2018	(5)
HK\$8,635	EUR944	10 October 2018	(6)
HK\$11,857	EUR1,296	10 October 2018	(8)
HK\$8,630	EUR939	10 October 2018	(10)
HK\$8,635	EUR938	10 October 2018	(11)
HK\$32,149	EUR3,519	10 October 2018	(17)
HK\$19,322	EUR2,104	10 October 2018	(21)
HK\$56,074	EUR6,144	10 October 2018	(23)
HK\$40,178	EUR4,383	10 October 2018	(36)
HK\$990,977	EUR108,824	10 October 2018	(154)
HK\$263,428	EUR28,790	10 October 2018	(179)
HK\$347,256	EUR37,998	10 October 2018	(190)
HK\$72,867,512	EUR7,921,319	10 October 2018	(91,912)
US\$3,581	EUR3,079	10 October 2018	(2)
US\$1,100	EUR944	10 October 2018	(2)
US\$1,100	EUR942	10 October 2018	(5)
US\$3,098	EUR2,658	10 October 2018	(8)
US\$1,100	EUR938	10 October 2018	(9)
US\$2,540	EUR2,162	10 October 2018	(24)
US\$12,108	EUR10,389	10 October 2018	(29)
US\$16,603	EUR14,246	10 October 2018	(40)
US\$126,504	EUR108,543	10 October 2018	(305)
US\$188,314	EUR161,010	10 October 2018	(1,021)

# JPMORGAN EUROPE HIGH YIELD BOND FUND

Annual report for the  
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Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) EUR
US\$285,159	EUR243,034	10 October 2018	(2,328)
US\$24,660,904	EUR20,945,015	10 October 2018	(274,141)
A\$1,512	EUR934	13 November 2018	(6)
A\$1,512	EUR934	13 November 2018	(6)
A\$27,970	EUR17,178	13 November 2018	(193)
A\$196,279	EUR120,859	13 November 2018	(1,039)
A\$651,351	EUR401,737	13 November 2018	(2,779)
CNH7,550	EUR938	13 November 2018	(2)
CNH7,538	EUR932	13 November 2018	(7)
CNH7,525	EUR929	13 November 2018	(8)
CNH140,571	EUR17,262	13 November 2018	(242)
EUR96,551	CNH775,304	13 November 2018	(10)
HK\$16,613	EUR1,816	13 November 2018	(7)
HK\$8,627	EUR936	13 November 2018	(10)
HK\$55,431	EUR6,020	13 November 2018	(62)
HK\$1,930,380	EUR209,643	13 November 2018	(2,151)
US\$1,198	EUR1,016	13 November 2018	(12)
US\$3,827	EUR3,246	13 November 2018	(38)
Total unrealized losses			(703,278)
			=====
Net unrealized gains			200,712
			=====

2017

Open contracts:

US\$390,125	EUR331,432	3 October 2017	1,433
A\$64,457	EUR43,103	4 October 2017	323
US\$200,000	EUR170,400	4 October 2017	1,238
HK\$28,496	EUR3,110	6 October 2017	24
US\$204,648	EUR173,087	6 October 2017	9
CNH18,039	EUR2,312	9 October 2017	18
CNH141,596	EUR18,022	9 October 2017	15
HK\$120,000	EUR13,029	9 October 2017	36
CNH1,051,955	EUR133,844	10 October 2017	81
EUR238,275	GBP211,389	11 October 2017	1,586
A\$368,022	EUR244,856	24 October 2017	907
A\$53,852	EUR35,876	24 October 2017	179
A\$21,630	EUR14,497	24 October 2017	159
A\$46,866	EUR31,203	24 October 2017	138
A\$7,147	EUR4,770	24 October 2017	33
A\$2,120	EUR1,416	24 October 2017	10
A\$1,397	EUR935	24 October 2017	9
CNH587,009	EUR75,169	24 October 2017	644
CNH556,455	EUR71,009	24 October 2017	363
CNH226,337	EUR28,836	24 October 2017	101
CNH65,679	EUR8,381	24 October 2017	43
CNH677,502	EUR86,034	24 October 2017	20
CNH7,218	EUR924	24 October 2017	8
CNH8,640	EUR1,102	24 October 2017	6
CNH7,192	EUR919	24 October 2017	6
CNH7,182	EUR917	24 October 2017	5
CNH7,198	EUR919	24 October 2017	5
CNH7,276	EUR929	24 October 2017	5
CNH7,188	EUR915	24 October 2017	3
CNH18,595	EUR2,361	24 October 2017	1
CNH7,321	EUR930	24 October 2017	1
EUR22,116,253	US\$26,712,387	24 October 2017	454,914
UR13,747,417	HK\$129,589,380	24 October 2017	279,082
EUR2,496,109	US\$3,006,428	24 October 2017	44,226
EUR542,229	US\$650,000	24 October 2017	6,997
EUR326,578	US\$392,427	24 October 2017	5,010

# JPMORGAN EUROPE HIGH YIELD BOND FUND

Annual report for the  
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Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) EUR
EUR374,515	HK\$3,500,000	24 October 2017	4,316
EUR157,326	US\$190,253	24 October 2017	3,432
EUR87,935	HK\$829,295	24 October 2017	1,826
EUR161,822	US\$193,254	24 October 2017	1,469
EUR264,538	US\$314,702	24 October 2017	1,371
EUR107,097	HK\$1,000,000	24 October 2017	1,141
EUR64,697	US\$77,679	24 October 2017	938
EUR60,443	US\$72,390	24 October 2017	724
EUR53,995	HK\$505,000	24 October 2017	665
EUR58,346	HK\$544,542	24 October 2017	594
EUR121,423	HK\$1,127,000	24 October 2017	560
EUR39,396	HK\$369,103	24 October 2017	555
EUR59,338	US\$70,849	24 October 2017	527
EUR38,518	US\$46,141	24 October 2017	470
EUR191,053	CNH1,507,613	24 October 2017	350
EUR18,799	HK\$176,690	24 October 2017	325
EUR18,805	HK\$176,678	24 October 2017	318
EUR22,800	HK\$213,545	24 October 2017	314
EUR21,982	HK\$205,624	24 October 2017	274
EUR11,649	US\$13,959	24 October 2017	145
EUR7,025	US\$8,392	24 October 2017	66
EUR13,602	CNH107,665	24 October 2017	66
EUR877,757	HK\$8,110,000	24 October 2017	44
EUR68,786	CNH541,992	24 October 2017	24
EUR1,633	HK\$15,150	24 October 2017	7
EUR15,869	CNH125,000	24 October 2017	1
EUR1,222	CNH9,632	24 October 2017	0
HK\$8,595	EUR934	24 October 2017	4
US\$70,103	EUR59,490	24 October 2017	257
US\$22,686	EUR19,230	24 October 2017	62
US\$14,775	EUR12,538	24 October 2017	54
US\$4,247	EUR3,615	24 October 2017	26
EUR181,274	US\$218,011	21 November 2017	2,646
EUR39,757	US\$47,823	21 November 2017	588
Total unrealized gains			821,797
			-----
EUR935	HK\$8,595	3 October 2017	(4)
EUR3,619	US\$4,247	3 October 2017	(26)
HK\$15,150	EUR1,633	3 October 2017	(7)
EUR936	A\$1,397	4 October 2017	(9)
EUR19,250	US\$22,686	4 October 2017	(63)
EUR40,489	HK\$373,904	6 October 2017	(0)
EUR932	CNH7,321	9 October 2017	(1)
EUR930	CNH7,276	9 October 2017	(5)
HK\$8,110,000	EUR878,074	10 October 2017	(40)
GBP90,703	EUR102,875	11 October 2017	(44)
GBP114,248	EUR124,205	11 October 2017	(5,431)
GBP315,000	EUR349,201	11 October 2017	(8,225)
GBP320,577	EUR352,183	11 October 2017	(11,573)
GBP2,506,544	EUR2,734,879	11 October 2017	(109,262)
US\$180,922	EUR151,235	11 October 2017	(1,739)
CNH7,245	EUR918	24 October 2017	(2)
CNH7,244	EUR916	24 October 2017	(4)
EUR172,922	US\$204,648	24 October 2017	(4)
EUR2,939	CNH23,081	24 October 2017	(9)
EUR2,308	CNH18,039	24 October 2017	(18)
EUR17,994	CNH141,596	24 October 2017	(18)
EUR3,108	HK\$28,496	24 October 2017	(24)
EUR13,025	HK\$120,000	24 October 2017	(36)
EUR25,867	CNH203,426	24 October 2017	(41)
EUR26,121	HK\$240,742	24 October 2017	(64)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) EUR
EUR30,586	CNH240,409	24 October 2017	(65)
EUR9,636	A\$14,423	24 October 2017	(75)
EUR133,636	CNH1,051,955	24 October 2017	(84)
EUR20,614	CNH161,595	24 October 2017	(99)
EUR13,232	CNH103,364	24 October 2017	(109)
EUR9,914	A\$14,791	24 October 2017	(109)
EUR15,111	A\$22,588	24 October 2017	(138)
EUR31,807	CNH249,271	24 October 2017	(161)
EUR22,593	A\$33,769	24 October 2017	(209)
EUR38,406	US\$45,166	24 October 2017	(244)
EUR43,046	A\$64,457	24 October 2017	(320)
EUR32,794	A\$48,916	24 October 2017	(370)
EUR94,494	CNH740,770	24 October 2017	(449)
EUR109,151	CNH855,099	24 October 2017	(592)
EUR170,215	US\$200,000	24 October 2017	(1,226)
EUR115,251	A\$171,930	24 October 2017	(1,286)
EUR331,056	US\$390,125	24 October 2017	(1,421)
EUR11,093,128	CNH86,944,861	24 October 2017	(55,023)
EUR5,492,495	A\$8,198,048	24 October 2017	(58,360)
HK\$373,904	EUR40,469	24 October 2017	(1)
HK\$8,590	EUR926	24 October 2017	(4)
HK\$8,592	EUR922	24 October 2017	(8)
HK\$8,580	EUR921	24 October 2017	(8)
HK\$8,584	EUR917	24 October 2017	(13)
HK\$8,596	EUR915	24 October 2017	(15)
HK\$12,149	EUR1,298	24 October 2017	(16)
HK\$15,892	EUR1,702	24 October 2017	(18)
HK\$17,216	EUR1,840	24 October 2017	(23)
HK\$26,158	EUR2,808	24 October 2017	(23)
HK\$49,516	EUR5,298	24 October 2017	(61)
HK\$45,164	EUR4,827	24 October 2017	(62)
HK\$271,368	EUR29,063	24 October 2017	(309)
HK\$299,517	EUR32,084	24 October 2017	(335)
HK\$689,340	EUR74,256	24 October 2017	(356)
HK\$552,239	EUR59,155	24 October 2017	(618)
HK\$629,097	EUR67,449	24 October 2017	(643)
US\$1,503	EUR1,263	24 October 2017	(7)
US\$1,100	EUR921	24 October 2017	(8)
US\$1,100	EUR921	24 October 2017	(8)
US\$1,136	EUR950	24 October 2017	(11)
US\$1,100	EUR917	24 October 2017	(13)
US\$1,100	EUR913	24 October 2017	(16)
US\$2,881	EUR2,411	24 October 2017	(23)
US\$2,340	EUR1,953	24 October 2017	(24)
US\$3,394	EUR2,843	24 October 2017	(25)
US\$3,337	EUR2,785	24 October 2017	(35)
US\$49,360	EUR41,332	24 October 2017	(375)
US\$72,836	EUR60,872	24 October 2017	(671)
US\$82,013	EUR68,533	24 October 2017	(764)
US\$135,806	EUR113,683	24 October 2017	(1,067)
US\$107,412	EUR89,686	24 October 2017	(1,073)
US\$152,525	EUR127,770	24 October 2017	(1,107)
US\$115,757	EUR96,336	24 October 2017	(1,474)
US\$787,902	EUR662,327	24 October 2017	(3,412)
US\$1,185,818	EUR992,646	24 October 2017	(9,313)
US\$974,956	EUR813,662	24 October 2017	(10,129)
US\$931,706	EUR774,047	24 October 2017	(13,200)
EUR32,211	CNH254,084	21 November 2017	(62)
EUR10,897	A\$16,323	21 November 2017	(99)
EUR52,612	CNH414,800	21 November 2017	(129)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) EUR
US\$29,693	EUR24,689	21 November 2017	(360)
		Total unrealized losses	(302,907)
		Net unrealized gains	518,890

**Independent Auditor's Report**

To the Unitholders of JPMorgan Europe High Yield Bond Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Europe High Yield Bond Fund set out on pages 299 to 322, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 10 March 2016, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Europe High Yield Bond Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 10 March 2016, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund	Net asset value per unit
30/9/18		
- AUD Hedged Class (mth)	A\$9,629,805	A\$9.79
- EUR Class (mth)	EUR6,072,485	EUR9.80
- HKD Hedged Class (mth)	HK\$76,372,149	HK\$9.80
- RMB Hedged Class (mth)	CNY187,192,668	CNY9.75
- USD Hedged Class (mth)	US\$24,880,394	US\$9.79
30/9/17		
- AUD Hedged Class (mth)	A\$8,028,061	A\$10.23
- EUR Class (mth)	EUR4,813,477	EUR10.23
- HKD Hedged Class (mth)	HK\$142,999,497	HK\$10.23
- RMB Hedged Class (mth)	CNY90,651,396	CNY10.19
- USD Hedged Class (mth)	US\$27,918,911	US\$10.22
30/9/16		
- AUD Hedged Class (mth)	A\$5,939,689	A\$10.14
- EUR Class (mth)	EUR3,641,724	EUR10.14
- HKD Hedged Class (mth)	HK\$47,067,236	HK\$10.14
- RMB Hedged Class (mth)	CNY31,012,028	CNY10.13
- USD Hedged Class (mth)	US\$9,199,290	US\$10.14



**Performance Record - Unaudited (continued)****Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u>	<u>Lowest bid</u>
30/9/18		
- AUD Hedged Class (mth)	A\$10.34	A\$9.70
- EUR Class (mth)	EUR10.33	EUR9.72
- HKD Hedged Class (mth)	HK\$10.33	HK\$9.71
- RMB Hedged Class (mth)	CNY10.31	CNY9.67
- USD Hedged Class (mth)	US\$10.33	US\$9.70
30/9/17		
- AUD Hedged Class (mth)	A\$10.57	A\$10.04
- EUR Class (mth)	EUR10.56	EUR10.03
- HKD Hedged Class (mth)	HK\$10.57	HK\$10.04
- RMB Hedged Class (mth)	CNY10.57	CNY9.99
- USD Hedged Class (mth)	US\$10.57	US\$10.04
30/9/16 (Since inception)		
- AUD Hedged Class (mth)	A\$10.62	A\$9.90
- EUR Class (mth)	EUR10.61	EUR9.86
- HKD Hedged Class (mth)	HK\$10.62	HK\$9.87
- RMB Hedged Class (mth)	CNY10.63	CNY9.88
- USD Hedged Class (mth)	US\$10.61	US\$9.87

**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Sub-Manager**

JPMorgan Asset Management  
(UK) Limited  
60 Victoria Embankment  
London  
EC4Y 0JP  
United Kingdom

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

Holding		Fair value EUR	% of net assets	Holding		Fair value EUR	% of net assets
<b>Listed/Quoted Investments</b> (97.9%)				Publicis Groupe	3,966	204,170	0.3
				Renault SA	5,105	380,323	0.5
				Rexel SA	9,748	126,090	0.2
				Sanofi	12,998	995,127	1.3
				Schneider Electric	7,457	516,770	0.7
				SCOR SE	4,649	185,960	0.2
				SES SA FDR-FR List	7,791	147,250	0.2
				Societe BIC	1,478	116,540	0.1
				Television Francaise 1	12,832	116,643	0.2
				Total SA	28,895	1,613,496	2.2
				Veolia Environnement	17,353	298,298	0.4
				Vinci SA	6,076	498,354	0.7
				<b>Germany</b> (9.8%)			
				Aareal Bank	5,742	206,827	0.3
				Allianz SE-Regd	5,909	1,134,528	1.5
				Alstria Office REIT	9,809	125,359	0.2
				Aroundtown SA	17,222	131,921	0.2
				BASF SE	11,081	848,251	1.1
				Bayerische Motoren Werke	7,077	549,954	0.7
				Corestate Capital Hldg S.A.	1,794	71,760	0.1
				Deutsche Pfandbriefbank	15,701	202,543	0.3
				Deutsche Telekom-Regd	50,273	698,041	0.9
				E.ON SE	51,630	453,311	0.6
				Evonik Industries	4,669	144,039	0.2
				Hannover Rueckversicherung- Regd	2,125	258,613	0.3
				Hugo Boss	1,822	120,835	0.2
				Muenchener Rueck-Regd	3,075	586,556	0.8
				RTL Group	1,677	103,052	0.1
				RWE AG	11,581	246,096	0.3
				Schaeffler Ag	10,980	120,890	0.2
				TAG Immobilien	4,820	98,810	0.1
				Talanx AG	6,178	202,268	0.3
				Telefonica Deutschland Hldg	29,562	107,635	0.1
				TLG Immobilien AG	6,008	135,060	0.2
				Volkswagen AG Pref	3,338	506,041	0.7
				Vonovia SE	6,549	275,582	0.4
				<b>Ireland</b> (0.7%)			
				AIB Group	48,294	212,977	0.3
				Bank of Ireland Group	28,102	185,333	0.2
				C&C Group (IE Listing)	14,120	46,737	0.1
				Green REIT	57,172	86,330	0.1
				<b>Italy</b> (4.4%)			
				Assicurazioni Generali	33,742	502,081	0.7
				ENAV SpA	24,795	104,089	0.1
				Enel SpA	138,997	613,255	0.8
				ENI SpA	40,085	652,664	0.9
				ERG SpA	4,379	76,808	0.1
				Immobiliare Grande Distribuzio SIQ	10,455	69,191	0.1
				Italgas SpA	19,390	90,629	0.1
				Mediobanca SpA	15,035	129,361	0.2
				Poste Italiane	32,074	220,733	0.3
				Saras SpA	49,916	91,995	0.1
				Snam SpA	44,336	159,122	0.2
				Societa Cattolica di Assicuraz	24,873	184,309	0.3
				Telecom Italia (Risp)	358,450	166,106	0.2
				<b>France</b> (12.7%)			
				Amundi SA	1,947	125,659	0.2
				Aperam SA	2,858	112,862	0.1
				AXA SA	26,637	616,647	0.8
				Bouygues SA	7,228	269,098	0.4
				CNP Assurances	10,972	227,779	0.3
				Coface SA	10,729	87,656	0.1
				Covivio SA	1,745	156,614	0.2
				Credit Agricole	18,342	227,184	0.3
				Engie SA-FR List	31,814	402,924	0.5
				Eutelsat Communications	6,000	122,160	0.2
				Gaztransport et Technigaz	2,404	156,981	0.2
				Gecina SA	1,407	202,327	0.3
				ICADE SA	1,452	115,579	0.1
				Ipsos SA	2,404	63,369	0.1
				Kaufman & Broad	2,453	99,101	0.1
				M6-Metropole Television	4,672	81,106	0.1
				Michelin-Regd	2,391	246,153	0.3
				Natixis	37,347	218,256	0.3
				Nexity	1,655	78,745	0.1
				Orange	35,679	490,051	0.7
				Peugeot SA	8,879	206,259	0.3

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value EUR	% of net assets		Holding	Fair value EUR	% of net assets	
<b>Italy</b> (Continued)				CIA de Distribucion Integral				
	Terna-Rete Elettrica Nazionale	31,956	147,030	0.2	Log	4,865	107,614	0.1
	Unipol Gruppo	27,623	105,962	0.1	Enagas SA	9,631	223,921	0.3
<b>Netherlands</b> (4.4%)				Ence Energia y Celulosa				
	ABN AMRO Group CVA	14,027	328,933	0.4	Endesa SA	13,387	117,136	0.2
	Aegon NV	67,663	378,101	0.5	Iberdrola SA	12,122	225,590	0.3
	Akzo Nobel	5,441	438,218	0.6	Intl Consolidated Airlines	104,536	662,549	0.9
	ASR Nederland NV	4,511	185,222	0.2	Merlin Properties Socimi	46,944	347,479	0.5
	Binckbank NV	13,177	69,970	0.1	Naturgy Energy Group	11,350	132,625	0.2
	Eurocommercial Properties				Red Electrica Corp	7,638	179,569	0.2
	CVA	2,553	80,522	0.1	Repsol SA	9,682	174,663	0.2
	Flow Traders	3,058	77,367	0.1	Telefonica SA	32,688	561,090	0.8
	ING Groep NV	44,215	494,501	0.7		67,137	457,740	0.6
	Intertrust NV	5,015	79,989	0.1	<b>Sweden</b> (7.6%)			
	Koninklijke Ahold Delhaize	16,038	316,751	0.4	Axfood AB	5,963	96,060	0.1
	KPN (Koninklijke)	66,754	151,665	0.2	Betsson AB 'B'	19,331	128,157	0.2
	NN Group	9,122	350,558	0.5	Boliden AB	9,124	218,970	0.3
	Randstad Hldg	2,869	131,917	0.2	Bonava AB 'B'	8,214	101,547	0.1
	Sligro Food Group	1,149	42,283	0.1	Castellum AB	13,524	208,304	0.3
	Van Lanschot Kempen	3,633	82,651	0.1	Com Hem Hldg	6,114	87,009	0.1
	Vastned Retail	2,244	73,603	0.1	Dios Fastigheter	20,889	115,067	0.2
<b>Norway</b> (4.7%)				Dustin Group				
	Aker ASA 'A'	1,228	95,296	0.1	Hemfosa Fastigheter	8,013	65,085	0.1
	Aker BP	7,361	268,806	0.4	Holmen AB 'B'	12,468	147,862	0.2
	Austevoll Seafood	6,824	80,949	0.1	Intrum AB	3,868	86,613	0.1
	Bakkafrost P/F	1,747	91,686	0.1	JM AB	4,247	95,018	0.1
	DNB ASA	19,786	358,236	0.5	Kindred Group SDR	4,851	81,950	0.1
	Entra ASA	14,815	183,260	0.2	Klovern AB 'B'	7,806	75,419	0.1
	Equinor ASA	25,172	610,774	0.8	Kungsleden AB	81,653	92,329	0.1
	Grieg Seafood	11,985	136,216	0.2	Lundin Petroleum	21,606	136,796	0.2
	Leroy Seafood Group	13,786	96,809	0.1	Millicom Intl Cellular SDR	6,762	222,706	0.3
	Marine Harvest	13,431	267,741	0.4	Nobina AB	2,147	106,109	0.1
	Norsk Hydro	30,255	156,290	0.2	Nordea Bank	25,914	159,556	0.2
	Norway Royal Salmon	2,998	62,252	0.1	Pandox AB	48,120	451,225	0.6
	Norwegian Finans Hldg	10,552	111,060	0.2	Peab AB 'B'	4,700	72,438	0.1
	Salmar ASA	3,937	169,077	0.2	Resurs Holding	13,776	108,493	0.1
	Sparebank 1 SMN	12,522	120,342	0.2	Scandic Hotels Group	22,910	147,603	0.2
	SpareBank 1 SR-Bank	14,733	154,208	0.2	Skandinaviska Enskilda	13,062	126,264	0.2
	Stolt-Nielsen	5,466	72,006	0.1	Banken 'A'	36,142	347,234	0.5
	Storebrand ASA	16,707	128,414	0.2	SKF AB 'B'	9,144	155,226	0.2
	Telenor ASA	18,212	306,343	0.4	SSAB AB 'B'	29,975	104,642	0.1
<b>Portugal</b> (1.0%)				Svenska Handelsbanken 'A'				
	Altri SGPS	20,151	166,447	0.2	Swedbank AB 'A'	32,322	351,243	0.5
	EDP-Energias de Portugal	55,266	175,635	0.3	Swedish Match	22,654	483,150	0.7
	Galp Energia SGPS	9,402	160,680	0.2	Tele2 AB 'B'	4,488	197,691	0.3
	Navigator Co	30,542	128,826	0.2	Telia Co	16,129	167,076	0.2
	Redes Energeticas Nacionais	33,523	81,461	0.1	Thule Group AB	70,252	277,622	0.4
<b>Spain</b> (5.9%)				Volvo AB 'B'				
	Acciona SA	2,021	157,759	0.2	Wihlborgs Fastigheter	7,981	82,611	0.1
	Acerinox SA	11,065	136,321	0.2	<b>Switzerland</b> (7.8%)			
	ACS Actividades de				Cembra Money Bank	1,035	81,008	0.1
	Construction	4,729	173,460	0.2	Credit Suisse Group-Regd	32,787	426,254	0.6
	Aena SME	1,638	244,881	0.3	Galenica AG	1,619	79,769	0.1
	Bankinter SA	17,965	142,498	0.2	Novartis AG-Regd	22,971	1,708,824	2.3
	CaixaBank SA	88,051	346,745	0.5	Roche Hldg (Genusschein)	7,602	1,593,027	2.1
					Sunrise Communications	1,055	82,620	0.1
					Swiss Re	4,177	333,555	0.5
					Swisscom AG-Regd	449	176,267	0.2
					UBS Group	45,246	618,140	0.8

## Investment Portfolio (Continued)

As at 30 September 2018 (Unaudited)

(Continued)

	Holding	Fair value EUR	% of net assets		Holding	Fair value EUR	% of net assets
<b>Switzerland</b> (Continued)				Northgate plc	17,827	83,222	0.1
Zurich Insurance Group-Regd	2,633	719,893	1.0	Onesavings Bank	34,622	157,895	0.2
<b>United Kingdom</b> (32.9%)				Pagegroup PLC	14,384	92,374	0.1
3i Group	18,047	190,705	0.3	Paragon Group	23,050	123,908	0.2
Admiral Group	6,124	143,012	0.2	Pennon Group	11,047	88,457	0.1
Amigo Hldgs	12,497	34,600	0.0	Persimmon plc	9,214	244,655	0.3
Anglo American-UK List	27,294	527,992	0.7	Phoenix Group Hldgs	9,979	75,737	0.1
Antofagasta plc	14,266	136,944	0.2	Plus500 Ltd	5,048	75,548	0.1
Ashtead Group	8,173	223,621	0.3	Polypipe Group	17,424	69,681	0.1
AstraZeneca plc	13,502	903,937	1.2	Prudential plc	29,112	575,091	0.8
Aviva plc	71,148	391,012	0.5	Quilter PLC-UK List	27,667	41,717	0.1
Babcock Intl Group	12,849	104,300	0.1	Redde plc	45,162	98,671	0.1
BAE Systems	46,064	325,716	0.4	Redrow plc	14,399	94,330	0.1
Bank of Georgia Group	4,021	77,261	0.1	Rio Tinto-UK List	19,671	856,906	1.2
Barclays PLC	211,443	407,794	0.6	Royal Dutch Shell 'B'-UK List	93,140	2,811,913	3.8
Barratt Developments	25,817	164,348	0.2	Royal Mail	28,669	153,567	0.2
Bellway plc	5,530	187,130	0.3	RPC Group	10,801	96,406	0.1
Berkeley Group Hldgs	4,600	190,004	0.3	RSA Insurance Group	22,062	142,426	0.2
BHP Billiton plc	39,083	733,316	1.0	Saga PLC	67,782	99,540	0.1
Big Yellow Group	12,026	123,948	0.2	Sainsbury (J)	49,859	180,138	0.2
Bovis Homes Group	9,912	119,353	0.2	Schroders plc	4,023	139,793	0.2
BP plc	240,624	1,592,027	2.1	Segro plc	22,526	161,303	0.2
British American Tobacco-UK List	25,477	1,025,302	1.4	Severn Trent	6,893	143,094	0.2
British Land	24,934	172,668	0.2	Smiths Group	8,291	139,209	0.2
Britvic plc	18,013	158,251	0.2	Tate & Lyle	12,320	94,445	0.1
Cairn Homes	103,276	151,816	0.2	Taylor Wimpey	103,453	199,545	0.3
Centrica plc	102,841	178,852	0.2	TBC Bank Group	4,206	79,522	0.1
Cineworld Group	32,401	114,808	0.2	Tritax Big Box REIT	58,280	96,513	0.1
Close Brothers Group	8,275	146,977	0.2	TUI AG-UK List	13,110	216,811	0.3
Compass Group	27,026	517,650	0.7	United Utilities Group	17,633	139,371	0.2
Computacenter plc	9,609	136,580	0.2	Vesuvius plc	13,162	95,388	0.1
Costain Group	15,921	74,539	0.1			72,953,857	97.7
Direct Line Insurance Group	36,761	133,682	0.2			-----	----
Drax Group	25,696	111,994	0.2	<b>(II) Derivatives</b> (0.2%)			
DS Smith	14,419	77,430	0.1	<b>Forward foreign exchange contracts</b> (0.2%)			
Easyjet plc	7,143	105,378	0.1			111,902	0.2
Evraz PLC	32,930	209,480	0.3	<b>Futures</b> (0.0%)			
Ferguson PLC	5,400	394,987	0.5	Euro Stoxx 50 (EUX) Fut 12/18	19	8,930	0.0
Games Workshop Group	4,149	176,313	0.2	FTSE 100 Idx (LIF) Fut 12/18	6	14,831	0.0
GlaxoSmithKline plc	62,558	1,079,382	1.4				
Glencore plc-UK List	176,959	659,012	0.9			135,663	0.2
Go-Ahead Group	9,265	167,162	0.2			-----	----
Great Portland Estates	10,976	82,454	0.1	<b>Total Listed/Quoted Investments</b>			
Hansteen Hldgs	91,781	99,954	0.1			73,089,520	97.9
HSBC Hldgs-UK List	203,899	1,533,329	2.1	<b>Other net assets</b>			
Ibstock plc	38,966	103,071	0.1			1,549,053	2.1
IG Group Hldgs	9,842	70,056	0.1	<b>Net assets attributable to holders of redeemable units at 30 September 2018</b>			
Imperial Brands	14,330	429,729	0.6			74,638,573	100.0
John Wood Group	18,469	159,997	0.2			=====	=====
Kier Group	7,785	79,145	0.1	<b>Total investments, at cost</b>			
Legal & General Group	142,538	419,603	0.6			71,311,315	
Lloyds Banking Group	958,218	637,638	0.9				
Londonmetric Property	66,467	132,682	0.2				
Meggitt plc	21,559	137,097	0.2				
Mondi plc	6,878	162,474	0.2				
Morgan Advanced Materials	29,373	109,553	0.2				
National Express Group	39,506	173,338	0.2				
Next plc	2,913	179,682	0.2				

Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 (*Unaudited*)

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
United Kingdom	32.9	28.7
France	12.7	13.5
Germany	9.8	8.8
Switzerland	7.8	4.1
Sweden	7.6	7.3
Spain	5.9	9.0
Norway	4.7	2.9
Italy	4.4	4.6
Netherlands	4.4	4.4
Finland	2.9	3.6
Denmark	1.6	2.7
Portugal	1.0	0.6
Belgium	0.8	0.5
Ireland	0.7	0.4
Austria	0.5	0.3
<b>Derivatives</b>		
Forward foreign exchange contracts	0.2	0.9
Futures	0.0	0.1
<b>Total Listed/Quoted Investments</b>	<b>97.9</b>	<b>92.4</b>
<b>Other net assets</b>	<b>2.1</b>	<b>7.6</b>
<b>Net assets attributable to holders of redeemable units at 30 September</b>	<b>100.0</b>	<b>100.0</b>

**Statement of Financial Position  
As at 30 September 2018**

	2018 EUR	2017 EUR
<b>Assets</b>		
Cash at banks	1,601,026	4,325,805
Amounts due from brokers	531,678	18,526
Amounts receivable on allotment	252,953	1,263,013
Margin deposits	166,520	257,818
Derivatives [Note 4(l)(a)]	1,261,898	1,022,321
Investments [Note 4(l)(a)]	72,953,857	60,926,751
Dividend and other accounts receivable	85,417	49,110
<b>Total assets</b>	<b>76,853,349</b>	<b>67,863,344</b>
<b>Liabilities</b>		
Amounts due to brokers	-	72,093
Amounts payable on redemption	439,817	278,620
Distribution payable [Note 6]	488,933	355,399
Derivatives [Note 4(l)(a)]	1,126,235	387,655
Other accounts payable	159,791	158,676
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>2,214,776</b>	<b>1,252,443</b>
<b>Net assets attributable to holders of redeemable units (In accordance with HKFRS) [Note 3]</b>	<b>74,638,573</b>	<b>66,610,901</b>
Fair value adjustment of units of the Fund [Note 3]	-	15,179
<b>Net assets attributable to holders of redeemable units (In accordance with the Trust Deed) [Note 3]</b>	<b>74,638,573</b>	<b>66,626,080</b>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

**Statement of Comprehensive Income  
For the year ended 30 September 2018**

	2018 EUR	2017 EUR
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 5]	(918,445)	442,842
Dividend income	3,948,289	925,751
Interest on deposits	8,163	2,835
Net foreign currency exchange losses	(212,878)	(200,264)
Other income	515	-
	<b>2,825,644</b>	<b>1,171,164</b>
<b>Expenses</b>		
Management fee [Note 8(e)]	1,309,667	386,950
Transaction costs	622,111	487,596
Safe custody and bank charges	77,724	44,969
Registrar's fee [Note 8(h)]	42,457	25,141
Trustee's fee [Note 9]	37,747	14,544
Valuation fee [Note 8(e)]	14,410	11,503
Auditor's fee	13,854	11,697
Legal and professional expenses	3,156	464
Printing and publication expenses	515	1,192
Other operating expenses	647	1,419
	<b>2,122,288</b>	<b>984,475</b>
<b>Net operating profit</b>	<b>703,356</b>	<b>185,689</b>
<b>Finance costs</b>		
Distribution [Note 6]	(6,428,848)	(1,867,000)
Interest expense	(1,844)	(3,706)
	<b>(6,430,692)</b>	<b>(1,870,706)</b>
<b>Loss before taxation</b>	<b>(5,727,336)</b>	<b>(1,685,017)</b>
Taxation [Note 7]	(642,859)	(132,435)
	<b>(6,370,195)</b>	<b>(1,817,452)</b>
Change in cumulative difference arising from the fair value adjustment of units of the Fund	(15,179)	(17,869)
<b>Decrease in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>(6,385,374)</b>	<b>(1,835,321)</b>

*The notes on pages 333 to 357 form part of these financial statements.*

Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units  
For the year ended 30 September 2018

	2018 EUR	2017 EUR
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	66,626,080	11,299,116
	-----	-----
Allotment of redeemable units [Note 3]	165,637,316	99,341,964
Redemption of redeemable units [Note 3]	(151,239,449)	(42,179,679)
	-----	-----
<b>Net allotment</b>	14,397,867	57,162,285
	-----	-----
	81,023,947	68,461,401
 <b>Decrease in net assets attributable to holders of redeemable units and total comprehensive income</b>	 (6,385,374)	 (1,835,321)
	-----	-----
 <b>Net assets attributable to holders of redeemable units at the end of the year</b>	 74,638,573	 66,626,080
	=====	=====

Statement of Cash Flows  
For the year ended 30 September 2018

	2018 EUR	2017 EUR
<b>Operating activities</b>		
Purchase of investments and derivatives	(89,852,288)	(68,593,373)
Proceeds from disposal of investments and derivatives	76,820,346	18,937,128
Dividend received	3,911,351	890,949
Decrease/(increase) in margin deposits	91,298	(257,818)
Interest received	8,823	1,763
Trustee's fee paid	(37,608)	(12,576)
Registrar's fee paid	(45,534)	(17,513)
Transaction costs paid	(626,275)	(470,980)
Tax paid	(642,383)	(132,891)
Management fee paid	(1,298,738)	(325,747)
Others	(321,601)	(205,757)
	-----	-----
<b>Net cash outflow from operating activities</b>	(11,992,609)	(50,186,815)
	-----	-----
<b>Financing activities</b>		
Interest paid	(1,844)	(3,706)
Receipts on allotment of redeemable units	166,647,376	98,097,093
Payments on redemption of redeemable units	(151,078,252)	(41,945,838)
Distribution paid	(6,295,314)	(1,578,330)
	-----	-----
<b>Net cash inflow from financing activities</b>	9,271,966	54,569,219
	-----	-----
 <b>(Decrease)/increase in cash and cash equivalents</b>	 (2,720,643)	 4,382,404
Cash and cash equivalents at the beginning of the year	4,325,805	13,112
Exchange losses on cash and cash equivalents	(4,136)	(69,711)
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	1,601,026	4,325,805
	=====	=====
 <b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	1,601,026	4,325,805
	=====	=====

The notes on pages 333 to 357 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Europe Strategic Dividend Fund (the "Fund") was established under a Trust Deed dated 10 March 2016, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to aim to provide income and long-term capital growth by investing at least 70% of its non-cash assets in equity securities of companies which are based in, listed on stock exchange of or operate principally in Europe and are expected to pay dividends.

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial Instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.



*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(e) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(f) Foreign currency translation***Functional and presentation currency*

The Fund has adopted Euro as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(g) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(h) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(i) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(j) Formation expenses**

Formation expenses are recognized as an expense in the period in which they are incurred.

**(k) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**(l) Distribution payable to holders of redeemable units**

Proposed distributions to holders of redeemable units are recognized in the Statement of Comprehensive Income when they are appropriately authorized. The distribution on the redeemable units is recognized as a finance cost in the Statement of Comprehensive Income.

**3 Net assets attributable to holders of redeemable units and number of units in issue**Fair value adjustment of units of the Fund

As stated in Note 2(k), units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to the holders of redeemable units and is carried at the redemption amount that would be payable at the Statement of Financial Position date, if the holders of redeemable units exercised the right to redeem units of the Fund. The redemption amount is determined based on the net assets attributable to holders of redeemable units calculated in accordance with the provisions of the Trust Deed ("Trust Deed NAV").

	2018 EUR	2017 EUR
Net assets attributable to holders of redeemable units (In accordance with HKFRS)	74,638,573	66,610,901
Fair value adjustment of units of the Fund:		
Unamortized formation expenses as at 30 September [Note 3(a)]	-	15,179
Net assets attributable to holders of redeemable units (In accordance with the Trust Deed)	<u>74,638,573</u>	<u>66,626,080</u>

Note:

- (a) In accordance with the provisions of the Trust Deed, the formation expenses (including legal, accounting, and other professional fees and expenses) or costs incidental to the establishment of the Fund will be paid out of the assets of the Fund and amortized over the first three financial years. However, as stated in Note 2(j), the accounting policy of the Fund for the purpose of compliance with HKAS 38 "Intangible Assets" and for reporting purposes is to expense the expenditure incurred in the formation of the Fund in the period in which they arose.

Number of units in issue2018

	AUD Hedged Class (mth) Units	EUR Class (mth) Units	HKD Hedged Class (mth) Units	RMB Hedged Class (mth) Units	USD Hedged Class (mth) Units
Number of units in issue:					
At the beginning of the year	1,127,731.916	199,023.291	23,923,751.141	9,132,125.873	1,824,001.946
Total allotments	3,375,337.943	555,372.380	53,783,257.366	24,426,090.316	4,728,607.416
Total redemptions	(2,328,353.476)	(448,369.231)	(57,511,376.428)	(18,543,260.933)	(4,611,007.605)
At the end of the year	<u>2,174,716.383</u>	<u>306,026.440</u>	<u>20,195,632.079</u>	<u>15,014,955.256</u>	<u>1,941,601.757</u>
	A\$	EUR	HK\$	CNY	US\$
Net assets attributable to holders of redeemable units (In accordance with the Trust Deed)	<u>21,871,588</u>	<u>3,081,731</u>	<u>202,973,196</u>	<u>150,331,738</u>	<u>19,483,524</u>
Net assets attributable to holders of redeemable units (per unit)	<u>10.06</u>	<u>10.07</u>	<u>10.05</u>	<u>10.01</u>	<u>10.03</u>

2017

	AUD Hedged Class (mth) Units	EUR Class (mth) Units	HKD Hedged Class (mth) Units	RMB Hedged Class (mth) Units	USD Hedged Class (mth) Units
Number of units in issue:					
At the beginning of the year	323,570.988	106,391.548	2,004,309.631	1,418,692.606	441,183.388
Total allotments	1,853,646.370	216,771.838	33,275,678.550	9,427,969.311	3,200,690.997
Total redemptions	(1,049,485.442)	(124,140.095)	(11,356,237.040)	(1,714,536.044)	(1,817,872.439)
At the end of the year	<u>1,127,731.916</u>	<u>199,023.291</u>	<u>23,923,751.141</u>	<u>9,132,125.873</u>	<u>1,824,001.946</u>
	A\$	EUR	HK\$	CNY	US\$
Net assets attributable to holders of redeemable units (in accordance with the Trust Deed)	<u>12,066,409</u>	<u>2,131,321</u>	<u>255,378,044</u>	<u>97,200,385</u>	<u>19,458,787</u>
Net assets attributable to holders of redeemable units (per unit)	<u>10.70</u>	<u>10.71</u>	<u>10.67</u>	<u>10.64</u>	<u>10.67</u>

#### 4 Financial risk management

##### (l) Financial risk factors

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

##### (a) Market risk

##### (i) Market price risk

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Beta of the Fund on a regular basis. Beta measures the statistical relationship between the return of the Fund and the relevant benchmark index chosen by the Investment Manager.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
Listed/Quoted Investments	Fair value of investments EUR	% of net assets	Fair value of investments EUR	% of net assets
<u>Assets</u>				
Equities				
- United Kingdom	24,546,261	32.9	19,111,128	28.7
- France	9,505,531	12.7	8,977,603	13.5
- Germany	7,327,972	9.8	5,884,497	8.8
- Switzerland	5,819,357	7.8	2,730,896	4.1
- Sweden	5,708,794	7.6	4,846,433	7.3
- Spain	4,391,640	5.9	5,987,642	9.0
- Others	15,654,302	21.0	13,388,552	20.0
	<u>72,953,857</u>	<u>97.7</u>	<u>60,926,751</u>	<u>91.4</u>
	-----	-----	-----	-----
Derivatives				
- Forward foreign exchange contracts	1,238,137	1.7	963,187	1.5
- Futures	23,761	0.0	59,134	0.1
	<u>1,261,898</u>	<u>1.7</u>	<u>1,022,321</u>	<u>1.6</u>
	-----	-----	-----	-----
	74,215,755	99.4	61,949,072	93.0
<u>Liabilities</u>				
Derivatives				
- Forward foreign exchange contracts	(1,126,235)	(1.5)	(387,655)	(0.6)
	<u>(1,126,235)</u>	<u>(1.5)</u>	<u>(387,655)</u>	<u>(0.6)</u>
	-----	-----	-----	-----
Total Listed/Quoted Investments	<u>73,089,520</u>	<u>97.9</u>	<u>61,561,417</u>	<u>92.4</u>
	=====	=====	=====	=====

Also, refer to Note 12 for the exposures on derivative contracts.

	Net asset value EUR	Relevant benchmark index for the Fund (Note*)	Beta (Note**)	% of reasonable possible change of the relevant benchmark index (Note***)	Estimated impact on net asset value (Note****) EUR
As at 30 September 2018	<u>74,638,573</u>	MSCI Europe Net Hedged to USD	1.02	+4.3	<u>3,273,648</u>
As at 30 September 2017	<u>66,626,080</u>	MSCI Europe Net Hedged to USD	1.01	+19.6	<u>13,189,299</u>

If the relevant benchmark index return was to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Relevant benchmark index for the Fund represents the relevant market index used by the Investment Manager in monitoring the market price risk of the Fund.

- \*\* Beta measures the statistical relationship between the return of the Fund and the respective benchmark index over the maximum of past 36 months, or the number of months since portfolio inception. For funds launched within a period of less than 12 months, weekly returns of the Fund are used for calculating the Beta.
- \*\*\* % of reasonable possible change is based on the actual historical change in the benchmark index in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. For funds launched within a period of less than 12 months, actual historical change in the benchmark index since the commencement of operations will be used to calculate the % of reasonable possible change.
- \*\*\*\* Estimated impact on net asset value of the Fund is calculated by applying the relevant Beta against the net asset value of the Fund multiplied by the % of reasonable possible change of the relevant benchmark index, assuming all other variables that may impact the net asset value of the Fund are held constant.

## (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month EUR	2017 Less than 1 month EUR
Cash at banks	1,601,026	4,325,805
Margin deposits	166,520	257,818
Total interest sensitivity gap	<u>1,767,546</u>	<u>4,583,623</u>

Any cash and cash equivalents and margin deposits are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

## (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The Fund enters in some forward foreign exchange contracts to hedge some of its foreign currency exposures to maintain limited exposure to non-EUR currencies. Refer to Note 12(a) for the outstanding forward foreign exchange contracts as at year end.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

Net currency exposures (Note*)	EUR equivalent	% of reasonable possible change against EUR (Note**)	Estimated impact on net asset value EUR
<u>2018</u>			
Australian Dollar	13,802,571	-6.1	(841,957)
Chinese Yuan (Offshore)	19,129,023	-1.6	(306,064)
Danish Krone	57,326	-0.2	(115)
Hong Kong Dollar	22,622,673	+1.6	361,963
Norwegian Krone	268,625	-0.5	(1,343)
Sterling	210,930	-1.1	(2,320)
Swedish Krona	291,730	-6.6	(19,254)
Swiss Franc	293,425	+0.8	2,347
United States Dollar	16,920,999	+1.8	304,578
	<u>73,597,302</u>		<u>(502,165)</u>
<u>2017</u>			
Australian Dollar	7,940,443	-2.5	(198,511)
Chinese Yuan (Offshore)	12,265,866	-4.6	(564,230)
Danish Krone	233,879	+0.1	234
Hong Kong Dollar	27,402,626	-5.6	(1,534,547)
Norwegian Krone	172,958	-4.6	(7,956)
Sterling	400,842	-1.8	(7,215)
Swedish Krona	(2,020,157)	-0.2	4,040
Swiss Franc	2,731,858	-4.8	(131,129)
United States Dollar	16,299,720	-4.9	(798,686)
	<u>65,428,035</u>		<u>(3,238,000)</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

## (b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 EUR	2017 EUR
Cash at banks	1,601,026	4,325,805
Amounts due from brokers	531,678	18,526
Amounts receivable on allotment	252,953	1,263,013
Margin deposits	166,520	257,818
Derivatives issued by brokers	1,238,137	963,187
Dividend and other accounts receivable	85,417	49,110
	<u>3,875,731</u>	<u>6,877,459</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/brokers/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties EUR	2017 Exposure to counterparties EUR
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	1,601,026	4,325,805
Margin deposits with brokers and derivatives held with/issued by brokers		
S&P(AA)/Moody's(Aa)/FITCH(AA)	20,661	552,630
S&P(A)/Moody's(A)/FITCH(A)	1,407,191	668,375
S&P(BBB)/Moody's(Baa)/FITCH(BBB)	566	-
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	<u>72,953,857</u>	<u>60,926,751</u>

### (c) Liquidity risk

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018		2017	
	Less than 1 month EUR	1 to 12 months EUR	Less than 1 month EUR	1 to 12 months EUR
Amounts due to brokers	-	-	72,093	-
Amounts payable on redemption	439,817	-	278,620	-
Distribution payable	488,933	-	355,399	-
Derivatives	1,120,362	5,873	384,565	3,090
Other accounts payable	159,791	-	158,676	-
Net assets attributable to holders of redeemable units	<u>74,638,573</u>	<u>-</u>	<u>66,626,080</u>	<u>-</u>
Total financial liabilities	<u>76,847,476</u>	<u>5,873</u>	<u>67,875,433</u>	<u>3,090</u>



The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

#### (d) Offsetting and amounts subject to master netting arrangements and similar agreements

As at 30 September 2018 and 2017, the Fund was subject to master netting arrangements with certain derivative counterparties. All of the derivative assets and liabilities of the Fund were held with these counterparties and the collateral and margin deposits maintained by the Fund were for the purpose of providing collateral on derivative positions.

In the event of default, the Fund and its counterparties have the option to settle transactions on net basis. An event of default may include failure to pay or deliver, breach of agreement or bankruptcy.

The following tables summarize the Fund's financial assets and liabilities subject to offsetting, master netting arrangements and similar agreements as at 30 September by types of financial instruments.

	Gross amounts of recognized financial assets presented in the Statement of Financial Position EUR	Financial Instruments EUR	Collateral and margin deposits EUR	Related amounts subject to master netting arrangements and similar agreements net off against	Net amount EUR
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#### 2018

##### Assets

Margin deposits	166,520	-	-		166,520
Derivatives	269,188	(231,815)	-		37,373
Financial assets at fair value through profit and loss	435,708	(231,815)	-		203,893

	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position EUR	Financial Instruments EUR	Collateral and margin deposits EUR	Related amounts subject to master netting arrangements and similar agreements net off against	Net amount EUR
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##### Liabilities

Derivatives	279,688	(231,815)	-		47,873
Financial liabilities at fair value through profit and loss	279,688	(231,815)	-		47,873

	Gross amounts of recognized financial assets presented in the Statement of Financial Position EUR	Financial Instruments EUR	Collateral and margin deposits EUR	Related amounts subject to master netting arrangements and similar agreements net off against	Net amount EUR
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#### 2017

##### Assets

Margin deposits	257,818	-	-		257,818
Derivatives	59,134	-	-		59,134
Financial assets at fair value through profit and loss	316,952	-	-		316,952

The amount of financial liabilities subject to offsetting, master netting arrangements and similar agreements as at 30 September 2017 was nil.

**(II) Capital risk management**

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

**(III) Fair value estimation**

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Listed/Quoted Investments				
<u>2018</u>				
<u>Assets</u>				
Equities	72,953,857	-	-	72,953,857
Derivatives	23,761	1,238,137	-	1,261,898
Total financial assets at fair value through profit and loss	72,977,618	1,238,137	-	74,215,755
<u>Liabilities</u>				
Derivatives	-	1,126,235	-	1,126,235
Total financial liabilities at fair value through profit and loss	-	1,126,235	-	1,126,235
<u>2017</u>				
<u>Assets</u>				
Equities	60,926,751	-	-	60,926,751
Derivatives	59,134	963,187	-	1,022,321
Total financial assets at fair value through profit and loss	60,985,885	963,187	-	61,949,072
<u>Liabilities</u>				
Derivatives	-	387,655	-	387,655
Total financial liabilities at fair value through profit and loss	-	387,655	-	387,655

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the years ended 30 September 2018 and 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 5 Net (losses)/gains on investments and derivatives

	2018 EUR	2017 EUR
Change in unrealized gains/losses in value of investments and derivatives	(944,251)	2,636,031
Realized gains/(losses) on sale of investments and derivatives	25,806	(2,193,189)
	<u>(918,445)</u>	<u>442,842</u>

## 6 Distribution

It is the intention of the Manager to have at least 85% of the income attributable to the distribution class(es) respectively in respect of each accounting period, after charging the expenses attributable to these distribution class(es) respectively, to be distributed to unitholders of these distribution class(es) respectively.

In the event that the amount available for distribution is insufficient to pay distributions as the Fund declares, the Manager may in its discretion determine that such distributions be paid from capital.

	2018 EUR	2017 EUR
Net operating profit	703,356	185,689
Adjustments:		
Net losses/(gains) on investments and derivatives	918,445	(442,842)
Net foreign currency exchange losses	212,878	200,264
Transaction costs	622,111	487,596
Interest expense	(1,844)	(3,706)
Taxation	(642,859)	(132,435)
Amount available for distribution	<u>1,812,087</u>	<u>294,566</u>

Distribution Class	Ex date	Pay date	Rate	Units	2018 EUR	2017 EUR
AUD Hedged Class (mth)	31.10.2017	8.11.2017	A\$0.0634	1,552,934.538	(64,802)	
EUR Class (mth)	31.10.2017	8.11.2017	EURO.0410	637,557.796	(26,140)	
HKD Hedged Class (mth)	31.10.2017	8.11.2017	HK\$0.0502	24,427,452.005	(134,921)	
RMB Hedged Class (mth)	31.10.2017	8.11.2017	CNY0.0785	8,996,282.894	(91,412)	
USD Hedged Class (mth)	31.10.2017	8.11.2017	US\$0.0590	1,901,078.915	(96,282)	
AUD Hedged Class (mth)	30.11.2017	8.12.2017	A\$0.0615	1,673,644.958	(65,533)	
EUR Class (mth)	30.11.2017	8.12.2017	EURO.0410	641,953.775	(26,320)	
HKD Hedged Class (mth)	30.11.2017	8.12.2017	HK\$0.0524	25,573,867.714	(143,900)	
RMB Hedged Class (mth)	30.11.2017	8.12.2017	CNY0.0771	9,923,411.079	(97,035)	
USD Hedged Class (mth)	30.11.2017	8.12.2017	US\$0.0578	1,997,866.755	(96,848)	
AUD Hedged Class (mth)	29.12.2017	9.1.2018	A\$0.0703	1,673,185.926	(76,616)	
EUR Class (mth)	29.12.2017	9.1.2018	EURO.0410	641,894.400	(26,318)	
HKD Hedged Class (mth)	29.12.2017	9.1.2018	HK\$0.0631	25,169,769.349	(169,193)	
RMB Hedged Class (mth)	29.12.2017	9.1.2018	CNY0.0884	10,073,080.090	(113,874)	
USD Hedged Class (mth)	29.12.2017	9.1.2018	US\$0.0682	1,914,712.637	(108,747)	

Distribution Class	Ex date	Pay date	Rate	Units	2018 EUR	2017 EUR
AUD Hedged Class (mth)	31.1.2018	8.2.2018	A\$0.0663	1,934,439.222	(83,366)	
EUR Class (mth)	31.1.2018	8.2.2018	EUR0.0410	283,656.727	(11,630)	
HKD Hedged Class (mth)	31.1.2018	8.2.2018	HK\$0.0579	37,160,902.544	(220,824)	
RMB Hedged Class (mth)	31.1.2018	8.2.2018	CNY0.0842	15,104,751.282	(162,199)	
USD Hedged Class (mth)	31.1.2018	8.2.2018	US\$0.0654	2,992,186.705	(157,085)	
AUD Hedged Class (mth)	28.2.2018	8.3.2018	A\$0.0606	2,008,033.189	(77,747)	
EUR Class (mth)	28.2.2018	8.3.2018	EUR0.0410	278,715.761	(11,427)	
HKD Hedged Class (mth)	28.2.2018	8.3.2018	HK\$0.0515	37,673,103.925	(203,284)	
RMB Hedged Class (mth)	28.2.2018	8.3.2018	CNY0.0776	16,769,102.466	(168,568)	
USD Hedged Class (mth)	28.2.2018	8.3.2018	US\$0.0591	2,852,731.081	(138,233)	
AUD Hedged Class (mth)	29.3.2018	11.4.2018	A\$0.0651	2,090,918.704	(84,897)	
EUR Class (mth)	29.3.2018	11.4.2018	EUR0.0410	295,011.963	(12,096)	
HKD Hedged Class (mth)	29.3.2018	11.4.2018	HK\$0.0546	34,732,827.442	(196,474)	
RMB Hedged Class (mth)	29.3.2018	11.4.2018	CNY0.0832	18,094,691.514	(194,797)	
USD Hedged Class (mth)	29.3.2018	11.4.2018	US\$0.0652	2,825,778.055	(149,807)	
AUD Hedged Class (mth)	30.4.2018	9.5.2018	A\$0.0638	2,172,971.522	(86,616)	
EUR Class (mth)	30.4.2018	9.5.2018	EUR0.0410	300,919.465	(12,338)	
HKD Hedged Class (mth)	30.4.2018	9.5.2018	HK\$0.0529	30,715,432.414	(171,357)	
RMB Hedged Class (mth)	30.4.2018	9.5.2018	CNY0.0760	17,345,665.800	(172,669)	
USD Hedged Class (mth)	30.4.2018	9.5.2018	US\$0.0639	2,803,494.689	(148,273)	
AUD Hedged Class (mth)	31.5.2018	8.6.2018	A\$0.0640	2,210,859.485	(91,718)	
EUR Class (mth)	31.5.2018	8.6.2018	EUR0.0410	308,664.990	(12,655)	
HKD Hedged Class (mth)	31.5.2018	8.6.2018	HK\$0.0549	25,157,458.320	(150,838)	
RMB Hedged Class (mth)	31.5.2018	8.6.2018	CNY0.0801	15,292,122.379	(163,820)	
USD Hedged Class (mth)	31.5.2018	8.6.2018	US\$0.0642	2,793,006.690	(153,612)	
AUD Hedged Class (mth)	29.6.2018	10.7.2018	A\$0.0639	2,156,924.268	(87,220)	
EUR Class (mth)	29.6.2018	10.7.2018	EUR0.0410	317,691.602	(13,025)	
HKD Hedged Class (mth)	29.6.2018	10.7.2018	HK\$0.0579	23,230,103.739	(146,837)	
RMB Hedged Class (mth)	29.6.2018	10.7.2018	CNY0.0798	16,929,232.505	(174,580)	
USD Hedged Class (mth)	29.6.2018	10.7.2018	US\$0.0649	2,474,323.806	(137,539)	
AUD Hedged Class (mth)	31.7.2018	8.8.2018	A\$0.0662	2,137,327.268	(89,897)	
EUR Class (mth)	31.7.2018	8.8.2018	EUR0.0430	325,293.061	(13,988)	
HKD Hedged Class (mth)	31.7.2018	8.8.2018	HK\$0.0623	22,134,658.275	(150,191)	
RMB Hedged Class (mth)	31.7.2018	8.8.2018	CNY0.0739	17,572,162.428	(162,850)	
USD Hedged Class (mth)	31.7.2018	8.8.2018	US\$0.0661	2,044,073.288	(115,476)	
AUD Hedged Class (mth)	31.8.2018	10.9.2018	A\$0.0650	2,156,130.042	(87,112)	
EUR Class (mth)	31.8.2018	10.9.2018	EUR0.0430	312,055.306	(13,418)	
HKD Hedged Class (mth)	31.8.2018	10.9.2018	HK\$0.0593	20,010,196.570	(129,936)	
RMB Hedged Class (mth)	31.8.2018	10.9.2018	CNY0.0694	15,294,755.865	(133,532)	
USD Hedged Class (mth)	31.8.2018	10.9.2018	US\$0.0660	1,939,915.269	(110,043)	
AUD Hedged Class (mth)	28.9.2018	9.10.2018	A\$0.0652	2,174,716.383	(88,328)	
EUR Class (mth)	28.9.2018	9.10.2018	EUR0.0430	306,026.440	(13,159)	
HKD Hedged Class (mth)	28.9.2018	9.10.2018	HK\$0.0601	20,107,386.488	(132,963)	
RMB Hedged Class (mth)	28.9.2018	9.10.2018	CNY0.0764	15,001,597.326	(143,521)	
USD Hedged Class (mth)	28.9.2018	9.10.2018	US\$0.0656	1,964,660.388	(110,962)	
AUD Hedged Class (mth)	31.10.2016	8.11.2016	A\$0.0627	327,864.621		(14,270)
EUR Class (mth)	31.10.2016	8.11.2016	EUR0.0410	108,335.137		(4,442)
HKD Hedged Class (mth)	31.10.2016	8.11.2016	HK\$0.0514	1,994,100.006		(12,057)
RMB Hedged Class (mth)	31.10.2016	8.11.2016	CNY0.0815	1,419,646.950		(15,563)
USD Hedged Class (mth)	31.10.2016	8.11.2016	US\$0.0547	434,591.234		(21,686)
AUD Hedged Class (mth)	30.11.2016	8.12.2016	A\$0.0606	278,857.377		(11,770)
EUR Class (mth)	30.11.2016	8.12.2016	EUR0.0410	106,102.113		(4,350)
HKD Hedged Class (mth)	30.11.2016	8.12.2016	HK\$0.0500	1,956,435.014		(11,889)
RMB Hedged Class (mth)	30.11.2016	8.12.2016	CNY0.0773	1,496,745.330		(15,786)
USD Hedged Class (mth)	30.11.2016	8.12.2016	US\$0.0523	431,882.485		(21,293)
AUD Hedged Class (mth)	30.12.2016	10.1.2017	A\$0.0676	280,495.524		(13,017)
EUR Class (mth)	30.12.2016	10.1.2017	EUR0.0410	106,504.633		(4,367)
HKD Hedged Class (mth)	30.12.2016	10.1.2017	HK\$0.0574	1,901,111.597		(13,344)
RMB Hedged Class (mth)	30.12.2016	10.1.2017	CNY0.1077	1,498,390.587		(21,962)
USD Hedged Class (mth)	30.12.2016	10.1.2017	US\$0.0593	238,569.747		(13,413)

Distribution Class	Ex date	Pay date	Rate	Units	2018 EUR	2017 EUR
EUR Class (mth)	27.1.2017	8.2.2017	EUR0.0410	108,455.490		(4,447)
AUD Hedged Class (mth)	27.1.2017	8.2.2017	A\$0.0663	380,672.067		(17,809)
HKD Hedged Class (mth)	27.1.2017	8.2.2017	HK\$0.0552	2,255,263.283		(14,988)
RMB Hedged Class (mth)	27.1.2017	8.2.2017	CNY0.1429	1,548,310.932		(30,114)
USD Hedged Class (mth)	27.1.2017	8.2.2017	US\$0.0578	290,175.850		(15,667)
AUD Hedged Class (mth)	28.2.2017	8.3.2017	A\$0.0595	327,918.020		(14,117)
EUR Class (mth)	28.2.2017	8.3.2017	EUR0.0410	114,400.392		(4,690)
HKD Hedged Class (mth)	28.2.2017	8.3.2017	HK\$0.0484	2,429,461.332		(14,256)
RMB Hedged Class (mth)	28.2.2017	8.3.2017	CNY0.0929	1,550,865.479		(19,804)
USD Hedged Class (mth)	28.2.2017	8.3.2017	US\$0.0524	328,064.776		(16,178)
AUD Hedged Class (mth)	31.3.2017	11.4.2017	A\$0.0636	325,302.538		(14,756)
EUR Class (mth)	31.3.2017	11.4.2017	EUR0.0410	113,322.281		(4,647)
HKD Hedged Class (mth)	31.3.2017	11.4.2017	HK\$0.0510	2,839,961.605		(17,425)
RMB Hedged Class (mth)	31.3.2017	11.4.2017	CNY0.0877	1,591,175.663		(18,986)
USD Hedged Class (mth)	31.3.2017	11.4.2017	US\$0.0567	368,083.665		(19,513)
AUD Hedged Class (mth)	28.4.2017	10.5.2017	A\$0.0615	443,115.189		(18,715)
EUR Class (mth)	28.4.2017	10.5.2017	EUR0.0410	111,620.858		(4,576)
HKD Hedged Class (mth)	28.4.2017	10.5.2017	HK\$0.0482	3,559,053.915		(20,255)
RMB Hedged Class (mth)	28.4.2017	10.5.2017	CNY0.0794	1,943,852.458		(20,546)
USD Hedged Class (mth)	28.4.2017	10.5.2017	US\$0.0558	476,590.917		(24,421)
AUD Hedged Class (mth)	31.5.2017	8.6.2017	A\$0.0636	671,942.826		(28,292)
EUR Class (mth)	31.5.2017	8.6.2017	EUR0.0410	162,567.917		(6,665)
HKD Hedged Class (mth)	31.5.2017	8.6.2017	HK\$0.0490	7,542,985.232		(42,180)
RMB Hedged Class (mth)	31.5.2017	8.6.2017	CNY0.0858	2,965,372.550		(33,480)
USD Hedged Class (mth)	31.5.2017	8.6.2017	US\$0.0569	1,332,741.572		(67,437)
AUD Hedged Class (mth)	30.6.2017	10.7.2017	A\$0.0639	923,791.777		(39,699)
EUR Class (mth)	30.6.2017	10.7.2017	EUR0.0410	168,763.796		(6,919)
HKD Hedged Class (mth)	30.6.2017	10.7.2017	HK\$0.0503	11,093,218.114		(62,670)
RMB Hedged Class (mth)	30.6.2017	10.7.2017	CNY0.0950	4,133,833.843		(50,781)
USD Hedged Class (mth)	30.6.2017	10.7.2017	US\$0.0588	1,397,705.001		(72,057)
AUD Hedged Class (mth)	31.7.2017	8.8.2017	A\$0.0628	1,006,073.531		(42,783)
EUR Class (mth)	31.7.2017	8.8.2017	EUR0.0410	194,463.308		(7,973)
HKD Hedged Class (mth)	31.7.2017	8.8.2017	HK\$0.0483	16,539,036.975		(86,753)
RMB Hedged Class (mth)	31.7.2017	8.8.2017	CNY0.0807	5,818,973.531		(59,172)
USD Hedged Class (mth)	31.7.2017	8.8.2017	US\$0.0586	1,375,654.724		(68,374)
AUD Hedged Class (mth)	31.8.2017	8.9.2017	A\$0.0625	1,059,091.924		(44,159)
EUR Class (mth)	31.8.2017	8.9.2017	EUR0.0410	181,412.212		(7,438)
HKD Hedged Class (mth)	31.8.2017	8.9.2017	HK\$0.0485	21,727,917.548		(113,253)
RMB Hedged Class (mth)	31.8.2017	8.9.2017	CNY0.0712	7,673,939.599		(69,644)
USD Hedged Class (mth)	31.8.2017	8.9.2017	US\$0.0583	1,769,121.927		(86,753)
AUD Hedged Class (mth)	29.9.2017	11.10.2017	A\$0.0622	1,127,731.916		(46,557)
EUR Class (mth)	29.9.2017	11.10.2017	EUR0.0410	199,023.291		(8,160)
HKD Hedged Class (mth)	29.9.2017	11.10.2017	HK\$0.0488	23,972,864.989		(126,695)
RMB Hedged Class (mth)	29.9.2017	11.10.2017	CNY0.0729	9,109,704.280		(84,511)
USD Hedged Class (mth)	29.9.2017	11.10.2017	US\$0.0580	1,823,779.093		(89,476)
Total distribution to holders of redeemable units					(6,428,848)	(1,867,000)

## 7 Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Overseas tax was withheld or paid on certain dividend income received during the years ended 30 September 2018 and 2017.

## 8 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

- (a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments EUR	% of the Fund's total aggregate value of transactions	Commission paid EUR	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
J.P. Morgan Securities plc London	110,453	0.07	88	0.03	0.08
<u>2017</u>					
J.P. Morgan Securities plc London	916,209	1.03	450	0.39	0.05

- (b) Balances with the Manager and its Connected Persons as at year end:

	2018 EUR	2017 EUR
Cash at banks	222,712	1,305,761
Amounts receivable	308	497
Amounts payable	(95,090)	(85,825)

During the year, the interest income on cash at banks held with Connected Persons of the Manager was EUR8,080 (2017: EUR2,769).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.
- (d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to EUR1,639 (2017: EUR1,843).
- (e) Management fee of 1.5% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.
- The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.
- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (g) Refer to Note 9 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 9 Trustee's fee

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first EUR35 million, 0.04% per annum for the balance from EUR35 million to EUR60 million, and 0.025% per annum for the balance in excess of EUR60 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

## 10 Borrowings

During the years ended 30 September 2018 and 2017, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

**11 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**12 Derivatives**

(a) Outstanding forward foreign exchange contracts as at 30 September were as follows:

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) EUR
<u>2018</u>			
Open contracts:			
EUR95,870	A\$155,224	2 October 2018	825
EUR29,260	HK\$266,980	3 October 2018	113
EUR1,253	HK\$11,504	3 October 2018	13
EUR202,861	US\$235,674	4 October 2018	9
EUR1,131	HK\$10,286	5 October 2018	0
A\$1,497	EUR946	10 October 2018	14
A\$1,497	EUR946	10 October 2018	14
A\$1,509	EUR940	10 October 2018	1
CNH1,633,446	EUR205,048	10 October 2018	645
CNH562,532	EUR70,868	10 October 2018	474
CNH837,746	EUR105,062	10 October 2018	230
CNH822,984	EUR103,168	10 October 2018	183
CNH1,566,370	EUR196,153	10 October 2018	144
CNH380,427	EUR47,699	10 October 2018	94
CNH154,445	EUR19,420	10 October 2018	93
CNH164,823	EUR20,704	10 October 2018	79
CNH7,576	EUR954	10 October 2018	6
CNH7,518	EUR945	10 October 2018	5
CNH14,846	EUR1,862	10 October 2018	4
CNH8,143	EUR1,022	10 October 2018	3
CNH7,521	EUR944	10 October 2018	3
CNH9,911	EUR1,243	10 October 2018	3
EUR21,638,551	HK\$198,724,943	10 October 2018	215,318
EUR16,918,470	US\$19,837,464	10 October 2018	150,511
EUR163,890	Nkr1,595,550	10 October 2018	4,751
EUR268,442	GBP242,463	10 October 2018	3,715
EUR155,559	SKr1,631,962	10 October 2018	2,436
EUR150,526	SKr1,579,392	10 October 2018	2,380
EUR365,895	HK\$3,345,574	10 October 2018	2,019
EUR210,367	A\$340,963	10 October 2018	1,914
EUR124,450	HK\$1,147,517	10 October 2018	1,743
EUR176,828	HK\$1,622,664	10 October 2018	1,617
EUR110,419	A\$179,735	10 October 2018	1,483
EUR82,874	A\$135,364	10 October 2018	1,403
EUR103,409	HK\$953,069	10 October 2018	1,400
EUR125,063	HK\$1,149,239	10 October 2018	1,319
EUR187,199	GBP167,752	10 October 2018	1,096
EUR218,895	GBP195,894	10 October 2018	988
EUR122,539	HK\$1,122,898	10 October 2018	947
EUR71,013	A\$115,569	10 October 2018	939
EUR171,543	US\$200,416	10 October 2018	903
EUR55,287	A\$90,231	10 October 2018	890

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) EUR
EUR592,955	HK\$5,400,000	10 October 2018	882
EUR134,157	US\$156,921	10 October 2018	865
EUR261,248	US\$304,554	10 October 2018	802
EUR61,258	A\$99,596	10 October 2018	750
EUR145,263	HK\$1,327,434	10 October 2018	716
EUR119,021	A\$192,212	10 October 2018	648
EUR79,543	HK\$728,929	10 October 2018	618
EUR103,897	HK\$950,156	10 October 2018	591
EUR251,154	GBP224,272	10 October 2018	583
EUR80,364	HK\$735,047	10 October 2018	470
EUR108,659	HK\$991,463	10 October 2018	372
EUR129,433	US\$150,851	10 October 2018	365
EUR77,082	A\$124,388	10 October 2018	361
EUR146,315	CNH1,172,020	10 October 2018	347
EUR152,647	CNH1,222,451	10 October 2018	326
EUR49,894	HK\$456,506	10 October 2018	308
EUR115,439	US\$134,518	10 October 2018	306
EUR67,695	A\$109,208	10 October 2018	296
EUR31,407	HK\$288,003	10 October 2018	265
EUR25,105	HK\$230,550	10 October 2018	249
EUR35,847	HK\$327,931	10 October 2018	216
EUR22,467	HK\$206,156	10 October 2018	204
EUR23,824	CNH191,726	10 October 2018	168
EUR106,376	US\$123,806	10 October 2018	151
EUR11,454	HK\$105,412	10 October 2018	138
EUR11,813	US\$13,854	10 October 2018	108
EUR9,198	A\$14,943	10 October 2018	105
EUR26,643	US\$31,079	10 October 2018	99
EUR51,965	CNH416,035	10 October 2018	96
EUR33,273	A\$53,543	10 October 2018	62
EUR17,157	US\$20,012	10 October 2018	62
EUR10,146	US\$11,861	10 October 2018	60
EUR24,571	CNH196,715	10 October 2018	45
EUR21,752	US\$25,331	10 October 2018	44
EUR13,779	CNH110,405	10 October 2018	37
EUR21,965	HK\$200,000	10 October 2018	29
EUR34,027	US\$39,578	10 October 2018	27
EUR1,444	HK\$13,235	10 October 2018	12
EUR747	A\$1,217	10 October 2018	11
EUR68,702	CNH549,079	10 October 2018	8
EUR1,031	CNH8,301	10 October 2018	7
EUR3,171	CNH25,366	10 October 2018	3
EUR291	HK\$2,653	10 October 2018	1
EUR329	HK\$3,000	10 October 2018	1
EUR612	CNH4,900	10 October 2018	1
EUR109	US\$127	10 October 2018	1
GBP330,687	EUR373,116	10 October 2018	1,933
HK\$308,654	EUR33,960	10 October 2018	17
HK\$13,414	EUR1,476	10 October 2018	1
SFr5,223,161	EUR4,659,684	10 October 2018	55,346
SFr377,251	EUR334,867	10 October 2018	2,311
SFr565,919	EUR501,023	10 October 2018	2,152
SFr178,519	EUR157,706	10 October 2018	337
SFr96,255	EUR85,096	10 October 2018	245
US\$168,675	EUR145,607	10 October 2018	473
US\$58,326	EUR50,229	10 October 2018	43
US\$21,296	EUR18,348	10 October 2018	24
US\$1,182	EUR1,020	10 October 2018	3
US\$2,959	EUR2,550	10 October 2018	3
US\$2,296	EUR1,978	10 October 2018	2
US\$1,100	EUR947	10 October 2018	1
US\$1,100	EUR948	10 October 2018	1



Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) EUR
CNH387,756	EUR48,284	13 November 2018	1
EUR21,727,135	HK\$200,323,860	13 November 2018	252,410
EUR16,500,465	US\$19,479,103	13 November 2018	213,354
EUR13,444,968	A\$21,886,515	13 November 2018	147,905
EUR18,583,552	CNH150,292,484	13 November 2018	131,697
EUR177,184	HK\$1,632,082	13 November 2018	1,888
EUR177,206	HK\$1,632,069	13 November 2018	1,864
EUR153,577	CNH1,247,968	13 November 2018	1,831
EUR135,477	US\$159,851	13 November 2018	1,681
EUR135,874	US\$160,301	13 November 2018	1,671
EUR153,920	CNH1,245,591	13 November 2018	1,188
EUR110,753	A\$179,871	13 November 2018	957
EUR54,305	HK\$502,000	13 November 2018	775
EUR111,514	A\$180,775	13 November 2018	757
EUR82,153	US\$96,495	13 November 2018	642
EUR44,140	HK\$408,000	13 November 2018	626
EUR186,476	CNH1,501,782	13 November 2018	529
EUR94,452	US\$110,657	13 November 2018	494
EUR56,166	CNH454,478	13 November 2018	428
EUR43,774	US\$51,429	13 November 2018	353
EUR65,724	US\$77,006	13 November 2018	348
EUR43,169	CNH349,157	13 November 2018	310
EUR36,430	A\$59,100	13 November 2018	274
EUR48,044	CNH387,756	13 November 2018	241
EUR33,725	HK\$308,553	13 November 2018	129
EUR10,853	HK\$100,000	13 November 2018	119
EUR44,262	CNH356,383	13 November 2018	116
EUR4,613	US\$5,441	13 November 2018	56
EUR64,354	CNH516,958	13 November 2018	18
EUR543	HK\$5,000	13 November 2018	6
EUR330	HK\$3,050	13 November 2018	5
EUR427	CNH3,456	13 November 2018	3
EUR242	CNH1,967	13 November 2018	3
HK\$10,286	EUR1,129	13 November 2018	0
US\$235,674	EUR202,231	13 November 2018	23
Total unrealized gains			1,238,137
			-----
HK\$3,050	EUR331	2 October 2018	(5)
HK\$100,000	EUR10,885	2 October 2018	(118)
HK\$408,000	EUR44,267	3 October 2018	(621)
HK\$5,000	EUR544	4 October 2018	(6)
US\$77,006	EUR65,931	4 October 2018	(356)
A\$59,100	EUR36,532	5 October 2018	(277)
HK\$308,553	EUR33,812	5 October 2018	(130)
HK\$900,000	EUR98,969	8 October 2018	(17)
CNH387,756	EUR48,250	9 October 2018	(280)
A\$1,526	EUR948	10 October 2018	(2)
A\$1,903	EUR1,180	10 October 2018	(5)
A\$1,532	EUR945	10 October 2018	(9)
A\$1,541	EUR947	10 October 2018	(12)
A\$1,532	EUR939	10 October 2018	(14)
A\$1,532	EUR939	10 October 2018	(14)
A\$3,401	EUR2,103	10 October 2018	(15)
A\$1,539	EUR943	10 October 2018	(16)
A\$1,545	EUR945	10 October 2018	(17)
A\$25,837	EUR16,056	10 October 2018	(30)
A\$16,815	EUR10,343	10 October 2018	(126)
A\$52,582	EUR32,510	10 October 2018	(227)
A\$47,095	EUR28,992	10 October 2018	(329)
A\$140,740	EUR87,249	10 October 2018	(374)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) EUR
A\$41,168	EUR25,207	10 October 2018	(423)
A\$147,245	EUR91,181	10 October 2018	(492)
A\$239,986	EUR148,775	10 October 2018	(638)
A\$115,034	EUR70,973	10 October 2018	(646)
A\$103,536	EUR63,617	10 October 2018	(843)
A\$242,841	EUR150,327	10 October 2018	(863)
A\$199,089	EUR122,955	10 October 2018	(995)
A\$93,329	EUR57,058	10 October 2018	(1,048)
A\$178,809	EUR109,509	10 October 2018	(1,815)
A\$21,886,515	EUR13,477,350	10 October 2018	(148,920)
CNH11,491	EUR1,438	10 October 2018	(0)
CNH7,532	EUR942	10 October 2018	(1)
CNH7,528	EUR940	10 October 2018	(2)
CNH7,500	EUR936	10 October 2018	(2)
CNH7,552	EUR943	10 October 2018	(2)
CNH7,552	EUR943	10 October 2018	(2)
CNH7,556	EUR944	10 October 2018	(2)
CNH7,572	EUR945	10 October 2018	(3)
CNH7,552	EUR938	10 October 2018	(7)
CNH550,448	EUR68,871	10 October 2018	(10)
CNH1,060,496	EUR132,686	10 October 2018	(20)
CNH93,981	EUR11,733	10 October 2018	(27)
CNH194,553	EUR24,304	10 October 2018	(41)
CNH537,372	EUR67,184	10 October 2018	(61)
CNH445,067	EUR55,600	10 October 2018	(94)
CNH1,009,806	EUR126,251	10 October 2018	(113)
CNH379,704	EUR47,387	10 October 2018	(128)
CNH737,145	EUR92,052	10 October 2018	(191)
CNH150,292,484	EUR18,663,398	10 October 2018	(143,614)
DKr8,589,866	EUR1,151,935	10 October 2018	(0)
EUR1,256	CNH10,010	10 October 2018	(3)
EUR3,136	CNH25,008	10 October 2018	(6)
EUR21,012	US\$24,394	10 October 2018	(22)
EUR20,077	CNH160,000	10 October 2018	(56)
EUR16,241	CNH129,296	10 October 2018	(61)
EUR96,344	CNH769,293	10 October 2018	(78)
EUR178,667	US\$207,478	10 October 2018	(145)
EUR32,217	A\$51,456	10 October 2018	(181)
EUR127,604	CNH1,017,557	10 October 2018	(271)
EUR138,171	CNH1,101,930	10 October 2018	(280)
EUR68,147	A\$108,872	10 October 2018	(364)
EUR112,911	CNH898,029	10 October 2018	(536)
EUR181,892	CNH1,443,852	10 October 2018	(1,215)
EUR92,090	A\$145,871	10 October 2018	(1,273)
EUR153,069	SFr171,412	10 October 2018	(1,966)
EUR19,039,577	CNH152,099,206	10 October 2018	(6,483)
EUR13,603,294	A\$21,788,006	10 October 2018	(38,377)
GBP1,145,958	EUR1,285,255	10 October 2018	(1,037)
GBP450,447	EUR503,461	10 October 2018	(2,148)
GBP20,709,026	EUR23,171,651	10 October 2018	(73,411)
HK\$9,978	EUR1,096	10 October 2018	(1)
HK\$8,635	EUR948	10 October 2018	(1)
HK\$9,483	EUR1,041	10 October 2018	(2)
HK\$8,635	EUR946	10 October 2018	(3)
HK\$9,524	EUR1,044	10 October 2018	(4)
HK\$8,634	EUR944	10 October 2018	(5)
HK\$8,633	EUR942	10 October 2018	(7)
HK\$8,628	EUR941	10 October 2018	(8)
HK\$8,631	EUR940	10 October 2018	(9)
HK\$8,630	EUR939	10 October 2018	(10)
HK\$8,630	EUR939	10 October 2018	(10)
HK\$8,635	EUR938	10 October 2018	(11)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) EUR
HK\$8,635	EUR939	10 October 2018	(11)
HK\$11,282	EUR1,229	10 October 2018	(12)
HK\$8,635	EUR937	10 October 2018	(13)
HK\$93,533	EUR10,271	10 October 2018	(15)
HK\$13,516	EUR1,469	10 October 2018	(17)
HK\$28,581	EUR3,125	10 October 2018	(18)
HK\$25,018	EUR2,729	10 October 2018	(22)
HK\$46,562	EUR5,090	10 October 2018	(30)
HK\$463,233	EUR50,877	10 October 2018	(65)
HK\$171,219	EUR18,684	10 October 2018	(145)
HK\$115,347	EUR12,539	10 October 2018	(146)
HK\$266,889	EUR29,189	10 October 2018	(160)
HK\$471,738	EUR51,567	10 October 2018	(310)
HK\$828,853	EUR90,833	10 October 2018	(316)
HK\$384,728	EUR41,867	10 October 2018	(441)
HK\$495,301	EUR53,936	10 October 2018	(533)
HK\$1,566,569	EUR171,713	10 October 2018	(563)
HK\$1,184,739	EUR129,575	10 October 2018	(711)
HK\$6,083,401	EUR668,023	10 October 2018	(967)
HK\$1,848,802	EUR202,334	10 October 2018	(979)
HK\$2,442,714	EUR267,546	10 October 2018	(1,079)
HK\$863,903	EUR93,736	10 October 2018	(1,267)
HK\$1,856,578	EUR202,458	10 October 2018	(1,711)
HK\$200,323,860	EUR21,776,908	10 October 2018	(252,681)
Nkr33,321,373	EUR3,408,362	10 October 2018	(113,499)
SKr59,213,910	EUR5,643,301	10 October 2018	(89,371)
US\$1,100	EUR945	10 October 2018	(1)
US\$1,100	EUR945	10 October 2018	(1)
US\$1,100	EUR944	10 October 2018	(2)
US\$1,100	EUR943	10 October 2018	(3)
US\$1,494	EUR1,281	10 October 2018	(4)
US\$1,100	EUR940	10 October 2018	(6)
US\$2,361	EUR2,024	10 October 2018	(7)
US\$1,100	EUR938	10 October 2018	(9)
US\$2,396	EUR2,046	10 October 2018	(15)
US\$8,218	EUR7,018	10 October 2018	(52)
US\$26,120	EUR22,412	10 October 2018	(63)
US\$131,478	EUR113,059	10 October 2018	(69)
US\$153,442	EUR131,950	10 October 2018	(77)
US\$46,206	EUR39,672	10 October 2018	(86)
US\$76,851	EUR66,033	10 October 2018	(93)
US\$73,500	EUR63,048	10 October 2018	(194)
US\$78,507	EUR67,347	10 October 2018	(203)
US\$38,490	EUR32,909	10 October 2018	(209)
US\$127,185	EUR109,128	10 October 2018	(307)
US\$286,654	EUR245,657	10 October 2018	(992)
US\$172,232	EUR146,789	10 October 2018	(1,407)
US\$314,474	EUR267,632	10 October 2018	(2,954)
US\$19,479,103	EUR16,544,005	10 October 2018	(216,539)
A\$1,514	EUR934	13 November 2018	(6)
A\$155,224	EUR95,579	13 November 2018	(822)
CNH7,556	EUR936	13 November 2018	(5)
CNH7,538	EUR932	13 November 2018	(7)
CNH7,527	EUR924	13 November 2018	(13)
CNH96,251	EUR11,954	13 November 2018	(32)
CNH187,347	EUR23,268	13 November 2018	(61)
CNH481,305	EUR59,503	13 November 2018	(429)
CNH1,114,092	EUR137,534	13 November 2018	(1,193)
CNH902,088	EUR110,988	13 November 2018	(1,341)
EUR98,754	HK\$900,000	13 November 2018	(9)
EUR98,822	A\$159,000	13 November 2018	(77)
EUR91,553	CNH732,888	13 November 2018	(295)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) EUR
EUR158,292	HK\$1,437,727	13 November 2018	(551)
HK\$8,586	EUR929	13 November 2018	(13)
HK\$11,504	EUR1,249	13 November 2018	(13)
HK\$266,980	EUR29,180	13 November 2018	(112)
HK\$106,088	EUR11,514	13 November 2018	(125)
US\$1,100	EUR939	13 November 2018	(5)
US\$1,100	EUR936	13 November 2018	(8)
US\$1,100	EUR930	13 November 2018	(14)
US\$14,962	EUR12,735	13 November 2018	(102)
US\$57,745	EUR48,906	13 November 2018	(640)
Total unrealized losses			(1,126,235)
Net unrealized gains			111,902

2017

## Open contracts:

A\$276,991	EUR185,320	3 October 2017	1,481
US\$59,220	EUR50,311	3 October 2017	218
HK\$5,749,555	EUR625,304	4 October 2017	2,674
US\$395,636	EUR337,081	4 October 2017	2,448
A\$76,875	EUR51,096	6 October 2017	80
HK\$798,000	EUR87,088	6 October 2017	676
US\$721,506	EUR612,162	6 October 2017	1,957
CNH592,238	EUR75,734	9 October 2017	418
CNH191,133	EUR24,498	9 October 2017	191
CNH623,039	EUR79,297	9 October 2017	65
HK\$673,744	EUR73,154	9 October 2017	202
CNH241,727	EUR30,756	10 October 2017	19
A\$185,868	EUR124,372	24 October 2017	1,167
A\$185,816	EUR124,014	24 October 2017	842
A\$74,924	EUR50,154	24 October 2017	490
A\$329,924	EUR219,144	24 October 2017	449
A\$83,694	EUR55,880	24 October 2017	402
A\$40,397	EUR27,082	24 October 2017	304
A\$46,712	EUR31,179	24 October 2017	215
A\$66,193	EUR44,072	24 October 2017	195
A\$13,909	EUR9,331	24 October 2017	111
A\$21,218	EUR14,117	24 October 2017	52
A\$2,852	EUR1,912	24 October 2017	21
A\$3,259	EUR2,176	24 October 2017	16
A\$2,022	EUR1,353	24 October 2017	12
A\$1,370	EUR919	24 October 2017	10
A\$1,369	EUR916	24 October 2017	9
A\$1,744	EUR1,164	24 October 2017	8
A\$1,482	EUR989	24 October 2017	7
A\$1,379	EUR921	24 October 2017	7
A\$1,380	EUR920	24 October 2017	5
A\$1,379	EUR918	24 October 2017	4
A\$1,404	EUR931	24 October 2017	0
CNH546,384	EUR69,724	24 October 2017	357
CNH182,361	EUR23,219	24 October 2017	67
CNH89,658	EUR11,441	24 October 2017	59
CNH49,240	EUR6,297	24 October 2017	45
CNH29,460	EUR3,772	24 October 2017	32
CNH19,882	EUR2,537	24 October 2017	13
CNH350,706	EUR44,535	24 October 2017	10
CNH21,354	EUR2,719	24 October 2017	8

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) EUR
CNH7,430	EUR950	24 October 2017	7
CNH7,199	EUR919	24 October 2017	5
CNH7,188	EUR915	24 October 2017	3
CNH7,141	EUR908	24 October 2017	2
CNH11,604	EUR1,476	24 October 2017	2
CNH11,703	EUR1,487	24 October 2017	2
CNH7,231	EUR918	24 October 2017	0
DKr11,563,021	EUR1,554,085	24 October 2017	82
EUR24,392,912	HK\$229,938,641	24 October 2017	495,194
EUR15,453,834	US\$18,665,403	24 October 2017	317,874
EUR455,694	HK\$4,268,072	24 October 2017	6,272
EUR370,097	HK\$3,477,120	24 October 2017	6,259
EUR244,735	US\$294,771	24 October 2017	4,336
EUR328,248	HK\$3,064,959	24 October 2017	3,496
EUR321,645	HK\$3,003,319	24 October 2017	3,426
EUR182,490	HK\$1,715,186	24 October 2017	3,158
EUR192,575	HK\$1,804,994	24 October 2017	2,793
EUR572,667	HK\$5,315,260	24 October 2017	2,641
EUR286,413	US\$341,977	24 October 2017	2,543
EUR227,215	US\$271,874	24 October 2017	2,508
EUR159,122	US\$191,082	24 October 2017	2,335
EUR179,175	HK\$1,675,651	24 October 2017	2,193
EUR197,566	US\$236,251	24 October 2017	2,056
EUR111,559	US\$134,106	24 October 2017	1,757
EUR143,789	HK\$1,341,976	24 October 2017	1,463
EUR93,546	US\$112,408	24 October 2017	1,435
EUR149,457	HK\$1,393,994	24 October 2017	1,425
EUR108,705	US\$130,256	24 October 2017	1,356
EUR112,404	HK\$1,050,459	24 October 2017	1,295
EUR92,838	HK\$868,427	24 October 2017	1,159
EUR78,559	HK\$735,028	24 October 2017	998
EUR173,700	US\$206,638	24 October 2017	900
EUR53,524	US\$64,274	24 October 2017	786
EUR81,683	US\$97,509	24 October 2017	708
EUR48,397	HK\$452,640	24 October 2017	596
EUR115,066	HK\$1,067,851	24 October 2017	515
EUR29,680	US\$35,728	24 October 2017	509
EUR266,610	GBP235,464	24 October 2017	508
EUR59,037	HK\$550,000	24 October 2017	494
EUR38,621	US\$46,265	24 October 2017	471
EUR85,765	CNH679,114	24 October 2017	454
EUR41,976	HK\$391,000	24 October 2017	345
EUR26,344	HK\$246,500	24 October 2017	337
EUR186,277	GBP164,454	24 October 2017	285
EUR59,796	CNH473,093	24 October 2017	267
EUR61,958	US\$73,633	24 October 2017	259
EUR15,666	US\$18,714	24 October 2017	147
EUR59,248	CNH467,479	24 October 2017	102
EUR8,537	CNH67,572	24 October 2017	42
EUR112,142	CNH883,611	24 October 2017	39
EUR13,495	CNH106,487	24 October 2017	25
EUR1,728	HK\$16,174	24 October 2017	22
EUR1,490	HK\$13,940	24 October 2017	19
EUR1,044	CNH8,267	24 October 2017	5
EUR126,377	CNH995,470	24 October 2017	5
HK\$412,657	EUR45,001	24 October 2017	336
HK\$61,594	EUR6,718	24 October 2017	51
HK\$113,178	EUR12,290	24 October 2017	40
HK\$18,176	EUR1,976	24 October 2017	9
HK\$19,003	EUR2,066	24 October 2017	9
HK\$8,590	EUR933	24 October 2017	3
HK\$9,823	EUR1,067	24 October 2017	3
HK\$8,591	EUR930	24 October 2017	0

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) EUR
Nkr16,462,731	EUR1,760,237	24 October 2017	11,952
SKr42,866,376	EUR4,499,665	24 October 2017	57,048
US\$111,934	EUR95,265	24 October 2017	686
US\$3,556	EUR3,015	24 October 2017	10
US\$1,100	EUR932	24 October 2017	3
US\$10,224	EUR8,639	24 October 2017	0
A\$27,829	EUR18,562	21 November 2017	150
A\$1,364	EUR910	21 November 2017	7
CNH161,011	EUR20,421	21 November 2017	49
CNH7,168	EUR909	21 November 2017	2
EUR94,964	US\$114,209	21 November 2017	1,386
EUR13,213	HK\$123,872	21 November 2017	182
		Total unrealized gains	963,187
			-----
EUR933	US\$1,100	3 October 2017	(3)
EUR1,977	HK\$18,176	3 October 2017	(9)
EUR2,179	A\$3,259	3 October 2017	(17)
EUR45,029	HK\$412,657	3 October 2017	(339)
EUR95,373	US\$111,934	3 October 2017	(690)
HK\$1,067,851	EUR115,129	3 October 2017	(517)
US\$73,633	EUR62,028	3 October 2017	(256)
EUR3,018	US\$3,556	4 October 2017	(10)
EUR12,297	HK\$113,178	4 October 2017	(40)
EUR6,722	HK\$61,594	4 October 2017	(51)
EUR932	A\$1,404	6 October 2017	(0)
EUR55,669	HK\$514,092	6 October 2017	(0)
EUR8,648	US\$10,224	6 October 2017	(0)
EUR1,067	HK\$9,823	6 October 2017	(4)
EUR931	HK\$8,591	9 October 2017	(0)
EUR1,490	CNH11,703	9 October 2017	(2)
CNH7,233	EUR918	24 October 2017	(0)
CNH7,206	EUR913	24 October 2017	(2)
CNH8,619	EUR1,092	24 October 2017	(2)
CNH7,233	EUR914	24 October 2017	(4)
CNH7,233	EUR914	24 October 2017	(4)
CNH7,233	EUR914	24 October 2017	(4)
CNH654,197	EUR83,016	24 October 2017	(39)
CNH194,187	EUR24,612	24 October 2017	(42)
EUR1,682	A\$2,517	24 October 2017	(13)
EUR30,708	CNH241,727	24 October 2017	(19)
EUR47,549	A\$71,692	24 October 2017	(27)
EUR21,483	CNH168,704	24 October 2017	(65)
EUR44,225	CNH347,793	24 October 2017	(70)
EUR6,331	A\$9,436	24 October 2017	(76)
EUR51,036	A\$76,875	24 October 2017	(78)
EUR79,176	CNH623,039	24 October 2017	(78)
EUR17,643	A\$26,436	24 October 2017	(119)
EUR69,763	CNH548,570	24 October 2017	(119)
EUR74,032	CNH581,966	24 October 2017	(147)
EUR38,667	A\$58,107	24 October 2017	(150)
EUR36,703	A\$55,126	24 October 2017	(162)
EUR24,457	CNH191,133	24 October 2017	(192)
EUR73,127	HK\$673,744	24 October 2017	(204)
EUR50,254	US\$59,220	24 October 2017	(216)
EUR37,107	CNH290,363	24 October 2017	(244)
EUR58,222	CNH456,119	24 October 2017	(316)
EUR92,713	US\$109,327	24 October 2017	(337)
EUR75,613	CNH592,238	24 October 2017	(425)
EUR40,978	A\$61,122	24 October 2017	(463)
EUR247,232	A\$372,226	24 October 2017	(497)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) EUR
EUR85,725	CNH671,188	24 October 2017	(515)
EUR171,209	CNH1,343,830	24 October 2017	(602)
EUR164,340	HK\$1,512,447	24 October 2017	(637)
EUR57,358	A\$85,556	24 October 2017	(646)
EUR87,044	HK\$798,000	24 October 2017	(672)
EUR112,259	A\$168,246	24 October 2017	(736)
EUR80,429	A\$120,214	24 October 2017	(744)
EUR70,167	A\$104,690	24 October 2017	(772)
EUR119,168	CNH931,753	24 October 2017	(878)
EUR118,067	A\$176,131	24 October 2017	(1,317)
EUR185,063	A\$276,991	24 October 2017	(1,458)
EUR188,350	CNH1,471,366	24 October 2017	(1,553)
EUR192,824	A\$288,052	24 October 2017	(1,886)
EUR611,576	US\$721,506	24 October 2017	(1,940)
EUR336,715	US\$395,636	24 October 2017	(2,424)
EUR624,967	HK\$5,749,555	24 October 2017	(2,655)
EUR10,871,330	CNH85,206,471	24 October 2017	(53,923)
EUR7,507,201	A\$11,205,181	24 October 2017	(79,768)
GBP199,240	EUR224,743	24 October 2017	(1,280)
GBP16,661,283	EUR18,742,037	24 October 2017	(159,021)
HK\$8,591	EUR930	24 October 2017	(0)
HK\$514,092	EUR55,642	24 October 2017	(2)
HK\$8,592	EUR926	24 October 2017	(4)
HK\$8,590	EUR926	24 October 2017	(4)
HK\$8,590	EUR926	24 October 2017	(4)
HK\$8,593	EUR919	24 October 2017	(11)
HK\$8,593	EUR919	24 October 2017	(11)
HK\$8,599	EUR919	24 October 2017	(11)
HK\$8,587	EUR918	24 October 2017	(11)
HK\$8,587	EUR918	24 October 2017	(11)
HK\$8,598	EUR919	24 October 2017	(12)
HK\$8,598	EUR918	24 October 2017	(13)
HK\$12,359	EUR1,324	24 October 2017	(14)
HK\$8,596	EUR915	24 October 2017	(15)
HK\$10,857	EUR1,160	24 October 2017	(15)
HK\$19,324	EUR2,074	24 October 2017	(17)
HK\$18,237	EUR1,954	24 October 2017	(20)
HK\$24,083	EUR2,585	24 October 2017	(21)
HK\$17,918	EUR1,907	24 October 2017	(32)
HK\$27,271	EUR2,918	24 October 2017	(34)
HK\$43,387	EUR4,658	24 October 2017	(39)
HK\$34,915	EUR3,733	24 October 2017	(46)
HK\$34,427	EUR3,665	24 October 2017	(62)
HK\$53,176	EUR5,683	24 October 2017	(72)
HK\$68,870	EUR7,363	24 October 2017	(92)
HK\$88,331	EUR9,402	24 October 2017	(158)
HK\$234,575	EUR25,078	24 October 2017	(312)
HK\$242,037	EUR25,841	24 October 2017	(356)
HK\$288,067	EUR30,802	24 October 2017	(378)
HK\$984,320	EUR105,480	24 October 2017	(1,059)
HK\$1,048,186	EUR112,280	24 October 2017	(1,172)
HK\$1,195,181	EUR128,070	24 October 2017	(1,292)
HK\$1,423,963	EUR152,533	24 October 2017	(1,593)
HK\$3,432,059	EUR369,701	24 October 2017	(1,774)
HK\$2,194,851	EUR235,612	24 October 2017	(1,952)
HK\$1,773,026	EUR189,768	24 October 2017	(2,138)
HK\$1,465,278	EUR155,970	24 October 2017	(2,627)
SFr2,795,592	EUR2,421,711	24 October 2017	(23,057)
US\$1,100	EUR921	24 October 2017	(8)
US\$1,100	EUR921	24 October 2017	(8)
US\$1,100	EUR921	24 October 2017	(8)
US\$1,100	EUR920	24 October 2017	(10)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) EUR
US\$1,100	EUR918	24 October 2017	(11)
US\$1,100	EUR915	24 October 2017	(14)
US\$1,478	EUR1,234	24 October 2017	(15)
US\$1,435	EUR1,198	24 October 2017	(15)
US\$1,100	EUR913	24 October 2017	(16)
US\$1,100	EUR913	24 October 2017	(16)
US\$4,005	EUR3,367	24 October 2017	(17)
US\$2,200	EUR1,835	24 October 2017	(24)
US\$2,042	EUR1,699	24 October 2017	(26)
US\$20,105	EUR16,835	24 October 2017	(153)
US\$21,013	EUR17,590	24 October 2017	(165)
US\$29,562	EUR24,703	24 October 2017	(275)
US\$103,006	EUR86,589	24 October 2017	(446)
US\$61,641	EUR51,549	24 October 2017	(534)
US\$44,808	EUR37,315	24 October 2017	(546)
US\$83,772	EUR70,162	24 October 2017	(621)
US\$96,524	EUR80,831	24 October 2017	(727)
US\$103,021	EUR86,239	24 October 2017	(809)
US\$70,765	EUR58,930	24 October 2017	(863)
US\$142,931	EUR119,465	24 October 2017	(1,305)
US\$146,346	EUR121,792	24 October 2017	(1,863)
US\$228,937	EUR190,197	24 October 2017	(3,243)
US\$1,434,704	EUR1,197,350	24 October 2017	(14,907)
EUR309,786	CNH2,442,386	21 November 2017	(757)
HK\$18,764	EUR2,001	21 November 2017	(28)
HK\$392,146	EUR41,826	21 November 2017	(581)
US\$2,731	EUR2,271	21 November 2017	(33)
US\$139,644	EUR116,113	21 November 2017	(1,691)
Total unrealized losses			(387,655)
Net unrealized gains			575,532

(b) Open futures contracts as at 30 September were as follows:

	No. of contracts long/(short)	Contract value EUR	Settlement date	Unrealized gains/(losses) EUR
<u>2018</u>				
Euro Stoxx 50 (EUX) Futures	19	634,600	December 2018	8,930
FTSE 100 Index (LIF) Futures	6	489,487	December 2018	14,831
				23,761
<u>2017</u>				
FTSE 100 Index (LIF) Futures	27	2,231,625	December 2017	14,254
Euro Stoxx 50 (EUX) Futures	77	2,708,640	December 2017	44,880
				59,134



**Independent Auditor's Report**

To the Unitholders of JPMorgan Europe Strategic Dividend Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Europe Strategic Dividend Fund set out on pages 331 to 357, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 10 March 2016, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Europe Strategic Dividend Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 10 March 2016, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund	Net asset value per unit
30/9/18		
- AUD Hedged Class (mth)	A\$21,871,588	A\$10.06
- EUR Class (mth)	EUR3,081,731	EUR10.07
- HKD Hedged Class (mth)	HK\$202,973,196	HK\$10.05
- RMB Hedged Class (mth)	CNY150,331,738	CNY10.01
- USD Hedged Class (mth)	US\$19,483,524	US\$10.03
30/9/17		
- AUD Hedged Class (mth)	A\$12,066,409	A\$10.70
- EUR Class (mth)	EUR2,131,321	EUR10.71
- HKD Hedged Class (mth)	HK\$255,378,044	HK\$10.67
- RMB Hedged Class (mth)	CNY97,200,385	CNY10.64
- USD Hedged Class (mth)	US\$19,458,787	US\$10.67
30/9/16		
- AUD Hedged Class (mth)	A\$3,207,845	A\$9.91
- EUR Class (mth)	EUR1,056,651	EUR9.93
- HKD Hedged Class (mth)	HK\$19,899,228	HK\$9.93
- RMB Hedged Class (mth)	CNY14,069,734	CNY9.92
- USD Hedged Class (mth)	US\$4,381,647	US\$9.93

**Performance Record – Unaudited (continued)****Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u>	<u>Lowest bid</u>
30/9/18		
- AUD Hedged Class (mth)	A\$11.06	A\$9.86
- EUR Class (mth)	EUR11.05	EUR9.87
- HKD Hedged Class (mth)	HK\$11.03	HK\$9.85
- RMB Hedged Class (mth)	CNY11.01	CNY9.81
- USD Hedged Class (mth)	US\$11.03	US\$9.84
30/9/17		
- AUD Hedged Class (mth)	A\$11.03	A\$9.67
- EUR Class (mth)	EUR11.03	EUR9.69
- HKD Hedged Class (mth)	HK\$11.01	HK\$9.69
- RMB Hedged Class (mth)	CNY10.99	CNY9.67
- USD Hedged Class (mth)	US\$11.01	US\$9.69
30/9/16 (since inception)		
- AUD Hedged Class (mth)	A\$10.80	A\$9.18
- EUR Class (mth)	EUR10.78	EUR9.12
- HKD Hedged Class (mth)	HK\$10.78	HK\$9.15
- RMB Hedged Class (mth)	CNY10.78	CNY9.15
- USD Hedged Class (mth)	US\$10.78	US\$9.15

**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Sub-Manager**

JPMorgan Asset Management  
(UK) Limited  
60 Victoria Embankment  
London  
EC4Y 0JP  
United Kingdom

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

	Place of establishment	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments</b> (95.3%)				
<b>Collective Investment Schemes</b> (95.3%)				
<b>Asia Pacific Region</b> (2.4%)				
JPMF-Asia Growth 'X' (acc)-USD**	Luxembourg	14,699	275,165	0.8
JPMF-JPM Asia Pac Eqy 'X'(acc)-USD**	Luxembourg	2,940	519,733	1.6
<b>Europe</b> (12.6%)				
JPM SAR European Fund 'B'*	Hong Kong	57,911	1,851,994	5.6
JPMF-Europe Dynamic 'X' (acc)-EUR**	Luxembourg	5,757	952,261	2.9
JPMF-Europe Strat Value 'X' (acc)-EUR**	Luxembourg	8,927	1,353,324	4.1
<b>International</b> (31.2%)				
JPM SAR Global Bond Fund 'B'*	Hong Kong	40,596	966,591	3.0
JPMF-JPM Emerg Mks Bd 'X' (acc)-USD**	Luxembourg	2,540	1,324,204	4.0
JPMF-JPM Glb Agg Bond 'X' (acc)-USD**	Luxembourg	23,860	2,550,873	7.8
JPMF-JPM Global Corp Bd'X'(acc)-USD**	Luxembourg	16,246	1,835,148	5.6
JPMIF-Glb Mac Opp 'X' (acc)-USD-hed**	Luxembourg	6,216	1,060,450	3.2
JPMIF-JPM Gl High Yield'X'(acc)-USD**	Luxembourg	15,242	2,512,949	7.6
<b>Japan</b> (6.8%)				
JPM SAR Japan Fund 'B'*	Hong Kong	46,550	1,654,853	5.0
JPMIF-Japan Stra Value 'X'(acc)-JPY**	Luxembourg	2,297	593,719	1.8
<b>United States</b> (42.3%)				
JPM SAR American Fund 'B'*	Hong Kong	124,870	4,414,153	13.4
JPMF-JPM US Aggreg Bd 'X' (acc)-USD**	Luxembourg	70,940	1,326,578	4.1
JPMF-US Equity All Cap 'X'(acc)-USD**	Luxembourg	49,219	8,162,478	24.8
<b>Total Listed/Quoted Investments</b>			31,354,473	95.3
<b>Other net assets</b>			1,557,463	4.7
<b>Net assets attributable to holders of redeemable units at 30 September 2018</b>			32,911,936	100.0
<b>Total investments, at cost</b>			28,367,800	

\* Issued and managed by a Connected Person of the Manager (refer to Note 7 for the definition of Connected Persons)

# Not authorized in Hong Kong and not available to Hong Kong residents

Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 (*Unaudited*)

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Collective Investment Schemes</b>		
United States	42.3	39.7
International	31.2	31.4
Europe	12.6	14.6
Japan	6.8	7.3
Asia Pacific Region	2.4	6.2
<b>Total Listed/Quoted Investments</b>	<u>95.3</u>	<u>99.2</u>
<b>Other net assets</b>	<u>4.7</u>	<u>0.8</u>
<b>Net assets attributable to holders of redeemable units at 30 September</b>	<u><u>100.0</u></u>	<u><u>100.0</u></u>

Statement of Financial Position  
As at 30 September 2018

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	1,686,547	78,089
Amounts due from brokers	-	328,056
Amounts receivable on allotment	116,278	116,169
Investments [Note 4(l)(a)]	31,354,473	32,675,635
Interest receivable	208	109
<b>Total assets</b>	<u>33,157,506</u>	<u>33,198,058</u>
	-----	-----
<b>Liabilities</b>		
Amounts payable on redemption	209,552	234,345
Other accounts payable	36,018	37,004
<b>Total liabilities</b>	<u>245,570</u>	<u>271,349</u>
	-----	-----
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>32,911,936</u>	<u>32,926,709</u>
	=====	=====
<b>Equity</b>	<u>32,911,936</u>	<u>32,926,709</u>
	=====	=====

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

Statement of Comprehensive Income  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 5]	2,397,731	3,981,789
Interest on deposits	7,470	926
Dividend income	-	30,138
Net foreign currency exchange (losses)/gains	(1,786)	66,011
	<u>2,403,415</u>	<u>4,078,864</u>
	-----	-----
<b>Expenses</b>		
Management fee [Note 7(e)]	165,717	162,781
Registrar's fee [Note 7(h)]	28,209	29,463
Valuation fee [Note 7(e)]	16,800	16,730
Auditor's fee	14,600	15,200
Trustee's fee [Note 8]	9,943	9,767
Legal and professional expenses	6,202	1,269
Transaction costs	2,931	3,032
Safe custody and bank charges	1,714	4,785
Printing and publication expenses	971	1,126
Other operating expenses	1,914	3,152
	<u>249,001</u>	<u>247,305</u>
	-----	-----
<b>Profit before taxation</b>	2,154,414	3,831,559
Taxation [Note 6]	-	(4,635)
	<u>2,154,414</u>	<u>3,826,924</u>
	=====	=====
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>2,154,414</u>	<u>3,826,924</u>
	=====	=====

The notes on pages 366 to 374 form part of these financial statements.

Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	32,926,709	33,331,464
	-----	-----
Allotment of redeemable units [Note 3]	4,564,295	3,033,025
Redemption of redeemable units [Note 3]	(6,733,482)	(7,264,704)
	-----	-----
<b>Net redemption</b>	(2,169,187)	(4,231,679)
	-----	-----
	30,757,522	29,099,785
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	2,154,414	3,826,924
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	32,911,936	32,926,709
	=====	=====

Statement of Cash Flows  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(21,076,173)	(52,842,170)
Proceeds from disposal of investments and derivatives	25,123,122	57,028,987
Interest received	7,371	838
Dividend received	-	30,138
Tax paid	-	(4,635)
Transaction costs paid	(3,001)	(3,195)
Trustee's fee paid	(9,976)	(9,804)
Registrar's fee paid	(28,403)	(30,023)
Management fee paid	(166,263)	(163,408)
Others	(44,085)	25,000
	-----	-----
<b>Net cash inflow from operating activities</b>	3,802,592	4,031,728
	-----	-----
<b>Financing activities</b>		
Receipts on allotment of redeemable units	4,564,186	3,132,215
Payments on redemption of redeemable units	(6,758,275)	(7,268,285)
	-----	-----
<b>Net cash outflow from financing activities</b>	(2,194,089)	(4,136,070)
	-----	-----
<b>Increase/(decrease) in cash and cash equivalents</b>	1,608,503	(104,342)
Cash and cash equivalents at the beginning of the year	78,089	182,485
Exchange losses on cash and cash equivalents	(45)	(54)
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	1,686,547	78,089
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	1,686,547	78,089
	=====	=====

The notes on pages 366 to 374 form part of these financial statements.



## Notes to the Financial Statements

### 1 The Fund

JPMorgan Evergreen Fund (the "Fund") was established under a Trust Deed dated 19 January 2004, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to seek to produce a competitive total return in different market conditions. The Fund seeks to achieve this through an actively managed portfolio of collective investment schemes managed by the Manager, its connected parties or external parties.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation of financial statements

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

##### *Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

#### (b) Investments and derivatives

##### *Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

##### *Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(d) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(e) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(f) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(g) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(h) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(i) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

	2018 Units	2017 Units
Number of units in issue:		
At the beginning of the year	1,553,273.647	1,766,951.215
Total allotments	203,283.084	152,800.122
Total redemptions	(302,464.761)	(366,477.690)
At the end of the year	<u>1,454,091.970</u>	<u>1,553,273.647</u>
	US\$	US\$
Net assets attributable to holders of redeemable units	<u>32,911,936</u>	<u>32,926,709</u>
Net assets attributable to holders of redeemable units (per unit)	<u>22.63</u>	<u>21.20</u>

As at 30 September 2018, the Fund had US\$32,911,936 (2017: US\$32,926,709) of puttable financial instruments, represented by the net assets attributable to the holders of redeemable units (or "net asset value" or "net assets" or "NAV"), classified as equity.

The Fund's policies for managing its obligations for the holders of redeemable units of the Fund are included in Note 4(ii) capital risk management.

**4 Financial risk management****(i) Financial risk factors**

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

The Fund's holding in the collective investment schemes, as a percentage of the collective investment schemes' total net asset value, will vary from time to time dependent on the volume of allotments and redemptions at the collective investment schemes level. It is possible that the Fund may, at any point in time, hold a majority of the collective investment schemes' total units in issue.

**(a) Market risk****(i) Market price risk**

The Fund solely invests in collective investment schemes. The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate collective investment schemes selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
Listed/Quoted Investments				
<u>Assets</u>				
Collective Investment Schemes				
- United States	13,903,209	42.3	13,077,249	39.7
- International	10,250,215	31.2	10,346,645	31.4
- Europe	4,157,579	12.6	4,809,039	14.6
- Japan	2,248,572	6.8	2,397,581	7.3
- Asia Pacific Region	794,898	2.4	2,045,121	6.2
Total Listed/Quoted Investments	31,354,473	95.3	32,675,635	99.2

The Investment Manager monitors the Fund's market price sensitivity primarily through the Fund's volatility, which helps to describe the likely range of the Fund's return, on a regular basis. In statistical terms, it is the standard deviation of the return distribution. Greater volatility of monthly fund returns means that there is a wider range of likely returns in the future, or greater uncertainty regarding the fund returns. Most investors would equate this greater uncertainty with greater risk.

The table below summarizes the volatility of the Fund expressed in annual terms and the estimated impact on the net asset value.

	2018	2017
Annual volatility (Note*)	6.92%	7.36%

If the above volatility were to be applied to the Fund's net asset value as at 30 September 2018 of US\$32,911,936 (2017: US\$32,926,709) and assuming that the Fund's returns are normally distributed with its mean return equals to nil and with one standard deviation away from the mean return (i.e. a probability of 68%), the estimated reasonable possible change in the Fund's net asset value would be between US\$30,634,430 and US\$35,189,442; or within +/- US\$2,277,506 (2017: between US\$30,503,303 and US\$35,350,115; or within +/- US\$2,423,406) over a twelve-month period based on the Fund's historical annual volatility percentage as a result of the market price fluctuation, assuming that all other variables that may impact the net asset value of the Fund are held constant.

Note:

- \* Volatility is calculated based on the monthly Fund's returns over the maximum of past 36 months or the number of months since portfolio inception. For funds launched within a period of less than 12 months, volatility is calculated based on the weekly Fund's returns since the Fund's launch. Volatility is expressed in annual volatility by applying the square root of time adjustment. Volatility may not cover stressed market events, nor represent the Investment Manager's forecast of the Fund's range of future returns.

## (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	Less than 1 month US\$	No stated maturity US\$	Total US\$
<u>2018</u>			
Cash at banks	1,686,547	-	1,686,547
Investments	-	10,516,343	10,516,343
Total interest sensitivity gap	1,686,547	10,516,343	12,202,890

	Less than 1 month US\$	No stated maturity US\$	Total US\$
<u>2017</u>			
Cash at banks	78,089	-	78,089
Investments	-	8,720,703	8,720,703
	<hr/>	<hr/>	<hr/>
Total interest sensitivity gap	78,089	8,720,703	8,798,792
	<hr/>	<hr/>	<hr/>

Any cash and cash equivalents are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

### (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
Net currency exposures (Note*)			
<u>2018</u>			
Euro	2,305,585	-1.8	(41,501)
Hong Kong Dollar	24,806	-0.2	(50)
Japanese Yen	593,719	-0.9	(5,343)
	<hr/>		<hr/>
	2,924,110		(46,894)
	<hr/>		<hr/>

<u>2017</u>			
Euro	3,853,919	+5.2	200,404
Hong Kong Dollar	7,633	-0.7	(53)
Japanese Yen	644,301	-10.0	(64,430)
	<hr/>		<hr/>
	4,505,853		135,921
	<hr/>		<hr/>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

**(b) Credit risk**

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	1,686,547	78,089
Amounts due from brokers	-	328,056
Amounts receivable on allotment	116,278	116,169
Interest receivable	208	109
	<u>1,803,033</u>	<u>522,423</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	983,638	78,089
S&P(A)/Moody's(A)/FITCH(A)	702,909	-
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	<u>31,354,473</u>	<u>32,675,635</u>

**(c) Liquidity risk**

The Fund is exposed to daily redemption of units. As at 30 September 2018 and 2017, the Fund invests solely in collective investment schemes which allow daily redemption. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Amounts payable on redemption	209,552	234,345
Other accounts payable	<u>36,018</u>	<u>37,004</u>
Total financial liabilities	<u>245,570</u>	<u>271,349</u>

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

## (II) Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

## (III) Fair value estimation

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
---------------------------	-----------------	-----------------	-----------------	---------------

### 2018

#### Assets

Collective Investment Schemes	31,354,473	-	-	31,354,473
Total financial assets at fair value through profit and loss	<u>31,354,473</u>	<u>-</u>	<u>-</u>	<u>31,354,473</u>

### 2017

#### Assets

Collective Investment Schemes	32,675,635	-	-	32,675,635
Total financial assets at fair value through profit and loss	<u>32,675,635</u>	<u>-</u>	<u>-</u>	<u>32,675,635</u>

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the years ended 30 September 2018 and 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 5 Net gains on investments and derivatives

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	(662,788)	2,676,194
Realized gains on sale of investments and derivatives	3,060,519	1,305,595
	<u>2,397,731</u>	<u>3,981,789</u>

## 6 Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

No overseas tax was withheld or paid during the year ended 30 September 2018. Overseas tax was withheld or paid on certain dividend income received during the year ended 30 September 2017.

## 7 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

(a) Investment transactions with the Manager and its Connected Persons are set out below:

The Fund invests in various funds ("underlying funds") which are managed by the Manager or its Connected Persons. All fees on allotments and redemptions in the underlying funds payable by the Fund are waived by the managers of underlying funds which are managed by the Manager and/or its Connected Persons.

For the year ended 30 September 2018, there was no dividend income (2017: US\$30,138) in the Statement of Comprehensive Income which represented the distributions from investments in collective investment schemes issued and managed by the Manager or its Connected Persons.

Name of company	Aggregate value of purchases and sales of investments US\$	% of the Fund's total aggregate value of transactions	Commission paid US\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
JPMorgan Funds (Asia) Limited	8,323,795	18.15	-	-	-
JPMorgan Asset Management (Europe) S.à r.l.	35,808,332	78.06	-	-	-
<u>2017</u>					
JPMorgan Funds (Asia) Limited	16,589,034	15.08	-	-	-
JPMorgan Asset Management (Europe) S.à r.l.	90,694,832	82.45	-	-	-



- (b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	433,502	45,035
Amounts receivable	208	328,166
Amounts payable	(20,923)	(21,764)

As at 30 September 2018, the Fund's investment balance of US\$31,354,473 (2017: US\$32,675,635) represents the investments in the collective investment schemes issued and managed by the Manager or its Connected Person.

During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$2,834 (2017: US\$793).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.
- (d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$733 (2017: US\$1,536).
- (e) Management fee of 0.5% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears. In addition, the Fund will indirectly bear a pro rata portion of the fees paid by the underlying funds in which it invests to the managers or other services providers of such underlying funds.

The Fund invests in collective investment schemes managed by the Manager or its Connected Persons and the management fees of these collective investment schemes currently range between 0% and 2.0% per annum (2017: 0% and 1.75% per annum).

The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.

- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.

The retirement schemes of the employees of the Manager and its Connected Persons may subscribe to the units of the Fund.

- (g) Refer to Note 8 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 8 Trustee's fee

Trustee's fee of 0.03% per annum of the net asset value of the Fund is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

For investment in underlying fund managed by the Manager or its Connected Persons, such connected underlying funds will be charged a trustee fee. Currently such trustee fees range between 0% and 0.5% per annum (2017: 0% and 0.3% per annum) and may not exceed 1% per annum of the net asset value of the underlying funds.

## 9 Soft dollar arrangements/Commission sharing arrangements

During the year, the Investment Manager and its Connected Persons did not enter into any soft dollar arrangements/commission sharing arrangements in connection with directing transactions of the Fund through a broker or dealer (2017: nil).

## 10 Distribution

No distribution was made during the year (2017: nil).

**Independent Auditor's Report**

To the Unitholders of JPMorgan Evergreen Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Evergreen Fund set out on pages 364 to 374, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 19 January 2004, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Evergreen Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 19 January 2004, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund US\$	Net asset value per unit US\$
30/9/18	32,911,936	22.63
30/9/17	32,926,709	21.20
30/9/16	33,331,464	18.86

**Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u> US\$	<u>Lowest bid</u> US\$
30/9/18	23.50	21.33
30/9/17	21.24	18.42
30/9/16	19.65	16.74
30/9/15	20.64	17.67
30/9/14	19.83	17.93
30/9/13	18.74	15.79
30/9/12	17.00	14.44
30/9/11	17.37	14.71
30/9/10	16.01	14.05
30/9/09	14.87	10.91

**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments</b> (99.8%)			Royal Bank Canada 0.25% 06/23 RegS	EUR225,000	259,887 0.1
<b>(I) Debt Securities</b> (70.9%)			Royal Bank Canada 0.625% 09/25- RegS	EUR600,000	692,796 0.2
<b>Australia</b> (2.3%)			Royal Bank of Can Syd FRN12/22-RegS	GBP200,000	260,784 0.1
Ausnet Serv Hldgs 5.75% 03/76-RegS	USD500,000	521,118 0.1	<b>Cayman Islands</b> (1.0%)		
Australian Govt No142 4.25%4/26-RegS	AUD3,000,000	2,465,332 0.7	CDBL Funding 3% 24/04/23-RegS	USD200,000	190,977 0.0
Australian Govt No124 5.75% 15/5/21	AUD1,850,000	1,493,800 0.4	CDBL Funding I 3.5% 24/10/27-RegS	USD250,000	228,178 0.1
Australian Govt No140 4.5%4/33-RegS	AUD600,000	528,237 0.2	CK Hutchison Euro 1.25% 04/25-RegS	EUR400,000	460,654 0.1
Commonwealth Bk AU 0.375% 4/23-RegS	EUR1,337,000	1,554,702 0.4	CSCCE Finance 2.25% 14/06/19-RegS	USD500,000	498,719 0.1
Mirvac Group 3.625% 18/03/27-RegS	USD300,000	276,273 0.1	Kuwait Projects 5% 15/03/23	USD450,000	452,395 0.1
Queensland No23 4.25%7/23- RegS/144A	AUD900,000	705,267 0.2	QNB Finance 2.125% 07/09/21-RegS	USD450,000	429,825 0.1
Transurban Queen 4.5% 19/04/28- RegS	USD500,000	488,450 0.1	Sands China 4.6% 08/08/23-RegS	USD250,000	252,086 0.1
Westpac Banking 0.625% 14/1/22- RegS	EUR250,000	296,328 0.1	Saudi Elec Global 5.06% 8/4/43- RegS	USD300,000	302,285 0.1
<b>Austria</b> (0.8%)			Shimao Property 4.75% 03/07/22- RegS	USD200,000	194,822 0.0
Austria Rep Of 6.25% 15/07/27	EUR1,640,000	2,861,969 0.8	Sun Hung Kai Prop 3.55% 09/28-RegS	HKD2,000,000	250,554 0.1
<b>Belgium</b> (0.7%)			Sun Hung Kai Prop 4.5% 14/02/22	USD200,000	205,835 0.1
Belgium Kingdom No66 4%3/32-RegS	EUR1,000,000	1,610,179 0.5	Three Gorges Fin 1.7% 10/06/22-RegS	EUR200,000	240,015 0.1
Belgium Kingdom No71 3.75%6/45- RegS	EUR455,000	774,928 0.2	<b>Chile</b> (0.1%)		
<b>Canada</b> (2.9%)			Rep of Chile 1.44% 02/29	EUR300,000	349,982 0.1
Canada Govt Of 1% 01/09/22	CAD4,400,000	3,241,696 0.9	<b>China</b> (0.7%)		
Canada Govt Of 1.5% 01/03/20	CAD600,000	460,534 0.1	CCB Life Ins VRN 4.5% 21/4/77-RegS	USD550,000	525,938 0.2
Canada Govt Of 2% 01/09/23	CAD400,000	305,189 0.1	China Life Ins VRN 4% 03/07/75-RegS	USD400,000	396,351 0.1
Canada Govt Of 5% 01/06/37	CAD545,000	589,192 0.1	Export-Imp Bk CN 0.75%28/05/23- RegS	EUR200,000	231,415 0.1
Hydro-Quebec 4% 15/02/55	CAD300,000	273,737 0.1	Ind&Com Bk CN Ldn FRN 06/21-RegS	USD500,000	500,123 0.1
Hydro-Quebec No19 6.5% 15/02/35	CAD1,000,000	1,101,331 0.3	Ind&Com Bk CN Ldn FRN12/20-RegS	USD700,000	701,865 0.2
National Bk Canada 0.25% 07/23-RegS	EUR514,000	593,144 0.2	<b>Colombia</b> (0.2%)		
Ontario Prov Of 6.5% 08/03/29	CAD600,000	604,347 0.2	Ecopetrol SA 5.375% 26/06/26	USD300,000	314,905 0.1
Quebec Prov Of 2.6% 06/07/25	CAD600,000	459,505 0.1	Ecopetrol SA 7.375% 18/09/43	USD300,000	341,299 0.1
Quebec Prov Of5% 01/12/41	CAD1,450,000	1,465,337 0.4			

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Cyprus</b> (0.3%)				<b>International</b> (0.3%)			
Cyprus Rep Of 2.375%				Euro Stability 0.5%			
25/09/28-RegS	EUR772,000	903,753	0.3	02/03/26-RegS	EUR900,000	1,044,846	0.3
<b>Denmark</b> (0.0%)				<b>Ireland</b> (0.2%)			
Denmark Kingdom Of				Ireland Treasury 1.3%			
4.5% 15/11/39	DKK522,000	142,011	0.0	15/05/33-RegS	EUR707,322	810,133	0.2
<b>Finland</b> (0.3%)				Ireland Treasury 2.4%			
Finnish Govt Of 4%				15/05/30-RegS	EUR65,000	86,123	0.0
7/25-RegS-144A	EUR750,000	1,095,660	0.3	<b>Israel</b> (0.2%)			
<b>France</b> (2.8%)				Israel Electric 5%			
Dexia Credit Local				12/11/24-144A/RegS	USD400,000	414,402	0.1
1.25% 11/24-RegS	EUR1,200,000	1,465,695	0.4	State of Israel 2.375%			
France OAT 1%				18/01/37	EUR200,000	250,712	0.1
25/05/27-RegS	EUR696,000	837,292	0.2	<b>Italy</b> (3.7%)			
France OAT 5.75%				Italy Rep Of (BTP)			
25/10/32	EUR3,944,000	7,656,469	2.2	0.95% 01/03/23	EUR2,600,000	2,859,636	0.8
<b>Germany</b> (1.8%)				Italy Rep Of (BTP)			
Bundesrep Deut 0.5%				2.8% 01/03/67	EUR392,000	377,642	0.1
15/08/27-RegS	EUR2,497,462	2,937,769	0.8	Italy Rep Of (BTP)			
Bundesrepublik Deut				3.75% 01/08/21	EUR2,750,000	3,386,782	1.0
1.25%08/48-RegS	EUR1,872,000	2,271,215	0.6	Italy Rep Of (BTP)			
Kredit fuer Wied 2%				4.75% 01/08/23	EUR1,820,000	2,357,505	0.7
02/05/25	USD1,400,000	1,316,809	0.4	Italy Rep Of (BTP)			
<b>Hong Kong</b> (0.2%)				4.75% 01/09/28	EUR1,630,000	2,175,976	0.6
CNAC (HK) Finbridge				Italy Rep Of (BTP) 5%			
1.75%06/22-RegS	EUR200,000	232,631	0.1	01/09/40	EUR1,380,000	1,925,277	0.5
CNAC (HK) Finbridge				<b>Japan</b> (19.9%)			
3%19/07/20-RegS	USD200,000	197,330	0.1	Central Nippon Exp			
HK Red Star Macall				2.091% 9/21-RegS	USD500,000	474,194	0.1
3.375% 9/22-RegS	USD200,000	169,438	0.0	JGB No100 (20Yr)			
<b>Hungary</b> (1.3%)				2.2% 20/03/28	JPY560,000,000	5,899,329	1.7
Hungary Govt No22/A				JGB No127 (5Yr) 0.1%			
7% 24/06/22	HUF300,000,000	1,287,799	0.3	20/03/21	JPY1,348,350,000	11,930,557	3.4
Hungary Govt No25/B				JGB No132 (20Yr) 1.7%			
5.5% 24/06/25	HUF700,000,000	2,921,112	0.8	20/12/31	JPY177,150,000	1,848,307	0.5
Rep of Hungary				JGB No134 (5 Yr) 0.1%			
5.375% 25/03/24	USD560,000	601,186	0.2	20/12/22	JPY856,000,000	7,594,855	2.1
<b>Iceland</b> (0.5%)				JGB No151 (20Yr) 1.2%			
Iceland Rep Of 0.5%				20/12/34	JPY292,800,000	2,880,920	0.8
20/12/22-RegS	EUR1,500,000	1,761,631	0.5	JGB No160 (20Yr)			
<b>India</b> (0.1%)				0.7% 20/03/37	JPY467,050,000	4,195,415	1.2
NTPC Ltd 4.25%				JGB No20 (30Yr) 2.5%			
26/02/26-RegS	USD200,000	192,116	0.1	20/09/35	JPY621,400,000	7,249,093	2.0
<b>Indonesia</b> (0.2%)				JGB No305 (10Yr) 1.3%			
Indonesia Govt				20/12/19	JPY430,000,000	3,865,849	1.1
NoFR53 8.25%				JGB No338 (10Yr)			
15/7/21	IDR4,000,000,000	275,566	0.1	0.4% 20/03/25	JPY452,500,000	4,088,657	1.2
Pertamina Persero				JGB No37 (30Yr) 1.9%			
5.25% 05/21-RegS	USD300,000	315,980	0.1	20/09/42	JPY290,550,000	3,192,821	0.9
Rep of Indonesia				JGB No4 (40Yr) 2.2%			
3.375% 07/25-RegS	EUR200,000	251,471	0.0	20/03/51	JPY354,350,000	4,231,120	1.2
				JGB No46 (20Yr) 2.2%			
				22/06/20	JPY520,000,000	4,790,529	1.3
				JGB No78 (20Yr) 1.9%			
				20/06/25	JPY805,650,000	8,034,594	2.3

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>Japan</b> (Continued)			<b>Poland</b> (0.3%)		
JPN Bank For Int'l			Poland Govt No0725		
1.5% 21/07/21	USD500,000	478,208 0.1	3.25% 25/07/25	PLN1,700,000	472,839 0.1
			Rep of Poland 1.5%		
<b>Korea</b> (0.2%)			09/09/25-RegS	EUR600,000	727,009 0.2
Daegu Bank 3.75%					
13/08/23-RegS	USD400,000	396,228 0.1	<b>Portugal</b> (1.4%)		
Export-Imp Bk Of Kor			Obrigacoes Tesouro		
4.375% 15/9/21	USD300,000	307,603 0.1	2.25% 04/34-RegS	EUR1,071,000	1,230,137 0.3
			Portugal Rep Of		
<b>Kuwait</b> (0.2%)			4.125%4/27	EUR2,750,000	3,862,056 1.1
Kuwait Intl Bank2.75%					
20/03/22-RegS	USD790,000	773,402 0.2	<b>Qatar</b> (0.4%)		
			State of Qatar 2.375%		
<b>Luxembourg</b> (0.4%)			02/06/21-RegS	USD700,000	687,155 0.2
European Fin 2.35%			State of Qatar 3.875%		
29/07/44-RegS	EUR470,000	646,663 0.2	23/04/23-RegS	USD600,000	615,484 0.2
European Fin Stab					
0.75% 05/27-RegS	EUR630,000	735,040 0.2	<b>Saudi Arabia</b> (0.1%)		
			Saudi Intl Bond 4.5%		
<b>Mexico</b> (1.2%)			26/10/46-RegS	USD300,000	292,268 0.1
Mexican Bds Desarr					
10% 05/12/24	MXN286,900	1,748,469 0.5	<b>Singapore</b> (0.4%)		
Petroleos Mexic 8.25%			Abja Investment		
02/06/22-RegS	GBP300,000	472,822 0.1	4.85% 31/01/20-		
Petroleos Mexicanos			RegS	USD300,000	304,150 0.1
2.5% 11/22-RegS	EUR700,000	821,103 0.2	ABJA Investment		
Petroleos Mexicanos			5.95% 31/07/24-		
4.25% 15/01/25	USD700,000	668,971 0.2	RegS	USD200,000	203,233 0.1
Petroleos Mexicanos			Temasek Fin I 0.5%		
5.375% 13/03/22	USD300,000	309,806 0.1	01/03/22-RegS	EUR700,000	824,133 0.2
United Mexican States					
4.15% 28/3/27	USD300,000	295,754 0.1	<b>Slovakia</b> (0.1%)		
			Slovakia (Govt of)		
<b>Netherlands</b> (0.8%)			2.25% 06/68-RegS	EUR207,918	246,856 0.1
Netherlands Govt					
3.75% 15/01/42	EUR190,000	353,054 0.1	<b>Slovenia</b> (0.1%)		
Netherlands Govt			Rep of Slovenia 1.25%		
5.5% 15/01/28	EUR1,309,000	2,275,402 0.6	22/03/27-RegS	EUR182,000	218,244 0.1
Petrobras Global					
5.999% 27/01/28	USD300,000	283,399 0.1	<b>Spain</b> (2.7%)		
			Spain (Kingdom Of)		
<b>New Zealand</b> (1.0%)			1.5% 04/27	EUR620,000	735,778 0.2
ANZ NZ Intl Ldn					
0.625% 01/22-RegS	EUR1,050,000	1,242,966 0.3	Spain Kingdom Of		
ASB Fin London			1.15% 30/07/20	EUR1,100,000	1,311,808 0.4
0.125% 18/10/23-			Spain Kingdom Of		
RegS	EUR900,000	1,026,786 0.3	1.4% 30/4/28	EUR1,760,000	2,049,978 0.6
ASB Fin London			Spain Kingdom Of		
0.625% 18/10/24-			2.9% 31/10/46	EUR1,200,000	1,538,430 0.4
RegS	EUR973,000	1,134,614 0.3	Spain Kingdom Of		
New Zealand Govt 3%			5.4% 31/01/23	EUR1,100,000	1,599,172 0.4
20/04/29	NZD400,000	277,790 0.1	Spain Kingdom		
			Of2.7%10/48-		
<b>Philippines</b> (0.1%)			RegS/144A	EUR2,039,000	2,463,097 0.7
Bank of Philippine					
4.25% 09/23-RegS	USD200,000	200,008 0.1	<b>Supranational</b> (1.1%)		
			European Inv Bank		
			4.125% 15/04/24	EUR800,000	1,146,725 0.3



## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets	
Supranational (Continued)								
	European Inv Bk 1.25% 12/05/25- RegS	SEK7,750,000	895,571	0.3	US Treasury 3% 15/02/47	USD950,000	917,495	0.3
	European Inv Bk 1.75% 12/11/26- RegS	SEK1,100,000	131,601	0.0	US Treasury 3% 15/11/45	USD1,430,000	1,393,249	0.4
	European Inv Bk 2.875% 15/09/20	USD700,000	700,264	0.2	US Treasury 3.125% 15/05/48	USD300,000	299,018	0.1
	European Union 3.75% 04/04/42	EUR510,000	875,600	0.3	US Treasury 3.375% 15/05/44	USD3,360,000	3,501,271	1.0
					US Treasury 4.5% 15/02/36	USD5,398,000	6,434,401	1.8
Sweden (0.2%)								
	Swedbank Hypotek 1% 15/09/21-RegS	SEK6,000,000	690,160	0.2	US Treasury 4.625% 15/02/40	USD3,871,000	4,766,050	1.3
					US Treasury 8.125% 15/08/19	USD2,800,000	2,964,571	0.8
Switzerland (0.0%)								
	Credit Suisse 0.75% 17/09/21-RegS	EUR100,000	118,559	0.0	US Treasury 8.125% 15/08/21	USD4,680,000	5,404,788	1.5
					US Treasury 8.75% 15/05/20	USD13,720,000	15,494,535	4.3
United Arab Emirates (0.5%)								
	ABU Dhabi (Govt Of)3.125%10/27- RegS	USD1,150,000	1,103,732	0.3	Virgin Islands (0.9%)			
	ABU Dhabi Natl 4.375% 22/06/26- RegS	USD300,000	300,834	0.1	Cheung Kong Infra Fin 1% 12/24-RegS	EUR400,000	451,186	0.1
	DP World 6.85% 02/07/37-144A	USD300,000	349,960	0.1	Eastern Creation II 2.75%09/20-RegS	USD300,000	292,765	0.1
					Huarong Finance II 2.056% 2019-RegS	USD300,000	300,259	0.1
					State Grid Osea2016 2.875%5/26-RegS	USD300,000	282,546	0.1
United Kingdom (4.1%)								
	Asbknk 2025-RegS (New)	EUR481,000	556,140	0.2	State Grid Overseas 1.25% 5/22-RegS	EUR300,000	356,124	0.1
	Barclays Bank FRN 09/01/23 (RegS)	GBP300,000	391,911	0.1	Towngas Finance VRN 4.75% Perp-RegS	USD400,000	404,020	0.1
	UK Treasury 1.75% 22/07/19-RegS	GBP350,000	461,473	0.1	Xingsheng BVI 4.5% 20/09/21-RegS	USD1,200,000	1,194,630	0.3
	UK Treasury 2% 22/07/20-RegS	GBP700,000	935,709	0.3			252,642,845	70.9
	UK Treasury 3.5% 22/07/68-RegS	GBP700,000	1,433,975	0.4	(II) Collective Investment Schemes (28.7%)			
	UK Treasury 3.75% 22/07/52-RegS	GBP595,000	1,146,395	0.3	Europe (3.5%)			
	UK Treasury 4% 07/03/22	GBP1,450,000	2,090,080	0.6	JPMF-Europe High Yield 'X' (acc)-EUR**	85,897	12,515,917	3.5
	UK Treasury 4.25% 07/12/27	GBP1,100,000	1,800,126	0.5	International (2.0%)			
	UK Treasury 4.75% 07/12/38	GBP2,960,000	5,787,684	1.6	JPMIF-JPM GI High Yield'X'(acc)-USD**	43,482	7,168,936	2.0
	Uni of Oxford 2.544% 08/12/17-RegS	GBP126,000	152,299	0.0	Luxembourg (23.2%)			
					JPMF-JPM Global Corp Bd'X'-dist-USD**	846,524	82,307,567	23.2
United States (14.2%)								
	Intl Bk Rec & Dev 2.5% 29/07/25	USD1,010,000	975,565	0.3			101,992,420	28.7
	US Treasury 2.25% 15/11/27	USD4,150,000	3,918,113	1.1			-----	-----
	US Treasury 2.75% 15/02/28	USD4,250,000	4,156,685	1.2				

Investment Portfolio (Continued)  
As at 30 September 2018 *(Unaudited)*Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 *(Unaudited)*

	Holding	Fair value US\$	% of net assets		% holdings of net assets	
(III) Derivatives (0.2%)					2018	2017
Forward foreign exchange contracts (0.1%)		339,220	0.1	Listed/Quoted Investments		
				Debt Securities		
Futures (0.1%)				Japan	19.9	22.7
Euro BUXL 30Yr Bd (EUX) Fut 12/18	(1)	2,718	0.0	United States	14.2	23.8
Euro-BOBL (EUX) Fut 12/18	(47)	44,218	0.0	United Kingdom	4.1	6.5
Euro-Bund (EUX) Fut 12/18	(42)	75,776	0.0	Italy	3.7	3.8
Euro-OAT (EUX) Fut 12/18	(11)	13,415	0.0	Canada	2.9	2.5
Mini JGB 10Yr Bond (SGX) Fut 12/18	7	(1,048)	(0.0)	France	2.8	3.3
US 10Yr Note (CBT) Fut 12/18	(6)	8,656	0.0	Spain	2.7	1.9
US 2Yr Note (CBT) Fut 12/18	(10)	6,250	0.0	Australia	2.3	4.1
US 5Yr Note (CBT) Fut 12/18	149	(142,016)	(0.0)	Germany	1.8	2.8
US Long Bond (CBT) Fut 12/18	(42)	171,938	0.1	Portugal	1.4	1.3
US Ultra Bond (CBT) Fut 12/18	(9)	51,188	0.0	Hungary	1.3	0.4
				Mexico	1.2	1.6
				Supranational	1.1	2.6
				Cayman Islands	1.0	-
				New Zealand	1.0	2.0
				Virgin Islands	0.9	-
				Netherlands	0.8	3.6
				Austria	0.8	0.8
				Belgium	0.7	0.7
				China	0.7	-
				Iceland	0.5	-
				United Arab Emirates	0.5	-
				Luxembourg	0.4	0.8
				Singapore	0.4	-
				Qatar	0.4	0.2
				Poland	0.3	0.2
				Finland	0.3	0.2
				International	0.3	0.4
				Cyprus	0.3	-
				Ireland	0.2	0.9
				Indonesia	0.2	1.0
				Kuwait	0.2	0.3
				Korea	0.2	-
				Sweden	0.2	0.4
				Israel	0.2	-
				Colombia	0.2	0.3
				Hong Kong	0.2	-
				Chile	0.1	-
				Saudi Arabia	0.1	0.2
				Slovakia	0.1	-
				Slovenia	0.1	0.7
				Philippines	0.1	-
				India	0.1	-
				Denmark	0.0	0.1
				Switzerland	0.0	0.5
				South Africa	-	0.6
				Turkey	-	0.5
				Jersey C.I.	-	0.5
				Guernsey,C.I.	-	0.3
				Oman	-	0.2
				Morocco	-	0.1
				Russia	-	0.1
			</			

\* Issued and managed by a Connected Person of the Manager (refer to Note 8 for the definition of Connected Persons)

# Not authorized in Hong Kong and not available to Hong Kong residents

Statement of Movements in Portfolio Holdings (Continued)  
For the year ended 30 September 2018 (*Unaudited*)

	% holdings of net assets	
	2018	2017
<b>Collective Investment Schemes</b>		
Luxembourg	23.2	-
Europe	3.5	1.6
International	2.0	6.1
<b>Derivatives</b>		
Forward foreign exchange contracts	0.1	(0.7)
Futures	0.1	0.1
<b>Total Listed/Quoted Investments</b>	99.8	100.0
<b>Other net assets/(liabilities)</b>	0.2	(0.0)
<b>Net assets attributable to holders of redeemable units at 30 September</b>	100.0	100.0

**Statement of Financial Position**  
**As at 30 September 2018**

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	6,526,585	2,893,018
Amounts due from brokers	1,745,010	8,903,204
Amounts receivable on allotment	2,092,666	815,386
Margin deposits	146,765	410,182
Derivatives [Note 4(l)(a)]	2,326,837	2,594,930
Investments [Note 4(l)(a)]	354,635,265	526,643,395
Interest and other accounts receivable	5,210	2,999
<b>Total assets</b>	<b>367,478,338</b>	<b>542,263,114</b>
<b>Liabilities</b>		
Amounts due to brokers	2,798,250	9,615,942
Amounts payable on redemption	5,549,991	1,404,752
Distribution payable [Note 6]	1,230,002	1,696,985
Derivatives [Note 4(l)(a)]	1,756,522	5,712,916
Other accounts payable	298,750	441,757
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>11,633,515</b>	<b>18,872,352</b>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<b>355,844,823</b>	<b>523,390,762</b>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

Bank of East Asia (Trustees) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

**Statement of Comprehensive Income**  
**For the year ended 30 September 2018**

	2018 US\$	2017 US\$
<b>Income</b>		
Net gains/(losses) on investments and derivatives [Note 5]	534,520	(13,629,865)
Dividend income	1,633,687	-
Net foreign currency exchange gains	525,149	283,992
Interest on deposits	27,520	10,063
Other income	157	10,953
	<b>2,721,033</b>	<b>(13,324,857)</b>
<b>Expenses</b>		
Management fee [Note 8(e)]	3,142,923	5,812,622
Safe custody and bank charges	159,873	192,840
Registrar's fee [Note 8(h)]	86,079	143,888
Trustee's fee [Note 9]	70,839	130,721
Auditor's fee	20,400	26,500
Legal and professional expenses	19,916	38,018
Printing and publication expenses	9,720	6,505
Transaction costs	8,368	25,416
Other operating expenses	3,580	6,770
	<b>3,521,698</b>	<b>6,383,280</b>
<b>Net operating loss</b>	<b>(800,665)</b>	<b>(19,708,137)</b>
<b>Finance costs</b>		
Distribution [Note 6]	(13,620,372)	(27,127,797)
Interest expense	(2,692)	(10,312)
	<b>(13,623,064)</b>	<b>(27,138,109)</b>
<b>Loss before taxation</b>	<b>(14,423,729)</b>	<b>(46,846,246)</b>
Taxation [Note 7]	(105,515)	(174,402)
<b>Decrease in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>(14,529,244)</b>	<b>(47,020,648)</b>

The notes on pages 387 to 412 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	523,390,762	1,249,093,146
	-----	-----
Allotment of redeemable units [Note 3]	233,414,736	278,570,469
Redemption of redeemable units [Note 3]	(386,431,431)	(957,252,205)
	-----	-----
<b>Net redemption</b>	(153,016,695)	(678,681,736)
	-----	-----
	370,374,067	570,411,410
<b>Decrease in net assets attributable to holders of redeemable units and total comprehensive income</b>	(14,529,244)	(47,020,648)
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	355,844,823	523,390,762
	=====	=====

**Statement of Cash Flows**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(469,286,382)	(1,008,273,002)
Proceeds from disposal of investments and derivatives	638,481,233	1,735,834,275
Dividend received	1,633,687	-
Decrease in margin deposits	263,417	1,923,808
Interest received	28,104	9,605
Transaction costs paid	(7,248)	(25,292)
Trustee's fee paid	(73,589)	(142,862)
Registrar's fee paid	(91,786)	(203,575)
Tax paid	(117,203)	(230,241)
Management fee paid	(3,265,488)	(6,352,788)
Others	375,157	(28,772)
	-----	-----
<b>Net cash inflow from operating activities</b>	167,939,902	722,511,156
	-----	-----
<b>Financing activities</b>		
Interest paid	(2,692)	(10,319)
Receipts on allotment of redeemable units	232,137,456	280,885,989
Payments on redemption of redeemable units	(382,286,192)	(990,128,210)
Distribution paid	(14,087,355)	(29,506,561)
	-----	-----
<b>Net cash outflow from financing activities</b>	(164,238,783)	(738,759,101)
	-----	-----
<b>Increase/(decrease) in cash and cash equivalents</b>	3,701,119	(16,247,945)
Cash and cash equivalents at the beginning of the year	2,893,018	19,124,389
Exchange (losses)/gains on cash and cash equivalents	(67,552)	16,574
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	6,526,585	2,893,018
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	6,526,585	2,893,018
	=====	=====

The notes on pages 387 to 412 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Global Bond Fund (the "Fund") was established under a Trust Deed dated 30 April 1979, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to achieve a return in excess of global bond markets by investing primarily in global investment grade debt securities.

Due to relocation of resources from London to Hong Kong, the discretionary investment management of the Fund rests with JF Asset Management Limited, the current Investment Manager of the Fund. Therefore, the sub-delegation of the investment management role of the Fund to JPMorgan Asset Management (UK) Limited was terminated with effect from 3 November 2017.

Pursuant to the Supplemental Trust Deed dated 14 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial Instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

#### *Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

#### *Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

#### *Transfers between levels of the fair value hierarchy*

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

### **(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

### **(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

### **(e) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(f) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(g) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(h) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(i) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(j) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**(k) Distribution payable to holders of redeemable units**

Proposed distributions to holders of redeemable units are recognized in the Statement of Comprehensive Income when they are appropriately authorized. The distribution on the redeemable units is recognized as a finance cost in the Statement of Comprehensive Income.



**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**2018

	AUD Hedged Class (mth) Units	CAD Hedged Class (mth) Units	HKD Class (mth) Units	NZD Hedged Class (mth) Units	RMB Hedged Class (acc) Units
Number of units in issue:					
At the beginning of the year	6,415,031.558	2,441,258.750	70,531,533.777	1,911,587.412	268,366.792
Total allotments	2,669,625.021	1,092,765.392	48,762,663.464	1,103,824.102	16,529.102
Total redemptions	(4,371,634.854)	(1,587,386.058)	(63,476,722.961)	(1,805,700.702)	(92,799.689)
At the end of the year	<u>4,713,021.725</u>	<u>1,946,638.084</u>	<u>55,817,474.280</u>	<u>1,209,710.812</u>	<u>192,096.205</u>
	A\$	C\$	HK\$	NZ\$	CNY
Net assets attributable to holders of redeemable units	<u>44,711,934</u>	<u>18,500,087</u>	<u>536,431,426</u>	<u>11,491,342</u>	<u>2,211,940</u>
Net assets attributable to holders of redeemable units (per unit)	<u>9.49</u>	<u>9.50</u>	<u>9.61</u>	<u>9.50</u>	<u>11.51</u>
	RMB Hedged Class (mth) Units	USD Class (mth) Units	USD Class (san) Units		
Number of units in issue:					
At the beginning of the year	76,399,459.094	23,140,341.777	640,599.130		
Total allotments	20,784,691.297	10,880,615.341	150,781.488		
Total redemptions	(45,262,751.219)	(18,178,041.270)	(282,577.815)		
At the end of the year	<u>51,921,399.172</u>	<u>15,842,915.848</u>	<u>508,802.803</u>		
	CNY	US\$	US\$		
Net assets attributable to holders of redeemable units	<u>487,434,570</u>	<u>150,841,303</u>	<u>10,950,129</u>		
Net assets attributable to holders of redeemable units (per unit)	<u>9.39</u>	<u>9.52</u>	<u>21.52</u>		

2017

	AUD Hedged Class (mth) Units	CAD Hedged Class (mth) Units	HKD Class (mth) Units	NZD Hedged Class (mth) Units	RMB Hedged Class (acc) Units
Number of units in issue:					
At the beginning of the year	13,608,999.619	5,560,634.327	182,830,078.719	2,900,628.130	400,670.063
Total allotments	3,697,200.701	1,671,628.918	68,762,081.395	2,490,170.575	351,890.359
Total redemptions	(10,891,168.762)	(4,791,004.495)	(181,060,626.337)	(3,479,211.293)	(484,193.630)
At the end of the year	<u>6,415,031.558</u>	<u>2,441,258.750</u>	<u>70,531,533.777</u>	<u>1,911,587.412</u>	<u>268,366.792</u>
	A\$	C\$	HK\$	NZ\$	CNY
Net assets attributable to holders of redeemable units	<u>62,623,626</u>	<u>23,856,042</u>	<u>696,586,915</u>	<u>18,686,536</u>	<u>3,029,878</u>
Net assets attributable to holders of redeemable units (per unit)	<u>9.76</u>	<u>9.77</u>	<u>9.88</u>	<u>9.78</u>	<u>11.29</u>
	RMB Hedged Class (mth) Units	USD Class (mth) Units	USD Class (san) Units		
Number of units in issue:					
At the beginning of the year	155,202,149.928	57,022,855.480	798,453.383		
Total allotments	21,549,492.117	9,734,306.447	221,615.585		
Total redemptions	(100,352,182.951)	(43,616,820.150)	(379,469.838)		
At the end of the year	<u>76,399,459.094</u>	<u>23,140,341.777</u>	<u>640,599.130</u>		
	CNY	US\$	US\$		
Net assets attributable to holders of redeemable units	<u>738,415,473</u>	<u>226,749,999</u>	<u>14,191,027</u>		
Net assets attributable to holders of redeemable units (per unit)	<u>9.67</u>	<u>9.80</u>	<u>22.15</u>		

**4 Financial risk management****(l) Financial risk factors**

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

The Fund's holding in the collective investment schemes, as a percentage of the collective investment schemes' total net asset value, will vary from time to time dependent on the volume of allotments and redemptions at the collective investment schemes level. It is possible that the Fund may, at any point in time, hold a majority of the collective investment schemes' total units in issue.

**(a) Market risk****(i) Market price risk**

The Fund primarily invests in debt securities which are subject to interest rate risk. Refer to Note 4(l)(a)(ii) for interest rate risk.

**(ii) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates. The Fund is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its investments, derivatives and cash deposits.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	Less than 1 year US\$	1-5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
<u>2018</u>					
Cash at banks	6,526,585	-	-	-	6,526,585
Margin deposits	146,765	-	-	-	146,765
Derivatives	231,095	-	-	-	231,095
Investments (Note*)	4,377,321	91,808,978	156,456,546	101,992,420	354,635,265
Total interest sensitivity gap	<u>11,281,766</u>	<u>91,808,978</u>	<u>156,456,546</u>	<u>101,992,420</u>	<u>361,539,710</u>

2017

Cash at banks	2,893,018	-	-	-	2,893,018
Margin deposits	410,182	-	-	-	410,182
Investments (Note*)	26,582,410	115,283,451	344,589,846	40,187,688	526,643,395
Total interest sensitivity gap	<u>29,885,610</u>	<u>115,283,451</u>	<u>344,589,846</u>	<u>40,187,688</u>	<u>529,946,595</u>

Note:

\* The coupon rate of the investments ranged between 0.10% p.a. – 10.00% p.a.(2017: 0.10% p.a. – 11.38% p.a.).

As at 30 September, the Fund's fair value of investments and derivatives were as follows:

	2018		2017	
Listed/Quoted Investments	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
<u>Assets</u>				
Debt Securities				
- Japan	70,754,448	19.9	118,998,087	22.7
- United States	50,712,110	14.2	124,364,604	23.8
- United Kingdom	14,755,792	4.1	34,029,270	6.5
- Others	116,420,495	32.7	209,063,746	39.9
	<u>252,642,845</u>	<u>70.9</u>	<u>486,455,707</u>	<u>92.9</u>
Collective Investment Schemes				
- Luxembourg	82,307,567	23.2	-	-
- International	7,168,936	2.0	32,033,269	6.1
- Others	12,515,917	3.5	8,154,419	1.6
	<u>101,992,420</u>	<u>28.7</u>	<u>40,187,688</u>	<u>7.7</u>
Derivatives				
- Forward foreign exchange contracts	1,952,678	0.6	2,289,328	0.4
- Futures	374,159	0.1	305,602	0.1
	<u>2,326,837</u>	<u>0.7</u>	<u>2,594,930</u>	<u>0.5</u>
	<u>356,962,102</u>	<u>100.3</u>	<u>529,238,325</u>	<u>101.1</u>
<u>Liabilities</u>				
Derivatives				
- Futures	(143,064)	(0.0)	(5,615)	(0.0)
- Forward foreign exchange contracts	(1,613,458)	(0.5)	(5,707,301)	(1.1)
	<u>(1,756,522)</u>	<u>(0.5)</u>	<u>(5,712,916)</u>	<u>(1.1)</u>
Total Listed/Quoted Investments	<u>355,205,580</u>	<u>99.8</u>	<u>523,525,409</u>	<u>100.0</u>

Also, refer to Note 12 for the exposures on derivative contracts.

The Investment Manager monitors the Fund's interest rate risk sensitivity primarily through the modified duration of the Fund on a regular basis. The modified duration measures the sensitivity of the price of a bond relative to the change in interest rate. As at 30 September 2018, the Investment Manager estimates that the Fund has a modified duration of 7.04 (2017: 7.20). For the purpose of disclosing relevant sensitivities, the percentage of reasonable possible change in interest rate adopted is 25 basis points, and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. If the interest rates were to rise by 25 basis points with all other variables that may impact the net asset value of the Fund held constant, this would result in a decrease in net asset value of the Fund by approximately US\$6,262,869 (2017: US\$9,421,034). If the interest rates were to fall by 25 basis points, this would result in an increase in the net asset value of the Fund by the same amount.

Any cash and cash equivalents and margin deposits are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

## (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The Fund enters in some forward foreign exchange contracts to hedge some of its foreign currency exposures to maintain limited exposure to non-US\$ currencies. Refer to Note 12(a) for the outstanding forward foreign exchange contracts as at year end.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
Net currency exposures (Note*)			
<u>2018</u>			
Australian Dollar	32,466,238	-7.8	(2,532,367)
Canadian Dollar	14,614,886	-3.2	(467,676)
Chinese Yuan (Offshore)	71,421,067	-3.3	(2,356,895)
Danish Krone	143,113	-2.0	(2,862)
Euro	(42,618)	-1.8	767
Hong Kong Dollar	2,222,050	-0.2	(4,444)
Hungarian Forint	111,433	-5.6	(6,240)
Indonesian Rupiah	275,566	-9.6	(26,454)
Japanese Yen	213,246	-0.9	(1,919)
Korean Won	3	+3.3	0
Mexican Nuevo Peso	132,510	-2.9	(3,843)
New Zealand Dollar	7,643,898	-8.3	(634,444)
Norwegian Krone	1,234	-2.2	(27)
Polish Zloty	186,305	-1.1	(2,049)
Sterling	324,226	-2.8	(9,078)
Swedish Krona	188,424	-8.2	(15,451)
Turkish Lira	176	-40.8	(72)
	<u>129,901,757</u>		<u>(6,063,054)</u>
<u>2017</u>			
Australian Dollar	49,437,343	+2.5	1,235,934
Canadian Dollar	19,236,607	+5.1	981,067
Chinese Yuan (Offshore)	111,464,013	+0.4	445,856
Danish Krone	335,252	+5.3	17,768
Euro	330,688	+5.2	17,196
Hong Kong Dollar	210,999	-0.7	(1,477)
Indonesian Rupiah	5,555,454	-3.1	(172,219)
Japanese Yen	342,157	-10.0	(34,216)
Korean Won	3	-3.8	(0)
Mexican Nuevo Peso	633,437	+6.6	41,807
New Zealand Dollar	13,801,953	-0.6	(82,812)
Norwegian Krone	1,262	+0.4	5
Polish Zloty	484,630	+5.0	24,232
Russian Ruble	370,351	+9.5	35,183
South African Rand	301,303	+1.8	5,423
Sterling	247,439	+3.3	8,165
Swedish Krona	188,078	+5.0	9,404
Turkish Lira	143,791	-15.6	(22,431)
	<u>203,084,760</u>		<u>2,508,885</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

## (b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment or amounts due from brokers, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	6,526,585	2,893,018
Amounts due from brokers	1,745,010	8,903,204
Amounts receivable on allotment	2,092,666	815,386
Margin deposits	146,765	410,182
Derivatives issued by brokers	1,952,678	2,289,328
Investments - debt securities	252,642,845	486,455,707
Interest and other accounts receivable	5,210	2,999
	<u>265,111,759</u>	<u>501,769,824</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The Fund's investments are predominantly in debt securities and therefore the Fund is exposed to credit risk that the issuers may not be able to repay the principal amount and interest at maturity. Credit risk derived from debt securities is managed and monitored on an on-going basis by making reference to the credit rating and credit outlook provided by credit rating agencies, if available, and internal credit analysis.

The table below summarizes the debt securities by credit rating as at 30 September.

	2018 % of net assets	2017 % of net assets
S&P(AAA)/Moody's(Aaa)/FITCH(AAA)	23.4	22.5
S&P(AA)/Moody's(Aa)/FITCH(AA)	11.3	13.2
S&P(A)/Moody's(A)/FITCH(A)	25.7	38.5
S&P(BBB)/Moody's(Baa)/FITCH(BBB)	8.9	16.4
S&P(BB)/Moody's(Ba)/FITCH(BB)	0.3	2.3
Unrated	1.3	-
	<u>70.9</u>	<u>92.9</u>

The table below summarizes the credit rating of the banks/brokers/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	6,525,027	2,889,342
S&P(A)/Moody's(A)/FITCH(A)	1,558	3,676
Margin deposits with brokers and derivatives held with/issued by brokers		
S&P(AA)/Moody's(Aa)/FITCH(AA)	1,272,465	1,431,179
S&P(A)/Moody's(A)/FITCH(A)	1,169,294	1,268,331
S&P(BBB)/Moody's(Baa)/FITCH(BBB)	31,843	-
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	354,635,265	526,643,395

### (c) Liquidity risk

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018		2017	
	Less than 1 month US\$	1 to 12 months US\$	Less than 1 month US\$	1 to 12 months US\$
Amounts due to brokers	2,798,250	-	9,615,942	-
Amounts payable on redemption	5,549,991	-	1,404,752	-
Distribution payable	1,230,002	-	1,696,985	-
Derivatives	1,545,469	211,053	5,697,038	15,878
Other accounts payable	298,750	-	441,757	-
Net assets attributable to holders of redeemable units	355,844,823	-	523,390,762	-
Total financial liabilities	367,267,285	211,053	542,247,236	15,878

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

### (d) Offsetting and amounts subject to master netting arrangements and similar agreements

As at 30 September 2018 and 2017, the Fund was subject to master netting arrangements with certain derivative counterparties. All of the derivative assets and liabilities of the Fund were held with these counterparties and the collateral and margin deposits maintained by the Fund were for the purpose of providing collateral on derivative positions.

In the event of default, the Fund and its counterparties have the option to settle transactions on net basis. An event of default may include failure to pay or deliver, breach of agreement or bankruptcy.

The following tables summarize the Fund's financial assets and liabilities subject to offsetting, master netting arrangements and similar agreements as at 30 September by types of financial instruments.

	Gross amounts of recognized financial assets presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>2018</u>				
<u>Assets</u>				
Margin deposits	146,765	-	(143,064)	3,701
Derivatives	521,511	(75,896)	-	445,615
Financial assets at fair value through profit and loss	668,276	(75,896)	(143,064)	449,316

	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>Liabilities</u>				
Derivatives	814,649	(218,960)	-	595,689
Financial liabilities at fair value through profit and loss	814,649	(218,960)	-	595,689

	Gross amounts of recognized financial assets presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>2017</u>				
<u>Assets</u>				
Margin deposits	410,182	-	(5,615)	404,567
Derivatives	696,799	(93,458)	-	603,341
Financial assets at fair value through profit and loss	1,106,981	(93,458)	(5,615)	1,007,908

	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>Liabilities</u>				
Derivatives	93,458	(93,458)	-	-
Financial liabilities at fair value through profit and loss	93,458	(93,458)	-	-



**(II) Capital risk management**

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

**(III) Fair value estimation**

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<u>2018</u>				
<u>Assets</u>				
Debt Securities	-	252,642,845	-	252,642,845
Collective Investment Schemes	101,992,420	-	-	101,992,420
Derivatives	374,159	1,952,678	-	2,326,837
Total financial assets at fair value through profit and loss	102,366,579	254,595,523	-	356,962,102
<u>Liabilities</u>				
Derivatives	143,064	1,613,458	-	1,756,522
Total financial liabilities at fair value through profit and loss	143,064	1,613,458	-	1,756,522

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<u>2017</u>				
<u>Assets</u>				
Debt Securities	-	486,455,707	-	486,455,707
Collective Investment Schemes	40,187,688	-	-	40,187,688
Derivatives	305,602	2,289,328	-	2,594,930
Total financial assets at fair value through profit and loss	40,493,290	488,745,035	-	529,238,325
<u>Liabilities</u>				
Derivatives	5,615	5,707,301	-	5,712,916
Total financial liabilities at fair value through profit and loss	5,615	5,707,301	-	5,712,916

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities, collective investment schemes and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the years ended 30 September 2018 and 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 5 Net gains/(losses) on investments and derivatives

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	(8,590,665)	(57,176,340)
Realized gains on sale of investments and derivatives	9,125,185	43,546,475
	534,520	(13,629,865)

## 6 Distribution

It is the intention of the Manager to have at least 85% of the income attributable to the distribution class(es) respectively in respect of each accounting period, after charging the expenses attributable to these distribution class(es) respectively, to be distributed to unitholders of these distribution class(es) respectively.

In the event that the amount available for distribution is insufficient to pay distributions as the Fund declares, the Manager may in its discretion determine that such distributions be paid from capital.

	2018 US\$	2017 US\$
Net operating loss	(800,665)	(19,708,137)
Adjustments:		
Net (gains)/losses on investments and derivatives	(534,520)	13,629,865
Interest income included in net gains on investments and derivatives (at coupon rate)	7,701,367	17,968,983
Net foreign currency exchange gains	(525,149)	(283,992)
Transaction costs	8,368	25,416
Interest expense	(2,692)	(10,312)
Taxation	(105,515)	(174,402)
Amount available for distribution	5,741,194	11,447,421

Distribution Class	Ex date	Pay date	Rate	Units	2018 US\$	2017 US\$
AUD Hedged Class (mth)	31.10.2017	8.11.2017	A\$0.0286	6,091,802.435	(133,587)	
CAD Hedged Class (mth)	31.10.2017	8.11.2017	C\$0.0224	2,337,995.901	(40,626)	
HKD Class (mth)	31.10.2017	8.11.2017	HK\$0.0252	66,811,020.942	(215,801)	
NZD Hedged Class (mth)	31.10.2017	8.11.2017	NZ\$0.0310	1,845,324.625	(39,188)	
RMB Hedged Class (mth)	31.10.2017	8.11.2017	CNY0.0423	72,221,573.601	(460,666)	
USD Class (mth)	31.10.2017	8.11.2017	US\$0.0250	21,371,309.352	(534,283)	
AUD Hedged Class (mth)	30.11.2017	8.12.2017	A\$0.0280	6,018,672.371	(127,934)	
CAD Hedged Class (mth)	30.11.2017	8.12.2017	C\$0.0223	2,205,124.936	(38,170)	
HKD Class (mth)	30.11.2017	8.12.2017	HK\$0.0252	62,841,524.933	(202,761)	
NZD Hedged Class (mth)	30.11.2017	8.12.2017	NZ\$0.0309	1,905,123.832	(40,398)	
RMB Hedged Class (mth)	30.11.2017	8.12.2017	CNY0.0424	69,389,736.792	(444,917)	
USD Class (mth)	30.11.2017	8.12.2017	US\$0.0250	20,395,625.196	(509,891)	
AUD Hedged Class (mth)	29.12.2017	9.1.2018	A\$0.0265	5,895,607.146	(122,198)	
CAD Hedged Class (mth)	29.12.2017	9.1.2018	C\$0.0188	2,086,264.733	(31,304)	
HKD Class (mth)	29.12.2017	9.1.2018	HK\$0.0252	59,866,457.070	(192,987)	
NZD Hedged Class (mth)	29.12.2017	9.1.2018	NZ\$0.0297	1,897,050.569	(40,071)	
RMB Hedged Class (mth)	29.12.2017	9.1.2018	CNY0.0430	68,651,014.026	(453,312)	
USD Class (mth)	29.12.2017	9.1.2018	US\$0.0250	19,273,492.391	(481,837)	
AUD Hedged Class (mth)	31.1.2018	8.2.2018	A\$0.0255	5,089,637.743	(105,094)	
CAD Hedged Class (mth)	31.1.2018	8.2.2018	C\$0.0195	1,931,687.858	(30,703)	
HKD Class (mth)	31.1.2018	8.2.2018	HK\$0.0252	51,146,108.143	(164,788)	
NZD Hedged Class (mth)	31.1.2018	8.2.2018	NZ\$0.0289	1,625,880.647	(34,776)	
RMB Hedged Class (mth)	31.1.2018	8.2.2018	CNY0.0412	63,615,707.736	(416,403)	
USD Class (mth)	31.1.2018	8.2.2018	US\$0.0250	17,420,237.037	(435,506)	
AUD Hedged Class (mth)	28.2.2018	8.3.2018	A\$0.0261	5,016,351.782	(102,025)	
CAD Hedged Class (mth)	28.2.2018	8.3.2018	C\$0.0219	1,775,582.353	(30,347)	
HKD Class (mth)	28.2.2018	8.3.2018	HK\$0.0252	50,293,992.413	(161,963)	
NZD Hedged Class (mth)	28.2.2018	8.3.2018	NZ\$0.0282	1,630,687.042	(33,213)	
RMB Hedged Class (mth)	28.2.2018	8.3.2018	CNY0.0419	58,549,495.978	(387,592)	
USD Class (mth)	28.2.2018	8.3.2018	US\$0.0250	18,544,163.444	(463,604)	
AUD Hedged Class (mth)	29.3.2018	11.4.2018	A\$0.0245	4,851,226.880	(91,168)	
CAD Hedged Class (mth)	29.3.2018	11.4.2018	C\$0.0188	1,874,239.336	(27,330)	
HKD Class (mth)	29.3.2018	11.4.2018	HK\$0.0253	44,618,165.315	(143,832)	
NZD Hedged Class (mth)	29.3.2018	11.4.2018	NZ\$0.0273	833,732.157	(16,420)	
RMB Hedged Class (mth)	29.3.2018	11.4.2018	CNY0.0415	55,446,416.454	(366,169)	
USD Class (mth)	29.3.2018	11.4.2018	US\$0.0250	18,494,971.794	(462,374)	
USD Class (san)	29.3.2018	11.4.2018	US\$0.3409	554,542.414	(189,044)	
AUD Hedged Class (mth)	30.4.2018	9.5.2018	A\$0.0245	4,605,016.070	(85,164)	
CAD Hedged Class (mth)	30.4.2018	9.5.2018	C\$0.0190	1,971,682.585	(29,223)	
HKD Class (mth)	30.4.2018	9.5.2018	HK\$0.0253	49,743,791.922	(160,357)	
NZD Hedged Class (mth)	30.4.2018	9.5.2018	NZ\$0.0262	754,190.420	(13,923)	
RMB Hedged Class (mth)	30.4.2018	9.5.2018	CNY0.0359	52,368,310.493	(297,517)	
USD Class (mth)	30.4.2018	9.5.2018	US\$0.0250	17,226,473.317	(430,662)	
AUD Hedged Class (mth)	31.5.2018	8.6.2018	A\$0.0244	4,378,679.428	(80,840)	
CAD Hedged Class (mth)	31.5.2018	8.6.2018	C\$0.0193	1,971,310.708	(29,330)	
HKD Class (mth)	31.5.2018	8.6.2018	HK\$0.0253	44,161,403.740	(142,435)	
NZD Hedged Class (mth)	31.5.2018	8.6.2018	NZ\$0.0262	737,599.191	(13,559)	
RMB Hedged Class (mth)	31.5.2018	8.6.2018	CNY0.0387	47,459,735.398	(286,739)	
USD Class (mth)	31.5.2018	8.6.2018	US\$0.0250	14,483,331.320	(362,083)	
AUD Hedged Class (mth)	29.6.2018	10.7.2018	A\$0.0238	4,154,430.606	(73,054)	
CAD Hedged Class (mth)	29.6.2018	10.7.2018	C\$0.0181	1,761,444.281	(24,237)	
HKD Class (mth)	29.6.2018	10.7.2018	HK\$0.0253	41,101,687.377	(132,545)	
NZD Hedged Class (mth)	29.6.2018	10.7.2018	NZ\$0.0249	700,811.786	(11,815)	
RMB Hedged Class (mth)	29.6.2018	10.7.2018	CNY0.0385	45,974,829.457	(267,062)	
USD Class (mth)	29.6.2018	10.7.2018	US\$0.0250	14,110,369.142	(352,759)	
AUD Hedged Class (mth)	31.7.2018	8.8.2018	A\$0.0268	4,433,525.374	(88,330)	
CAD Hedged Class (mth)	31.7.2018	8.8.2018	C\$0.0215	1,989,182.422	(32,847)	
HKD Class (mth)	31.7.2018	8.8.2018	HK\$0.0274	39,906,462.390	(139,342)	
NZD Hedged Class (mth)	31.7.2018	8.8.2018	NZ\$0.0274	799,715.843	(14,918)	
RMB Hedged Class (mth)	31.7.2018	8.8.2018	CNY0.0339	45,537,638.618	(226,512)	
USD Class (mth)	31.7.2018	8.8.2018	US\$0.0270	13,899,610.507	(375,289)	

Distribution Class	Ex date	Pay date	Rate	Units	2018 US\$	2017 US\$
AUD Hedged Class (mth)	31.8.2018	10.9.2018	A\$0.0258	4,493,240.972	(83,837)	
CAD Hedged Class (mth)	31.8.2018	10.9.2018	C\$0.0220	1,968,790.343	(33,217)	
HKD Class (mth)	31.8.2018	10.9.2018	HK\$0.0273	52,161,140.253	(181,427)	
NZD Hedged Class (mth)	31.8.2018	10.9.2018	NZ\$0.0278	1,303,705.242	(24,047)	
RMB Hedged Class (mth)	31.8.2018	10.9.2018	CNY0.0299	53,088,597.403	(232,337)	
USD Class (mth)	31.8.2018	10.9.2018	US\$0.0270	14,543,725.677	(392,681)	
AUD Hedged Class (mth)	28.9.2018	9.10.2018	A\$0.0264	4,709,980.158	(89,969)	
CAD Hedged Class (mth)	28.9.2018	9.10.2018	C\$0.0210	1,946,638.084	(31,625)	
HKD Class (mth)	28.9.2018	9.10.2018	HK\$0.0273	56,629,682.098	(197,573)	
NZD Hedged Class (mth)	28.9.2018	9.10.2018	NZ\$0.0269	1,209,710.812	(21,573)	
RMB Hedged Class (mth)	28.9.2018	9.10.2018	CNY0.0370	51,912,156.326	(279,366)	
USD Class (mth)	28.9.2018	9.10.2018	US\$0.0270	15,904,555.624	(429,423)	
USD Class (san)	28.9.2018	9.10.2018	US\$0.3547	508,804.647	(180,473)	
AUD Hedged Class (mth)	31.10.2016	8.11.2016	A\$0.0330	12,541,371.297		(314,931)
CAD Hedged Class (mth)	31.10.2016	8.11.2016	C\$0.0232	5,347,336.780		(92,564)
HKD Class (mth)	31.10.2016	8.11.2016	HK\$0.0250	151,851,513.682		(489,537)
NZD Hedged Class (mth)	31.10.2016	8.11.2016	NZ\$0.0385	2,641,803.961		(72,763)
RMB Hedged Class (mth)	31.10.2016	8.11.2016	CNY0.0516	140,937,868.628		(1,072,316)
USD Class (mth)	31.10.2016	8.11.2016	US\$0.0250	51,862,375.402		(1,296,559)
AUD Hedged Class (mth)	30.11.2016	8.12.2016	A\$0.0332	11,464,322.201		(281,218)
CAD Hedged Class (mth)	30.11.2016	8.12.2016	C\$0.0231	5,273,201.753		(90,593)
HKD Class (mth)	30.11.2016	8.12.2016	HK\$0.0250	141,179,858.444		(455,028)
NZD Hedged Class (mth)	30.11.2016	8.12.2016	NZ\$0.0368	2,414,340.874		(62,975)
RMB Hedged Class (mth)	30.11.2016	8.12.2016	CNY0.0497	123,354,558.925		(887,359)
USD Class (mth)	30.11.2016	8.12.2016	US\$0.0250	47,226,111.663		(1,180,653)
AUD Hedged Class (mth)	30.12.2016	10.1.2017	A\$0.0329	10,765,243.512		(256,459)
CAD Hedged Class (mth)	30.12.2016	10.1.2017	C\$0.0209	4,802,646.648		(74,848)
HKD Class (mth)	30.12.2016	10.1.2017	HK\$0.0250	126,860,696.483		(409,062)
NZD Hedged Class (mth)	30.12.2016	10.1.2017	NZ\$0.0355	2,311,829.812		(57,227)
RMB Hedged Class (mth)	30.12.2016	10.1.2017	CNY0.0708	112,432,448.756		(1,142,626)
USD Class (mth)	30.12.2016	10.1.2017	US\$0.0250	39,800,398.847		(995,010)
AUD Hedged Class (mth)	27.1.2017	8.2.2017	A\$0.0330	9,290,709.289		(231,601)
CAD Hedged Class (mth)	27.1.2017	8.2.2017	C\$0.0210	4,304,566.948		(68,873)
HKD Class (mth)	27.1.2017	8.2.2017	HK\$0.0250	96,375,521.111		(310,546)
NZD Hedged Class (mth)	27.1.2017	8.2.2017	NZ\$0.0357	3,160,467.056		(82,066)
RMB Hedged Class (mth)	27.1.2017	8.2.2017	CNY0.1046	100,927,320.052		(1,538,248)
USD Class (mth)	27.1.2017	8.2.2017	US\$0.0250	37,053,988.499		(926,350)
AUD Hedged Class (mth)	28.2.2017	8.3.2017	A\$0.0316	8,495,736.782		(206,410)
CAD Hedged Class (mth)	28.2.2017	8.3.2017	C\$0.0226	3,930,021.538		(67,061)
HKD Class (mth)	28.2.2017	8.3.2017	HK\$0.0250	89,542,300.628		(288,383)
NZD Hedged Class (mth)	28.2.2017	8.3.2017	NZ\$0.0336	3,109,407.411		(75,562)
RMB Hedged Class (mth)	28.2.2017	8.3.2017	CNY0.0628	94,948,973.004		(870,920)
USD Class (mth)	28.2.2017	8.3.2017	US\$0.0250	33,570,132.397		(839,253)
AUD Hedged Class (mth)	31.3.2017	11.4.2017	A\$0.0314	7,716,036.274		(184,825)
CAD Hedged Class (mth)	31.3.2017	11.4.2017	C\$0.0215	3,736,245.823		(60,233)
HKD Class (mth)	31.3.2017	11.4.2017	HK\$0.0250	83,693,719.318		(269,233)
NZD Hedged Class (mth)	31.3.2017	11.4.2017	NZ\$0.0340	2,164,818.553		(51,453)
RMB Hedged Class (mth)	31.3.2017	11.4.2017	CNY0.0536	87,338,597.438		(681,231)
USD Class (mth)	31.3.2017	11.4.2017	US\$0.0250	30,592,507.509		(764,813)
USD Class (san)	31.3.2017	11.4.2017	US\$0.3410	659,738.889		(224,971)
AUD Hedged Class (mth)	28.4.2017	10.5.2017	A\$0.0303	7,487,471.470		(169,665)
CAD Hedged Class (mth)	28.4.2017	10.5.2017	C\$0.0208	3,696,392.051		(56,231)
HKD Class (mth)	28.4.2017	10.5.2017	HK\$0.0250	76,833,541.005		(246,972)
NZD Hedged Class (mth)	28.4.2017	10.5.2017	NZ\$0.0328	2,068,501.258		(46,580)
RMB Hedged Class (mth)	28.4.2017	10.5.2017	CNY0.0471	84,097,373.848		(574,177)
USD Class (mth)	28.4.2017	10.5.2017	US\$0.0250	29,418,105.488		(735,453)
AUD Hedged Class (mth)	31.5.2017	8.6.2017	A\$0.0310	7,287,731.243		(168,186)
CAD Hedged Class (mth)	31.5.2017	8.6.2017	C\$0.0208	3,864,853.225		(59,517)
HKD Class (mth)	31.5.2017	8.6.2017	HK\$0.0250	75,274,233.361		(241,497)
NZD Hedged Class (mth)	31.5.2017	8.6.2017	NZ\$0.0329	1,987,684.147		(46,414)
RMB Hedged Class (mth)	31.5.2017	8.6.2017	CNY0.0507	80,074,662.611		(600,724)
USD Class (mth)	31.5.2017	8.6.2017	US\$0.0250	27,146,443.610		(678,661)

Distribution Class	Ex date	Pay date	Rate	Units	2018 US\$	2017 US\$
AUD Hedged Class (mth)	30.6.2017	10.7.2017	A\$0.0296	6,966,733.132		(158,177)
CAD Hedged Class (mth)	30.6.2017	10.7.2017	C\$0.0192	3,595,564.056		(53,157)
HKD Class (mth)	30.6.2017	10.7.2017	HK\$0.0250	69,902,987.225		(223,863)
NZD Hedged Class (mth)	30.6.2017	10.7.2017	NZ\$0.0312	1,902,494.927		(43,462)
RMB Hedged Class (mth)	30.6.2017	10.7.2017	CNY0.0579	77,649,748.981		(663,071)
USD Class (mth)	30.6.2017	10.7.2017	US\$0.0250	25,707,415.632		(642,686)
AUD Hedged Class (mth)	31.7.2017	8.8.2017	A\$0.0289	6,974,507.181		(160,918)
CAD Hedged Class (mth)	31.7.2017	8.8.2017	C\$0.0195	2,966,376.538		(46,255)
HKD Class (mth)	31.7.2017	8.8.2017	HK\$0.0250	67,159,084.144		(214,974)
NZD Hedged Class (mth)	31.7.2017	8.8.2017	NZ\$0.0304	1,170,380.713		(26,676)
RMB Hedged Class (mth)	31.7.2017	8.8.2017	CNY0.0452	75,729,660.003		(508,525)
USD Class (mth)	31.7.2017	8.8.2017	US\$0.0250	24,966,579.609		(624,164)
AUD Hedged Class (mth)	31.8.2017	8.9.2017	A\$0.0286	6,886,331.393		(156,210)
CAD Hedged Class (mth)	31.8.2017	8.9.2017	C\$0.0204	2,622,327.950		(42,668)
HKD Class (mth)	31.8.2017	8.9.2017	HK\$0.0252	70,816,183.238		(228,018)
NZD Hedged Class (mth)	31.8.2017	8.9.2017	NZ\$0.0307	1,173,798.866		(25,809)
RMB Hedged Class (mth)	31.8.2017	8.9.2017	CNY0.0367	76,167,253.060		(423,607)
USD Class (mth)	31.8.2017	8.9.2017	US\$0.0250	23,629,440.296		(590,735)
AUD Hedged Class (mth)	29.9.2017	11.10.2017	A\$0.0286	6,419,196.841		(144,053)
CAD Hedged Class (mth)	29.9.2017	11.10.2017	C\$0.0223	2,443,447.628		(43,568)
HKD Class (mth)	29.9.2017	11.10.2017	HK\$0.0252	70,649,723.820		(227,940)
NZD Hedged Class (mth)	29.9.2017	11.10.2017	NZ\$0.0307	1,853,608.500		(41,137)
RMB Hedged Class (mth)	29.9.2017	11.10.2017	CNY0.0385	76,499,550.498		(443,090)
USD Class (mth)	29.9.2017	11.10.2017	US\$0.0250	23,108,166.192		(577,704)
USD Class (san)	29.9.2017	11.10.2017	US\$0.3425	640,856.360		(219,493)
Total distribution to holders of redeemable units					(13,620,372)	(27,127,797)

## 7 Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Overseas tax was withheld or paid on certain interest income received during the years ended 30 September 2018 and 2017.

## 8 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

(a) Investment transactions with the Manager and its Connected Persons are set out below:

The Fund invests in various funds ("underlying funds") which are managed by the Manager or its Connected Persons. All fees on allotments and redemptions in the underlying funds payable by the Fund are waived by the managers of underlying funds which are managed by the Manager and/or its Connected Persons.

For the years ended 30 September 2018 and 2017, the dividend income amounted to US\$1,633,687 (2017: nil) in the Statement of Comprehensive Income which represented the distributions from investments in collective investment schemes issued and managed by the Manager or its Connected Persons.

Name of company	Aggregate value of purchases and sales of investments US\$	% of the Fund's total aggregate value of transactions	Commission paid US\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
JPMorgan Asset Management (Europe) S.à r.l.	112,143,596	10.79	-	-	-
J.P. Morgan Securities plc London	58,691,248*	5.65	949	10.98	-
<u>2017</u>					
JPMorgan Asset Management (Europe) S.à r.l.	84,471,390	3.20	-	-	-
J.P. Morgan Securities plc London	1,880,339	0.07	-	-	-

\* These amounts include futures transactions totaling US\$56,218,406 (2017: nil).

- (b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	6,525,028	2,889,342
Margin deposits	146,765	410,182
Amounts receivable	-	77
Amounts payable	(244,605)	(364,484)

As at 30 September 2018, the Fund's investment balance of US\$101,992,420 (2017: US\$40,187,688) represents the investments in collective investment schemes issued and managed by a Connected Person of the Manager.

As at 30 September 2018, the Fund's investment balance of US\$354,635,265 (2017: US\$526,643,395) represents the investments held by the custodian, J.P. Morgan Chase Bank, N.A., a Connected Person of the Manager.

During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$20,615 (2017: US\$8,066).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.
- (d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$2,027 (2017: US\$26,902).
- (e) Management fee of 0.8% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears. If the Fund invests in the collective investment scheme managed by the Manager or its Connected Persons, the management fee of the Manager will be reduced to take account of the management fee levied in respect of such collective investment scheme to the extent attributable to that Fund's interest in such collective investment scheme.
- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (g) Refer to Note 9 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 9 Trustee's fee

Trustee's fee of 0.018% per annum of the net asset value of the Fund is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

**10 Borrowings**

During the years ended 30 September 2018 and 2017, the Fund has unsecured short-term bank borrowings with duration less than 7 days.

**11 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**12 Derivatives**

(a) Outstanding forward foreign exchange contracts as at 30 September were as follows:

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
<u>2018</u>			
Open contracts:			
A\$565,236	US\$410,690	2 October 2018	1,685
US\$2,060	C\$2,672	2 October 2018	7
US\$1,744,833	A\$2,416,795	3 October 2018	3,960
A\$196,627	US\$142,724	4 October 2018	445
US\$34,301	A\$47,408	4 October 2018	4
US\$1,405	A\$1,947	4 October 2018	3
CNH240,000	US\$34,941	9 October 2018	34
A\$46,505,137	US\$33,697,353	10 October 2018	46,235
A\$330,503	US\$242,829	10 October 2018	3,677
A\$265,936	US\$194,939	10 October 2018	2,508
A\$81,117	US\$59,648	10 October 2018	952
A\$186,028	US\$135,515	10 October 2018	905
A\$71,831	US\$52,389	10 October 2018	412
A\$43,258	US\$31,543	10 October 2018	241
A\$7,835	US\$5,756	10 October 2018	87
A\$3,737	US\$2,748	10 October 2018	44
A\$2,148	US\$1,578	10 October 2018	24
A\$3,069	US\$2,236	10 October 2018	15
A\$1,526	US\$1,108	10 October 2018	4
C\$2,422	US\$1,878	10 October 2018	4
CNH3,781,984	US\$552,806	10 October 2018	2,771
CNH1,965,456	US\$287,122	10 October 2018	1,275
CNH3,102,708	US\$451,951	10 October 2018	707
CNH375,947	US\$55,331	10 October 2018	655
CNH1,011,388	US\$147,747	10 October 2018	655
CNH1,584,066	US\$231,028	10 October 2018	648
CNH1,085,731	US\$158,496	10 October 2018	592
CNH1,318,049	US\$192,171	10 October 2018	480
CNH406,629	US\$59,614	10 October 2018	476
CNH1,140,518	US\$166,318	10 October 2018	446
CNH664,785	US\$97,093	10 October 2018	409
CNH780,223	US\$113,866	10 October 2018	394
CNH1,406,764	US\$204,919	10 October 2018	325
CNH161,866	US\$23,787	10 October 2018	246
CNH1,224,164	US\$178,196	10 October 2018	159
CNH674,549	US\$98,141	10 October 2018	38
CNH39,028	US\$5,709	10 October 2018	33

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
CNH11,832	US\$1,741	10 October 2018	21
CNH28,222	US\$4,123	10 October 2018	18
CNH21,653	US\$3,163	10 October 2018	13
CNH7,478	US\$1,101	10 October 2018	13
CNH7,576	US\$1,113	10 October 2018	12
CNH9,676	US\$1,415	10 October 2018	8
CNH13,828	US\$2,018	10 October 2018	7
CNH10,600	US\$1,547	10 October 2018	6
CNH7,534	US\$1,102	10 October 2018	6
CNH7,770	US\$1,136	10 October 2018	6
CNH15,398	US\$2,245	10 October 2018	5
CNH7,556	US\$1,104	10 October 2018	5
CNH11,226	US\$1,635	10 October 2018	3
CNH7,542	US\$1,100	10 October 2018	3
CNH4,881	US\$712	10 October 2018	2
CNH7,526	US\$1,096	10 October 2018	1
CNH7,552	US\$1,099	10 October 2018	0
CNH7,552	US\$1,099	10 October 2018	0
NZ\$11,948,671	US\$7,939,301	10 October 2018	17,332
NZ\$18,700	US\$12,523	10 October 2018	125
NZ\$2,811	US\$1,887	10 October 2018	23
NZ\$1,643	US\$1,102	10 October 2018	13
NZ\$24,205	US\$16,055	10 October 2018	7
US\$651,676	A\$918,389	10 October 2018	12,870
US\$1,616,604	A\$2,249,002	10 October 2018	10,773
US\$14,215,005	C\$18,383,683	10 October 2018	9,447
US\$170,392	A\$238,822	10 October 2018	2,419
US\$127,206	NZ\$195,503	10 October 2018	2,412
US\$163,378	A\$228,914	10 October 2018	2,263
US\$230,486	C\$300,000	10 October 2018	1,640
US\$95,350	A\$133,922	10 October 2018	1,556
US\$200,811	A\$279,650	10 October 2018	1,543
US\$78,017	C\$102,669	10 October 2018	1,423
US\$128,429	NZ\$195,789	10 October 2018	1,378
US\$161,291	A\$224,607	10 October 2018	1,234
US\$60,709	C\$80,000	10 October 2018	1,192
US\$178,968	A\$248,891	10 October 2018	1,130
US\$50,679	C\$66,839	10 October 2018	1,038
US\$73,797	NZ\$112,799	10 October 2018	989
US\$94,181	NZ\$143,061	10 October 2018	669
US\$249,827	C\$323,557	10 October 2018	527
US\$45,758	NZ\$69,812	10 October 2018	527
US\$127,725	A\$177,225	10 October 2018	515
US\$38,368	NZ\$58,539	10 October 2018	443
US\$59,240	NZ\$90,000	10 October 2018	430
US\$88,660	NZ\$134,141	10 October 2018	275
US\$140,147	A\$193,996	10 October 2018	229
US\$15,851	A\$22,186	10 October 2018	203
US\$368,814	CNH2,537,305	10 October 2018	200
US\$65,024	CNH448,286	10 October 2018	173
US\$39,385	A\$54,645	10 October 2018	156
US\$21,167	C\$27,558	10 October 2018	156
US\$61,197	CNH421,164	10 October 2018	55
US\$166,828	CNH1,147,446	10 October 2018	51
US\$3,838	C\$5,000	10 October 2018	30
US\$191,965	C\$248,130	10 October 2018	27
A\$6,972,884	US\$5,067,623	31 October 2018	21,347
C\$10,570,661	US\$8,191,117	31 October 2018	8,224
EUR70,710,519	US\$82,931,206	31 October 2018	617,091
EUR748,847	US\$883,566	31 October 2018	11,832
EUR923,260	US\$1,084,106	31 October 2018	9,339
EUR259,944	US\$305,121	31 October 2018	2,520
EUR304,609	US\$356,931	31 October 2018	2,336



Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
GBP10,863,473	US\$14,367,388	31 October 2018	182,952
GBP703,483	US\$926,787	31 October 2018	8,250
HUF1,168,326,279	US\$4,235,704	31 October 2018	31,843
JPY7,619,347,455	US\$68,035,969	31 October 2018	816,970
JPY165,706,285	US\$1,483,162	31 October 2018	21,277
JPY97,405,436	US\$870,521	31 October 2018	11,196
JPY35,659,907	US\$317,629	31 October 2018	3,032
NZ\$370,485	US\$246,722	31 October 2018	1,090
PLN1,099,736	US\$299,869	31 October 2018	1,344
SKr13,634,590	US\$1,543,317	31 October 2018	6,541
A\$111,350	US\$81,120	13 November 2018	525
A\$5,594	US\$4,062	13 November 2018	13
C\$43,951	US\$34,114	13 November 2018	80
C\$2,707	US\$2,100	13 November 2018	3
C\$1,420	US\$1,100	13 November 2018	1
CNH2,907,518	US\$423,772	13 November 2018	1,818
CNH396,341	US\$57,779	13 November 2018	260
CNH225,340	US\$32,800	13 November 2018	98
CNH455,811	US\$66,231	13 November 2018	81
CNH160,892	US\$23,369	13 November 2018	20
CNH7,538	US\$1,099	13 November 2018	5
CNH7,525	US\$1,097	13 November 2018	5
CNH3,768	US\$550	13 November 2018	3
NZ\$716,127	US\$478,811	13 November 2018	3,947
NZ\$93,938	US\$62,484	13 November 2018	194
NZ\$16,851	US\$11,196	13 November 2018	22
NZ\$1,645	US\$1,094	13 November 2018	3
NZ\$3,342	US\$2,216	13 November 2018	0
US\$14,262,554	C\$18,466,813	13 November 2018	37,251
US\$72,000,461	CNH496,152,297	13 November 2018	3,770
US\$253,324	NZ\$382,141	13 November 2018	73
US\$149,578	CNH1,031,062	13 November 2018	55
US\$136,369	C\$176,166	13 November 2018	46
US\$151,875	CNH1,046,765	13 November 2018	38
US\$322,230	CNH2,220,472	13 November 2018	17
US\$55,896	A\$77,236	13 November 2018	8
US\$11,761	CNH81,048	13 November 2018	1
Total unrealized gains			1,952,678
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C\$176,166	US\$136,258	2 October 2018	(30)
US\$4,061	A\$5,594	2 October 2018	(13)
US\$62,474	NZ\$93,938	2 October 2018	(194)
NZ\$382,141	US\$253,272	4 October 2018	(88)
US\$2,216	NZ\$3,342	4 October 2018	(0)
A\$77,236	US\$55,882	9 October 2018	(6)
CNH1,046,765	US\$152,107	9 October 2018	(141)
A\$1,921	US\$1,387	10 October 2018	(3)
A\$1,974	US\$1,423	10 October 2018	(6)
A\$7,037	US\$5,084	10 October 2018	(8)
A\$1,817	US\$1,306	10 October 2018	(9)
A\$2,631	US\$1,892	10 October 2018	(12)
A\$2,239	US\$1,608	10 October 2018	(12)
A\$1,755	US\$1,254	10 October 2018	(16)
A\$1,539	US\$1,096	10 October 2018	(18)
A\$2,572	US\$1,825	10 October 2018	(36)
A\$10,034	US\$7,162	10 October 2018	(98)
A\$22,546	US\$16,191	10 October 2018	(123)
A\$16,314	US\$11,616	10 October 2018	(189)
A\$28,662	US\$20,479	10 October 2018	(261)
A\$124,727	US\$89,887	10 October 2018	(365)
A\$282,140	US\$203,680	10 October 2018	(477)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
A\$115,925	US\$83,251	10 October 2018	(633)
A\$132,608	US\$95,234	10 October 2018	(721)
A\$429,390	US\$308,363	10 October 2018	(2,344)
A\$285,298	US\$202,463	10 October 2018	(3,979)
C\$1,427	US\$1,104	10 October 2018	(0)
C\$61,718	US\$47,750	10 October 2018	(4)
C\$2,970	US\$2,280	10 October 2018	(18)
C\$1,452	US\$1,104	10 October 2018	(19)
C\$1,452	US\$1,104	10 October 2018	(19)
C\$1,451	US\$1,100	10 October 2018	(22)
C\$41,559	US\$32,127	10 October 2018	(30)
C\$11,236	US\$8,545	10 October 2018	(149)
C\$150,507	US\$116,210	10 October 2018	(245)
C\$124,869	US\$96,028	10 October 2018	(590)
C\$106,319	US\$81,643	10 October 2018	(621)
C\$43,121	US\$32,724	10 October 2018	(641)
C\$45,542	US\$34,533	10 October 2018	(705)
C\$50,654	US\$38,453	10 October 2018	(741)
C\$180,783	US\$139,027	10 October 2018	(854)
C\$59,518	US\$45,132	10 October 2018	(921)
C\$183,625	US\$140,873	10 October 2018	(1,208)
C\$18,466,813	US\$14,253,511	10 October 2018	(35,264)
CNH7,532	US\$1,095	10 October 2018	(0)
CNH7,528	US\$1,092	10 October 2018	(3)
CNH53,563	US\$7,787	10 October 2018	(3)
CNH11,366	US\$1,648	10 October 2018	(5)
CNH21,001	US\$3,046	10 October 2018	(8)
CNH392,014	US\$56,981	10 October 2018	(32)
CNH92,287	US\$13,387	10 October 2018	(35)
CNH2,220,472	US\$322,670	10 October 2018	(266)
CNH496,152,297	US\$72,098,811	10 October 2018	(59,349)
NZ\$1,658	US\$1,096	10 October 2018	(3)
NZ\$1,671	US\$1,103	10 October 2018	(5)
NZ\$1,671	US\$1,101	10 October 2018	(7)
NZ\$1,936	US\$1,274	10 October 2018	(9)
NZ\$1,681	US\$1,103	10 October 2018	(12)
NZ\$1,666	US\$1,092	10 October 2018	(13)
NZ\$2,181	US\$1,427	10 October 2018	(18)
NZ\$1,931	US\$1,262	10 October 2018	(18)
NZ\$16,125	US\$10,645	10 October 2018	(46)
NZ\$17,922	US\$11,830	10 October 2018	(53)
NZ\$32,867	US\$21,706	10 October 2018	(84)
NZ\$36,243	US\$23,723	10 October 2018	(306)
NZ\$37,870	US\$24,794	10 October 2018	(314)
NZ\$107,810	US\$70,155	10 October 2018	(1,322)
NZ\$1,316,055	US\$862,589	10 October 2018	(9,956)
US\$1,753	CNH12,035	10 October 2018	(3)
US\$23,215	NZ\$35,000	10 October 2018	(10)
US\$39,065	CNH268,489	10 October 2018	(17)
US\$32,668	CNH224,443	10 October 2018	(26)
US\$5,976	NZ\$8,935	10 October 2018	(52)
US\$44,140	CNH303,041	10 October 2018	(67)
US\$39,136	CNH268,437	10 October 2018	(96)
US\$10,178	NZ\$15,176	10 October 2018	(116)
US\$10,481	CNH71,155	10 October 2018	(132)
US\$37,031	CNH253,506	10 October 2018	(163)
US\$79,393	CNH543,881	10 October 2018	(293)
US\$117,223	CNH803,227	10 October 2018	(405)
US\$87,612	CNH598,962	10 October 2018	(502)
US\$116,723	CNH798,768	10 October 2018	(554)
US\$384,975	CNH2,642,660	10 October 2018	(639)
US\$46,324	A\$62,970	10 October 2018	(759)
US\$164,295	CNH1,124,000	10 October 2018	(826)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$114,243	CNH777,391	10 October 2018	(1,183)
US\$305,814	CNH2,093,996	10 October 2018	(1,273)
US\$192,064	CNH1,310,188	10 October 2018	(1,516)
US\$226,026	A\$310,000	10 October 2018	(1,710)
US\$191,484	NZ\$285,464	10 October 2018	(2,221)
US\$176,257	A\$240,459	10 October 2018	(2,261)
US\$491,441	A\$674,695	10 October 2018	(3,231)
US\$327,053	CNH2,223,918	10 October 2018	(3,616)
US\$444,910	CNH3,023,182	10 October 2018	(5,233)
US\$1,416,793	NZ\$2,128,941	10 October 2018	(5,305)
US\$586,315	A\$798,019	10 October 2018	(8,868)
US\$6,775,745	NZ\$10,102,158	10 October 2018	(78,008)
US\$30,808,265	A\$41,916,862	10 October 2018	(477,191)
US\$73,233,916	CNH497,981,838	10 October 2018	(809,734)
MXN30,370,003	US\$1,610,232	31 October 2018	(5,890)
US\$107,302	HUF29,625,001	31 October 2018	(704)
US\$201,776	JPY22,738,294	31 October 2018	(1,173)
US\$204,036	JPY22,975,688	31 October 2018	(1,339)
US\$495,615	GBP377,775	31 October 2018	(2,351)
US\$297,227	EUR251,624	31 October 2018	(4,302)
A\$1,947	US\$1,406	13 November 2018	(3)
A\$47,408	US\$34,310	13 November 2018	(4)
A\$2,416,795	US\$1,745,303	13 November 2018	(3,973)
C\$2,672	US\$2,062	13 November 2018	(7)
C\$153,134	US\$118,546	13 November 2018	(34)
CNH418,602	US\$60,739	13 November 2018	(10)
CNH421,164	US\$61,099	13 November 2018	(22)
CNH2,990,845	US\$433,888	13 November 2018	(159)
US\$34,875	CNH240,000	13 November 2018	(46)
US\$20,217	CNH138,682	13 November 2018	(91)
US\$13,370	NZ\$20,000	13 November 2018	(108)
US\$73,782	C\$95,140	13 November 2018	(110)
US\$38,733	CNH266,113	13 November 2018	(114)
US\$44,861	A\$61,545	13 November 2018	(315)
US\$142,757	A\$196,627	13 November 2018	(439)
US\$410,776	A\$565,236	13 November 2018	(1,657)
US\$7,940,272	NZ\$11,948,671	13 November 2018	(17,104)
US\$33,704,226	A\$46,505,137	13 November 2018	(43,793)
Total unrealized losses			(1,613,458)
Net unrealized gains			339,220

## 2017

## Open contracts:

NZ\$30,281	US\$22,003	3 October 2017	114
US\$1,104	NZ\$1,531	3 October 2017	3
US\$20,411	A\$26,054	4 October 2017	34
US\$16,065	C\$20,093	6 October 2017	2
US\$104,279	CNH694,059	10 October 2017	93
A\$407,460	US\$328,651	24 October 2017	8,999
A\$481,695	US\$386,844	24 October 2017	8,955
A\$442,245	US\$355,307	24 October 2017	8,366
A\$654,576	US\$519,189	24 October 2017	5,674
A\$253,433	US\$202,562	24 October 2017	3,743
A\$278,736	US\$221,669	24 October 2017	3,001
A\$107,568	US\$86,683	24 October 2017	2,296
A\$195,598	US\$155,511	24 October 2017	2,065
A\$113,360	US\$90,874	24 October 2017	1,943

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
A\$103,557	US\$83,180	24 October 2017	1,939
A\$124,238	US\$99,381	24 October 2017	1,916
A\$134,448	US\$107,238	24 October 2017	1,764
A\$97,958	US\$78,559	24 October 2017	1,711
A\$111,043	US\$88,690	24 October 2017	1,577
A\$124,917	US\$99,538	24 October 2017	1,540
A\$35,864	US\$28,514	24 October 2017	379
A\$14,377	US\$11,466	24 October 2017	188
A\$12,447	US\$9,883	24 October 2017	119
A\$1,369	US\$1,103	24 October 2017	29
A\$1,380	US\$1,104	24 October 2017	21
A\$1,372	US\$1,096	24 October 2017	20
A\$1,379	US\$1,097	24 October 2017	15
A\$40,736	US\$31,962	24 October 2017	5
A\$1,385	US\$1,090	24 October 2017	3
C\$1,284,827	US\$1,058,312	24 October 2017	30,779
C\$220,323	US\$179,883	24 October 2017	3,681
C\$135,442	US\$111,107	24 October 2017	2,788
C\$71,761	US\$58,964	24 October 2017	1,574
C\$68,681	US\$56,339	24 October 2017	1,411
C\$51,581	US\$42,475	24 October 2017	1,224
C\$41,578	US\$34,233	24 October 2017	981
C\$48,102	US\$39,389	24 October 2017	919
C\$53,433	US\$43,313	24 October 2017	581
C\$87,547	US\$70,577	24 October 2017	562
C\$41,744	US\$33,826	24 October 2017	441
C\$57,886	US\$46,427	24 October 2017	133
C\$1,366	US\$1,107	24 October 2017	15
C\$1,348	US\$1,092	24 October 2017	14
C\$1,358	US\$1,096	24 October 2017	10
CNH3,689,868	US\$564,012	24 October 2017	9,603
CNH3,538,945	US\$539,225	24 October 2017	7,493
CNH2,448,303	US\$374,259	24 October 2017	6,397
CNH2,797,858	US\$426,614	24 October 2017	6,231
CNH2,367,939	US\$361,163	24 October 2017	5,377
CNH4,022,172	US\$609,690	24 October 2017	5,352
CNH3,070,226	US\$466,286	24 October 2017	4,980
CNH1,570,448	US\$240,497	24 October 2017	4,535
CNH1,735,579	US\$264,639	24 October 2017	3,865
CNH1,997,476	US\$303,868	24 October 2017	3,743
CNH1,598,346	US\$243,664	24 October 2017	3,510
CNH2,075,994	US\$315,088	24 October 2017	3,167
CNH1,135,433	US\$173,420	24 October 2017	2,820
CNH1,490,718	US\$226,452	24 October 2017	2,469
CNH508,159	US\$78,163	24 October 2017	1,811
CNH683,823	US\$104,418	24 October 2017	1,672
CNH460,784	US\$70,255	24 October 2017	1,022
CNH1,293,819	US\$195,258	24 October 2017	859
CNH242,894	US\$36,807	24 October 2017	312
CNH98,837	US\$15,070	24 October 2017	219
CNH904,203	US\$136,021	24 October 2017	163
CNH999,546	US\$150,281	24 October 2017	97
CNH25,373	US\$3,903	24 October 2017	90
CNH68,090	US\$10,318	24 October 2017	87
CNH25,099	US\$3,827	24 October 2017	56
CNH968,128	US\$145,515	24 October 2017	52
CNH20,722	US\$3,161	24 October 2017	47
CNH19,281	US\$2,940	24 October 2017	43
CNH16,471	US\$2,515	24 October 2017	40
CNH20,913	US\$3,181	24 October 2017	39
CNH10,393	US\$1,589	24 October 2017	27
CNH16,765	US\$2,545	24 October 2017	26

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
CNH7,141	US\$1,094	24 October 2017	21
CNH187,320	US\$28,166	24 October 2017	21
CNH7,199	US\$1,099	24 October 2017	18
CNH7,199	US\$1,099	24 October 2017	18
CNH5,328	US\$814	24 October 2017	13
CNH7,233	US\$1,096	24 October 2017	10
CNH11,884	US\$1,794	24 October 2017	8
CNH7,276	US\$1,095	24 October 2017	1
NZ\$294,301	US\$217,320	24 October 2017	4,659
NZ\$222,910	US\$162,193	24 October 2017	1,118
NZ\$255,749	US\$185,552	24 October 2017	747
NZ\$178,349	US\$129,549	24 October 2017	675
NZ\$43,871	US\$31,914	24 October 2017	213
NZ\$11,477	US\$8,369	24 October 2017	76
NZ\$11,655	US\$8,480	24 October 2017	58
NZ\$18,665	US\$13,542	24 October 2017	55
NZ\$10,544	US\$7,654	24 October 2017	35
NZ\$9,820	US\$7,129	24 October 2017	33
NZ\$7,811	US\$5,670	24 October 2017	26
NZ\$4,558	US\$3,311	24 October 2017	17
NZ\$1,504	US\$1,103	24 October 2017	16
NZ\$2,970	US\$2,156	24 October 2017	10
NZ\$3,456	US\$2,505	24 October 2017	8
NZ\$1,524	US\$1,101	24 October 2017	0
US\$1,222,307	NZ\$1,696,953	24 October 2017	3,913
US\$205,801	NZ\$287,011	24 October 2017	1,594
US\$218,065	NZ\$303,909	24 October 2017	1,541
US\$1,432,848	NZ\$1,983,942	24 October 2017	748
US\$415,279	NZ\$574,912	24 October 2017	152
US\$28,856	NZ\$40,000	24 October 2017	48
A\$20,239,175	US\$16,092,026	31 October 2017	216,418
C\$13,788,600	US\$11,181,118	31 October 2017	153,767
EUR106,724,038	US\$127,355,609	31 October 2017	1,005,019
EUR41,797,638	US\$3,127,136	31 October 2017	45,623
EUR231,503,808	US\$2,084,221	31 October 2017	25,037
EUR2,475,221	US\$2,947,157	31 October 2017	16,742
EUR730,734	US\$874,847	31 October 2017	9,731
EUR267,336	US\$319,392	31 October 2017	2,893
GBP23,049,104	US\$31,169,788	31 October 2017	217,145
NZ\$4,858,757	US\$3,557,210	31 October 2017	47,244
SKr7,536,700	US\$944,246	31 October 2017	19,475
US\$13,397,818,964	US\$119,442,301	31 October 2017	271,128
US\$23,467,460	US\$1,306,875	31 October 2017	20,642
US\$2,151,342	EUR1,820,998	31 October 2017	4,531
US\$326,781	EUR276,863	31 October 2017	996
US\$267,883	US\$30,145,465	31 October 2017	255
TRY9,123,568	US\$2,570,944	31 October 2017	26,300
A\$414,766	US\$332,708	21 November 2017	7,449
C\$33,021	US\$27,208	21 November 2017	795
CNH1,709,569	US\$260,769	21 November 2017	4,362
CNH8,473	US\$1,292	21 November 2017	22
NZ\$23,518	US\$17,043	21 November 2017	59
NZ\$4,570	US\$3,312	21 November 2017	12
Total unrealized gains			2,289,328
			-----
NZ\$303,909	US\$218,154	3 October 2017	(1,542)
NZ\$574,912	US\$415,428	6 October 2017	(176)
US\$31,969	A\$40,736	6 October 2017	(7)
US\$28,194	CNH187,320	10 October 2017	(25)
US\$145,636	CNH968,128	10 October 2017	(50)
A\$26,054	US\$20,406	24 October 2017	(34)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
A\$163,494	US\$127,870	24 October 2017	(392)
C\$20,093	US\$16,068	24 October 2017	(2)
CNH14,318	US\$2,148	24 October 2017	(4)
CNH694,059	US\$104,165	24 October 2017	(118)
CNH1,719,393	US\$258,032	24 October 2017	(310)
CNH1,946,993	US\$292,029	24 October 2017	(510)
NZ\$1,531	US\$1,104	24 October 2017	(3)
NZ\$3,003	US\$2,163	24 October 2017	(7)
NZ\$5,472	US\$3,946	24 October 2017	(8)
NZ\$1,513	US\$1,086	24 October 2017	(8)
NZ\$42,685	US\$30,745	24 October 2017	(99)
NZ\$43,636	US\$31,397	24 October 2017	(135)
NZ\$36,022	US\$25,828	24 October 2017	(202)
NZ\$50,725	US\$36,374	24 October 2017	(280)
US\$1,098	CNH7,244	24 October 2017	(9)
US\$1,095	CNH7,216	24 October 2017	(11)
US\$935	CNH6,131	24 October 2017	(13)
US\$1,098	C\$1,341	24 October 2017	(26)
US\$1,408	A\$1,757	24 October 2017	(30)
US\$1,254	CNH8,132	24 October 2017	(33)
US\$1,768	A\$2,202	24 October 2017	(41)
US\$36,877	CNH245,134	24 October 2017	(45)
US\$2,144	C\$2,613	24 October 2017	(54)
US\$2,279	A\$2,828	24 October 2017	(60)
US\$30,841	NZ\$42,560	24 October 2017	(87)
US\$21,994	NZ\$30,281	24 October 2017	(114)
US\$104,840	CNH696,904	24 October 2017	(129)
US\$8,905	A\$11,176	24 October 2017	(137)
US\$42,787	CNH283,486	24 October 2017	(193)
US\$23,192	CNH152,987	24 October 2017	(206)
US\$15,999	A\$20,000	24 October 2017	(309)
US\$28,350	NZ\$38,794	24 October 2017	(318)
US\$41,051	CNH270,862	24 October 2017	(354)
US\$13,009	A\$16,130	24 October 2017	(355)
US\$61,161	C\$75,902	24 October 2017	(459)
US\$20,476	A\$25,493	24 October 2017	(478)
US\$41,989	CNH275,979	24 October 2017	(523)
US\$149,150	NZ\$205,582	24 October 2017	(597)
US\$219,401	NZ\$302,245	24 October 2017	(1,000)
US\$357,322	NZ\$493,005	24 October 2017	(1,077)
US\$46,151	CNH300,000	24 October 2017	(1,077)
US\$111,647	CNH735,512	24 October 2017	(1,136)
US\$65,543	CNH427,939	24 October 2017	(1,246)
US\$120,464	CNH793,012	24 October 2017	(1,314)
US\$218,263	NZ\$300,000	24 October 2017	(1,483)
US\$93,567	C\$114,066	24 October 2017	(2,343)
US\$198,234	CNH1,299,978	24 October 2017	(2,914)
US\$222,627	CNH1,460,954	24 October 2017	(3,121)
US\$222,687	NZ\$303,681	24 October 2017	(3,249)
US\$302,975	NZ\$414,441	24 October 2017	(3,502)
US\$238,199	CNH1,562,043	24 October 2017	(3,504)
US\$185,956	A\$232,282	24 October 2017	(3,732)
US\$119,221	C\$144,166	24 October 2017	(3,925)
US\$289,537	CNH1,898,095	24 October 2017	(4,350)
US\$271,554	CNH1,778,139	24 October 2017	(4,392)
US\$487,844	NZ\$669,022	24 October 2017	(4,411)
US\$160,305	A\$197,778	24 October 2017	(5,149)
US\$341,861	CNH2,236,000	24 October 2017	(5,906)
US\$985,170	CNH6,486,219	24 October 2017	(10,618)
US\$447,509	CNH2,899,682	24 October 2017	(11,842)
US\$830,593	CNH5,384,458	24 October 2017	(21,597)
US\$8,442,294	NZ\$11,579,220	24 October 2017	(75,180)
US\$21,308,699	C\$25,786,253	24 October 2017	(686,158)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$53,943,114	A\$66,647,369	24 October 2017	(1,658,570)
US\$117,146,331	CNH759,062,540	24 October 2017	(3,099,852)
US\$305,382	CNH34,322,314	31 October 2017	(91)
US\$2,487,081	CNH279,424,071	31 October 2017	(1,653)
US\$481,778	GBP355,393	31 October 2017	(4,516)
US\$824,786	EUR691,084	31 October 2017	(6,603)
US\$5,618,356	GBP4,144,219	31 October 2017	(53,034)
US\$1,098	A\$1,369	21 November 2017	(25)
US\$567,844	NZ\$783,566	21 November 2017	(1,955)
US\$198,158	CNH1,299,486	21 November 2017	(3,267)
US\$298,968	CNH1,960,000	21 November 2017	(5,016)
Total unrealized losses			(5,707,301)
Net unrealized losses			(3,417,973)

(b) Open futures contracts as at 30 September were as follows:

	No. of contracts long/(short)	Contract value US\$	Settlement date	Unrealized gains/(losses) US\$
<u>2018</u>				
Euro-BUXL (EUX) Futures	(1)	(176,660)	December 2018	2,718
Euro-BOBL (EUX) Futures	(47)	(6,180,970)	December 2018	44,218
Euro-Bund (EUX) Futures	(42)	(6,734,420)	December 2018	75,776
Euro-OAT (EUX) Futures	(11)	(1,673,100)	December 2018	13,415
Mini JGB 10Years Bond (SGX) Futures	7	105,175,000	December 2018	(1,048)
US 10 Years Note (CBT) Futures	(6)	(721,344)	December 2018	8,656
US 2 Years Note (CBT) Futures	(10)	(2,113,594)	December 2018	6,250
US 5 Years Note (CBT) Futures	149	16,901,023	December 2018	(142,016)
US Long Bond (CBT) Futures	(42)	(6,072,938)	December 2018	171,938
US Ultra Bond (CBT) Futures	(9)	(1,439,719)	December 2018	51,188
				231,095
<u>2017</u>				
Euro-BOBL (EUX) Futures	(66)	(10,229,730)	December 2017	(5,615)
Euro-BTP (EUX) Futures	(46)	(7,341,403)	December 2017	2,116
Euro-Bund (EUX) Futures	(115)	(22,038,584)	December 2017	148,792
Euro-OAT (EUX) Futures	(6)	(1,112,332)	December 2017	11,893
Long Gilt (LIF) Futures	(1)	(171,302)	December 2017	5,098
US 10 Years Note (CBT) Futures	(68)	(8,587,063)	December 2017	65,813
US 10 Years Ultra Bond (CBT) Futures	(12)	(1,633,297)	December 2017	21,359
US 5 Years Note (CBT) Futures	(32)	(3,786,797)	December 2017	26,797
US Long Bond (CBT) Futures	(9)	(1,396,891)	December 2017	21,578
US Ultra Bond (CBT) Futures	(1)	(167,281)	December 2017	2,156
				299,987

### 13 Other income

The Fund received US\$26,234 (2017: nil) from the Manager as compensation for valuation and/or other operational error(s).

**Independent Auditor's Report**

To the Unitholders of JPMorgan Global Bond Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Global Bond Fund set out on pages 385 to 412 which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 30 April 1979, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.



**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Global Bond Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund is managed by the Manager in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto; and
- report to the unitholders for each annual accounting period on the conduct of the Manager in the management of the Fund.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 30 April 1979, as amended, for the year ended 30 September 2018.

Bank of East Asia (Trustees) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund	Net asset value per unit
30/9/18		
- AUD Hedged Class (mth)	A\$44,711,934	A\$9.49
- CAD Hedged Class (mth)	C\$18,500,087	C\$9.50
- HKD Class (mth)	HK\$536,431,426	HK\$9.61
- NZD Hedged Class (mth)	NZ\$11,491,342	NZ\$9.50
- RMB Hedged Class (acc)	CNY2,211,940	CNY11.51
- RMB Hedged Class (mth)	CNY487,434,570	CNY9.39
- USD Class (mth)	US\$150,841,303	US\$9.52
- USD Class (san)	US\$10,950,129	US\$21.52
30/9/17		
- AUD Hedged Class (mth)	A\$62,623,626	A\$9.76
- CAD Hedged Class (mth)	C\$23,856,042	C\$9.77
- HKD Class (mth)	HK\$696,586,915	HK\$9.88
- NZD Hedged Class (mth)	NZ\$18,686,536	NZ\$9.78
- RMB Hedged Class (acc)	CNY3,029,878	CNY11.29
- RMB Hedged Class (mth)	CNY738,415,473	CNY9.67
- USD Class (mth)	US\$226,749,999	US\$9.80
- USD Class (san)	US\$14,191,027	US\$22.15
30/9/16		
- AUD Hedged Class (mth)	A\$138,645,592	A\$10.19
- CAD Hedged Class (mth)	C\$56,724,336	C\$10.20
- HKD Class (mth)	HK\$1,869,534,465	HK\$10.23
- NZD Hedged Class (mth)	NZ\$29,590,250	NZ\$10.20
- RMB Hedged Class (acc)	CNY4,425,772	CNY11.05
- RMB Hedged Class (mth)	CNY1,571,880,249	CNY10.13
- USD Class (mth)	US\$582,617,702	US\$10.22
- USD Class (san)	US\$18,447,125	US\$23.10

## Performance Record - Unaudited (continued)

## Highest Offer/Lowest Bid Prices

<u>Financial period ended</u>	<u>Highest offer</u>	<u>Lowest bid</u>
30/9/18		
- AUD Hedged Class (mth)	A\$9.82	A\$9.49
- CAD Hedged Class (mth)	C\$9.83	C\$9.50
- HKD Class (mth)	HK\$9.93	HK\$9.61
- NZD Hedged Class (mth)	NZ\$9.83	NZ\$9.50
- RMB Hedged Class (acc)	CNY11.58	CNY11.29
- RMB Hedged Class (mth)	CNY9.74	CNY9.39
- USD Class (mth)	US\$9.85	US\$9.52
- USD Class (san)	US\$22.38	US\$21.52
30/9/17		
- AUD Hedged Class (mth)	A\$10.49	A\$9.69
- CAD Hedged Class (mth)	C\$10.51	C\$9.69
- HKD Class (mth)	HK\$10.53	HK\$9.74
- NZD Hedged Class (mth)	NZ\$10.51	NZ\$9.70
- RMB Hedged Class (acc)	CNY11.38	CNY10.63
- RMB Hedged Class (mth)	CNY10.43	CNY9.59
- USD Class (mth)	US\$10.52	US\$9.72
- USD Class (san)	US\$23.79	US\$22.15
30/9/16		
- AUD Hedged Class (mth)	A\$10.64	A\$9.81
- CAD Hedged Class (mth)	C\$10.66	C\$9.82
- HKD Class (mth)	HK\$10.69	HK\$9.83
- NZD Hedged Class (mth)	NZ\$10.67	NZ\$9.83
- RMB Hedged Class (acc)	CNY11.42	CNY10.10
- RMB Hedged Class (mth)	CNY10.60	CNY9.73
- USD Class (mth)	US\$10.68	US\$9.82
- USD Class (san)	US\$24.31	US\$22.30
30/9/15		
- AUD Hedged Class (mth)	A\$10.38	A\$9.86
- CAD Hedged Class (mth)	C\$10.38	C\$9.85
- HKD Class (mth)	HK\$10.37	HK\$9.86
- NZD Hedged Class (mth)	NZ\$10.40	NZ\$9.87
- RMB Hedged Class (acc)	CNY10.41	CNY9.89
- RMB Hedged Class (mth)	CNY10.38	CNY9.86
- USD Class (mth)	US\$10.38	US\$9.86
- USD Class (san)	US\$24.94	US\$22.38
30/9/14		
- USD Class (san)	US\$25.48	US\$23.46
30/9/13		
- USD Class (san)	US\$26.36	US\$23.04
30/9/12	US\$26.52	US\$24.33
30/9/11	US\$26.36	US\$23.23
30/9/10	US\$25.24	US\$22.03
30/9/09	US\$24.25	US\$20.18

## Management and Administration

## Manager and Service Provider Directors of the Manager

JPMorgan Funds (Asia) Limited	as at 22 January 2019
21/F, Chater House	Edwin Tsun Kay CHAN
8 Connaught Road Central	Kheng Leong CHEAH
Hong Kong	Qionghui WANG

## Investment Manager

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

## Trustee

Bank of East Asia (Trustees)  
Limited  
32/F, BEA Tower  
Millennium City 5  
418 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong

## Registrar

East Asia International  
Trustees Limited  
East Asia Chambers  
P.O. Box 901  
Road Town, Tortola  
British Virgin Islands

## Auditor

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments</b> (99.3%)			<b>United States</b> (47.7%)		
<b>(I) Equities</b> (99.5%)			Avalonbay Communities	5,345	968,247 4.6
<b>Australia</b> (8.9%)			Brandywine Realty Trust	37,033	582,159 2.8
Dexus Stapled Sec	58,394	446,170 2.2	Brixmor Property Group REIT	33,488	586,375 2.8
Mirvac Group Stapled Sec	395,381	689,448 3.3	CBL & Associates Prop Dep		
Stockland Stapled Sec	234,108	702,964 3.4	'Pref D'	14,500	231,565 1.1
<b>Austria</b> (1.3%)			Digital Realty Trust	7,561	850,461 4.1
Atrium European Real Estate	62,179	275,884 1.3	Duke Realty	15,278	433,437 2.1
<b>Belgium</b> (3.0%)			Healthcare Trust of America Cl		
Warehouses De Pauw	4,722	621,954 3.0	'A'	11,435	304,971 1.5
<b>Canada</b> (7.5%)			Hospitality Properties Trust	13,478	388,706 1.9
Allied Properties REIT	9,668	322,366 1.5	Host Hotels & Resorts	11,173	235,750 1.1
H&R Real Estate Inv Trust	28,734	441,702 2.1	Iron Mountain	15,659	540,549 2.6
RioCan Real Estate Inv Trust	21,299	406,668 2.0	Liberty Property Trust	9,780	413,205 2.0
SmartCentre Real Estate			Natl Health Investors	5,582	421,943 2.0
Investment	16,595	391,702 1.9	Omega Healthcare Investors	16,349	535,757 2.6
<b>France</b> (5.0%)			Park Hotels & Resorts	27,810	912,724 4.4
Covivio SA	5,383	561,149 2.7	Public Storage	5,215	1,051,500 5.1
ICADE SA	5,176	478,549 2.3	Store Capital	11,069	307,608 1.5
<b>Germany</b> (1.9%)			Vereit Inc	82,981	602,442 2.9
Aroundtown SA	43,192	384,283 1.9	Vornado Realty Trust REIT	7,393	539,689 2.6
<b>Hong Kong</b> (3.6%)				20,652,269	99.5
New World Development	313,000	427,205 2.0	<b>(II) Derivatives</b> (-0.2%)		
Wharf Real Estate Investment	51,000	329,142 1.6	<b>Forward foreign exchange</b>		
<b>Japan</b> (10.1%)			<b>contracts</b> (-0.2%)	(37,397)	(0.2)
Daiwa House REIT Investment	142	324,918 1.6	<b>Total Listed/Quoted Investments</b>	20,614,872	99.3
Frontier Real Estate Inv	55	214,267 1.0		-----	-----
Invesco Office J-REIT	1,526	217,779 1.0	<b>Unlisted/Unquoted Investments</b> (0.0%)		
Japan Hotel REIT Investment	474	345,114 1.7	<b>Equities</b> (0.0%)		
Japan Rental Housing Inv	289	228,483 1.1	<b>Malta</b> (0.0%)		
Kenedix Retail REIT	238	509,798 2.5	BGP Hldgs	193,047	0 0.0
Nippon Prologis REIT	125	247,502 1.2			
<b>Netherlands</b> (1.6%)			<b>Total Unlisted/Unquoted</b>		
Eurocommercial Properties			<b>Investments</b>	0	0.0
CVA	9,022	330,509 1.6		-----	-----
<b>Singapore</b> (2.0%)			<b>Total Investments</b>	20,614,872	99.3
Ascendas Real Estate Inv Trust	210,814	407,325 2.0	<b>Other net assets</b>	140,689	0.7
<b>Spain</b> (0.5%)				-----	-----
Merlin Properties Socimi	7,774	105,510 0.5	<b>Net assets attributable to holders of</b>		
<b>United Kingdom</b> (6.4%)			<b>redeemable units at 30 September 2018</b>	20,755,561	100.0
Hammerson plc	23,325	138,914 0.7		=====	=====
Londonmetric Property	216,334	501,592 2.4	<b>Total investments, at cost</b>	20,550,842	
NewRiver REIT	31,596	106,303 0.5		=====	
Taylor Wimpey	144,975	324,796 1.6			
Tritax Big Box REIT	108,280	208,274 1.0			
Tritax EuroBox	40,064	54,911 0.2			

Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 (*Unaudited*)

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
United States	47.7	43.5
Japan	10.1	8.1
Australia	8.9	10.7
Canada	7.5	5.6
United Kingdom	6.4	5.9
France	5.0	6.1
Hong Kong	3.6	5.1
Belgium	3.0	3.1
Singapore	2.0	3.7
Germany	1.9	-
Netherlands	1.6	7.9
Austria	1.3	1.2
Spain	0.5	-
<b>Derivatives</b>		
Forward foreign exchange contracts	(0.2)	(0.1)
<b>Total Listed/Quoted Investments</b>	99.3	100.8
	----	----
<b>Unlisted/Unquoted Investments</b>		
<b>Equities</b>		
Malta	0.0	0.0
<b>Total Unlisted/Unquoted Investments</b>	0.0	0.0
	----	----
<b>Total investments</b>	99.3	100.8
<b>Other net assets/(liabilities)</b>	0.7	(0.8)
	----	----
<b>Net assets attributable to holders of redeemable units at 30 September</b>	100.0	100.0
	=====	=====

**Statement of Financial Position  
As at 30 September 2018**

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	443,155	101,255
Amounts due from brokers	-	6,423
Amounts receivable on allotment	5,169	49,984
Derivatives [Note 4(l)(a)]	75,954	135,832
Investments [Note 4(l)(a)]	20,652,269	32,114,276
Dividend and other accounts receivable	95,434	97,691
	<u>21,271,981</u>	<u>32,505,461</u>
<b>Total assets</b>	<u>21,271,981</u>	<u>32,505,461</u>
<b>Liabilities</b>		
Amounts payable on redemption	159,306	175,346
Distribution payable [Note 6]	192,070	266,473
Derivatives [Note 4(l)(a)]	113,351	162,238
Other accounts payable	51,693	69,940
	<u>516,420</u>	<u>673,997</u>
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<u>516,420</u>	<u>673,997</u>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>20,755,561</u>	<u>31,831,464</u>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

**Statement of Comprehensive Income  
For the year ended 30 September 2018**

	2018 US\$	2017 US\$
<b>Income</b>		
Net gains/(losses) on investments and derivatives [Note 5]	445,481	(1,374,537)
Dividend income	1,263,979	1,850,304
Net foreign currency exchange gains	3,147	12,265
Interest on deposits	1,593	794
	<u>1,714,200</u>	<u>488,826</u>
<b>Expenses</b>		
Management fee [Note 8(e)]	373,360	559,249
Registrar's fee [Note 8(h)]	45,560	57,067
Transaction costs	40,196	75,811
Safe custody and bank charges	18,054	21,594
Valuation fee [Note 8(e)]	16,870	16,800
Trustee's fee [Note 9]	14,945	22,232
Auditor's fee	12,000	11,900
Legal and professional expenses	6,228	7,556
Printing and publication expenses	784	1,449
Other operating expenses	1,863	3,052
	<u>529,860</u>	<u>776,710</u>
<b>Net operating profit/(loss)</b>	<u>1,184,340</u>	<u>(287,884)</u>
<b>Finance costs</b>		
Distribution [Note 6]	(1,247,172)	(1,833,815)
Interest expense	(250)	(583)
	<u>(1,247,422)</u>	<u>(1,834,398)</u>
<b>Loss before taxation</b>	<u>(63,082)</u>	<u>(2,122,282)</u>
Taxation [Note 7]	(253,702)	(394,675)
	<u>(316,784)</u>	<u>(2,516,957)</u>
<b>Decrease in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>(316,784)</u>	<u>(2,516,957)</u>

The notes on pages 421 to 436 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	31,831,464	24,503,440
Allotment of redeemable units [Note 3]	8,713,858	47,479,335
Redemption of redeemable units [Note 3]	(19,472,977)	(37,634,354)
<b>Net (redemption)/allotment</b>	(10,759,119)	9,844,981
	21,072,345	34,348,421
<b>Decrease in net assets attributable to holders of redeemable units and total comprehensive income</b>	(316,784)	(2,516,957)
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	20,755,561	31,831,464

**Statement of Cash Flows**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(11,307,908)	(33,999,787)
Proceeds from disposal of investments and derivatives	23,232,810	25,070,055
Dividend received	1,271,112	1,836,693
Interest received	1,592	792
Trustee's fee paid	(15,525)	(21,891)
Transaction costs paid	(41,474)	(76,149)
Registrar's fee paid	(48,011)	(57,797)
Tax paid	(253,217)	(395,392)
Management fee paid	(387,828)	(550,718)
Others	(56,932)	(49,303)
<b>Net cash inflow/(outflow) from operating activities</b>	12,394,619	(8,243,497)
<b>Financing activities</b>		
Interest paid	(250)	(583)
Receipts on allotment of redeemable units	8,758,673	47,478,795
Payments on redemption of redeemable units	(19,489,017)	(37,570,646)
Distribution paid	(1,321,575)	(1,869,232)
<b>Net cash (outflow)/inflow from financing activities</b>	(12,052,169)	8,038,334
<b>Increase/(decrease) in cash and cash equivalents</b>	342,450	(205,163)
Cash and cash equivalents at the beginning of the year	101,255	306,762
Exchange losses on cash and cash equivalents	(550)	(344)
<b>Cash and cash equivalents at the end of the year</b>	443,155	101,255
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	443,155	101,255

The notes on pages 421 to 436 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Global Property Income Fund (the "Fund") was established under a Trust Deed dated 6 July 2005, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to achieve a high level of current income and long-term capital appreciation primarily through investing in securities that are listed on any stock exchange and are principally engaged in or related to the property industry or which own significant property assets. The Fund does not invest in real estate directly.

Pursuant to the Supplemental Trust Deed dated 4 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial Instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.



*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(e) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(f) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(g) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(h) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(i) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(j) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**(k) Distribution payable to holders of redeemable units**

Proposed distributions to holders of redeemable units are recognized in the Statement of Comprehensive Income when they are appropriately authorized. The distribution on the redeemable units is recognized as a finance cost in the Statement of Comprehensive Income.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**2018

	HKD Class (mth) Units	USD Class (div) Units	USD Class (mth) Units
Number of units in issue:			
At the beginning of the year	6,781,930.866	1,543,597.281	945,196.685
Total allotments	2,969,385.012	266,455.559	283,849.411
Total redemptions	(5,743,525.614)	(618,175.677)	(717,355.980)
At the end of the year	<u>4,007,790.264</u>	<u>1,191,877.163</u>	<u>511,690.116</u>

HK\$

US\$

US\$

Net assets attributable to  
holders of redeemable  
units36,362,15411,503,9404,604,641Net assets attributable to  
holders of redeemable  
units (per unit)9.079.659.002017

	HKD Class (mth) Units	USD Class (div) Units	USD Class (mth) Units	USD Class C (acc) Units
Number of units in issue:				
At the beginning of the year	39,069.816	2,256,317.863	371.741	200.000
Total allotments	11,620,073.437	1,345,957.069	2,128,467.188	-
Total redemptions	(4,877,212.387)	(2,058,677.651)	(1,183,642.244)	(200.000)
At the end of the year	<u>6,781,930.866</u>	<u>1,543,597.281</u>	<u>945,196.685</u>	<u>-</u>

HK\$

US\$

US\$

US\$

Net assets attributable to  
holders of redeemable  
units62,522,98215,169,8608,656,818-Net assets attributable to  
holders of redeemable  
units (per unit)9.229.839.16-**4 Financial risk management****(i) Financial risk factors**

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

## (a) Market risk

## (i) Market price risk

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
Listed/Quoted Investments	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
<u>Assets</u>				
Equities				
- United States	9,907,088	47.7	13,843,526	43.5
- Japan	2,087,861	10.1	2,570,912	8.1
- Australia	1,838,582	8.9	3,423,468	10.7
- Canada	1,562,438	7.5	1,780,676	5.6
- United Kingdom	1,334,790	6.4	1,870,585	5.9
- France	1,039,698	5.0	1,930,873	6.1
- Hong Kong	756,347	3.6	1,620,766	5.1
- Netherlands	330,509	1.6	2,519,190	7.9
- Others	1,794,956	8.7	2,551,021	8.0
	<u>20,652,269</u>	<u>99.5</u>	<u>32,111,017</u>	<u>100.9</u>
Derivatives				
- Forward foreign exchange contracts	75,954	0.4	135,832	0.4
	<u>20,728,223</u>	<u>99.9</u>	<u>32,246,849</u>	<u>101.3</u>
<u>Liabilities</u>				
Derivatives				
- Forward foreign exchange contracts	(113,351)	(0.6)	(162,238)	(0.5)
	<u></u>	<u></u>	<u></u>	<u></u>
Total Listed/Quoted Investments	20,614,872	99.3	32,084,611	100.8
Unlisted/Unquoted Investments				
<u>Assets</u>				
Equities				
- Malta	0	0.0	3,259	0.0
	<u></u>	<u></u>	<u></u>	<u></u>
Total Investments	<u>20,614,872</u>	<u>99.3</u>	<u>32,087,870</u>	<u>100.8</u>

Also, refer to Note 12 for the exposures on derivative contracts.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Fund's volatility, which helps to describe the likely range of the Fund's return, on a regular basis. In statistical terms, it is the standard deviation of the return distribution. Greater volatility of monthly fund returns means that there is a wider range of likely returns in the future, or greater uncertainty regarding the fund returns. Most investors would equate this greater uncertainty with greater risk.

The table below summarizes the volatility of the Fund expressed in annual terms and the estimated impact on the net asset value.

	2018	2017
Annual volatility (Note*)	10.10%	12.00%

If the above volatility were to be applied to the Fund's net asset value as at 30 September 2018 of US\$20,755,561 (2017: US\$31,831,464) and assuming that the Fund's returns are normally distributed with its mean return equals to nil and with one standard deviation away from the mean return (i.e. a probability of 68%), the estimated reasonable possible change in the Fund's net asset value would be between US\$18,659,249 and US\$22,851,873; or within +/- US\$2,096,312 (2017: between US\$28,011,688 and US\$35,651,240; or within +/- US\$3,819,776) over a twelve-month period based on the Fund's historical annual volatility percentage as a result of the market price fluctuation, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

- \* Volatility is calculated based on the monthly Fund's returns over the maximum of past 36 months or the number of months since portfolio inception. For funds launched within a period of less than 12 months, volatility is calculated based on the weekly Fund's returns since the Fund's launch. Volatility is expressed in annual volatility by applying the square root of time adjustment. Volatility may not cover stressed market events, nor represent the Investment Manager's forecast of the Fund's range of future returns.

## (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Cash at banks	443,155	101,255
Total interest sensitivity gap	443,155	101,255

Any cash and cash equivalents are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

## (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The Fund enters in some forward foreign exchange contracts to hedge some of its foreign currency exposures to maintain limited exposure to non-US\$ currencies. Refer to Note 12 for the outstanding forward foreign exchange contracts as at year end.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

Net currency exposures (Note*)	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
<u>2018</u>			
Australian Dollar	50,324	-7.8	(3,925)
Canadian Dollar	44,559	-3.2	(1,426)
Euro	46,921	-1.8	(845)
Hong Kong Dollar	(19,730)	-0.2	39
Japanese Yen	54,411	-0.9	(490)
Korean Won	5	+3.3	0
Singapore Dollar	30,101	-0.6	(181)
South African Rand	707	-4.6	(33)
Sterling	34,320	-2.8	(961)
	<u>241,618</u>		<u>(7,822)</u>
<u>2017</u>			
Australian Dollar	538,397	+2.5	13,460
Canadian Dollar	20,036	+5.1	1,022
Euro	107,821	+5.2	5,607
Hong Kong Dollar	(871,401)	-0.7	6,100
Japanese Yen	497,445	-10.0	(49,745)
Korean Won	5	-3.8	(0)
Singapore Dollar	61,380	+0.4	246
South African Rand	741	+1.8	13
Sterling	80,284	+3.3	2,649
	<u>434,708</u>		<u>(20,648)</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

## (b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	443,155	101,255
Amounts due from brokers	-	6,423
Amounts receivable on allotment	5,169	49,984
Derivatives issued by brokers	75,954	135,832
Dividend and other accounts receivable	95,434	97,691
	<u>619,712</u>	<u>391,185</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/brokers/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	443,155	101,255
Derivatives issued by brokers		
S&P(AA)/Moody's(Aa)/FITCH(AA)	61,713	129,948
S&P(A)/Moody's(A)/FITCH(A)	14,216	5,884
S&P(BBB)/Moody's(Baa)/FITCH(BBB)	25	-
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	<u>20,652,269</u>	<u>32,114,276</u>

### (c) Liquidity risk

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018		2017	
	Less than 1 month US\$	1 to 12 months US\$	Less than 1 month US\$	1 to 12 months US\$
Amounts payable on redemption	159,306	-	175,346	-
Distribution payable	192,070	-	266,473	-
Derivatives	-	113,351	-	162,238
Other accounts payable	51,693	-	69,940	-
Net assets attributable to holders of redeemable units	<u>20,755,561</u>	<u>-</u>	<u>31,831,464</u>	<u>-</u>
Total financial liabilities	<u>21,158,630</u>	<u>113,351</u>	<u>32,343,223</u>	<u>162,238</u>

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

**(d) Offsetting and amounts subject to master netting arrangements and similar agreements**

As at 30 September 2018 and 2017, the Fund was subject to master netting arrangements with certain derivative counterparties. All of the derivative assets and liabilities of the Fund were held with these counterparties and the collateral and margin deposits maintained by the Fund were for the purpose of providing collateral on derivative positions.

In the event of default, the Fund and its counterparties have the option to settle transactions on net basis. An event of default may include failure to pay or deliver, breach of agreement or bankruptcy.

The following tables summarize the Fund's financial assets and liabilities subject to offsetting, master netting arrangements and similar agreements as at 30 September by types of financial instruments.

	Gross amounts of recognized financial assets presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>2018</u>				
<u>Assets</u>				
Derivatives	64,343	(55,174)	-	9,169
Financial assets at fair value through profit and loss	64,343	(55,174)	-	9,169

	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>Liabilities</u>				
Derivatives	112,791	(55,174)	-	57,617
Financial liabilities at fair value through profit and loss	112,791	(55,174)	-	57,617



	Gross amounts of recognized financial assets presented in the Statement of Financial Position US\$	Related amounts subject to master netting arrangements and similar agreements net off against  Financial Instruments US\$	Collateral and margin deposits US\$	Net amount US\$
<u>2017</u>				
<u>Assets</u>				
Derivatives	846	(846)	-	-
Financial assets at fair value through profit and loss	846	(846)	-	-

	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position US\$	Related amounts subject to master netting arrangements and similar agreements net off against  Financial Instruments US\$	Collateral and margin deposits US\$	Net amount US\$
<u>Liabilities</u>				
Derivatives	80,843	(846)	-	79,997
Financial liabilities at fair value through profit and loss	80,843	(846)	-	79,997

**(II) Capital risk management**

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

**(III) Fair value estimation**

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<u>2018</u>				
<u>Assets</u>				
Equities	20,652,269	-	-	20,652,269
Derivatives	-	75,954	-	75,954
Total financial assets at fair value through profit and loss	20,652,269	75,954	-	20,728,223
<u>Liabilities</u>				
Derivatives	-	113,351	-	113,351
Total financial liabilities at fair value through profit and loss	-	113,351	-	113,351
<u>2017</u>				
<u>Assets</u>				
Equities	32,111,017	3,259	-	32,114,276
Derivatives	-	135,832	-	135,832
Total financial assets at fair value through profit and loss	32,111,017	139,091	-	32,250,108
<u>Liabilities</u>				
Derivatives	-	162,238	-	162,238
Total financial liabilities at fair value through profit and loss	-	162,238	-	162,238

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the years ended 30 September 2018 and 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 5 Net gains/(losses) on investments and derivatives

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	(438,811)	401,037
Realized gains/(losses) on sale of investments and derivatives	884,292	(1,775,574)
	445,481	(1,374,537)

## 6 Distribution

It is the intention of the Manager to have at least 85% of the income attributable to the distribution class(es) respectively in respect of each accounting period, after charging the expenses attributable to these distribution class(es) respectively, to be distributed to unitholders of these distribution class(es) respectively.

In the event that the amount available for distribution is insufficient to pay distributions as the Fund declares, the Manager may in its discretion determine that such distributions be paid from capital.

	2018 US\$	2017 US\$
Net operating profit/(loss)	1,184,340	(287,884)
Adjustments:		
Net (gains)/losses on investments and derivatives	(445,481)	1,374,537
Net foreign currency exchange gains	(3,147)	(12,265)
Transaction costs	40,196	75,811
Interest expense	(250)	(583)
Taxation	(253,702)	(394,675)
Amount available for distribution	521,956	754,941

Distribution Class	Ex date	Pay date	Rate	Units	2018 US\$	2017 US\$
HKD Class (mth)	31.10.2017	8.11.2017	HK\$0.0392	5,845,308.273	(29,370)	
USD Class (mth)	31.10.2017	8.11.2017	US\$0.0390	922,922.277	(35,993)	
HKD Class (mth)	30.11.2017	8.12.2017	HK\$0.0393	5,197,642.063	(26,154)	
USD Class (mth)	30.11.2017	8.12.2017	US\$0.0390	824,798.813	(32,167)	
HKD Class (mth)	29.12.2017	9.1.2018	HK\$0.0393	4,397,030.792	(22,105)	
USD Class (div)	29.12.2017	9.1.2018	US\$0.1266	1,492,280.239	(188,923)	
USD Class (mth)	29.12.2017	9.1.2018	US\$0.0390	768,106.199	(29,956)	
HKD Class (mth)	31.1.2018	8.2.2018	HK\$0.0393	3,801,764.331	(19,103)	
USD Class (mth)	31.1.2018	8.2.2018	US\$0.0390	662,976.096	(25,856)	
HKD Class (mth)	28.2.2018	8.3.2018	HK\$0.0393	3,611,246.519	(18,136)	
USD Class (mth)	28.2.2018	8.3.2018	US\$0.0390	628,716.349	(24,520)	
HKD Class (mth)	29.3.2018	11.4.2018	HK\$0.0394	3,527,310.176	(17,708)	
USD Class (div)	29.3.2018	11.4.2018	US\$0.1266	1,438,483.167	(182,112)	
USD Class (mth)	29.3.2018	11.4.2018	US\$0.0390	586,557.478	(22,876)	
HKD Class (mth)	30.4.2018	9.5.2018	HK\$0.0394	3,527,715.280	(17,710)	
USD Class (mth)	30.4.2018	9.5.2018	US\$0.0390	573,355.639	(22,361)	
HKD Class (mth)	31.5.2018	8.6.2018	HK\$0.0395	4,386,626.176	(22,089)	
USD Class (mth)	31.5.2018	8.6.2018	US\$0.0390	504,360.287	(19,670)	
HKD Class (mth)	29.6.2018	10.7.2018	HK\$0.0394	4,113,037.458	(20,656)	
USD Class (div)	29.6.2018	10.7.2018	US\$0.1265	1,382,047.779	(174,829)	
USD Class (mth)	29.6.2018	10.7.2018	US\$0.0390	515,622.472	(20,109)	
HKD Class (mth)	31.7.2018	8.8.2018	HK\$0.0394	4,010,224.329	(20,135)	
USD Class (mth)	31.7.2018	8.8.2018	US\$0.0390	453,302.822	(17,679)	
HKD Class (mth)	31.8.2018	10.9.2018	HK\$0.0395	4,202,628.002	(21,150)	
USD Class (mth)	31.8.2018	10.9.2018	US\$0.0390	608,589.996	(23,735)	
HKD Class (mth)	28.9.2018	9.10.2018	HK\$0.0394	4,007,790.264	(20,180)	
USD Class (div)	28.9.2018	9.10.2018	US\$0.1267	1,199,160.478	(151,934)	
USD Class (mth)	28.9.2018	9.10.2018	US\$0.0390	511,691.676	(19,956)	
HKD Class (mth)	31.10.2016	8.11.2016	HK\$0.0410	320,756.439		(1,696)
USD Class (mth)	31.10.2016	8.11.2016	US\$0.0410	80,468.341		(3,299)
HKD Class (mth)	30.11.2016	8.12.2016	HK\$0.0410	2,463,598.514		(13,022)
USD Class (mth)	30.11.2016	8.12.2016	US\$0.0410	687,073.440		(28,170)
HKD Class (mth)	30.12.2016	10.1.2017	HK\$0.0410	2,841,101.308		(15,024)
USD Class (div)	30.12.2016	10.1.2017	US\$0.1322	2,742,171.166		(362,515)
USD Class (mth)	30.12.2016	10.1.2017	US\$0.0410	815,474.214		(33,434)
HKD Class (mth)	27.1.2017	8.2.2017	HK\$0.0410	5,111,717.816		(27,013)
USD Class (mth)	27.1.2017	8.2.2017	US\$0.0410	965,950.849		(39,604)
HKD Class (mth)	28.2.2017	8.3.2017	HK\$0.0410	5,862,360.871		(30,964)
USD Class (mth)	28.2.2017	8.3.2017	US\$0.0410	1,167,256.764		(47,857)

Distribution Class	Ex date	Pay date	Rate	Units	2018 US\$	2017 US\$
HKD Class (mth)	31.3.2017	11.4.2017	HK\$0.0410	7,079,588.650		(37,350)
USD Class (div)	31.3.2017	11.4.2017	US\$0.1333	1,736,283.540		(231,446)
USD Class (mth)	31.3.2017	11.4.2017	US\$0.0410	1,199,843.144		(49,194)
HKD Class (mth)	28.4.2017	10.5.2017	HK\$0.0410	7,055,965.334		(37,196)
USD Class (mth)	28.4.2017	10.5.2017	US\$0.0410	1,179,769.463		(48,371)
HKD Class (mth)	31.5.2017	8.6.2017	HK\$0.0410	7,243,616.061		(38,112)
USD Class (mth)	31.5.2017	8.6.2017	US\$0.0410	1,337,732.428		(54,847)
HKD Class (mth)	30.6.2017	10.7.2017	HK\$0.0410	6,896,637.312		(36,222)
USD Class (div)	30.6.2017	10.7.2017	US\$0.1331	1,638,441.385		(218,077)
USD Class (mth)	30.6.2017	10.7.2017	US\$0.0410	1,247,479.500		(51,147)
HKD Class (mth)	31.7.2017	8.8.2017	HK\$0.0390	7,779,358.862		(38,846)
USD Class (mth)	31.7.2017	8.8.2017	US\$0.0390	1,208,858.364		(47,145)
HKD Class (mth)	31.8.2017	8.9.2017	HK\$0.0393	7,298,624.791		(36,650)
USD Class (mth)	31.8.2017	8.9.2017	US\$0.0390	1,029,244.888		(40,141)
HKD Class (mth)	29.9.2017	11.10.2017	HK\$0.0392	6,781,930.866		(34,037)
USD Class (div)	29.9.2017	11.10.2017	US\$0.1267	1,543,597.281		(195,574)
USD Class (mth)	29.9.2017	11.10.2017	US\$0.0390	945,196.685		(36,862)
Total distribution to holders of redeemable units					(1,247,172)	(1,833,815)

## 7 Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Overseas tax was withheld or paid on certain dividend income received during the years ended 30 September 2018 and 2017.

## 8 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

- (a) Investment transactions with the Manager and its Connected Persons are set out below:

There were no investment transactions with the Manager and its Connected Persons during the year (2017: nil).

- (b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	4,023	3,855
Amounts receivable	3	2
Amounts payable	(37,007)	(54,445)

During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$44 (2017: US\$17).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.
- (d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$1,039 (2017: US\$7,373).
- (e) Management fee for USD Class (div), USD Class (mth) and HKD Class (mth) of 1.5% per annum (2017: USD Class (div), USD Class (mth) and HKD Class (mth) of 1.5% per annum and USD Class C (acc) of 0.6% per annum) of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.

The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.

- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (g) Refer to Note 9 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 9 Trustee's fee

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first US\$40 million, 0.04% per annum for the balance from US\$40 million to US\$70 million, and 0.025% per annum for the balance in excess of US\$70 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

## 10 Borrowings

During the years ended 30 September 2018 and 2017, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

## 11 Soft dollar arrangements/Commission sharing arrangements

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

## 12 Derivatives

Outstanding forward foreign exchange contracts as at 30 September were as follows:

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
<u>2018</u>			
Open contracts:			
JPY234,384,378	US\$2,128,505	19 November 2018	57,179
JPY9,039,240	US\$82,102	19 November 2018	2,219
A\$2,459,903	US\$1,787,335	19 November 2018	6,857
A\$104,630	US\$77,613	19 November 2018	1,882
A\$26,119	US\$18,994	19 November 2018	89
EUR54,251	US\$63,287	19 November 2018	25
HK\$384,902	US\$49,226	19 November 2018	4
US\$228,242	EUR199,240	19 November 2018	4,076
US\$52,633	EUR45,883	19 November 2018	867
US\$49,197	A\$68,837	19 November 2018	628
US\$41,338	A\$57,558	19 November 2018	323
US\$45,457	C\$59,097	19 November 2018	312
US\$48,744	GBP37,504	19 November 2018	273
US\$59,707	EUR51,367	19 November 2018	192
US\$74,744	HK\$585,978	19 November 2018	192
US\$111,562	HK\$873,665	19 November 2018	164
US\$53,920	EUR46,376	19 November 2018	158
US\$121,546	EUR104,364	19 November 2018	151
US\$52,229	HK\$409,421	19 November 2018	129
US\$57,719	EUR49,599	19 November 2018	118
US\$56,614	EUR48,650	19 November 2018	116
Total unrealized gains			75,954

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
A\$78,829	US\$57,010	19 November 2018	(46)
C\$91,695	US\$70,931	19 November 2018	(84)
C\$54,972	US\$42,093	19 November 2018	(481)
C\$1,882,615	US\$1,440,429	19 November 2018	(17,606)
EUR66,033	US\$75,426	19 November 2018	(1,575)
EUR3,273,266	US\$3,759,955	19 November 2018	(57,001)
GBP44,467	US\$57,786	19 November 2018	(333)
GBP37,172	US\$47,473	19 November 2018	(1,111)
GBP974,045	US\$1,248,555	19 November 2018	(24,522)
HK\$432,394	US\$55,153	19 November 2018	(143)
HK\$1,283,300	US\$163,855	19 November 2018	(256)
HK\$5,860,993	US\$748,163	19 November 2018	(1,354)
S\$12,071	US\$8,789	19 November 2018	(55)
S\$522,443	US\$380,927	19 November 2018	(1,844)
US\$49,498	A\$68,129	19 November 2018	(186)
US\$130,327	EUR111,539	19 November 2018	(261)
US\$66,861	EUR56,941	19 November 2018	(459)
US\$42,865	JPY4,775,721	19 November 2018	(658)
US\$75,753	GBP57,450	19 November 2018	(664)
US\$93,639	EUR79,432	19 November 2018	(1,009)
US\$50,869	JPY5,617,630	19 November 2018	(1,220)
US\$267,137	EUR226,947	19 November 2018	(2,483)
Total unrealized losses			(113,351)
Net unrealized losses			(37,397)

2017

Open contracts:

A\$4,982,827	US\$3,958,433	22 November 2017	50,900
A\$224,515	US\$177,114	22 November 2017	1,049
A\$89,054	S\$95,830	22 November 2017	773
A\$146,292	US\$114,883	22 November 2017	161
EUR91,720	US\$109,881	22 November 2017	1,156
HK\$704,777	US\$90,450	22 November 2017	105
HK\$1,146,419	US\$146,997	22 November 2017	37
HK\$44,068	US\$5,650	22 November 2017	1
HK\$477,411	US\$61,200	22 November 2017	1
JPY328,413,155	US\$2,996,585	22 November 2017	71,973
US\$71,706	GBP55,298	22 November 2017	2,599
US\$79,927	GBP61,377	22 November 2017	2,548
US\$221,362	EUR187,712	22 November 2017	1,148
US\$102,952	C\$130,131	22 November 2017	1,136
US\$78,289	C\$99,198	22 November 2017	1,056
US\$133,376	A\$170,744	22 November 2017	521
US\$44,426	S\$60,736	22 November 2017	324
US\$155,070	HK\$1,210,397	22 November 2017	91
US\$148,011	EUR124,926	22 November 2017	76
US\$75,511	HK\$589,649	22 November 2017	76
US\$106,519	EUR89,894	22 November 2017	41
US\$99,618	HK\$777,341	22 November 2017	29
US\$113,059	HK\$882,155	22 November 2017	24
US\$80,858	HK\$630,805	22 November 2017	5
US\$125,174	HK\$976,488	22 November 2017	2
Total unrealized gains			135,832

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
C\$2,508,306	US\$1,991,849	22 November 2017	(14,474)
EUR88,835	US\$104,439	22 November 2017	(866)
EUR5,657,989	US\$6,673,814	22 November 2017	(33,167)
GBP1,545,318	US\$1,997,148	22 November 2017	(79,450)
HK\$515,135	JPY7,414,600	22 November 2017	(6)
HK\$178,635	US\$22,882	22 November 2017	(18)
HK\$2,016,324	US\$258,453	22 November 2017	(20)
HK\$765,431	US\$98,076	22 November 2017	(45)
CNH1,037,186	US\$132,909	22 November 2017	(48)
CNH779,714	US\$99,865	22 November 2017	(87)
HK\$519,292	A\$84,371	22 November 2017	(403)
HK\$14,546,572	US\$1,864,002	22 November 2017	(728)
S\$1,790,124	US\$1,313,406	22 November 2017	(5,578)
US\$140,394	HK\$1,095,198	22 November 2017	(1)
US\$30,867	EUR25,988	22 November 2017	(60)
US\$125,807	HK\$980,338	22 November 2017	(137)
US\$127,681	HK\$994,897	22 November 2017	(145)
US\$295,918	HK\$2,306,864	22 November 2017	(200)
US\$14,850	EUR12,275	22 November 2017	(298)
US\$84,713	A\$107,437	22 November 2017	(461)
US\$49,396	S\$66,400	22 November 2017	(472)
US\$46,324	GBP34,013	22 November 2017	(617)
US\$149,822	A\$190,211	22 November 2017	(659)
US\$67,889	GBP49,984	22 November 2017	(719)
US\$45,449	A\$57,039	22 November 2017	(720)
US\$147,611	EUR123,872	22 November 2017	(771)
US\$77,017	EUR64,313	22 November 2017	(779)
US\$72,547	EUR60,449	22 November 2017	(889)
US\$68,916	EUR57,318	22 November 2017	(968)
US\$53,906	C\$65,552	22 November 2017	(1,472)
US\$73,264	JPY8,060,130	22 November 2017	(1,483)
US\$88,257	JPY9,733,980	22 November 2017	(1,569)
US\$115,130	A\$144,496	22 November 2017	(1,817)
US\$170,525	A\$214,677	22 November 2017	(2,177)
US\$317,239	EUR264,964	22 November 2017	(3,142)
US\$186,766	A\$233,663	22 November 2017	(3,529)
US\$148,841	JPY16,233,898	22 November 2017	(4,263)
		Total unrealized losses	(162,238)
			-----
		Net unrealized losses	(26,406)
			=====

**Independent Auditor's Report**

To the Unitholders of JPMorgan Global Property Income Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Global Property Income Fund set out on pages 419 to 436, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

**Our opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 6 July 2005, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.



**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Global Property Income Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 6 July 2005, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund	Net asset value per unit
30/9/18 - HKD Class (mth) - USD Class (div) - USD Class (mth)	HK\$36,362,154 US\$11,503,940 US\$4,604,641	HK\$9.07 US\$9.65 US\$9.00
30/9/17 - HKD Class (mth) - USD Class (div) - USD Class (mth)	HK\$62,522,982 US\$15,169,860 US\$8,656,818	HK\$9.22 US\$9.83 US\$9.16
30/9/16 - HKD Class (mth) - USD Class (div) - USD Class (mth) - USD Class C (acc)	HK\$394,289 US\$24,446,822 US\$3,753 US\$2,028	HK\$10.09 US\$10.83 US\$10.10 US\$10.14

## Performance Record - Unaudited (continued)

## Highest Offer/Lowest Bid Prices

<u>Financial period ended</u>	<u>Highest offer</u>	<u>Lowest bid</u>
30/9/18		
- HKD Class (mth)	HK\$9.56	HK\$8.63
- USD Class (div)	US\$10.27	US\$9.23
- USD Class (mth)	US\$9.49	US\$8.54
30/9/17		
- HKD Class (mth)	HK\$10.54	HK\$9.03
- USD Class (div)	US\$11.31	US\$9.71
- USD Class (mth)	US\$10.55	US\$9.03
- USD Class C (acc)	US\$10.59	US\$9.13
30/9/16		
- HKD Class (mth)	HK\$10.76	HK\$10.00
- USD Class (div)	US\$12.13	US\$9.22
- USD Class (mth)	US\$10.76	US\$10.00
- USD Class C (acc)	US\$10.76	US\$10.00
30/9/15		
- USD Class (div)	US\$12.37	US\$9.75
30/9/14		
- USD Class (div)	US\$10.36	US\$8.40
30/9/13		
- USD Class (div)	US\$10.13	US\$7.78
30/9/12	US\$8.35	US\$6.56
30/9/11	US\$8.54	US\$6.62
30/9/10	US\$7.96	US\$6.38
30/9/09	US\$8.18	US\$3.88

## Management and Administration

## Manager and Service Provider

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

## Investment Manager

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

## Sub-Manager

J.P. Morgan Investment  
Management Inc.  
270 Park Avenue  
New York, NY 10017-2070  
United States of America

## Directors of the Manager

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

## Trustee

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

## Registrar

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

## Auditor

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

# JPMORGAN GREATER CHINA SMALLER COMPANIES FUND

Annual report for the  
year ended 30 September 2018

## Investment Portfolio As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value HK\$	% of net assets		Holding	Fair value HK\$	% of net assets
<b>Listed/Quoted Investments</b> (98.1%)				<b>Net assets attributable to holders of redeemable units at 30 September 2018</b>	66,654,941	100.0	
<b>Equities</b> (98.1%)							
<b>China</b> (73.1%)				<b>Total investments, at cost</b>	72,949,735		
AK Medical Hldgs	452,000	2,431,760	3.6				
Beijing Thunisoft Corp 'A'-C2	55,000	836,903	1.3				
Bilibili Inc ADR	20,040	2,113,812	3.2				
BOC Aviation	36,300	2,203,410	3.3				
BTG Hotels Group 'A'-C1	36,520	841,660	1.3				
China Conch Venture Hldgs	60,500	1,651,650	2.5				
China Resources Medical Hldgs	260,000	1,851,200	2.8				
China Yongda Automobiles Services	255,000	1,792,650	2.7				
China Yuhua Education	182,000	687,960	1.0				
Country Garden Services Hldgs	225,000	2,992,501	4.5				
Crystal Int Group	328,500	1,688,490	2.5				
Haier Electronics Group	112,000	2,380,000	3.6				
Haitian Intl Hldgs	112,000	1,951,040	2.9				
Hutchison China Meditech ADR	6,440	1,622,130	2.4				
IMAX China Hldg	127,000	2,529,840	3.8				
Kingdee Intl Software	276,000	2,351,520	3.5				
KWG Group Hldg	322,500	2,309,100	3.5				
Lifetech Scientific	544,000	1,049,920	1.6				
Nexteer Automotive Group	162,000	2,008,800	3.0				
Noah Hldgs ADR	9,021	2,974,596	4.5				
Spring Airlines 'A' (C1)	22,200	907,549	1.4				
Towngas China	238,000	1,630,300	2.4				
Venustech Group 'A'-C2	39,647	851,006	1.3				
Wisdom Education Intl	472,000	1,949,360	2.9				
Xiabu Xiabu Catering Mgt (China)	86,500	1,012,050	1.5				
Yichang HEC ChangJiang Pharma 'H'	33,800	1,100,190	1.6				
Zhejiang Huace Film & TV 'A'- C2	121,500	1,324,715	2.0				
Zhejiang Weixing New Building 'A'-C2	98,654	1,663,963	2.5				
<b>Hong Kong</b> (6.3%)							
Cafe de Coral Hldgs	106,000	1,897,400	2.8				
Melco Intl Dev	71,000	1,110,440	1.7				
Minth Group	38,000	1,227,400	1.8				
<b>Taiwan</b> (18.7%)							
AirTac Intl Group	22,000	1,685,789	2.5				
Chailease Hldg	65,280	1,790,083	2.7				
Chroma Ate	46,000	1,727,049	2.6				
Land Mark Optoelectronics	20,000	1,463,341	2.2				
Silergy Corp	22,000	3,100,950	4.7				
Taiwan Cement	165,000	1,737,941	2.6				
Win Semiconductors	28,000	965,138	1.4				
<b>Total Listed/Quoted Investments</b>		65,413,606	98.1				
<b>Other net assets</b>		1,241,335	1.9				

# JPMORGAN GREATER CHINA SMALLER COMPANIES FUND

Annual report for the  
year ended 30 September 2018

## Statement of Movements in Portfolio Holdings For the year ended 30 September 2018 (*Unaudited*)

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
China	73.1	43.5
Taiwan	18.7	17.0
Hong Kong	6.3	37.2
	<hr/>	<hr/>
<b>Total Listed/Quoted Investments</b>	98.1	97.7
<b>Other net assets</b>	1.9	2.3
	<hr/>	<hr/>
<b>Net assets attributable to holders of redeemable units at 30 September</b>	100.0	100.0
	<hr/> <hr/>	<hr/> <hr/>

# JPMORGAN GREATER CHINA SMALLER COMPANIES FUND

Annual report for the  
year ended 30 September 2018

## Statement of Financial Position As at 30 September 2018

	2018 HK\$	2017 HK\$
<b>Assets</b>		
Cash at banks	1,436,766	6,591,282
Amounts receivable on allotment	990	7,584
Investments [Note 4(l)(a)]	65,413,606	248,926,424
Dividend and interest receivable	172,793	549,759
<b>Total assets</b>	<u>67,024,155</u>	<u>256,075,049</u>
<b>Liabilities</b>		
Amounts payable on redemption	24,675	632,375
Other accounts payable	344,539	597,538
<b>Total liabilities</b>	<u>369,214</u>	<u>1,229,913</u>
<b>Net assets attributable to holders of redeemable units</b> [Note 3]	<u>66,654,941</u>	<u>254,845,136</u>
<b>Equity</b>	<u>66,654,941</u>	<u>254,845,136</u>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

## Statement of Comprehensive Income For the year ended 30 September 2018

	2018 HK\$	2017 HK\$
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 5]	(1,140,301)	42,263,208
Dividend income	2,059,072	8,086,351
Interest on deposits	2,316	667
Net foreign currency exchange losses	(96,611)	(1,181)
	<u>824,476</u>	<u>50,349,045</u>
<b>Expenses</b>		
Management fee [Note 7(e)]	1,946,040	4,915,166
Transaction costs	681,491	754,508
Auditor's fee	184,561	182,706
Registrar's fee [Note 7(h)]	122,264	141,786
Valuation fee [Note 7(e)]	87,529	134,014
Trustee's fee [Note 8]	66,769	168,609
Legal and professional expenses	63,449	31,364
Safe custody and bank charges	29,761	69,579
Printing and publication expenses	4,333	14,330
Other operating expenses	39,882	9,464
	<u>3,226,079</u>	<u>6,421,526</u>
<b>Net operating (loss)/profit</b>	<u>(2,401,603)</u>	<u>43,927,519</u>
<b>Finance costs</b>		
Interest expense	(854)	(168)
<b>(Loss)/profit before taxation</b>	<u>(2,402,457)</u>	<u>43,927,351</u>
Taxation [Note 6]	(80,913)	(241,356)
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>(2,483,370)</u>	<u>43,685,995</u>

The notes on pages 445 to 454 form part of these financial statements.

# JPMORGAN GREATER CHINA SMALLER COMPANIES FUND

Annual report for the  
year ended 30 September 2018

## Statement of Changes in Net Assets Attributable to Holders of Redeemable Units For the year ended 30 September 2018

	2018 HK\$	2017 HK\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	254,845,136	310,755,589
Allotment of redeemable units [Note 3]	12,970,564	25,354,379
Redemption of redeemable units [Note 3]	(198,677,389)	(124,950,827)
<b>Net redemption</b>	(185,706,825)	(99,596,448)
	69,138,311	211,159,141
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	(2,483,370)	43,685,995
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	66,654,941	254,845,136

## Statement of Cash Flows For the year ended 30 September 2018

	2018 HK\$	2017 HK\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(61,874,351)	(111,509,486)
Proceeds from disposal of investments and derivatives	244,246,868	211,207,267
Dividend received	2,437,088	9,426,775
Interest received	1,266	649
Trustee's fee paid	(75,886)	(172,009)
Tax paid	(80,913)	(241,356)
Registrar's fee paid	(130,691)	(146,461)
Transaction costs paid	(680,197)	(756,127)
Management fee paid	(2,211,786)	(5,018,169)
Others	(471,824)	(473,944)
<b>Net cash inflow from operating activities</b>	181,159,574	102,317,139
<b>Financing activities</b>		
Interest paid	(854)	(168)
Receipts on allotment of redeemable units	12,977,158	26,347,780
Payments on redemption of redeemable units	(199,285,089)	(124,335,099)
<b>Net cash outflow from financing activities</b>	(186,308,785)	(97,987,487)
<b>(Decrease)/increase in cash and cash equivalents</b>	(5,149,211)	4,329,652
Cash and cash equivalents at the beginning of the year	6,591,282	2,223,618
Exchange (losses)/gains on cash and cash equivalents	(5,305)	38,012
<b>Cash and cash equivalents at the end of the year</b>	1,436,766	6,591,282
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	1,436,766	6,591,282

The notes on pages 445 to 454 form part of these financial statements.

## Notes to the Financial Statements

### 1 The Fund

JPMorgan Greater China Smaller Companies Fund (the "Fund") was established under a Trust Deed dated 26 August 2009, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to provide investors with long-term capital growth by investing primarily in the securities of small to medium-sized companies in the People's Republic of China, Hong Kong and Taiwan ("Greater China").

Pursuant to the Supplemental Trust Deed dated 4 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation of financial statements

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

#### *Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

#### (b) Investments and derivatives

##### *Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.



## *Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

## *Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

## *Transfers between levels of the fair value hierarchy*

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

### **(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

### **(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

### **(e) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

### **(f) Foreign currency translation**

#### *Functional and presentation currency*

The Fund has adopted Hong Kong dollar as its functional and presentation currency.

## *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

### **(g) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

### **(h) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

### **(i) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

### **(j) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

2018

	HKD Class (acc) Units
Number of units in issue:	
At the beginning of the year	22,390,993.875
Total allotments	1,085,571.710
Total redemptions	(16,762,061.849)
At the end of the year	<u>6,714,503.736</u>

HK\$

Net assets attributable to holders of redeemable units	<u>66,654,941</u>
Net assets attributable to holders of redeemable units (per unit)	<u>9.93</u>

2017

	HKD Class (acc) Units
Number of units in issue:	
At the beginning of the year	32,159,485.742
Total allotments	2,657,118.933
Total redemptions	(12,425,610.800)
At the end of the year	<u>22,390,993.875</u>

HK\$

Net assets attributable to holders of redeemable units	<u>254,845,136</u>
Net assets attributable to holders of redeemable units (per unit)	<u>11.38</u>

As at 30 September 2018, the Fund had HK\$66,654,941 (2017: HK\$254,845,136) of puttable financial instruments, represented by the net assets attributable to the holders of redeemable units (or "net asset value" or "net assets" or "NAV"), classified as equity.

The Fund's policies for managing its obligations for the holders of redeemable units of the Fund are included in Note 4(II) capital risk management.

## **4 Financial risk management**

### **(i) Financial risk factors**

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

### **(a) Market risk**

#### **(i) Market price risk**

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
	Fair value of investments HK\$	% of net assets	Fair value of investments HK\$	% of net assets
Listed/Quoted Investments				
<u>Assets</u>				
Equities				
- China	48,708,075	73.1	110,822,164	43.5
- Taiwan	12,470,291	18.7	43,333,215	17.0
- Hong Kong	4,235,240	6.3	94,771,045	37.2
Total Listed/Quoted Investments	65,413,606	98.1	248,926,424	97.7

The Investment Manager monitors the Fund's market price sensitivity primarily through the Fund's volatility, which helps to describe the likely range of the Fund's return, on a regular basis. In statistical terms, it is the standard deviation of the return distribution. Greater volatility of monthly fund returns means that there is a wider range of likely returns in the future, or greater uncertainty regarding the fund returns. Most investors would equate this greater uncertainty with greater risk.

The table below summarizes the volatility of the Fund expressed in annual terms and the estimated impact on the net asset value.

	2018	2017
Annual volatility (Note*)	14.12%	18.90%

If the above volatility were to be applied to the Fund's net asset value as of 30 September 2018 of HK\$66,654,941 (2017: HK\$254,845,136) and assuming that the Fund's returns are normally distributed with its mean return equals to nil and with one standard deviation away from the mean return (i.e. a probability of 68%), the estimated reasonable possible change in the Fund's net asset value would be between HK\$57,243,263 and HK\$76,066,619; or within +/- HK\$9,411,678 (2017: between HK\$206,679,405 and HK\$303,010,867; or within +/- HK\$48,165,731) over a twelve-month period based on the Fund's historical annual volatility percentage as a result of the market price fluctuation, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

- \* Volatility is calculated based on the monthly Fund's returns over the maximum of past 36 months or the number of months since portfolio inception. For funds launched within a period of less than 12 months, volatility is calculated based on the weekly Fund's returns since the Fund's launch. Volatility is expressed in annual volatility by applying the square root of time adjustment. Volatility may not cover stressed market events, nor represent the Investment Manager's forecast of the Fund's range of future returns.

**(ii) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month HK\$	2017 Less than 1 month HK\$
Cash at banks	1,436,766	6,591,282
Total interest sensitivity gap	1,436,766	6,591,282

Any cash and cash equivalents are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

**(iii) Currency risk**

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

	HK\$ equivalent	% of reasonable possible change against HK\$ (Note**)	Estimated impact on net asset value HK\$
Net currency exposures (Note*)			
<u>2018</u>			
Chinese Yuan (Offshore)	6,553,951	-3.1	(203,172)
Chinese Yuan (Onshore)	91,690	-3.3	(3,026)
Singapore Dollar	5	-0.4	(0)
Taiwan Dollar	12,746,710	-0.5	(63,734)
United States Dollar	6,703,523	+0.2	13,407
	<u>26,095,879</u>		<u>(256,525)</u>
<u>2017</u>			
Singapore Dollar	5	+1.1	0
Taiwan Dollar	35,094,614	+4.1	1,438,879
United States Dollar	20,980,378	+0.7	146,863
	<u>56,074,997</u>		<u>1,585,742</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

**(b) Credit risk**

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 HK\$	2017 HK\$
Cash at banks	1,436,766	6,591,282
Amounts receivable on allotment	990	7,584
Dividend and interest receivable	172,793	549,759
	<u>1,610,549</u>	<u>7,148,625</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties HK\$	2017 Exposure to counterparties HK\$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	1,436,644	6,591,161
S&P(A)/Moody's(A)/FITCH(A)	122	121
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	<u>65,413,606</u>	<u>248,926,424</u>

**(c) Liquidity risk**

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue of any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018 Less than 1 month HK\$	2017 Less than 1 month HK\$
Amounts payable on redemption	24,675	632,375
Other accounts payable	<u>344,539</u>	<u>597,538</u>
Total financial liabilities	<u>369,214</u>	<u>1,229,913</u>

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

**(II) Capital risk management**

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

**(III) Fair value estimation**

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
<u>2018</u>				
<u>Assets</u>				
Equities	65,413,606	-	-	65,413,606
Total financial assets at fair value through profit and loss	<u>65,413,606</u>	<u>-</u>	<u>-</u>	<u>65,413,606</u>
<u>2017</u>				
<u>Assets</u>				
Equities	248,926,424	-	-	248,926,424
Total financial assets at fair value through profit and loss	<u>248,926,424</u>	<u>-</u>	<u>-</u>	<u>248,926,424</u>

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the years ended 30 September 2018 and 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## **5 Net (losses)/gains on investments and derivatives**

	2018 HK\$	2017 HK\$
Change in unrealized gains/losses in value of investments and derivatives	(49,824,203)	36,890,296
Realized gains on sale of investments and derivatives	48,683,902	5,372,912
	<u>(1,140,301)</u>	<u>42,263,208</u>

## **6 Taxation**

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Overseas tax was withheld or paid on certain dividend income received during the years ended 30 September 2018 and 2017.

## **7 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons**

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

(a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments HK\$	% of the Fund's total aggregate value of transactions	Commission paid HK\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
J.P. Morgan Securities (Asia Pacific) Limited	3,096,844	1.01	1,520	0.65	0.05
<u>2017</u>					
J.P. Morgan Securities (Asia Pacific) Limited	11,935,385	3.70	4,866	1.76	0.04

(b) Balances with the Manager and its Connected Persons as at year end:

	2018 HK\$	2017 HK\$
Cash at banks	867,362	337,311
Amounts receivable	1,068	18
Amounts payable	<u>(120,815)</u>	<u>(401,096)</u>

During the year, the interest income on cash at banks held with Connected Persons of the Manager was HK\$1,352 (2017: HK\$21).



(c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.

(d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to HK\$12,254 (2017: HK\$16,902).

(e) Management fee of 1.75% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.

The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.

(f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.

(g) Refer to Note 8 for fee paid to the Trustee.

(h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 8 Trustee's fee

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first HK\$310 million, 0.04% per annum for the balance from HK\$310 million to HK\$540 million, and 0.025% per annum for the balance in excess of HK\$540 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

## 9 Borrowings

During the years ended 30 September 2018 and 2017, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

## 10 Soft dollar arrangements/Commission sharing arrangements

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

## 11 Distribution

No distribution was made during the year (2017: nil).

## Independent Auditor's Report

To the Unitholders of JPMorgan Greater China Smaller Companies Fund (the "Fund")

## Report on the Audit of the Financial Statements

### Opinion

What we have audited

The financial statements of JPMorgan Greater China Smaller Companies Fund set out on pages 443 to 454, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

### Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

### Other Information

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Management for the Financial Statements

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 26 August 2009, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

## Independent Auditor's Report (continued)

To the Unitholders of JPMorgan Greater China Smaller Companies Fund (the "Fund")

### Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee**

**Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 26 August 2009, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited**

**Net Asset Values**

At financial period ended	Net asset value of the Fund HK\$	Net asset value per unit HK\$
30/9/18 - HKD Class (acc)	66,654,941	9.93
30/9/17 - HKD Class (acc)	254,845,136	11.38
30/9/16 - HKD Class (acc)	310,755,589	9.66

**Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u> HK\$	<u>Lowest bid</u> HK\$
30/9/18 - HKD Class (acc)	12.92	9.35
30/9/17 - HKD Class (acc)	12.45	9.29
30/9/16 - HKD Class (acc)	10.53	7.52
30/9/15 - HKD Class (acc)	12.27	8.04
30/9/14 - HKD Class (acc)	11.25	9.15
30/9/13 - HKD Class (acc)	9.91	7.38
30/9/12	8.36	5.73
30/9/11	11.07	6.10
30/9/10 (since inception)	-	-

Management and Administration

**Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
Listed/Quoted Investments (98.6%)				Pharmaceuticals (1.8%)			
Equities (98.6%)				Sun Pharma Advanced Research			
				Sun Pharmaceutical Industries			
India (98.6%)				Textiles, Apparel & Luxury Goods (0.7%)			
Automobiles (13.1%)				Titan Co			
Bajaj Auto				781,161	28,960,286	3.9	
Eicher Motors				20,000	6,672,755	0.9	
Hero Motocorp (DEMAT)				425,408	17,213,795	2.3	
Maruti Suzuki India				436,027	44,197,884	6.0	
Banks (26.7%)				Thriffs & Mortgage Finance (9.3%)			
				Housing Development Finance			
Axis Bank				4,819,976	40,775,973	5.5	
Bank of Baroda				2,836,618	3,893,551	0.5	
HDFC Bank				2,367,715	65,522,895	8.9	
IndusInd Bank				1,719,145	40,080,577	5.4	
Kotak Mahindra Bank				2,218,063	34,930,897	4.7	
State Bank of India				3,395,747	12,437,175	1.7	
Beverages (1.2%)				Tobacco (5.1%)			
				ITC Ltd			
United Spirits				1,232,060	8,741,184	1.2	
Construction & Engineering (3.1%)				Transportation Infrastructure (1.1%)			
				Gujarat Pipavav Port			
Larsen & Toubro				1,300,282	22,818,164	3.1	
Construction Materials (11.3%)				Total Listed/Quoted Investments			
ACC Ltd				1,075,005	23,020,886	3.1	
Ambuja Cements				7,017,884	21,642,267	2.9	
Ultratech Cement				692,696	38,795,849	5.3	
Consumer Finance (5.6%)				Other net assets			
Mahindra & Mahindra Fin Services				2,944,409	16,255,380	2.2	
Shriram Transport Finance				1,564,046	24,832,925	3.4	
Electrical Equipment (1.7%)				Net assets attributable to holders of redeemable units at 30 September 2018			
Bharat Heavy Electricals				13,286,394	12,555,083	1.7	
Hotels, Restaurants & Leisure (2.6%)				Total investments, at cost			
Jubilant Foodworks				1,136,418	19,278,660	2.6	
Industrial Conglomerates (1.5%)							
Godrej Industries				1,565,192	11,154,341	1.5	
Insurance (0.8%)							
HDFC Standard Life Insurance				1,028,550	5,556,355	0.8	
IT Services (7.0%)							
Tata Consultancy Services				1,725,584	51,981,760	7.0	
Machinery (4.5%)							
Ashok Leyland				15,162,992	24,912,572	3.3	
Cummins India				933,975	8,672,349	1.2	
Metals & Mining (1.5%)							
Hindalco Industries				3,458,401	10,956,295	1.5	

Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 (*Unaudited*)

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
<b>India</b>		
Banks	26.7	25.9
Automobiles	13.1	17.3
Construction Materials	11.3	12.8
Thriffs & Mortgage Finance	9.3	9.9
IT Services	7.0	3.3
Consumer Finance	5.6	5.2
Tobacco	5.1	4.2
Machinery	4.5	7.1
Construction & Engineering	3.1	-
Hotels, Restaurants & Leisure	2.6	1.9
Pharmaceuticals	1.8	3.1
Electrical Equipment	1.7	1.3
Industrial Conglomerates	1.5	-
Metals & Mining	1.5	1.4
Beverages	1.2	1.0
Transportation Infrastructure	1.1	1.3
Insurance	0.8	-
Textiles, Apparel & Luxury Goods	0.7	-
Chemicals	-	2.0
Diversified Telecommunication Services	-	1.9
<b>Total Listed/Quoted Investments</b>	<b>98.6</b>	<b>99.6</b>
<b>Other net assets</b>	<b>1.4</b>	<b>0.4</b>
<b>Net assets attributable to holders of redeemable units at 30 September</b>	<b>100.0</b>	<b>100.0</b>

**Statement of Financial Position**  
**As at 30 September 2018**

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	14,424,689	8,045,912
Amounts due from brokers	861,274	1,484,185
Amounts receivable on allotment	2,731,113	3,960,704
Investments [Note 4(l)(a)]	729,051,314	919,730,722
Dividend and other accounts receivable	253,986	73,997
<b>Total assets</b>	<u>747,322,376</u>	<u>933,295,520</u>
<b>Liabilities</b>		
Amounts payable on redemption	4,371,027	8,581,932
Tax payable [Note 6]	2,524,820	-
Other accounts payable	1,076,454	1,367,208
<b>Total liabilities</b>	<u>7,972,301</u>	<u>9,949,140</u>
<b>Net assets attributable to holders of redeemable units</b> [Note 3]	<u>739,350,075</u>	<u>923,346,380</u>
<b>Equity</b>	<u>739,350,075</u>	<u>923,346,380</u>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Mauritius) Limited, Trustee

JF India Management Limited, Manager

**Statement of Comprehensive Income**  
**For the year ended 30 September 2018**

	2018 US\$	2017 US\$
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 5]	(60,840,406)	104,639,081
Dividend income	7,552,114	10,213,317
Interest on deposits	211,291	31,198
Net foreign currency exchange losses	(833,740)	(472,906)
Other income [Note 12]	5	1,950
	<u>(53,910,736)</u>	<u>114,412,640</u>
<b>Expenses</b>		
Management fee [Note 7(e)]	13,281,212	14,400,566
Transaction costs	864,470	1,147,760
Registrar's fee [Note 7(h)]	395,124	460,033
Safe custody and bank charges	250,381	286,669
Trustee's fee [Note 8]	239,932	258,599
Auditor's fee	64,000	63,700
Legal and professional expenses	38,072	64,234
Valuation fee [Note 7(e)]	16,450	16,520
Printing and publication expenses	6,164	11,979
Other operating expenses	10,307	11,046
	<u>15,166,112</u>	<u>16,721,106</u>
<b>Net operating (loss)/profit</b>	<u>(69,076,848)</u>	<u>97,691,534</u>
<b>Finance costs</b>		
Interest expense	(18,891)	(15,894)
<b>(Loss)/profit before taxation</b>	<u>(69,095,739)</u>	<u>97,675,640</u>
Taxation [Note 6]	(2,524,820)	(8,932)
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>(71,620,559)</u>	<u>97,666,708</u>

The notes on pages 463 to 474 form part of these financial statements.



**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	923,346,380	985,661,793
Allotment of redeemable units [Note 3]	237,453,509	301,214,897
Redemption of redeemable units [Note 3]	(349,829,255)	(461,197,018)
<b>Net redemption</b>	(112,375,746)	(159,982,121)
	810,970,634	825,679,672
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	(71,620,559)	97,666,708
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	739,350,075	923,346,380

**Statement of Cash Flows**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(89,950,908)	(116,186,816)
Proceeds from disposal of investments and derivatives	220,415,330	285,950,976
Dividend received	7,371,587	10,140,186
Interest received	211,829	30,404
Tax paid	-	(91,644)
Trustee's fee paid	(244,025)	(260,610)
Registrar's fee paid	(423,496)	(464,046)
Transaction costs paid	(867,859)	(1,142,676)
Management fee paid	(13,523,598)	(14,518,107)
Others	(1,234,109)	(936,713)
<b>Net cash inflow from operating activities</b>	121,754,751	162,520,954
<b>Financing activities</b>		
Interest paid	(18,891)	(15,894)
Receipts on allotment of redeemable units	238,683,100	300,378,461
Payments on redemption of redeemable units	(354,040,160)	(460,895,472)
<b>Net cash outflow from financing activities</b>	(115,375,951)	(160,532,905)
<b>Increase in cash and cash equivalents</b>	6,378,800	1,988,049
Cash and cash equivalents at the beginning of the year	8,045,912	6,046,901
Exchange (losses)/gains on cash and cash equivalents	(23)	10,962
<b>Cash and cash equivalents at the end of the year</b>	14,424,689	8,045,912
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	14,424,689	8,045,912

The notes on pages 463 to 474 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan India Fund (the "Fund") was established under a Trust Deed dated 23 November 1989, as amended (the "Trust Deed") and is governed by the laws of the Republic of Mauritius. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to provide long-term capital growth through a portfolio consisting primarily of securities linked to the Indian economy. These include, but are not restricted to, securities traded on the stock exchanges of India and the rest of the Indian sub-continent including Pakistan, Bangladesh and Sri Lanka.

Pursuant to the Supplemental Trust Deed dated 7 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial Instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value. When trading of financial instruments in markets that are not considered to be active, the financial instruments are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(e) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(f) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(g) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(h) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(i) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(j) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**2018

	USD Class (acc) Units
Number of units in issue:	
At the beginning of the year	3,323,282.182
Total allotments	822,682.589
Total redemptions	(1,205,748.915)
At the end of the year	<u>2,940,215.856</u>

US\$

Net assets attributable to holders of redeemable units	<u>739,350,075</u>
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Net assets attributable to holders of redeemable units (per unit)	<u>251.46</u>
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2017

	USD Class (acc) Units
Number of units in issue:	
At the beginning of the year	3,888,870.474
Total allotments	1,190,963.564
Total redemptions	(1,756,551.856)
At the end of the year	<u>3,323,282.182</u>

US\$

Net assets attributable to holders of redeemable units	<u>923,346,380</u>
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Net assets attributable to holders of redeemable units (per unit)	<u>277.84</u>
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As at 30 September 2018, the Fund had US\$739,350,075 (2017: US\$923,346,380) of puttable financial instruments, represented by the net assets attributable to the holders of redeemable units (or "net asset value" or "net assets" or "NAV"), classified as equity.

The Fund's policies for managing its obligations for the holders of redeemable units of the Fund are included in Note 4(II) capital risk management.

**4 Financial risk management****(I) Financial risk factors**

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

## (a) Market risk

## (i) Market price risk

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Beta of the Fund on a regular basis. Beta measures the statistical relationship between the return of the Fund and the relevant benchmark index chosen by the Investment Manager.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
Listed/Quoted Investments	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
<u>Assets</u>				
Equities				
- Banks	197,641,068	26.7	238,966,082	25.9
- Automobiles	97,044,720	13.1	159,913,363	17.3
- Construction Materials	83,459,002	11.3	118,696,354	12.8
- Thrifts & Mortgage Finance	68,480,515	9.3	91,118,366	9.9
- IT Services	51,981,760	7.0	30,281,558	3.3
- Consumer Finance	41,088,305	5.6	47,693,151	5.2
- Tobacco	37,898,921	5.1	38,779,973	4.2
- Machinery	33,584,921	4.5	65,460,652	7.1
- Others	117,872,102	16.0	128,821,223	13.9
Total Listed/Quoted Investments	729,051,314	98.6	919,730,722	99.6

	Net asset value US\$	Relevant benchmark index for the Fund (Note*)	Beta (Note**)	% of reasonable possible change of the relevant benchmark index (Note***)	Estimated impact on net asset value (Note****) US\$
As at 30 September 2018	739,350,075	MSCI India 10/40 Net	1.07	+1.1	8,702,150
As at 30 September 2017	923,346,380	MSCI India 10/40 Net	1.10	+14.2	144,226,705

If the relevant benchmark index return was to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Relevant benchmark index for the Fund represents the relevant market index used by the Investment Manager in monitoring the market price risk of the Fund.

\*\* Beta measures the statistical relationship between the return of the Fund and the respective benchmark index over the maximum of past 36 months, or the number of months since portfolio inception. For funds launched within a period of less than 12 months, weekly returns of the Fund are used for calculating the Beta.

\*\*\* % of reasonable possible change is based on the actual historical change in the benchmark index in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. For funds launched within a period of less than 12 months, actual historical change in the benchmark index since the commencement of operations will be used to calculate the % of reasonable possible change.

\*\*\*\* Estimated impact on net asset value of the Fund is calculated by applying the relevant Beta against the net asset value of the Fund multiplied by the % of reasonable possible change of the relevant benchmark index, assuming all other variables that may impact the net asset value of the Fund are held constant.

## (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Cash at banks	14,424,689	8,045,912
Total interest sensitivity gap	<u>14,424,689</u>	<u>8,045,912</u>

Any cash and cash equivalents are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

## (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
Net currency exposures (Note*)			
<u>2018</u>			
Hong Kong Dollar	11,089	-0.2	(22)
Indian Rupee	<u>727,641,454</u>	<u>-9.9</u>	<u>(72,036,504)</u>
	<u>727,652,543</u>		<u>(72,036,526)</u>
<u>2017</u>			
Hong Kong Dollar	2,791	-0.7	(20)
Indian Rupee	<u>921,868,330</u>	<u>+1.9</u>	<u>17,515,498</u>
	<u>921,871,121</u>		<u>17,515,478</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

## (b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018	2017
	US\$	US\$
Cash at banks	14,424,689	8,045,912
Amounts due from brokers	861,274	1,484,185
Amounts receivable on allotment	2,731,113	3,960,704
Dividend and other accounts receivable	253,986	73,997
	<u>18,271,062</u>	<u>13,564,798</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/custodian which the Fund has placed the financial assets as at 30 September.

	2018	2017
	Exposure to counterparties	Exposure to counterparties
	US\$	US\$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	3,040,577	3,042,458
S&P(A)/Moody's(A)/FITCH(A)	11,384,112	5,003,454
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	<u>729,051,314</u>	<u>919,730,722</u>

## (c) Liquidity risk

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.



The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Amounts payable on redemption	4,371,027	8,581,932
Other accounts payable	1,076,454	1,367,208
Total financial liabilities	5,447,481	9,949,140

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

## (II) Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

## (III) Fair value estimation

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<u>2018</u>				
<u>Assets</u>				
Equities	729,051,314	-	-	729,051,314
Total financial assets at fair value through profit and loss	<u>729,051,314</u>	<u>-</u>	<u>-</u>	<u>729,051,314</u>
<u>2017</u>				
<u>Assets</u>				
Equities	828,006,547	91,724,175	-	919,730,722
Total financial assets at fair value through profit and loss	<u>828,006,547</u>	<u>91,724,175</u>	<u>-</u>	<u>919,730,722</u>

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

The table below summarizes the transfers between levels of the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September 2018.

	Level 1 US\$	Level 2 US\$	Level 3 US\$
Transfers between Levels 1 and 2:			
Financial assets at fair value through profit or loss			
<u>2018</u>			
Equities			
- India	65,522,895	(65,522,895)	-

#### India

Equities transferred from Level 2 to Level 1 were valued based on quoted market prices in active markets as at 30 September 2018, but were valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs as at 30 September 2017.

There were no transfers between levels for the year ended 30 September 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 5 Net (losses)/gains on investments and derivatives

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	(146,071,137)	8,351,014
Realized gains on sale of investments and derivatives	<u>85,230,731</u>	<u>96,288,067</u>
	<u>(60,840,406)</u>	<u>104,639,081</u>

**6 Taxation**

The amount of taxation charged to the Statement of Comprehensive Income represents:

	2018 US\$	2017 US\$
Capital gains tax - India	(2,524,820)	-
Income tax expense - Mauritius	-	(8,932)
Taxation	(2,524,820)	(8,932)

The movement in tax payable is as follows:

	2018 US\$	2017 US\$
At the beginning of the year	-	82,712
Taxation charged to the Statement of Comprehensive Income	2,524,820	8,932
Tax paid	-	(91,644)
Taxation	2,524,820	-

India Taxation

The Fund, which is regarded as taxable under Mauritius tax law, mainly invests in India and the Manager hopes to obtain benefits under the double taxation treaty signed by Mauritius with India. To obtain benefits under the double taxation treaty, the Fund must meet certain tests and conditions, including the establishment of Mauritius tax residence and related requirements. The Fund had obtained tax residence certification ("TRC") from the Mauritian authorities for the period up to 18 December 2017 and believes such certification is determinative of its resident status for treaty purposes. The Fund has applied for renewal of the TRC but as at the date of issuance of these financial statements, the Mauritian authorities have not yet issued a TRC to the Fund. For the financial period that the Fund has obtained a TRC, the Fund which is tax resident in Mauritius under the treaty, but has no branch or permanent establishment in India, is not subject to tax on the sale of its listed investments in India, but may be subject to withholding tax on interest earned on debt securities. For the financial period after the expiration of the TRC pending issuance of a renewed TRC, the Fund may be subject to Indian tax at the rate of approximately 16.22% on all short-term gains of Indian securities held for less than one year that are disposed of after 18 December 2017. As at 30 September 2018, the Fund has made a tax provision for realized and unrealized short-term gains of Indian securities.

The Governments of India and Mauritius signed a protocol amending the India-Mauritius tax treaty on 10 May 2016 altering the tax treatment of capital gains, while at the same time seeking to preserve the position of existing investments. The Government of India, the Ministry of Finance and the Central Board of Direct Taxes announced that India shall have the right to tax capital gains arising from alienation of shares acquired on or after 1 April 2017 in a company resident in India effective as from financial year 2017-18. 1 April 2017 to 31 March 2019 will be a transitional period where the tax rate in India will be limited to 50% of the domestic applicable tax on capital gains tax if the disposal of the assets occurs at latest on 31 March 2019. However, there can be no assurance that any future changes to the India-Mauritius tax treaty or future interpretations of the India-Mauritius tax treaty will not adversely affect the tax position of the Fund in India.

The Government of India has also introduced a change in the 2018 Union Budget that effective from 1 April 2018 a tax of approximately 10.82% will apply on long-term capital gains (i.e. capital gains on assets held for more than 12 months prior to sale) arising from the transfer of listed India equity shares and equity oriented mutual funds on an Indian exchange. Where such assets were acquired prior to 1 February 2018, the cost of acquisition is deemed to be the higher of the actual cost of acquisition, or the fair market value on 31 January 2018, subject to certain conditions. In effect, capital gains up to 31 January 2018 were grandfathered to the previous exemption that was available prior to this change. As at 30 September 2018, the Fund has incurred long-term capital loss of Indian securities held more than one year and hence no provision was made and hence no provision on long-term gains was made.

Mauritius Taxation

The Fund is subject to income tax in Mauritius on its chargeable income at 15% (2017: 15%). It is, however, entitled to a tax credit equivalent to the higher of the foreign tax suffered and 80% (2017: 80%) of the Mauritian tax payable on its foreign source income, giving an effective tax rate of 3%. Capital gains of the Fund are exempt from tax in Mauritius. At 30 September 2018, the Fund had no accumulated tax losses (2017: nil) and was therefore liable to income tax for the year.

The reconciliation between the actual tax expense of US\$197,173 (2017: US\$262,646) and the theoretical tax calculated at the applicable rate of 15% (2017: 15%) for the year ended is as follows:

	2018 US\$	2017 US\$
(Loss)/profit before taxation	(69,095,739)	97,675,640
Theoretical tax at the applicable rate of 15%	(10,364,361)	14,651,346
Non-taxable income	(12,784,610)	(15,695,862)
Non-allowable expenses	24,009,776	2,286,810
Non-tax deductible losses	125,061	70,936
Foreign tax credit	(788,693)	(1,050,584)
Actual tax expense	197,173	262,646
Underprovision of tax	(197,173)	(253,714)
Tax expense	-	8,932

The foregoing is based on current interpretation and practice and is subject to any future changes in tax laws of Mauritius and of the countries in which the Fund has invested and in the tax treaties between Mauritius and these countries.

There was no overseas withholding tax charge on dividend income received during the year (2017: nil).

#### Hong Kong Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

## 7 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

(a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments US\$	% of the Fund's total aggregate value of transactions	Commission paid US\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
J.P. Morgan India Private Limited	23,353,222	7.54	23,752	5.10	0.10
<u>2017</u>					
J.P. Morgan India Private Limited	41,183,089	10.20	29,534	4.64	0.07

(b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	529,747	1,070,225
Amounts receivable	327	865
Amounts payable	(983,423)	(1,264,418)

During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$6,417 (2017: US\$8,297).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.
- (d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$12,108 (2017: US\$20,507).
- (e) Management fee of 1.5% per annum of the net asset value of the Fund is paid to JF India Management Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.

The Investment Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.

- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (g) Refer to Note 8 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 8 Trustee's fee

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first US\$40 million, 0.04% per annum for the balance from US\$40 million to US\$70 million, and 0.025% per annum for the balance in excess of US\$70 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

## 9 Borrowings

During the years ended 30 September 2018 and 2017, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

## 10 Soft dollar arrangements/Commission sharing arrangements

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

## 11 Distribution

No distribution was made during the year (2017: nil).

## 12 Other income

The Fund received US\$5 (2017: nil) from the Manager as compensation for valuation and/or other operational error(s).

**Independent Auditor's Report**

To the Unitholders of JPMorgan India Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan India Fund set out on pages 461 to 474, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of JPMorgan India Fund (the "Fund") as at 30 September 2018, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises the investment portfolio, the statement of movements in portfolio holdings, the statement of responsibilities of the Manager and the Trustee, the report of the Trustee to the unitholders and the Management and administration but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 23 November 1989, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission of Hong Kong (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan India Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Other Legal and Regulatory Requirements**

We report that the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

Robert Coutet, Licensed by FRC  
PricewaterhouseCoopers  
22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 23 November 1989, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Mauritius) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund US\$	Net asset value per unit US\$
30/9/18 -USD Class (acc)	739,350,075	251.46
30/9/17 -USD Class (acc)	923,346,380	277.84
30/9/16 -USD Class (acc)	985,661,793	253.46

**Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u> US\$	<u>Lowest bid</u> US\$
30/9/18 - USD Class (acc)	318.35	251.46
30/9/17 - USD Class (acc)	292.63	215.90
30/9/16 - USD Class (acc)	296.73	208.82
30/9/15 - USD Class (acc)	289.01	215.50
30/9/14 - USD Class (acc)	246.63	170.35
30/9/13 - USD Class (acc)	214.52	140.08
30/9/12	211.08	154.94
30/9/11	259.00	173.06
30/9/10	242.08	158.69
30/9/09	182.48	83.07



**Management and Administration****Manager and Service Provider**

JF India Management Limited  
Palm Grove House  
P.O. Box 438  
Road Town, Tortola  
British Virgin Islands

**Directors of the Manager**

as at 22 January 2019  
Andrew CREBER  
Daniel A SULLIVAN  
Martin GROSSMANN  
Satish Kumar MODI

**Hong Kong Representative  
and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee and Registrar**

HSBC Institutional Trust Services  
(Mauritius) Limited  
HSBC Centre  
Eighteen  
Cybercity Ebène  
Republic of Mauritius

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Auditor**

PricewaterhouseCoopers  
18 Cybercity  
Ebène  
Rèduit 72201  
Republic of Mauritius

**UK Tax Information**

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 23 November 1989 to 30 September 2010.

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments (97.5%)</b>			<b>Hotels, Restaurants &amp; Leisure (7.1%)</b>		
<b>Equities (97.5%)</b>			Elh Ltd (DEMAT)	1,205,566	2,460,525 3.1
<b>India (93.2%)</b>			Jubilant Foodworks	85,150	1,444,519 1.9
<b>Air Freight &amp; Logistics (3.3%)</b>			Thomas Cook (India) (DEMAT)	539,944	1,668,098 2.1
Mahindra Logistics	52,459	371,859 0.5	<b>Household Durables (2.7%)</b>		
TCI Express	95,499	717,790 0.9	Crompton Greaves Consumer Electric	250,000	772,175 1.0
Transport Corp of India	390,998	1,529,687 1.9	Whirlpool Of India	73,181	1,362,364 1.7
<b>Auto Components (2.3%)</b>			<b>Industrial Conglomerates (1.9%)</b>		
Balkrishna Industries	50,974	716,231 0.9	Godrej Industries	211,738	1,508,951 1.9
Endurance Technologies	60,000	1,097,655 1.4	<b>IT Services (1.0%)</b>		
<b>Automobiles (1.1%)</b>			Persistent Systems	69,679	757,828 1.0
Eicher Motors	2,600	867,458 1.1	<b>Machinery (14.4%)</b>		
<b>Banks (3.0%)</b>			Ashok Leyland	1,118,918	1,838,366 2.3
IndusInd Bank	101,340	2,362,666 3.0	Cummins India	173,304	1,609,200 2.1
<b>Capital Markets (6.0%)</b>			Greaves Cotton	770,938	1,407,023 1.8
Hdfc Asset Management Co	57,892	1,060,129 1.3	NRB Bearings (DEMAT)	691,680	1,471,812 1.9
Indian Energy Exchange	20,000	443,289 0.6	SKF India (DEMAT)	123,000	2,857,896 3.6
Motilal Oswal Financial Services	106,496	989,888 1.3	Thermax Ltd (DEMAT)	162,464	2,121,736 2.7
Multi Commodity Exchange of India	231,899	2,202,385 2.8	<b>Media (2.5%)</b>		
<b>Chemicals (2.9%)</b>			Navneet Education	1,285,636	1,989,907 2.5
Castrol India	1,154,780	2,275,629 2.9	<b>Oil, Gas &amp; Consumable Fuels (2.8%)</b>		
<b>Construction Materials (3.8%)</b>			Great Eastern Shipping	561,991	2,230,443 2.8
HeidelbergCement India	403,398	801,064 1.0	<b>Pharmaceuticals (2.8%)</b>		
JK Cement	66,065	699,019 0.9	Sun Pharma Advanced Research	252,852	1,194,673 1.5
JK Lakshmi Cement	148,321	622,625 0.8	Torrent Pharmaceuticals	43,655	995,230 1.3
Shree Cement	3,850	897,160 1.1	<b>Professional Services (7.2%)</b>		
<b>Consumer Finance (7.2%)</b>			L&T Technology Services	108,144	2,590,220 3.3
Mahindra & Mahindra Financial Services	395,000	2,180,701 2.8	TeamLease Services	88,800	3,019,678 3.9
MAS Financial Services	214,197	1,546,716 2.0	<b>Real Estate Management &amp; Development (1.4%)</b>		
Shriram Transport Finance	121,300	1,925,924 2.4	Godrej Properties	40,000	326,059 0.4
<b>Diversified Financial Services (3.6%)</b>			Nesco Ltd	126,650	758,607 1.0
Bajaj Hldgs & Investment	66,621	2,843,087 3.6	<b>Road &amp; Rail (1.5%)</b>		
<b>Electrical Equipment (2.4%)</b>			Container Corp of India (DEMAT)	135,108	1,169,451 1.5
ABB India	95,196	1,851,391 2.4	<b>Thriffs &amp; Mortgage Finance (2.1%)</b>		
<b>Food &amp; Staples Retailing (2.1%)</b>			GRUH Finance	386,108	1,619,480 2.1
Avenue Supermarts	84,550	1,628,191 2.1	<b>Transportation Infrastructure (2.4%)</b>		
<b>Food Products (2.6%)</b>			Gujarat Pipavav Port	1,370,000	1,895,586 2.4
Godrej Agrovet	282,592	2,004,146 2.6	<b>Singapore (4.3%)</b>		
<b>Health Care Providers &amp; Services (3.1%)</b>			<b>Real Estate Management &amp; Development (4.3%)</b>		
DR Lal Pathlabs	182,068	2,407,522 3.1	Ascendas India Trust	4,192,900	3,344,869 4.3

Investment Portfolio (Continued)  
As at 30 September 2018 *(Unaudited)*

Holding	Fair value US\$	% of net assets
Total Listed/Quoted Investments	76,456,908	97.5
Other net assets	1,962,789	2.5
Net assets attributable to holders of redeemable units at 30 September 2018	78,419,697	100.0
Total investments, at cost	59,765,515	

Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 *(Unaudited)*

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
<b>India</b>		
Machinery	14.4	15.7
Consumer Finance	7.2	6.4
Professional Services	7.2	5.4
Hotels, Restaurants & Leisure	7.1	9.9
Capital Markets	6.0	5.9
Construction Materials	3.8	8.5
Diversified Financial Services	3.6	2.9
Air Freight & Logistics	3.3	2.1
Health Care Providers & Services	3.1	2.9
Banks	3.0	3.3
Chemicals	2.9	5.7
Oil, Gas & Consumable Fuels	2.8	3.4
Pharmaceuticals	2.8	2.3
Household Durables	2.7	3.1
Food Products	2.6	-
Media	2.5	3.3
Transportation Infrastructure	2.4	3.1
Electrical Equipment	2.4	3.1
Auto Components	2.3	1.9
Food & Staples Retailing	2.1	2.2
Thriffs & Mortgage Finance	2.1	2.1
Industrial Conglomerates	1.9	-
Road & Rail	1.5	1.4
Real Estate Management & Development	1.4	1.7
Automobiles	1.1	-
IT Services	1.0	0.9
<b>Singapore</b>		
Real Estate Management & Development	4.3	3.3
<b>Total Listed/Quoted Investments</b>	97.5	100.5
<b>Other net assets/(liabilities)</b>	2.5	(0.5)
<b>Net assets attributable to holders of redeemable units at 30 September</b>	100.0	100.0

**Statement of Financial Position  
As at 30 September 2018**

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	2,616,916	2,998,229
Amounts due from brokers	-	45,538
Amounts receivable on allotment	154,878	135,978
Investments [Note 4(l)(a)]	76,456,908	98,776,378
Dividend and interest receivable	19,493	7,919
<b>Total assets</b>	<u>79,248,195</u>	<u>101,964,042</u>
<b>Liabilities</b>		
Amounts payable on redemption	279,654	3,216,221
Tax payable [Note 6]	406,671	301,724
Other accounts payable	142,173	169,927
<b>Total liabilities</b>	<u>828,498</u>	<u>3,687,872</u>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>78,419,697</u>	<u>98,276,170</u>
<b>Equity</b>	<u>78,419,697</u>	<u>98,276,170</u>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Mauritius) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

**Statement of Comprehensive Income  
For the year ended 30 September 2018**

	2018 US\$	2017 US\$
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 5]	(4,565,759)	21,104,906
Dividend income	1,051,882	1,056,810
Interest on deposits	35,236	21,400
Net foreign currency exchange losses	(75,895)	(196,007)
	<u>(3,554,536)</u>	<u>21,987,109</u>
<b>Expenses</b>		
Management fee [Note 7(e)]	1,461,945	1,454,327
Transaction costs	92,562	177,477
Safe custody and bank charges	63,624	48,996
Registrar's fee [Note 7(h)]	50,148	49,679
Trustee's fee [Note 8]	42,829	42,702
Legal and professional expenses	34,851	22,777
Auditor's fee	21,500	21,600
Valuation fee [Note 7(e)]	16,450	16,520
Printing and publication expenses	3,692	2,480
Other operating expenses	8,325	1,216
	<u>1,795,926</u>	<u>1,837,774</u>
<b>Net operating (loss)/profit</b>	<u>(5,350,462)</u>	<u>20,149,335</u>
<b>Finance costs</b>		
Interest expense	(2,278)	(1,678)
<b>(Loss)/profit before taxation</b>	<u>(5,352,740)</u>	<u>20,147,657</u>
Taxation [Note 6]	(104,947)	(308,194)
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>(5,457,687)</u>	<u>19,839,463</u>

The notes on pages 483 to 494 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units  
For the year ended 30 September 2018**

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	98,276,170	85,611,398
	-----	-----
Allotment of redeemable units [Note 3]	21,747,320	41,531,588
Redemption of redeemable units [Note 3]	(36,146,106)	(48,706,279)
	-----	-----
<b>Net redemption</b>	(14,398,786)	(7,174,691)
	-----	-----
	83,877,384	78,436,707
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	(5,457,687)	19,839,463
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	78,419,697	98,276,170
	=====	=====

**Statement of Cash Flows  
For the year ended 30 September 2018**

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(10,217,584)	(30,622,674)
Proceeds from disposal of investments and derivatives	28,016,906	33,951,083
Dividend received	1,040,309	1,060,632
Interest received	35,235	21,483
Tax paid	-	(13,286)
Trustee's fee paid	(43,363)	(42,409)
Registrar's fee paid	(52,825)	(45,693)
Transaction costs paid	(93,235)	(178,429)
Management fee paid	(1,490,907)	(1,433,754)
Others	(219,150)	(311,647)
	-----	-----
<b>Net cash inflow from operating activities</b>	16,975,386	2,385,306
	-----	-----
<b>Financing activities</b>		
Interest paid	(2,278)	(1,678)
Receipts on allotment of redeemable units	21,728,420	41,439,391
Payments on redemption of redeemable units	(39,082,673)	(45,539,472)
	-----	-----
<b>Net cash outflow from financing activities</b>	(17,356,531)	(4,101,759)
	-----	-----
<b>Decrease in cash and cash equivalents</b>	(381,145)	(1,716,453)
Cash and cash equivalents at the beginning of the year	2,998,229	4,713,269
Exchange (losses)/gains on cash and cash equivalents	(168)	1,413
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	2,616,916	2,998,229
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	2,616,916	2,998,229
	=====	=====

*The notes on pages 483 to 494 form part of these financial statements.*

**Notes to the Financial Statements****1 The Fund**

JPMorgan India Smaller Companies Fund (the "Fund") was established under a Trust Deed dated 13 April 2006, as amended (the "Trust Deed") and is governed by the laws of the Republic of Mauritius. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to provide investors with long-term capital growth by investing primarily in securities of small to medium-sized companies in India.

Pursuant to the Supplemental Trust Deed dated 31 August 2012, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial Instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value. When trading of financial instruments in markets that are not considered to be active, the financial instruments are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(e) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(f) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(g) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(h) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(i) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(j) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.



**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**2018

	USD Class (acc) Units
Number of units in issue:	
At the beginning of the year	4,649,248.827
Total allotments	914,905.146
Total redemptions	(1,585,010.545)
At the end of the year	<u><u>3,979,143.428</u></u>

US\$

Net assets attributable to holders of redeemable units	<u><u>78,419,697</u></u>
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Net assets attributable to holders of redeemable units (per unit)	<u><u>19.71</u></u>
---	---------------------

2017

	USD Class (acc) Units
Number of units in issue:	
At the beginning of the year	4,896,164.442
Total allotments	2,186,191.797
Total redemptions	(2,433,107.412)
At the end of the year	<u><u>4,649,248.827</u></u>

US\$

Net assets attributable to holders of redeemable units	<u><u>98,276,170</u></u>
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Net assets attributable to holders of redeemable units (per unit)	<u><u>21.14</u></u>
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As at 30 September 2018, the Fund had US\$78,419,697 (2017: US\$98,276,170) of puttable financial instruments, represented by the net assets attributable to the holders of redeemable units (or "net asset value" or "net assets" or "NAV"), classified as equity.

The Fund's policies for managing its obligations for the holders of redeemable units of the Fund are included in Note 4(II) capital risk management.

**4 Financial risk management****(i) Financial risk factors**

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

**(a) Market risk****(i) Market price risk**

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
Listed/Quoted Investments				
<u>Assets</u>				
Equities				
- Machinery	11,306,033	14.4	15,472,356	15.7
- Consumer Finance	5,653,341	7.2	6,292,338	6.4
- Professional Services	5,609,898	7.2	5,268,823	5.4
- Hotels, Restaurants & Leisure	5,573,142	7.1	9,778,083	9.9
- Capital Markets	4,695,691	6.0	5,786,992	5.9
- Real Estate Management & Development	4,429,535	5.7	4,954,190	5.0
- Construction Materials	3,019,868	3.8	8,376,666	8.5
- Chemicals	2,275,629	2.9	5,565,931	5.7
- Others	33,893,771	43.2	37,280,999	38.0
Total Listed/Quoted Investments	76,456,908	97.5	98,776,378	100.5

The Investment Manager monitors the Fund's market price sensitivity primarily through the Fund's volatility, which helps to describe the likely range of the Fund's return, on a regular basis. In statistical terms, it is the standard deviation of the return distribution. Greater volatility of monthly fund returns means that there is a wider range of likely returns in the future, or greater uncertainty regarding the fund returns. Most investors would equate this greater uncertainty with greater risk.

The table below summarizes the volatility of the Fund expressed in annual terms and the estimated impact on the net asset value.

	2018	2017
Annual volatility (Note*)	20.12%	18.50%

If the above volatility were to be applied to the Fund's net asset value as at 30 September 2018 of US\$78,419,697 (2017: US\$98,276,170) and assuming that the Fund's returns are normally distributed with its mean return equals to nil and with one standard deviation away from the mean return (i.e. a probability of 68%), the estimated reasonable possible change in the Fund's net asset value would be between US\$62,641,654 and US\$94,197,740; or within +/- US\$15,778,043 (2017: between US\$80,095,079 and US\$116,457,261; or within +/- US\$18,181,091) over a twelve-month period based on the Fund's historical annual volatility percentage as a result of the market price fluctuation, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

- \* Volatility is calculated based on the monthly Fund's returns over the maximum of past 36 months or the number of months since portfolio inception. For funds launched within a period of less than 12 months, volatility is calculated based on the weekly Fund's returns since the Fund's launch. Volatility is expressed in annual volatility by applying the square root of time adjustment. Volatility may not cover stressed market events, nor represent the Investment Manager's forecast of the Fund's range of future returns.

**(ii) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Cash at banks	2,616,916	2,998,229
Total interest sensitivity gap	2,616,916	2,998,229

Any cash and cash equivalents are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

**(iii) Currency risk**

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
Net currency exposures (Note*)			
<u>2018</u>			
Hong Kong Dollar	2,687	-0.2	(5)
Indian Rupee	72,724,715	-9.9	(7,199,747)
Singapore Dollar	3,370,954	-0.6	(20,226)
	<u>76,098,356</u>		<u>(7,219,978)</u>
<u>2017</u>			
Hong Kong Dollar	331	-0.7	(2)
Indian Rupee	95,314,369	+1.9	1,810,973
Singapore Dollar	3,288,367	+0.4	13,153
	<u>98,603,067</u>		<u>1,824,124</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

**(b) Credit risk**

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	2,616,916	2,998,229
Amounts due from brokers	-	45,538
Amounts receivable on allotment	154,878	135,978
Dividend and interest receivable	19,493	7,919
	<u>2,791,287</u>	<u>3,187,664</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	2,607,330	2,998,184
S&P(A)/Moody's(A)/FITCH(A)	9,586	45
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	<u>76,456,908</u>	<u>98,776,378</u>

**(c) Liquidity risk**

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Amounts payable on redemption	279,654	3,216,221
Other accounts payable	<u>142,173</u>	<u>169,927</u>
Total financial liabilities	<u>421,827</u>	<u>3,386,148</u>

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

## (II) Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

## (III) Fair value estimation

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<u>2018</u>				
<u>Assets</u>				
Equities	76,456,908	-	-	76,456,908
Total financial assets at fair value through profit and loss	76,456,908	-	-	76,456,908
<u>2017</u>				
<u>Assets</u>				
Equities	98,776,378	-	-	98,776,378
Total financial assets at fair value through profit and loss	98,776,378	-	-	98,776,378

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the years ended 30 September 2018 and 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 5 Net (losses)/gains on investments and derivatives

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	(17,731,130)	7,910,621
Realized gains on sale of investments and derivatives	13,165,371	13,194,285
	<u>(4,565,759)</u>	<u>21,104,906</u>

## 6 Taxation

The amount of taxation charged to the Statement of Comprehensive Income represents:

	2018 US\$	2017 US\$
Capital gains tax - India	(104,947)	(301,724)
Income tax expense - Mauritius	-	(6,470)
Taxation	<u>(104,947)</u>	<u>(308,194)</u>

The movement in tax payable is as follows:

	2018 US\$	2017 US\$
At the beginning of the year	301,724	6,816
Taxation charged to the Statement of Comprehensive Income	104,947	308,194
Tax paid	-	(13,286)
Taxation	<u>406,671</u>	<u>301,724</u>

### India Taxation

The Fund, which is regarded as taxable under Mauritius tax law, mainly invests in India and the Manager hopes to obtain benefits under the double taxation treaty signed by Mauritius with India. To obtain benefits under the double taxation treaty, the Fund must meet certain tests and conditions, including the establishment of Mauritius tax residence and related requirements. The Fund had obtained tax residence certification ("TRC") from the Mauritian authorities covered the period up to 20 August 2017 and believes such certification is determinative of its resident status for treaty purposes. The Fund has applied for renewal of the TRC but as at the date of issuance of these financial statements, the Mauritian authorities have not yet issued a TRC to the Fund. For the financial period after the expiration of the TRC pending issuance of a renewed TRC, the Fund may be subject to Indian tax at the rate of approximately 16.22% on all short-term gains of Indian securities held for less than one year that are disposed of after 20 August 2017. As at 30 September 2018, the Fund has made a tax provision for realized and unrealized short-term gains of Indian securities.

The Governments of India and Mauritius signed a protocol amending the India-Mauritius tax treaty on 10 May 2016 altering the tax treatment of capital gains, while at the same time seeking to preserve the position of existing investments. The Government of India, the Ministry of Finance and the Central Board of Direct Taxes announced that India shall have the right to tax capital gains arising from alienation of shares acquired on or after 1 April 2017 in a company resident in India effective as from financial year 2017-18. 1 April 2017 to 31 March 2019 will be a transitional period where the tax rate in India will be limited to 50% of the domestic applicable tax on capital gains tax if the disposal of the assets occurs at latest on 31 March 2019. However, there can be no assurance that any future changes to the India-Mauritius tax treaty or future interpretations of the India-Mauritius tax treaty will not adversely affect the tax position of the Fund in India.

The Government of India has also introduced a change in the 2018 Union Budget that effective from 1 April 2018 a tax of approximately 10.82% will apply on long-term capital gains (i.e. capital gains on assets held for more than 12 months prior to sale) arising from the transfer of listed India equity shares and equity oriented mutual funds on an Indian exchange. Where such assets were acquired prior to 1 February 2018, the cost of acquisition is deemed to be the higher of the actual cost of acquisition, or the fair market value on 31 January 2018, subject to certain conditions. In effect, capital gains up to 31 January 2018 were grandfathered to the previous exemption that was available prior to this change. As at 30 September 2018, the Fund has incurred long-term capital loss of Indian securities held more than one year and hence no provision was made and hence no provision on long-term gains was made.

#### Mauritius Taxation

The Fund is subject to income tax in Mauritius on its chargeable income at 15% (2017: 15%). It is, however, entitled to a tax credit equivalent to the higher of the foreign tax suffered and 80% (2017: 80%) of the Mauritian tax payable on its foreign source income, giving an effective tax rate of 3%. Capital gains of the Fund are exempt from tax in Mauritius. At 30 September 2018, the Fund had no accumulated tax losses (2017: nil) and was therefore liable to income tax for the year.

The reconciliation between the actual tax expense of US\$28,828 (2017: US\$28,730) and the theoretical tax calculated at the applicable rate of 15% (2017: 15%) for the year ended is as follows:

	2018 US\$	2017 US\$
(Loss)/profit before taxation	(5,352,740)	20,147,657
Theoretical tax at the applicable rate of 15%	(802,911)	3,022,149
Non-taxable income	(1,974,806)	(3,165,736)
Non-allowable expenses	2,910,473	257,835
Non-tax deductible losses	11,384	29,401
Foreign tax credit	(115,312)	(114,919)
Actual tax expense	28,828	28,730
Underprovision of tax	(28,828)	(22,260)
Tax expense	-	6,470

The foregoing is based on current interpretation and practice and is subject to any future changes in tax laws of Mauritius and of the countries in which the Fund has invested and in the tax treaties between Mauritius and these countries.

There was no overseas withholding tax charge on dividend income received during the year (2017: nil).

#### Hong Kong Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

## **7 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons**

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

- (a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments US\$	% of the Fund's total aggregate value of transactions	Commission paid US\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
J.P. Morgan India Private Limited	4,159,571	10.89	4,333	9.94	0.10
<u>2017</u>					
J.P. Morgan India Private Limited	13,003,455	20.14	12,832	14.19	0.10

- (b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	306,244	707,704
Amounts receivable	163	162
Amounts payable	(108,303)	(140,619)

During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$2,902 (2017: US\$6,315).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.
- (d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$9,845 (2017: US\$36,156).
- (e) Management fee of 1.5% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.
- The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.
- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (g) Refer to Note 8 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 8 Trustee's fee

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first US\$40 million, 0.04% per annum for the balance from US\$40 million to US\$70 million, and 0.025% per annum for the balance in excess of US\$70 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

## 9 Borrowings

During the years ended 30 September 2018 and 2017, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms.



**10 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**11 Distribution**

No distribution was made during the year (2017: nil).

**Independent Auditor's Report**

To the Unitholders of JPMorgan India Smaller Companies Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan India Smaller Companies Fund set out on pages 481 to 494, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of JPMorgan India Smaller Companies Fund (the "Fund") as at 30 September 2018, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises the investment portfolio, the statement of movements in portfolio holdings, the statement of responsibilities of the Manager and the Trustee, the report of the Trustee to the unitholders and the Management and administration but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 13 April 2006, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission of Hong Kong (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan India Smaller Companies Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Other Legal and Regulatory Requirements**

We report that the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

Robert Coutet, Licensed by FRC  
PricewaterhouseCoopers  
22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 13 April 2006, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Mauritius) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund US\$	Net asset value per unit US\$
30/9/18 - USD Class (acc)	78,419,697	19.71
30/9/17 - USD Class (acc)	98,276,170	21.14
30/9/16 - USD Class (acc)	85,611,398	17.49

**Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u> US\$	<u>Lowest bid</u> US\$
30/9/18 - USD Class (acc)	24.92	19.71
30/9/17 - USD Class (acc)	22.35	15.08
30/9/16 - USD Class (acc)	18.47	12.86
30/9/15 - USD Class (acc)	17.88	13.27
30/9/14 - USD Class (acc)	14.93	7.24
30/9/13 - USD Class (acc)	10.08	6.05
30/9/12 - Class A	9.54	6.76
30/9/11 - Class A	13.64	8.48
30/9/10 - Class A	13.18	8.42
30/9/09 - Class A	9.27	4.38

**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee and Registrar**

HSBC Institutional Trust Services  
(Mauritius) Limited  
HSBC Centre  
Eighteen  
Cybercity Ebene  
Republic of Mauritius

**Auditor**

PricewaterhouseCoopers  
18 Cybercity  
Ebène  
Rèduit 72201  
Republic of Mauritius

**Investment Portfolio**  
**As at 30 September 2018 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments (98.3%)</b>				<b>Specialty Retail (2.0%)</b>			
				ACE Hardware Indonesia	11,677,000	1,128,402	2.0
<b>Equities (98.3%)</b>				<b>Tobacco (8.6%)</b>			
<b>Indonesia (94.9%)</b>				Gudang Garam	467,500	2,323,147	4.1
				Hanjaya Mandala Sampoerna	9,653,600	2,494,135	4.5
<b>Automobiles (9.5%)</b>				<b>Trading Companies &amp; Distributors (0.9%)</b>			
Astra Intl	10,780,500	5,317,363	9.5	AKR Corporindo	2,057,000	506,606	0.9
<b>Banks (32.0%)</b>				<b>Singapore (3.4%)</b>			
Bank Central Asia	2,283,300	3,700,412	6.6				
Bank Danamon Indonesia	2,868,300	1,385,885	2.5	<b>Distributors (3.4%)</b>			
Bank Mandiri (Persero)	11,366,024	5,129,452	9.2	Jardine Cycle & Carriage	79,500	1,861,313	3.4
Bank Negara Indonesia (Persero)	5,241,700	2,602,998	4.7				
Bank Rakyat Indonesia Persero	21,501,000	4,545,056	8.2	<b>Total Listed/Quoted Investments</b>		54,800,018	98.3
Bank Tabungan Negara	2,664,600	470,281	0.8	<b>Other net assets</b>		966,948	1.7
<b>Construction Materials (6.2%)</b>							
Indocement Tungal Prakarsa	975,700	1,211,318	2.2	<b>Net assets attributable to holders of redeemable units at 30 September 2018</b>		55,766,966	100.0
Semen Indonesia Persero	3,386,300	2,255,412	4.0				
<b>Consumer Finance (3.0%)</b>				<b>Total investments, at cost</b>		55,290,834	
BFI Finance Indonesia	40,029,100	1,652,041	3.0				
<b>Diversified Telecommunication Services (7.3%)</b>							
Telekomunikasi Indonesia	16,625,700	4,061,171	7.3				
<b>Food Products (3.5%)</b>							
Charoen Pokphand Indonesia	1,643,600	559,760	1.0				
Indofood CBP Sukses Makmur	1,338,600	792,749	1.4				
Indofood Sukses Makmur	1,579,800	625,495	1.1				
<b>Gas Utilities (1.9%)</b>							
Perusahaan Gas Negara	7,136,700	1,077,581	1.9				
<b>Hotels, Restaurants &amp; Leisure (1.3%)</b>							
Sarimelati Kencana	10,108,200	708,859	1.3				
<b>Household Durables (0.5%)</b>							
Integra Indocabinet	6,713,600	281,582	0.5				
<b>Household Products (4.1%)</b>							
Unilever Indonesia	728,800	2,299,891	4.1				
<b>Multiline Retail (1.4%)</b>							
Mitra Adiperkasa	13,807,300	764,421	1.4				
<b>Oil, Gas &amp; Consumable Fuels (8.0%)</b>							
Adaro Energy	14,205,700	1,749,318	3.2				
United Tractors	1,212,600	2,685,354	4.8				
<b>Paper &amp; Forest Products (1.4%)</b>							
Indah Kiat Pulp & Paper	679,600	791,267	1.4				
<b>Pharmaceuticals (3.3%)</b>							
Kalbe Farma	19,639,200	1,818,749	3.3				

Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 (*Unaudited*)

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
<b>Indonesia</b>		
Banks	32.0	29.6
Automobiles	9.5	6.3
Tobacco	8.6	6.7
Oil, Gas & Consumable Fuels	8.0	7.9
Diversified Telecommunication Services	7.3	11.0
Construction Materials	6.2	3.9
Household Products	4.1	3.3
Food Products	3.5	10.8
Pharmaceuticals	3.3	3.5
Consumer Finance	3.0	-
Specialty Retail	2.0	-
Gas Utilities	1.9	-
Paper & Forest Products	1.4	-
Multiline Retail	1.4	1.7
Hotels, Restaurants & Leisure	1.3	-
Trading Companies & Distributors	0.9	0.7
Household Durables	0.5	-
Media	-	3.0
Real Estate Management & Development	-	2.3
Transportation Infrastructure	-	1.6
Personal Products	-	1.4
Wireless Telecommunication Services	-	1.1
Health Care Providers & Services	-	0.7
Construction & Engineering	-	0.1
<b>Singapore</b>		
Distributors	3.4	1.1
<b>Total Listed/Quoted Investments</b>	<u>98.3</u>	<u>96.7</u>
<b>Other net assets</b>	<u>1.7</u>	<u>3.3</u>
<b>Net assets attributable to holders of redeemable units at 30 September</b>	<u><u>100.0</u></u>	<u><u>100.0</u></u>

**Statement of Financial Position  
As at 30 September 2018**

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	1,530,766	2,430,830
Amounts due from brokers	-	853,844
Amounts receivable on allotment	1,770	10,532
Investments [Note 4(l)(a)]	54,800,018	72,369,463
Dividend and other accounts receivable	14,378	5,353
<b>Total assets</b>	<b>56,346,932</b>	<b>75,670,022</b>
<b>Liabilities</b>		
Amounts due to brokers	242,021	372,762
Amounts payable on redemption	242,867	362,524
Other accounts payable	95,078	124,137
<b>Total liabilities</b>	<b>579,966</b>	<b>859,423</b>
<b>Net assets attributable to holders of redeemable units</b> [Note 3]	<b>55,766,966</b>	<b>74,810,599</b>
<b>Equity</b>	<b>55,766,966</b>	<b>74,810,599</b>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

**Statement of Comprehensive Income  
For the year ended 30 September 2018**

	2018 US\$	2017 US\$
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 5]	(4,912,116)	619,133
Dividend income	1,653,716	1,637,566
Interest on deposits	5,307	4,457
Net foreign currency exchange losses	(91,495)	(122,491)
<b>Total income</b>	<b>(3,344,588)</b>	<b>2,138,665</b>
<b>Expenses</b>		
Management fee [Note 7(e)]	987,984	1,124,022
Transaction costs	197,653	238,744
Registrar's fee [Note 7(h)]	43,272	52,023
Trustee's fee [Note 8]	34,162	37,139
Safe custody and bank charges	29,327	35,144
Valuation fee [Note 7(e)]	16,240	16,030
Auditor's fee	13,800	13,600
Legal and professional expenses	6,202	3,379
Printing and publication expenses	878	1,059
Other operating expenses	6,795	5,436
<b>Total expenses</b>	<b>1,336,313</b>	<b>1,526,576</b>
<b>Net operating (loss)/profit</b>	<b>(4,680,901)</b>	<b>612,089</b>
<b>Finance costs</b>		
Interest expense	(44)	(28)
<b>(Loss)/profit before taxation</b>	<b>(4,680,945)</b>	<b>612,061</b>
Taxation [Note 6]	(317,074)	(318,820)
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>(4,998,019)</b>	<b>293,241</b>

The notes on pages 503 to 512 form part of these financial statements.



**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	74,810,599	80,950,150
	-----	-----
Allotment of redeemable units [Note 3]	14,974,642	32,007,112
Redemption of redeemable units [Note 3]	(29,020,256)	(38,439,904)
	-----	-----
<b>Net redemption</b>	(14,045,614)	(6,432,792)
	-----	-----
	60,764,985	74,517,358
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	(4,998,019)	293,241
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	55,766,966	74,810,599
	=====	=====

**Statement of Cash Flows**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(34,836,669)	(48,009,782)
Proceeds from disposal of investments and derivatives	48,219,577	55,412,568
Dividend received	1,644,714	1,700,160
Interest received	5,285	4,440
Trustee's fee paid	(34,838)	(37,302)
Registrar's fee paid	(46,430)	(54,067)
Transaction costs paid	(199,594)	(249,424)
Tax paid	(317,074)	(318,820)
Management fee paid	(1,015,258)	(1,130,715)
Others	(28,523)	(143,009)
	-----	-----
<b>Net cash inflow from operating activities</b>	13,391,190	7,174,049
	-----	-----
<b>Financing activities</b>		
Interest paid	(44)	(28)
Receipts on allotment of redeemable units	14,983,404	32,485,953
Payments on redemption of redeemable units	(29,139,913)	(38,207,828)
	-----	-----
<b>Net cash outflow from financing activities</b>	(14,156,553)	(5,721,903)
	-----	-----
<b>(Decrease)/increase in cash and cash equivalents</b>	(765,363)	1,452,146
Cash and cash equivalents at the beginning of the year	2,430,830	1,034,188
Exchange losses on cash and cash equivalents	(134,701)	(55,504)
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	1,530,766	2,430,830
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	1,530,766	2,430,830
	=====	=====

The notes on pages 503 to 512 form part of these financial statements.

## Notes to the Financial Statements

### 1 The Fund

JPMorgan Indonesia Fund (the "Fund") was established under a Trust Deed dated 19 September 2006, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to provide investors with long-term capital appreciation through a portfolio consisting primarily of securities linked to the Indonesian economy. These include, but are not restricted to, securities traded on the stock exchanges of Indonesia.

Pursuant to the Supplemental Trust Deed dated 4 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation of financial statements

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

##### *Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

#### (b) Investments and derivatives

##### *Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(e) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(f) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(g) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(h) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(i) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(j) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**2018

	USD Class (acc) Units
Number of units in issue:	
At the beginning of the year	2,643,315.004
Total allotments	515,944.438
Total redemptions	(1,011,833.306)
At the end of the year	<u>2,147,426.136</u>
	US\$
Net assets attributable to holders of redeemable units	<u>55,766,966</u>
Net assets attributable to holders of redeemable units (per unit)	<u>25.97</u>

2017

	USD Class (acc)
	Units
Number of units in issue:	
At the beginning of the year	2,882,339.319
Total allotments	1,144,956.422
Total redemptions	(1,383,980.737)
At the end of the year	<u>2,643,315.004</u>
	US\$
Net assets attributable to holders of redeemable units	<u>74,810,599</u>
Net assets attributable to holders of redeemable units (per unit)	<u>28.30</u>

As at 30 September 2018, the Fund had US\$55,766,966 (2017: US\$74,810,599) of puttable financial instruments, represented by the net assets attributable to the holders of redeemable units (or "net asset value" or "net assets" or "NAV"), classified as equity.

The Fund's policies for managing its obligations for the holders of redeemable units of the Fund are included in Note 4(II) capital risk management.

## 4 Financial risk management

### (I) Financial risk factors

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

#### (a) Market risk

##### (i) Market price risk

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Beta of the Fund on a regular basis. Beta measures the statistical relationship between the return of the Fund and the relevant benchmark index chosen by the Investment Manager.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
Listed/Quoted Investments	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
<u>Assets</u>				
Equities				
- Banks	17,834,084	32.0	22,176,120	29.6
- Automobiles	5,317,363	9.5	4,675,833	6.3
- Tobacco	4,817,282	8.6	5,024,927	6.7
- Oil, Gas & Consumable Fuels	4,434,672	8.0	5,915,022	7.9
- Diversified Telecommunication Services	4,061,171	7.3	8,215,603	11.0
- Construction Materials	3,466,730	6.2	2,885,155	3.9
- Food Products	1,978,004	3.5	8,096,417	10.8
- Others	12,890,712	23.2	15,380,386	20.5
Total Listed/Quoted Investments	54,800,018	98.3	72,369,463	96.7

	Net asset value US\$	Relevant benchmark index for the Fund (Note*)	Beta (Note**)	% of reasonable possible change of the relevant benchmark index (Note***)	Estimated impact on net asset value (Note****) US\$
As at 30 September 2018	55,766,966	MSCI Indonesia Net	0.92	-10.4	(5,335,783)
As at 30 September 2017	74,810,599	MSCI Indonesia Net	0.94	+5.9	4,148,996

If the relevant benchmark index return was to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Relevant benchmark index for the Fund represents the relevant market index used by the Investment Manager in monitoring the market price risk of the Fund.

\*\* Beta measures the statistical relationship between the return of the Fund and the respective benchmark index over the maximum of past 36 months, or the number of months since portfolio inception. For funds launched within a period of less than 12 months, weekly returns of the Fund are used for calculating the Beta.

\*\*\* % of reasonable possible change is based on the actual historical change in the benchmark index in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. For funds launched within a period of less than 12 months, actual historical change in the benchmark index since the commencement of operations will be used to calculate the % of reasonable possible change.

\*\*\*\* Estimated impact on net asset value of the Fund is calculated by applying the relevant Beta against the net asset value of the Fund multiplied by the % of reasonable possible change of the relevant benchmark index, assuming all other variables that may impact the net asset value of the Fund are held constant.

## (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Cash at banks	1,530,766	2,430,830
Total interest sensitivity gap	<u>1,530,766</u>	<u>2,430,830</u>

Any cash and cash equivalents are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

### (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
Net currency exposures (Note*)			
<u>2018</u>			
Hong Kong Dollar	2,685	-0.2	(5)
Indonesian Rupiah	53,963,160	-9.6	(5,180,463)
Singapore Dollar	1,875,589	-0.6	(11,254)
	<u>55,841,434</u>		<u>(5,191,722)</u>
<u>2017</u>			
Hong Kong Dollar	2,015	-0.7	(14)
Indonesian Rupiah	73,734,251	-3.1	(2,285,762)
Singapore Dollar	848,825	+0.4	3,395
	<u>74,585,091</u>		<u>(2,282,381)</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

**(b) Credit risk**

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	1,530,766	2,430,830
Amounts due from brokers	-	853,844
Amounts receivable on allotment	1,770	10,532
Dividend and other accounts receivable	14,378	5,353
	<u>1,546,914</u>	<u>3,300,559</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	1,530,306	2,428,982
S&P(A)/Moody's(A)/FITCH(A)	460	1,848
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	<u>54,800,018</u>	<u>72,369,463</u>

**(c) Liquidity risk**

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Amounts due to brokers	242,021	372,762
Amounts payable on redemption	242,867	362,524
Other accounts payable	95,078	124,137
Total financial liabilities	<u>579,966</u>	<u>859,423</u>



The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

## (II) Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

## (III) Fair value estimation

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<u>2018</u>				
<u>Assets</u>				
Equities	54,800,018	-	-	54,800,018
Total financial assets at fair value through profit and loss	54,800,018	-	-	54,800,018
<u>2017</u>				
<u>Assets</u>				
Equities	72,369,463	-	-	72,369,463
Total financial assets at fair value through profit and loss	72,369,463	-	-	72,369,463

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the years ended 30 September 2018 and 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 5 Net (losses)/gains on investments and derivatives

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	(7,633,923)	(2,437,901)
Realized gains on sale of investments and derivatives	2,721,807	3,057,034
	<u>(4,912,116)</u>	<u>619,133</u>

## 6 Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Overseas tax was withheld or paid on certain dividend income received during the years ended 30 September 2018 and 2017.

## 7 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

(a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments US\$	% of the Fund's total aggregate value of transactions	Commission paid US\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
J.P. Morgan Securities (Asia Pacific) Limited	4,568,891	5.57	4,266	5.09	0.09
<u>2017</u>					
J.P. Morgan Securities (Asia Pacific) Limited	5,388,617	5.29	4,276	3.67	0.08

(b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	65,016	274,944
Amounts receivable	102	243,183
Amounts payable	<u>(73,771)</u>	<u>(104,121)</u>

During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$1,699 (2017: US\$2,022).

(c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.

- (d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$5,407 (2017: US\$8,190).
- (e) Management fee of 1.5% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.

The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.

- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (g) Refer to Note 8 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 8 Trustee's fee

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first US\$40 million, 0.04% per annum for the balance from US\$40 million to US\$70 million, and 0.025% per annum for the balance in excess of US\$70 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

## 9 Borrowings

During the years ended 30 September 2018 and 2017, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

## 10 Soft dollar arrangements/Commission sharing arrangements

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

## 11 Distribution

No distribution was made during the year (2017: nil).

**Independent Auditor's Report**

To the Unitholders of JPMorgan Indonesia Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Indonesia Fund set out on pages 501 to 512, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

**Our opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 19 September 2006, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Indonesia Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 19 September 2006, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund US\$	Net asset value per unit US\$
30/9/18 - USD Class (acc)	55,766,966	25.97
30/9/17 - USD Class (acc)	74,810,599	28.30
30/9/16 - USD Class (acc)	80,950,150	28.08

**Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u> US\$	<u>Lowest bid</u> US\$
30/9/18 - USD Class (acc)	32.32	24.32
30/9/17 - USD Class (acc)	30.26	24.39
30/9/16 - USD Class (acc)	30.17	19.21
30/9/15 - USD Class (acc)	31.01	19.06
30/9/14 - USD Class (acc)	32.12	23.19
30/9/13 - USD Class (acc)	40.77	25.24
30/9/12	31.48	23.71
30/9/11	34.42	23.44
30/9/10	27.11	15.69
30/9/09	17.31	5.44

**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Sub-Manager**

JPMorgan Asset Management  
(Singapore) Limited  
168 Robinson Road  
17/F, Capital Tower  
Singapore 068912

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

**UK Tax Information**

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 19 September 2006 to 30 September 2010.

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value JPY'000	% of net assets		Holding	Fair value JPY'000	% of net assets
<b>Listed/Quoted Investments (100.1%)</b>				<b>Pharmaceuticals (2.8%)</b>			
<b>(I) Equities (99.2%)</b>				PeptiDream Inc	119,800	542,694	1.6
<b>Japan (99.2%)</b>				Sanbio Co	47,500	187,388	0.6
<b>Chemicals (13.7%)</b>				Tsumura & Co	56,200	220,304	0.6
Ci:z Holdings	27,800	116,899	0.3	<b>Precision Instruments (1.1%)</b>			
Kao Corp	127,200	1,166,933	3.5	Asahi Intecc	72,800	361,088	1.1
Kose Corp	15,900	344,235	1.0	<b>Retail Trade (6.1%)</b>			
Kureha Corp	28,300	240,833	0.7	Cosmos Pharmaceutical	5,700	145,635	0.4
Milbon Co	45,200	235,492	0.7	Don Quijote	59,500	342,125	1.0
Nifco Inc	36,400	111,202	0.3	MonotaRO Co	329,200	1,055,086	3.2
Shin-Etsu Chemical	55,400	557,601	1.7	ZOZO Inc	145,800	501,552	1.5
Shiseido Co	208,000	1,830,192	5.5	<b>Securities (1.9%)</b>			
<b>Electric Appliances (12.0%)</b>				SBI Hldgs	177,000	624,810	1.9
Keyence Corp	30,000	1,979,399	5.9	<b>Services (20.7%)</b>			
Lasertec Corp	66,200	250,567	0.8	Cyber Agent	245,100	1,482,855	4.4
Murata Manufacturing	27,200	475,048	1.4	en-japan inc	31,100	177,270	0.5
Nidec Corp	35,500	580,248	1.7	Infomart Corp	224,600	332,408	1.0
Sysmex Corp	50,700	495,846	1.5	M3 Inc	700,800	1,806,662	5.4
Tokyo Electron	15,700	245,077	0.7	Nihon M&A Center	219,000	746,790	2.2
<b>Information &amp; Communication (18.8%)</b>				Recruit Hldgs	525,900	1,994,212	6.0
Digital Garage	108,000	399,600	1.2	Relo Group	117,300	391,782	1.2
GMO Payment Gateway	104,200	733,568	2.2	<b>Transportation Equipment (1.5%)</b>			
Hikari Tsushin	52,400	1,176,904	3.5	Suzuki Motor	75,100	488,751	1.5
Istyle Inc	127,900	172,281	0.5	<b>Wholesale Trade (1.0%)</b>			
Mercari Inc	141,300	530,582	1.6	Misumi Group	116,700	343,098	1.0
Money Forward	28,900	145,945	0.4			33,249,941	99.2
Nexon Co	422,100	626,818	1.9	<b>(II) Derivatives (0.9%)</b>			
Obic Co	37,000	397,750	1.2	<b>Forward foreign exchange contracts (0.9%)</b>		310,583	0.9
SoftBank Group Corp	64,100	735,227	2.2				
Square Enix Hldgs	94,900	446,030	1.3	<b>Total Listed/Quoted Investments</b>		33,560,524	100.1
Trend Micro	72,200	527,782	1.6	<b>Other net liabilities</b>		(37,068)	(0.1)
Zenrin Co	112,400	395,648	1.2				
<b>Insurance (4.1%)</b>				<b>Net assets attributable to holders of redeemable units at 30 September 2018</b>		33,523,456	100.0
Tokio Marine Hldgs	241,500	1,361,336	4.1				
<b>Internet (0.4%)</b>				<b>Total investments, at cost</b>		23,935,946	
Uzabase	39,000	127,335	0.4				
<b>Machinery (8.5%)</b>							
Daikin Industries	59,600	901,450	2.7				
Komatsu Ltd	98,100	339,034	1.0				
Makita Corp	73,400	417,646	1.2				
Miura Co	176,700	621,984	1.9				
Shima Seiki Mfg	22,300	111,946	0.3				
SMC Corp	12,900	469,044	1.4				
<b>Other Financing Business (2.5%)</b>							
Aruhi Corp	78,800	186,047	0.5				
Japan Exchange Group	338,700	670,626	2.0				
<b>Other Products (4.1%)</b>							
Nintendo Co	12,600	522,396	1.5				
Pigeon Corp	134,200	858,880	2.6				



Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 (*Unaudited*)

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
<b>Japan</b>		
Services	20.7	19.1
Information & Communication	18.8	16.4
Chemicals	13.7	11.1
Electric Appliances	12.0	16.7
Machinery	8.5	7.9
Retail Trade	6.1	12.9
Other Products	4.1	4.1
Insurance	4.1	2.8
Pharmaceuticals	2.8	4.6
Other Financing Business	2.5	3.0
Securities	1.9	-
Transportation Equipment	1.5	3.4
Precision Instruments	1.1	4.8
Wholesale Trade	1.0	2.0
Internet	0.4	-
Banks	-	5.8
Metal Products	-	3.5
Foods	-	0.5
Real Estate Management & Development	-	0.5
Rubber Products	-	0.4
<b>Derivatives</b>		
Forward foreign exchange contracts	0.9	0.5
<b>Total Listed/Quoted Investments</b>	100.1	120.0
<b>Other net liabilities</b>	(0.1)	(20.0)
<b>Net assets attributable to holders of redeemable units at 30 September</b>	100.0	100.0

Statement of Financial Position  
As at 30 September 2018

	2018 JPY'000	2017 JPY'000
<b>Assets</b>		
Cash at banks	192,370	74,663
Amounts due from brokers	385,487	-
Amounts receivable on allotment	215,014	132,516
Derivatives [Note 4(l)(a)]	457,033	185,583
Investments [Note 4(l)(a)]	33,249,941	27,688,476
Dividend and other accounts receivable	111,751	105,665
<b>Total assets</b>	<b>34,611,596</b>	<b>28,186,903</b>
<b>Liabilities</b>		
Short-term bank loans - unsecured [Note 9]	-	4,768,389
Amounts due to brokers	-	7,734
Amounts payable on redemption	892,631	133,811
Derivatives [Note 4(l)(a)]	146,450	78,458
Other accounts payable	49,059	38,367
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>1,088,140</b>	<b>5,026,759</b>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<b>33,523,456</b>	<b>23,160,144</b>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

Statement of Comprehensive Income  
For the year ended 30 September 2018

	2018 JPY'000	2017 JPY'000
<b>Income</b>		
Net gains on investments and derivatives [Note 5]	7,443,861	7,941,184
Dividend income	394,679	462,148
Interest on deposits	1,021	147
Net foreign currency exchange (losses)/gains	(43,812)	25,466
Other income [Note 13]	-	35
	<b>7,795,749</b>	<b>8,428,980</b>
<b>Expenses</b>		
Management fee [Note 7(e)]	444,073	429,642
Registrar's fee [Note 7(h)]	32,885	28,353
Transaction costs	24,382	30,285
Safe custody and bank charges	10,394	11,030
Trustee's fee [Note 8]	8,789	8,511
Auditor's fee	1,869	1,916
Valuation fee [Note 7(e)]	1,786	1,839
Legal and professional expenses	737	1,250
Printing and publication expenses	295	769
Other operating expenses	636	544
	<b>525,846</b>	<b>514,139</b>
<b>Net operating profit</b>	<b>7,269,903</b>	<b>7,914,841</b>
<b>Finance costs</b>		
Interest expense	(22,232)	(37,639)
<b>Profit before taxation</b>	<b>7,247,671</b>	<b>7,877,202</b>
Taxation [Note 6]	(39,468)	(46,215)
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>7,208,203</b>	<b>7,830,987</b>

The notes on pages 521 to 544 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the year ended 30 September 2018

	2018 JPY'000	2017 JPY'000
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	23,160,144	34,747,625
Allotment of redeemable units [Note 3]	34,548,778	10,970,839
Redemption of redeemable units [Note 3]	(31,393,669)	(30,389,307)
<b>Net allotment/(redemption)</b>	3,155,109	(19,418,468)
	26,315,253	15,329,157
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	7,208,203	7,830,987
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	33,523,456	23,160,144

**Statement of Cash Flows**  
For the year ended 30 September 2018

	2018 JPY'000	2017 JPY'000
<b>Operating activities</b>		
Purchase of investments and derivatives	(20,177,462)	(15,370,496)
Proceeds from disposal of investments and derivatives	21,462,990	34,961,872
Dividend received	388,643	517,897
Interest received	973	130
Trustee's fee paid	(8,629)	(8,761)
Transaction costs paid	(24,164)	(30,472)
Registrar's fee paid	(32,340)	(29,894)
Tax paid	(39,468)	(46,215)
Management fee paid	(433,980)	(444,482)
Others	(59,746)	3,067
<b>Net cash inflow from operating activities</b>	1,076,817	19,552,646
<b>Financing activities</b>		
Interest paid	(22,417)	(37,543)
Receipts on allotment of redeemable units	34,466,280	10,884,503
Payments on redemption of redeemable units	(30,634,849)	(30,575,152)
<b>Net cash inflow/(outflow) from financing activities</b>	3,809,014	(19,728,552)
<b>Increase/(decrease) in cash and cash equivalents</b>	4,885,831	(175,906)
Cash and cash equivalents at the beginning of the year	(4,693,726)	(4,521,950)
Exchange gains on cash and cash equivalents	265	4,130
<b>Cash and cash equivalents at the end of the year</b>	192,370	(4,693,726)
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	192,370	74,663
Short-term bank loans - unsecured	-	(4,768,389)
	192,370	(4,693,726)

The notes on pages 521 to 544 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Japan (Yen) Fund (the "Fund") was established under a Trust Deed dated 1 August 1969, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to provide investors with long-term capital growth through investment primarily in Japanese securities and other securities whose performance is linked to that of the Japanese economy.

Pursuant to the Supplemental Trust Deed dated 20 June 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Securities lending and borrowing**

Securities lenders' agreements are entered into with institutions of appropriate financial standing who engage in such arrangements acceptable to the Trustee and on arm's length commercial terms. Securities lent are included in the investment portfolio of the Fund. Relevant securities lending income entitled by the Fund is accounted for in the Statement of Comprehensive Income. Collateral received for the purpose of securities lent generally consist of non-cash collateral which are off-balance sheet transactions and are therefore not included in the financial statements.

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(e) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(f) Foreign currency translation***Functional and presentation currency*

The Fund has adopted Japanese Yen as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(g) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(h) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(i) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(j) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**2018

	HKD Hedged Class (acc) Units	JPY Class (acc) Units	RMB Hedged Class (acc) Units	USD Hedged Class (acc) Units
Number of units in issue:				
At the beginning of the year	2,941,200.778	551,114.123	290,080.078	2,479,369.542
Total allotments	10,141,217.962	405,629.827	1,267,932.336	6,799,674.234
Total redemptions	(9,677,263.247)	(387,344.852)	(861,762.675)	(5,922,207.003)
At the end of the year	<u>3,405,155.493</u>	<u>569,399.098</u>	<u>696,249.739</u>	<u>3,356,836.773</u>
	HK\$	JPY'000	CNY	US\$
Net assets attributable to holders of redeemable units	<u>77,611,247</u>	<u>23,326,322</u>	<u>11,805,441</u>	<u>78,139,809</u>
	HK\$	JPY	CNY	US\$
Net assets attributable to holders of redeemable units (per unit)	<u>22.79</u>	<u>40,967</u>	<u>16.96</u>	<u>23.28</u>

2017

	HKD Hedged Class (acc) Units	JPY Class (acc) Units	RMB Hedged Class (acc) Units	USD Hedged Class (acc) Units
Number of units in issue:				
At the beginning of the year	8,433,163.934	823,989.182	726,826.471	8,441,986.421
Total allotments	4,279,208.585	173,126.806	116,433.457	2,977,185.375
Total redemptions	(9,771,171.741)	(446,001.865)	(553,179.850)	(8,939,802.254)
At the end of the year	<u>2,941,200.778</u>	<u>551,114.123</u>	<u>290,080.078</u>	<u>2,479,369.542</u>
	HK\$	JPY'000	CNY	US\$
Net assets attributable to holders of redeemable units	<u>51,277,049</u>	<u>17,423,797</u>	<u>3,672,834</u>	<u>43,842,782</u>
	HK\$	JPY	CNY	US\$
Net assets attributable to holders of redeemable units (per unit)	<u>17.43</u>	<u>31,616</u>	<u>12.66</u>	<u>17.68</u>

**4 Financial risk management****(l) Financial risk factors**

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

**(a) Market risk****(i) Market price risk**

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Beta of the Fund on a regular basis. Beta measures the statistical relationship between the return of the Fund and the relevant benchmark index chosen by the Investment Manager.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
	Fair value of investments JPY'000	% of net assets	Fair value of investments JPY'000	% of net assets
Listed/Quoted Investments				
<u>Assets</u>				
Equities				
- Services	6,931,979	20.7	4,429,660	19.1
- Information & Communication	6,288,135	18.8	3,796,608	16.4
- Chemicals	4,603,387	13.7	2,573,239	11.1
- Electric Appliances	4,026,185	12.0	3,854,466	16.7
- Machinery	2,861,104	8.5	1,837,056	7.9
- Retail Trade	2,044,398	6.1	2,988,821	12.9
- Banks	-	-	1,346,303	5.8
- Others	6,494,753	19.4	6,862,323	29.6
	<u>33,249,941</u>	<u>99.2</u>	<u>27,688,476</u>	<u>119.5</u>
Derivatives				
- Forward foreign exchange contracts	457,033	1.3	185,583	0.8
	<u>33,706,974</u>	<u>100.5</u>	<u>27,874,059</u>	<u>120.3</u>
<u>Liabilities</u>				
Derivatives				
- Forward foreign exchange contracts	(146,450)	(0.4)	(78,458)	(0.3)
	<u>(146,450)</u>	<u>(0.4)</u>	<u>(78,458)</u>	<u>(0.3)</u>
Total Listed/Quoted Investments	<u>33,560,524</u>	<u>100.1</u>	<u>27,795,601</u>	<u>120.0</u>

Also, refer to Note 11 for the exposures on derivative contracts.



	Net asset value JPY'000	Relevant benchmark index for the Fund (Note*)	Beta (Note**)	% of reasonable possible change of the relevant benchmark index (Note***)	Estimated impact on net asset value (Note****) JPY'000
As at 30 September 2018	33,523,456	TOPIX Net	0.68	+10.5	2,393,575
As at 30 September 2017	23,160,144	TOPIX Net	0.80	+28.9	5,354,625

If the relevant benchmark index return was to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

- \* Relevant benchmark index for the Fund represents the relevant market index used by the Investment Manager in monitoring the market price risk of the Fund.
- \*\* Beta measures the statistical relationship between the return of the Fund and the respective benchmark index over the maximum of past 36 months, or the number of months since portfolio inception. For funds launched within a period of less than 12 months, weekly returns of the Fund are used for calculating the Beta.
- \*\*\* % of reasonable possible change is based on the actual historical change in the benchmark index in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. For funds launched within a period of less than 12 months, actual historical change in the benchmark index since the commencement of operations will be used to calculate the % of reasonable possible change.
- \*\*\*\* Estimated impact on net asset value of the Fund is calculated by applying the relevant Beta against the net asset value of the Fund multiplied by the % of reasonable possible change of the relevant benchmark index, assuming all other variables that may impact the net asset value of the Fund are held constant.

## (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month JPY'000	2017 Less than 1 month JPY'000
Cash at banks	192,370	74,663
Short-term bank loans - unsecured	-	(4,768,389)
Total interest sensitivity gap	192,370	(4,693,726)

Any cash and cash equivalents are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

## (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The Fund enters in some forward foreign exchange contracts to hedge some of its foreign currency exposures to maintain limited exposure to non-JPY currencies. Refer to Note 11 for the outstanding forward foreign exchange contracts as at year end.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

Net currency exposures (Note*)	JPY'000 equivalent	% of reasonable possible change against JPY (Note**)	Estimated impact on net asset value JPY'000
<u>2018</u>			
Chinese Yuan (Offshore)	194,686	-2.4	(4,672)
Hong Kong Dollar	1,118,680	+0.7	7,831
United States Dollar	8,801,122	+0.9	79,210
	<u>10,114,488</u>		<u>82,369</u>
<u>2017</u>			
Chinese Yuan (Offshore)	62,002	+11.6	7,192
Hong Kong Dollar	736,702	+10.4	76,617
United States Dollar	4,908,823	+11.2	549,788
	<u>5,707,527</u>		<u>633,597</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

## (b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 JPY'000	2017 JPY'000
Cash at banks	192,370	74,663
Amounts due from brokers	385,487	-
Amounts receivable on allotment	215,014	132,516
Derivatives issued by brokers	457,033	185,583
Dividend and other accounts receivable	111,751	105,665
	<u>1,361,655</u>	<u>498,427</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/brokers/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties JPY'000	2017 Exposure to counterparties JPY'000
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	192,370	74,663
Derivatives issued by brokers		
S&P(AA)/Moody's(Aa)/FITCH(AA)	346,026	68,521
S&P(A)/Moody's(A)/FITCH(A)	104,123	117,062
S&P(BBB)/Moody's(Baa)/FITCH(BBB)	6,884	-
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	33,249,941	27,688,476

### (c) Liquidity risk

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018		2017	
	Less than 1 month JPY'000	1 to 12 months JPY'000	Less than 1 month JPY'000	1 to 12 months JPY'000
Short-term bank loans - unsecured	-	-	4,768,389	-
Amounts due to brokers	-	-	7,734	-
Amounts payable on redemption	892,631	-	133,811	-
Derivatives	143,215	3,235	73,599	4,859
Other accounts payable	49,059	-	38,367	-
Net assets attributable to holders of redeemable units	33,523,456	-	23,160,144	-
Total financial liabilities	34,608,361	3,235	28,182,044	4,859

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

**(d) Offsetting and amounts subject to master netting arrangements and similar agreements**

As at 30 September 2018 and 2017, the Fund was subject to master netting arrangements with certain derivative counterparties. All of the derivative assets and liabilities of the Fund were held with these counterparties and the collateral and margin deposits maintained by the Fund were for the purpose of providing collateral on derivative positions.

In the event of default, the Fund and its counterparties have the option to settle transactions on net basis. An event of default may include failure to pay or deliver, breach of agreement or bankruptcy.

The following tables summarize the Fund's financial assets and liabilities subject to offsetting, master netting arrangements and similar agreements as at 30 September by types of financial instruments.

	Gross amounts of recognized financial assets presented in the Statement of Financial Position JPY'000	Related amounts subject to master netting arrangements and similar agreements net off against		Net amount JPY'000
		Financial Instruments JPY'000	Collateral and margin deposits JPY'000	
<u>2018</u>				
<u>Assets</u>				
Derivatives	368,157	(42,236)	-	325,921
Financial assets at fair value through profit and loss	368,157	(42,236)	-	325,921
	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position JPY'000	Related amounts subject to master netting arrangements and similar agreements net off against		Net amount JPY'000
		Financial Instruments JPY'000	Collateral and margin deposits JPY'000	
<u>Liabilities</u>				
Derivatives	64,646	(42,236)	-	22,410
Financial liabilities at fair value through profit and loss	64,646	(42,236)	-	22,410

	Gross amounts of recognized financial assets presented in the Statement of Financial Position JPY'000	Related amounts subject to master netting arrangements and similar agreements net off against  Financial Instruments JPY'000	Collateral and margin deposits JPY'000	Net amount JPY'000
<u>2017</u>				
<u>Assets</u>				
Derivatives	6,468	(4,154)	-	2,314
Financial assets at fair value through profit and loss	6,468	(4,154)	-	2,314

	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position JPY'000	Related amounts subject to master netting arrangements and similar agreements net off against  Financial Instruments JPY'000	Collateral and margin deposits JPY'000	Net amount JPY'000
<u>Liabilities</u>				
Derivatives	26,482	(4,154)	-	22,328
Financial liabilities at fair value through profit and loss	26,482	(4,154)	-	22,328

**(II) Capital risk management**

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

**(III) Fair value estimation**

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 JPY'000	Level 2 JPY'000	Level 3 JPY'000	Total JPY'000
<u>2018</u>				
<u>Assets</u>				
Equities	33,249,941	-	-	33,249,941
Derivatives	-	457,033	-	457,033
Total financial assets at fair value through profit and loss	33,249,941	457,033	-	33,706,974
<u>Liabilities</u>				
Derivatives	-	146,450	-	146,450
Total financial liabilities at fair value through profit and loss	-	146,450	-	146,450
<u>2017</u>				
<u>Assets</u>				
Equities	27,688,476	-	-	27,688,476
Derivatives	-	185,583	-	185,583
Total financial assets at fair value through profit and loss	27,688,476	185,583	-	27,874,059
<u>Liabilities</u>				
Derivatives	-	78,458	-	78,458
Total financial liabilities at fair value through profit and loss	-	78,458	-	78,458

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the years ended 30 September 2018 and 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 5 Net gains on investments and derivatives

	2018 JPY'000	2017 JPY'000
Change in unrealized gains/losses in value of investments and derivatives	1,901,223	2,219,479
Realized gains on sale of investments and derivatives	5,542,638	5,721,705
	7,443,861	7,941,184

## 6 Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Overseas tax was withheld or paid on certain dividend income received during the years ended 30 September 2018 and 2017.

**7 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons**

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

(a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments JPY'000	% of the Fund's total aggregate value of transactions	Commission paid JPY'000	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
J.P. Morgan Securities (Asia Pacific) Limited	1,074,457	2.57	534	2.32	0.05
<u>2017</u>					
J.P. Morgan Securities (Asia Pacific) Limited	5,210,812	10.70	1,604	5.47	0.03

(b) Balances with the Manager and its Connected Persons as at year end:

	2018 JPY'000	2017 JPY'000
Cash at banks	88,388	52,566
Amounts receivable	72	25
Amounts payable	(45,026)	(35,193)

During the year, the interest income on cash at banks held with Connected Persons of the Manager was JPY977,000 (2017: JPY142,786).

(c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.

(d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to JPY1,435,000 (2017: JPY1,594,000).

(e) Management fee of 1.5% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.

The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.

(f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.

(g) Refer to Note 8 for fee paid to the Trustee.

(h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

**8 Trustee's fee**

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first JPY3,000 million, 0.04% per annum for the balance from JPY3,000 million to JPY5,300 million, and 0.025% per annum for the balance in excess of JPY5,300 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

**9 Borrowings**

During the years ended 30 September 2018 and 2017, the Fund has unsecured short-term bank borrowing with different financial institutions, one of which is The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

**10 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**11 Derivatives**

Outstanding forward foreign exchange contracts as at 30 September were as follows:

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) JPY'000
<u>2018</u>			
Open contracts:			
JPY119,885,410	US\$1,060,974	2 October 2018	625
JPY32,399,356	HK\$2,240,222	2 October 2018	119
JPY3,334,636	US\$29,453	2 October 2018	11
JPY115,015,025	US\$1,015,950	3 October 2018	373
JPY23,507,985	HK\$1,622,385	3 October 2018	41
US\$15,215	JPY1,728,063	3 October 2018	0
HK\$5,423	JPY78,705	5 October 2018	0
US\$190,712	JPY21,657,637	5 October 2018	0
JPY8,387,745,308	US\$76,282,466	9 October 2018	272,624
JPY1,133,584,314	HK\$80,859,069	9 October 2018	39,681
JPY250,581,848	US\$2,262,828	9 October 2018	6,317
JPY141,365,805	CNH8,850,780	9 October 2018	4,783
JPY142,627,495	US\$1,290,897	9 October 2018	3,928
JPY100,501,386	US\$906,170	9 October 2018	2,376
JPY82,928,263	US\$750,890	9 October 2018	2,320
JPY114,541,322	US\$1,023,937	9 October 2018	1,706
JPY60,359,912	US\$546,095	9 October 2018	1,638
JPY82,508,908	US\$741,178	9 October 2018	1,637
JPY50,783,743	US\$461,205	9 October 2018	1,577
JPY63,239,542	US\$570,365	9 October 2018	1,514
JPY52,966,708	US\$479,448	9 October 2018	1,465
JPY59,874,718	US\$540,002	9 October 2018	1,432
JPY55,788,857	US\$502,204	9 October 2018	1,226
JPY39,686,689	HK\$2,811,042	9 October 2018	1,101
JPY46,099,183	US\$414,777	9 October 2018	990
JPY34,584,572	US\$312,661	9 October 2018	912
JPY39,818,481	US\$357,864	9 October 2018	810
JPY29,409,917	US\$265,574	9 October 2018	741
JPY35,572,949	CNH2,197,300	9 October 2018	710
JPY18,877,322	US\$171,436	9 October 2018	586
JPY19,502,496	HK\$1,384,210	9 October 2018	582
JPY23,076,979	US\$208,369	9 October 2018	579
JPY29,487,713	US\$264,724	9 October 2018	566
JPY17,875,724	US\$162,430	9 October 2018	565
JPY17,307,606	US\$156,859	9 October 2018	501
JPY22,171,991	US\$199,047	9 October 2018	426
JPY14,488,452	US\$131,286	9 October 2018	416
JPY13,120,173	US\$118,975	9 October 2018	387



Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) JPY'000
JPY16,882,010	US\$151,983	9 October 2018	373
JPY11,621,899	US\$105,582	9 October 2018	365
JPY13,711,066	HK\$969,500	9 October 2018	356
JPY14,609,862	US\$131,730	9 October 2018	345
JPY15,803,807	HK\$1,108,198	9 October 2018	276
JPY8,903,838	HK\$632,055	9 October 2018	267
JPY8,758,193	HK\$621,579	9 October 2018	261
JPY11,134,288	HK\$784,670	9 October 2018	251
JPY7,170,822	HK\$511,000	9 October 2018	244
JPY9,331,484	US\$84,217	9 October 2018	230
JPY7,770,969	HK\$551,126	9 October 2018	226
JPY8,054,099	HK\$569,908	9 October 2018	215
JPY9,240,788	US\$83,180	9 October 2018	203
JPY7,016,738	US\$63,405	9 October 2018	182
JPY7,610,333	US\$68,629	9 October 2018	181
JPY6,174,599	US\$55,879	9 October 2018	169
JPY5,816,538	HK\$412,531	9 October 2018	169
JPY13,756,531	US\$122,657	9 October 2018	169
JPY6,730,170	US\$60,703	9 October 2018	161
JPY12,126,184	CNH742,039	9 October 2018	127
JPY4,465,802	US\$40,416	9 October 2018	123
JPY5,503,966	US\$49,445	9 October 2018	109
JPY3,382,551	US\$30,735	9 October 2018	107
JPY7,159,901	US\$63,972	9 October 2018	103
JPY2,743,836	CNH172,308	9 October 2018	101
JPY4,861,491	CNH300,000	9 October 2018	92
JPY5,326,739	CNH326,487	9 October 2018	64
JPY3,787,960	CNH232,789	9 October 2018	56
JPY1,616,110	HK\$115,125	9 October 2018	54
JPY1,664,445	CNH103,375	9 October 2018	43
JPY1,200,334	CNH74,560	9 October 2018	31
JPY1,229,863	CNH76,201	9 October 2018	28
JPY1,069,304	US\$9,662	9 October 2018	28
JPY948,778	US\$8,599	9 October 2018	27
JPY1,694,696	HK\$118,506	9 October 2018	25
JPY1,430,630	US\$12,812	9 October 2018	24
JPY1,037,406	CNH64,207	9 October 2018	23
JPY1,096,673	CNH67,700	9 October 2018	21
JPY1,106,310	CNH68,125	9 October 2018	19
JPY544,198	US\$4,926	9 October 2018	15
JPY395,774	HK\$28,188	9 October 2018	13
JPY487,880	HK\$34,500	9 October 2018	13
JPY401,345	HK\$28,431	9 October 2018	11
JPY397,573	CNH24,558	9 October 2018	8
JPY261,216	HK\$18,535	9 October 2018	8
JPY244,256	HK\$17,294	9 October 2018	7
JPY194,295	HK\$13,789	9 October 2018	6
JPY210,186	HK\$14,873	9 October 2018	6
JPY216,828	US\$1,955	9 October 2018	5
JPY204,366	US\$1,843	9 October 2018	5
JPY156,785	HK\$11,115	9 October 2018	4
JPY117,791	CNH7,362	9 October 2018	4
JPY127,053	CNH7,922	9 October 2018	4
JPY114,486	HK\$8,135	9 October 2018	4
JPY143,585	HK\$10,112	9 October 2018	3
JPY113,206	HK\$8,011	9 October 2018	3
JPY128,806	US\$1,160	9 October 2018	3
JPY113,594	HK\$8,000	9 October 2018	2
JPY99,130	HK\$7,000	9 October 2018	2
JPY70,661	HK\$5,000	9 October 2018	2
JPY120,231	US\$1,076	9 October 2018	2
JPY89,110	HK\$6,245	9 October 2018	2
JPY63,847	HK\$4,500	9 October 2018	1
JPY71,346	HK\$5,000	9 October 2018	1

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) JPY'000
JPY28,142	HK\$2,005	9 October 2018	1
JPY13,883	CNH878	9 October 2018	1
JPY28,254	HK\$1,985	9 October 2018	1
JPY16,170	HK\$1,136	9 October 2018	0
JPY13,842	HK\$976	9 October 2018	0
JPY4,190	CNH262	9 October 2018	0
CNH87,617	JPY1,437,454	27 November 2018	1
HK\$214,419	JPY3,102,475	27 November 2018	2
JPY8,045,594,969	US\$71,711,084	27 November 2018	63,256
JPY1,103,229,315	HK\$77,364,577	27 November 2018	15,645
JPY586,913,356	US\$5,251,194	27 November 2018	6,884
JPY189,735,192	CNH11,746,680	27 November 2018	2,935
JPY165,272,104	US\$1,481,498	27 November 2018	2,255
JPY245,679,641	US\$2,185,300	27 November 2018	1,425
JPY85,856,234	US\$768,330	27 November 2018	1,025
JPY49,156,436	US\$438,534	27 November 2018	432
JPY25,083,717	HK\$1,761,978	27 November 2018	399
JPY34,978,111	US\$312,538	27 November 2018	363
JPY50,438,637	US\$448,201	27 November 2018	242
JPY21,341,524	US\$190,497	27 November 2018	199
JPY11,871,123	HK\$832,437	27 November 2018	168
JPY34,201,060	HK\$2,375,701	27 November 2018	156
JPY49,063,481	US\$435,113	27 November 2018	137
JPY3,763,105	CNH232,789	27 November 2018	55
JPY5,783,127	CNH354,578	27 November 2018	32
JPY3,939,916	CNH242,148	27 November 2018	32
JPY8,973,255	HK\$622,500	27 November 2018	29
JPY1,529,851	HK\$107,254	27 November 2018	21
JPY2,153,256	CNH132,516	27 November 2018	20
JPY405,079	HK\$28,361	27 November 2018	5
JPY250,932	HK\$17,492	27 November 2018	2
US\$1,067,795	JPY120,801,243	27 November 2018	63
Total unrealized gains			457,033
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HK\$17,492	JPY251,827	2 October 2018	(2)
US\$448,201	JPY50,639,431	3 October 2018	(266)
HK\$622,500	JPY9,002,962	4 October 2018	(32)
JPY3,112,086	HK\$214,419	4 October 2018	(0)
JPY121,269,257	US\$1,067,795	4 October 2018	(1)
US\$435,113	JPY49,255,844	4 October 2018	(159)
CNH7,466	JPY121,916	9 October 2018	(1)
CNH7,500	JPY121,607	9 October 2018	(2)
CNH7,528	JPY121,733	9 October 2018	(3)
CNH7,506	JPY120,713	9 October 2018	(3)
CNH7,650	JPY122,883	9 October 2018	(3)
CNH7,584	JPY121,589	9 October 2018	(4)
CNH17,666	JPY283,768	9 October 2018	(8)
CNH42,963	JPY695,192	9 October 2018	(14)
CNH69,225	JPY1,110,643	9 October 2018	(32)
CNH110,903	JPY1,787,945	9 October 2018	(43)
CNH129,196	JPY2,084,691	9 October 2018	(49)
CNH108,033	JPY1,730,418	9 October 2018	(53)
CNH106,544	JPY1,703,379	9 October 2018	(56)
CNH232,789	JPY3,784,568	9 October 2018	(59)
CNH176,197	JPY2,845,772	9 October 2018	(64)
CNH164,121	JPY2,632,055	9 October 2018	(78)
CNH202,613	JPY3,246,977	9 October 2018	(99)
CNH164,688	JPY2,605,390	9 October 2018	(114)
CNH11,746,680	JPY190,759,385	9 October 2018	(3,205)
HK\$8,633	JPY123,195	9 October 2018	(2)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) JPY'000
HK\$8,633	JPY123,184	9 October 2018	(2)
HK\$8,631	JPY123,089	9 October 2018	(2)
HK\$8,634	JPY122,274	9 October 2018	(3)
HK\$8,634	JPY122,242	9 October 2018	(3)
HK\$8,634	JPY122,022	9 October 2018	(3)
HK\$8,635	JPY122,025	9 October 2018	(3)
HK\$8,635	JPY121,966	9 October 2018	(3)
HK\$8,634	JPY121,811	9 October 2018	(3)
HK\$8,634	JPY121,756	9 October 2018	(4)
HK\$8,634	JPY121,696	9 October 2018	(4)
HK\$11,623	JPY164,921	9 October 2018	(4)
HK\$8,635	JPY121,514	9 October 2018	(4)
HK\$8,635	JPY121,243	9 October 2018	(4)
HK\$8,635	JPY121,191	9 October 2018	(4)
HK\$46,276	JPY653,645	9 October 2018	(18)
HK\$176,365	JPY2,504,442	9 October 2018	(55)
HK\$142,449	JPY2,004,409	9 October 2018	(63)
HK\$237,782	JPY3,384,639	9 October 2018	(66)
HK\$163,448	JPY2,293,744	9 October 2018	(78)
HK\$391,859	JPY5,604,735	9 October 2018	(81)
HK\$254,336	JPY3,594,598	9 October 2018	(96)
HK\$409,590	JPY5,800,964	9 October 2018	(142)
HK\$334,417	JPY4,706,782	9 October 2018	(146)
HK\$446,936	JPY6,316,017	9 October 2018	(169)
HK\$569,553	JPY8,081,599	9 October 2018	(183)
HK\$589,877	JPY8,354,285	9 October 2018	(205)
HK\$667,801	JPY9,440,328	9 October 2018	(249)
HK\$731,362	JPY10,337,997	9 October 2018	(274)
HK\$779,227	JPY10,993,090	9 October 2018	(313)
HK\$865,150	JPY12,216,322	9 October 2018	(337)
HK\$829,029	JPY11,681,160	9 October 2018	(348)
HK\$1,198,814	JPY16,972,584	9 October 2018	(422)
HK\$993,245	JPY13,933,104	9 October 2018	(479)
HK\$1,192,363	JPY16,821,490	9 October 2018	(479)
HK\$1,458,393	JPY20,537,967	9 October 2018	(623)
HK\$1,708,002	JPY24,060,878	9 October 2018	(722)
HK\$77,364,577	JPY1,106,075,712	9 October 2018	(16,468)
US\$1,100	JPY123,129	9 October 2018	(2)
US\$1,174	JPY131,183	9 October 2018	(2)
US\$1,130	JPY125,812	9 October 2018	(2)
US\$1,100	JPY122,205	9 October 2018	(3)
US\$1,100	JPY122,186	9 October 2018	(3)
US\$1,100	JPY121,990	9 October 2018	(3)
US\$1,100	JPY121,990	9 October 2018	(3)
US\$1,100	JPY121,984	9 October 2018	(3)
US\$1,100	JPY121,968	9 October 2018	(3)
US\$1,100	JPY121,951	9 October 2018	(3)
US\$1,100	JPY121,931	9 October 2018	(3)
US\$1,100	JPY121,874	9 October 2018	(3)
US\$1,100	JPY121,874	9 October 2018	(3)
US\$1,100	JPY121,736	9 October 2018	(3)
US\$1,100	JPY121,675	9 October 2018	(3)
US\$1,100	JPY121,535	9 October 2018	(3)
US\$1,100	JPY121,441	9 October 2018	(3)
US\$1,135	JPY125,444	9 October 2018	(3)
US\$1,100	JPY121,370	9 October 2018	(4)
US\$1,100	JPY121,366	9 October 2018	(4)
US\$1,100	JPY121,366	9 October 2018	(4)
US\$1,100	JPY121,126	9 October 2018	(4)
US\$1,100	JPY121,120	9 October 2018	(4)
US\$1,100	JPY121,065	9 October 2018	(4)
US\$1,100	JPY121,065	9 October 2018	(4)
US\$1,543	JPY171,407	9 October 2018	(4)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) JPY'000
US\$1,121	JPY123,490	9 October 2018	(4)
US\$1,126	JPY124,005	9 October 2018	(4)
US\$2,370	JPY264,948	9 October 2018	(4)
US\$1,324	JPY145,692	9 October 2018	(5)
US\$1,572	JPY173,701	9 October 2018	(5)
US\$2,045	JPY226,544	9 October 2018	(6)
US\$1,808	JPY198,978	9 October 2018	(6)
US\$6,824	JPY754,213	9 October 2018	(21)
US\$8,037	JPY891,282	9 October 2018	(21)
US\$8,622	JPY955,885	9 October 2018	(23)
US\$15,505	JPY1,735,420	9 October 2018	(25)
US\$9,367	JPY1,038,349	9 October 2018	(25)
US\$11,899	JPY1,321,919	9 October 2018	(29)
US\$15,068	JPY1,678,260	9 October 2018	(32)
US\$18,577	JPY2,064,017	9 October 2018	(45)
US\$23,267	JPY2,590,045	9 October 2018	(51)
US\$16,146	JPY1,777,858	9 October 2018	(55)
US\$46,298	JPY5,192,910	9 October 2018	(63)
US\$56,925	JPY6,288,961	9 October 2018	(174)
US\$54,642	JPY6,013,884	9 October 2018	(190)
US\$56,600	JPY6,232,245	9 October 2018	(193)
US\$67,725	JPY7,484,303	9 October 2018	(204)
US\$63,106	JPY6,945,468	9 October 2018	(219)
US\$177,196	JPY19,832,964	9 October 2018	(284)
US\$117,183	JPY12,994,935	9 October 2018	(309)
US\$121,427	JPY13,459,849	9 October 2018	(326)
US\$120,092	JPY13,283,955	9 October 2018	(350)
US\$180,011	JPY19,922,009	9 October 2018	(514)
US\$175,364	JPY19,375,447	9 October 2018	(533)
US\$254,429	JPY28,310,943	9 October 2018	(574)
US\$208,154	JPY22,980,603	9 October 2018	(651)
US\$212,309	JPY23,425,513	9 October 2018	(678)
US\$261,830	JPY29,031,877	9 October 2018	(693)
US\$285,830	JPY31,658,432	9 October 2018	(791)
US\$385,157	JPY42,799,415	9 October 2018	(927)
US\$490,891	JPY54,388,267	9 October 2018	(1,342)
US\$487,511	JPY54,001,533	9 October 2018	(1,345)
US\$392,636	JPY43,223,963	9 October 2018	(1,351)
US\$675,320	JPY75,177,190	9 October 2018	(1,491)
US\$482,810	JPY53,269,977	9 October 2018	(1,543)
US\$692,579	JPY76,802,365	9 October 2018	(1,825)
US\$812,610	JPY90,021,743	9 October 2018	(2,233)
US\$776,171	JPY85,768,101	9 October 2018	(2,349)
US\$1,116,890	JPY123,612,353	9 October 2018	(3,186)
US\$937,108	JPY103,093,146	9 October 2018	(3,295)
US\$1,360,100	JPY150,165,932	9 October 2018	(4,244)
US\$1,519,322	JPY167,810,748	9 October 2018	(4,676)
US\$2,458,569	JPY273,096,890	9 October 2018	(6,020)
US\$3,344,510	JPY373,471,382	9 October 2018	(6,225)
US\$71,711,084	JPY8,073,692,089	9 October 2018	(67,559)
CNH7,527	JPY122,470	27 November 2018	(1)
CNH51,610	JPY844,104	27 November 2018	(2)
CNH178,594	JPY2,924,158	27 November 2018	(5)
CNH97,328	JPY1,588,111	27 November 2018	(8)
CNH531,963	JPY8,681,069	27 November 2018	(43)
HK\$8,628	JPY123,893	27 November 2018	(1)
HK\$8,586	JPY123,172	27 November 2018	(1)
HK\$62,508	JPY902,718	27 November 2018	(1)
HK\$8,628	JPY123,245	27 November 2018	(2)
HK\$20,417	JPY291,629	27 November 2018	(4)
HK\$57,265	JPY817,950	27 November 2018	(10)
HK\$101,960	JPY1,464,010	27 November 2018	(10)
HK\$1,171,173	JPY16,916,695	27 November 2018	(20)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) JPY'000
HK\$1,622,385	JPY23,429,754	27 November 2018	(33)
HK\$2,240,222	JPY32,288,668	27 November 2018	(109)
HK\$1,057,495	JPY15,084,029	27 November 2018	(209)
JPY78,467	HK\$5,423	27 November 2018	(0)
JPY471,850	HK\$32,613	27 November 2018	(0)
JPY1,721,230	US\$15,215	27 November 2018	(1)
JPY21,575,173	US\$190,712	27 November 2018	(11)
US\$1,100	JPY123,238	27 November 2018	(1)
US\$1,100	JPY123,238	27 November 2018	(1)
US\$1,100	JPY123,236	27 November 2018	(1)
US\$29,453	JPY3,321,265	27 November 2018	(9)
US\$8,253	JPY923,690	27 November 2018	(10)
US\$1,191,275	JPY134,534,476	27 November 2018	(166)
US\$1,015,950	JPY114,562,623	27 November 2018	(314)
US\$483,431	JPY54,161,260	27 November 2018	(502)
US\$407,548	JPY45,555,996	27 November 2018	(527)
US\$1,060,974	JPY119,401,924	27 November 2018	(565)
US\$581,103	JPY65,038,597	27 November 2018	(668)
Total unrealized losses			(146,450)
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Net unrealized gains			310,583
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2017

## Open contracts:

JPY128,472	HK\$8,940	3 October 2017	0
US\$167,007	JPY18,808,155	4 October 2017	10
JPY36,401,259	HK\$2,526,193	6 October 2017	2
US\$41,867	JPY4,718,426	6 October 2017	6
CNH3,569,727	JPY60,508,510	10 October 2017	101
CNH120,402	JPY2,040,187	10 October 2017	3
HK\$300,000	JPY4,328,616	10 October 2017	6
JPY5,392,179,250	US\$48,811,206	10 October 2017	100,576
JPY843,486,659	HK\$59,585,941	10 October 2017	15,113
JPY69,826,897	CNH4,262,191	10 October 2017	2,300
JPY89,945,576	US\$818,951	10 October 2017	2,212
JPY124,742,442	US\$1,128,164	10 October 2017	2,211
JPY67,768,086	HK\$4,848,474	10 October 2017	2,096
JPY45,465,697	US\$419,937	10 October 2017	1,790
JPY93,775,159	US\$849,066	10 October 2017	1,771
JPY71,982,111	US\$654,561	10 October 2017	1,676
JPY40,056,157	US\$369,744	10 October 2017	1,552
JPY31,655,432	US\$294,973	10 October 2017	1,538
JPY56,437,396	HK\$4,016,325	10 October 2017	1,436
JPY56,372,975	HK\$4,005,702	10 October 2017	1,347
JPY58,020,969	US\$527,372	10 October 2017	1,325
JPY64,892,787	US\$587,376	10 October 2017	1,205
JPY42,153,490	US\$385,292	10 October 2017	1,204
JPY34,376,899	US\$316,122	10 October 2017	1,197
JPY35,414,256	US\$324,468	10 October 2017	1,098
JPY26,415,161	US\$243,417	10 October 2017	977
JPY41,661,225	HK\$2,944,229	10 October 2017	763
JPY39,100,060	US\$354,225	10 October 2017	761

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) JPY'000
JPY28,742,119	US\$261,331	10 October 2017	666
JPY17,865,501	US\$164,409	10 October 2017	636
JPY19,775,743	US\$181,083	10 October 2017	602
JPY32,075,315	US\$290,347	10 October 2017	598
JPY30,170,834	US\$273,001	10 October 2017	550
JPY16,609,693	US\$152,341	10 October 2017	533
JPY11,820,210	US\$109,672	10 October 2017	521
JPY14,693,610	US\$134,799	10 October 2017	475
JPY25,867,955	US\$234,071	10 October 2017	472
JPY12,818,601	HK\$918,137	10 October 2017	411
JPY20,425,333	US\$184,933	10 October 2017	385
JPY15,355,348	US\$139,869	10 October 2017	384
JPY15,778,063	HK\$1,121,530	10 October 2017	383
JPY10,691,206	HK\$767,384	10 October 2017	366
JPY9,553,169	US\$88,003	10 October 2017	350
JPY17,448,457	HK\$1,233,812	10 October 2017	330
JPY10,470,041	US\$95,766	10 October 2017	307
JPY15,866,595	US\$143,678	10 October 2017	302
JPY7,606,638	HK\$548,772	10 October 2017	301
JPY12,621,626	HK\$895,992	10 October 2017	289
JPY7,189,322	HK\$518,500	10 October 2017	282
JPY7,297,605	US\$67,243	10 October 2017	269
JPY5,424,801	HK\$394,366	10 October 2017	258
JPY14,237,300	HK\$1,005,145	10 October 2017	246
JPY8,035,083	HK\$573,977	10 October 2017	236
JPY11,543,696	HK\$815,671	10 October 2017	210
JPY9,076,891	HK\$643,932	10 October 2017	202
JPY7,964,749	HK\$566,262	10 October 2017	195
JPY10,278,620	US\$93,015	10 October 2017	188
JPY4,704,432	HK\$338,442	10 October 2017	172
JPY9,986,910	HK\$705,000	10 October 2017	172
JPY5,850,972	US\$53,349	10 October 2017	152
JPY7,520,273	HK\$532,454	10 October 2017	152
JPY10,698,610	US\$96,412	10 October 2017	151
JPY4,469,690	US\$40,962	10 October 2017	140
JPY5,786,817	HK\$411,273	10 October 2017	139
JPY6,631,753	US\$60,149	10 October 2017	137
JPY11,595,752	HK\$812,150	10 October 2017	107
JPY4,687,146	US\$42,597	10 October 2017	106
JPY3,950,196	HK\$281,000	10 October 2017	99
JPY4,779,542	HK\$337,765	10 October 2017	87
JPY2,329,920	US\$21,457	10 October 2017	85
JPY4,362,115	HK\$308,470	10 October 2017	83
JPY4,385,957	HK\$309,973	10 October 2017	81
JPY4,114,677	US\$37,219	10 October 2017	74
JPY2,940,995	HK\$209,000	10 October 2017	71
JPY2,252,892	CNH137,158	10 October 2017	68
JPY1,760,000	US\$16,192	10 October 2017	62
JPY2,691,235	US\$24,439	10 October 2017	59
JPY2,326,864	US\$21,182	10 October 2017	57
JPY1,100,622	HK\$79,196	10 October 2017	41
JPY1,335,779	US\$12,173	10 October 2017	34
JPY1,470,258	US\$13,367	10 October 2017	34
JPY1,183,733	HK\$84,365	10 October 2017	32
JPY985,465	US\$9,039	10 October 2017	32
JPY1,460,884	HK\$103,500	10 October 2017	30
JPY1,125,421	US\$10,267	10 October 2017	30
JPY957,845	CNH58,228	10 October 2017	28
JPY736,740	HK\$53,009	10 October 2017	27
JPY756,822	CNH46,244	10 October 2017	26
JPY714,681	US\$6,557	10 October 2017	23
JPY1,441,818	HK\$101,500	10 October 2017	21
JPY630,612	CNH38,415	10 October 2017	19

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) JPY'000
JPY553,396	CNH33,774	10 October 2017	18
JPY415,169	CNH25,472	10 October 2017	16
JPY463,033	CNH28,229	10 October 2017	15
JPY400,345	HK\$28,659	10 October 2017	13
JPY670,222	CNH40,201	10 October 2017	10
JPY861,824	CNH51,434	10 October 2017	9
JPY406,365	US\$3,686	10 October 2017	8
JPY353,351	CNH21,328	10 October 2017	8
JPY234,618	HK\$16,805	10 October 2017	8
JPY451,588	US\$4,070	10 October 2017	6
JPY159,315	HK\$11,493	10 October 2017	6
JPY161,747	HK\$11,597	10 October 2017	5
JPY141,715	HK\$10,204	10 October 2017	5
JPY791,959	CNH47,107	10 October 2017	5
JPY439,918	CNH26,291	10 October 2017	5
JPY118,747	CNH7,291	10 October 2017	5
JPY151,051	CNH9,196	10 October 2017	5
JPY309,089	CNH18,529	10 October 2017	4
JPY119,400	US\$1,097	10 October 2017	4
JPY714,395	CNH42,450	10 October 2017	4
JPY117,349	HK\$8,417	10 October 2017	4
JPY298,644	CNH17,878	10 October 2017	4
JPY115,885	HK\$8,306	10 October 2017	4
JPY55,765	HK\$4,000	10 October 2017	2
JPY88,492	HK\$6,202	10 October 2017	1
JPY1,053,614	CNH62,300	10 October 2017	1
CNH36,411	JPY617,612	6 November 2017	3
CNH21,660	JPY366,464	6 November 2017	1
HK\$326,988	JPY4,723,004	6 November 2017	14
JPY5,197,643,259	US\$46,461,375	6 November 2017	24,420
JPY834,330,118	HK\$58,015,132	6 November 2017	1,228
JPY65,696,175	US\$590,876	6 November 2017	716
JPY49,844,786	US\$445,639	6 November 2017	243
JPY17,425,581	US\$156,708	6 November 2017	188
JPY22,302,697	US\$199,915	6 November 2017	167
JPY13,146,331	HK\$922,237	6 November 2017	136
JPY56,416,372	US\$503,096	6 November 2017	129
JPY51,558,658	US\$459,318	6 November 2017	66
JPY6,626,699	HK\$462,343	6 November 2017	32
JPY18,810,842	US\$167,601	6 November 2017	27
JPY8,651,038	HK\$602,079	6 November 2017	20
JPY2,263,991	HK\$158,402	6 November 2017	17
JPY3,617,384	US\$32,278	6 November 2017	11
JPY1,532,981	US\$13,723	6 November 2017	9
JPY905,990	HK\$63,264	6 November 2017	5
JPY1,522,978	HK\$106,054	6 November 2017	4
JPY322,074	HK\$22,572	6 November 2017	3
JPY12,959,640	HK\$900,000	6 November 2017	3
JPY1,086,154	CNH64,450	6 November 2017	1
JPY512,170	CNH30,427	6 November 2017	1
JPY206,001	HK\$14,345	6 November 2017	1
JPY607,142	CNH36,012	6 November 2017	1
JPY230,219	HK\$15,997	6 November 2017	0
US\$275,412	JPY31,047,410	6 November 2017	92
US\$49,567	JPY5,578,518	6 November 2017	7
US\$244,418	JPY27,478,440	6 November 2017	7
US\$123,615	JPY13,895,561	6 November 2017	2
US\$1,100	JPY123,647	6 November 2017	0

Total unrealized gains	185,583
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Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) JPY'000
HK\$158,402	JPY2,265,471	3 October 2017	(17)
JPY27,520,431	US\$244,418	3 October 2017	(8)
US\$32,278	JPY3,622,975	3 October 2017	(10)
US\$199,915	JPY22,337,562	3 October 2017	(166)
HK\$106,054	JPY1,523,923	4 October 2017	(4)
JPY123,829	US\$1,100	4 October 2017	(0)
JPY5,586,676	US\$49,567	4 October 2017	(7)
JPY13,914,076	US\$123,615	6 October 2017	(1)
CNH62,300	JPY1,052,095	10 October 2017	(2)
CNH7,255	JPY120,593	10 October 2017	(2)
CNH7,368	JPY121,265	10 October 2017	(3)
CNH7,330	JPY119,877	10 October 2017	(4)
CNH7,334	JPY119,335	10 October 2017	(5)
CNH14,208	JPY231,749	10 October 2017	(9)
CNH48,849	JPY810,518	10 October 2017	(16)
CNH43,624	JPY720,583	10 October 2017	(18)
CNH40,992	JPY673,153	10 October 2017	(21)
CNH64,858	JPY1,076,255	10 October 2017	(21)
CNH48,406	JPY786,742	10 October 2017	(32)
CNH58,688	JPY951,892	10 October 2017	(41)
CNH78,522	JPY1,285,604	10 October 2017	(43)
CNH914,255	JPY14,891,011	10 October 2017	(580)
HK\$8,599	JPY122,685	10 October 2017	(1)
HK\$8,601	JPY121,836	10 October 2017	(2)
HK\$8,606	JPY121,786	10 October 2017	(2)
HK\$8,600	JPY121,688	10 October 2017	(2)
HK\$8,605	JPY121,692	10 October 2017	(2)
HK\$8,603	JPY121,434	10 October 2017	(3)
HK\$8,603	JPY121,434	10 October 2017	(3)
HK\$8,594	JPY121,289	10 October 2017	(3)
HK\$13,725	JPY194,971	10 October 2017	(3)
HK\$900,000	JPY12,965,607	10 October 2017	(3)
HK\$8,607	JPY121,154	10 October 2017	(3)
HK\$8,612	JPY121,018	10 October 2017	(3)
HK\$8,607	JPY120,403	10 October 2017	(4)
HK\$8,602	JPY120,226	10 October 2017	(4)
HK\$8,608	JPY120,271	10 October 2017	(4)
HK\$11,086	JPY155,940	10 October 2017	(4)
HK\$8,609	JPY120,203	10 October 2017	(4)
HK\$8,608	JPY120,100	10 October 2017	(4)
HK\$8,604	JPY120,009	10 October 2017	(4)
HK\$8,599	JPY119,880	10 October 2017	(4)
HK\$8,607	JPY119,668	10 October 2017	(4)
HK\$8,605	JPY119,574	10 October 2017	(4)
HK\$8,606	JPY119,559	10 October 2017	(4)
HK\$8,605	JPY119,494	10 October 2017	(5)
HK\$8,608	JPY119,326	10 October 2017	(5)
HK\$8,596	JPY118,698	10 October 2017	(5)
HK\$27,906	JPY393,833	10 October 2017	(8)
HK\$45,163	JPY639,097	10 October 2017	(12)
HK\$55,805	JPY790,524	10 October 2017	(14)
HK\$68,209	JPY962,734	10 October 2017	(20)
HK\$77,645	JPY1,098,652	10 October 2017	(20)
HK\$59,339	JPY834,692	10 October 2017	(20)
HK\$59,172	JPY831,495	10 October 2017	(21)
HK\$58,238	JPY817,247	10 October 2017	(22)
HK\$51,260	JPY716,249	10 October 2017	(22)
HK\$59,145	JPY826,284	10 October 2017	(26)
HK\$77,130	JPY1,084,280	10 October 2017	(27)
HK\$99,662	JPY1,406,675	10 October 2017	(29)
HK\$99,369	JPY1,388,233	10 October 2017	(44)
HK\$214,999	JPY3,045,393	10 October 2017	(53)
HK\$285,908	JPY4,043,365	10 October 2017	(76)



Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) JPY'000
HK\$231,907	JPY3,220,547	10 October 2017	(121)
HK\$303,768	JPY4,249,438	10 October 2017	(128)
HK\$342,313	JPY4,803,664	10 October 2017	(129)
HK\$505,525	JPY7,133,179	10 October 2017	(151)
HK\$759,977	JPY10,754,446	10 October 2017	(196)
HK\$440,355	JPY6,117,920	10 October 2017	(227)
HK\$558,892	JPY7,811,610	10 October 2017	(242)
HK\$2,051,729	JPY29,294,238	10 October 2017	(270)
HK\$550,635	JPY7,650,694	10 October 2017	(284)
HK\$605,102	JPY8,430,281	10 October 2017	(289)
HK\$1,195,856	JPY16,940,293	10 October 2017	(291)
HK\$874,455	JPY12,274,125	10 October 2017	(326)
HK\$843,010	JPY11,713,960	10 October 2017	(433)
HK\$914,235	JPY12,718,551	10 October 2017	(455)
HK\$1,027,566	JPY14,303,912	10 October 2017	(503)
HK\$2,644,428	JPY37,564,366	10 October 2017	(540)
HK\$1,592,775	JPY22,382,409	10 October 2017	(569)
HK\$1,217,332	JPY16,910,309	10 October 2017	(631)
HK\$3,769,908	JPY53,348,042	10 October 2017	(974)
HK\$58,015,132	JPY834,756,007	10 October 2017	(1,207)
HK\$10,170,369	JPY143,114,895	10 October 2017	(3,434)
US\$1,100	JPY122,427	10 October 2017	(1)
US\$1,100	JPY121,572	10 October 2017	(2)
US\$1,100	JPY121,546	10 October 2017	(2)
US\$1,100	JPY121,136	10 October 2017	(3)
US\$1,100	JPY121,053	10 October 2017	(3)
US\$1,100	JPY120,866	10 October 2017	(3)
US\$1,100	JPY120,710	10 October 2017	(3)
US\$1,201	JPY131,834	10 October 2017	(3)
US\$1,100	JPY120,299	10 October 2017	(4)
US\$1,100	JPY120,134	10 October 2017	(4)
US\$1,100	JPY120,037	10 October 2017	(4)
US\$1,100	JPY119,974	10 October 2017	(4)
US\$1,100	JPY119,880	10 October 2017	(4)
US\$1,110	JPY120,841	10 October 2017	(4)
US\$1,100	JPY119,439	10 October 2017	(4)
US\$1,100	JPY119,439	10 October 2017	(4)
US\$1,100	JPY119,384	10 October 2017	(4)
US\$1,982	JPY218,284	10 October 2017	(5)
US\$1,956	JPY215,195	10 October 2017	(5)
US\$1,189	JPY128,646	10 October 2017	(5)
US\$1,100	JPY118,556	10 October 2017	(5)
US\$1,700	JPY185,337	10 October 2017	(6)
US\$2,778	JPY306,338	10 October 2017	(6)
US\$1,616	JPY175,324	10 October 2017	(7)
US\$2,286	JPY249,187	10 October 2017	(8)
US\$4,017	JPY440,593	10 October 2017	(12)
US\$7,620	JPY842,167	10 October 2017	(15)
US\$8,322	JPY920,215	10 October 2017	(16)
US\$13,625	JPY1,512,074	10 October 2017	(21)
US\$5,918	JPY644,225	10 October 2017	(22)
US\$7,837	JPY844,612	10 October 2017	(37)
US\$36,699	JPY4,053,729	10 October 2017	(76)
US\$33,727	JPY3,711,637	10 October 2017	(84)
US\$43,288	JPY4,785,866	10 October 2017	(85)
US\$29,028	JPY3,170,235	10 October 2017	(96)
US\$48,660	JPY5,339,730	10 October 2017	(136)
US\$53,023	JPY5,815,224	10 October 2017	(151)
US\$51,819	JPY5,608,370	10 October 2017	(223)
US\$57,996	JPY6,299,980	10 October 2017	(226)
US\$114,681	JPY12,674,603	10 October 2017	(230)
US\$105,796	JPY11,650,622	10 October 2017	(255)
US\$112,341	JPY12,357,089	10 October 2017	(285)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) JPY'000
US\$96,707	JPY10,494,017	10 October 2017	(388)
US\$100,019	JPY10,855,243	10 October 2017	(400)
US\$231,784	JPY25,582,507	10 October 2017	(500)
US\$248,092	JPY27,404,236	10 October 2017	(514)
US\$137,769	JPY14,981,801	10 October 2017	(521)
US\$315,019	JPY34,796,123	10 October 2017	(653)
US\$169,150	JPY18,366,495	10 October 2017	(668)
US\$149,888	JPY16,154,700	10 October 2017	(712)
US\$344,695	JPY38,073,999	10 October 2017	(715)
US\$357,903	JPY39,547,135	10 October 2017	(728)
US\$233,786	JPY25,511,841	10 October 2017	(796)
US\$384,092	JPY42,336,833	10 October 2017	(885)
US\$420,723	JPY46,392,243	10 October 2017	(952)
US\$302,784	JPY33,111,961	10 October 2017	(960)
US\$367,934	JPY40,428,217	10 October 2017	(975)
US\$287,390	JPY31,323,113	10 October 2017	(1,017)
US\$299,352	JPY32,537,199	10 October 2017	(1,149)
US\$361,196	JPY39,425,081	10 October 2017	(1,220)
US\$887,286	JPY98,467,934	10 October 2017	(1,378)
US\$494,880	JPY54,271,356	10 October 2017	(1,418)
US\$574,152	JPY63,033,497	10 October 2017	(1,576)
US\$615,377	JPY67,117,538	10 October 2017	(2,131)
US\$666,337	JPY72,472,786	10 October 2017	(2,510)
US\$672,966	JPY73,190,018	10 October 2017	(2,539)
US\$919,309	JPY100,698,532	10 October 2017	(2,751)
US\$1,420,272	JPY157,046,310	10 October 2017	(2,777)
US\$884,594	JPY96,073,493	10 October 2017	(3,470)
US\$46,461,375	JPY5,203,989,883	10 October 2017	(24,309)
CNH7,233	JPY122,054	6 November 2017	(0)
CNH62,300	JPY1,050,458	6 November 2017	(1)
CNH28,993	JPY486,994	6 November 2017	(2)
HK\$8,598	JPY123,739	6 November 2017	(0)
HK\$8,595	JPY123,436	6 November 2017	(0)
HK\$8,940	JPY128,392	6 November 2017	(0)
HK\$8,590	JPY122,773	6 November 2017	(1)
HK\$2,526,193	JPY36,382,300	6 November 2017	(1)
HK\$8,598	JPY122,695	6 November 2017	(1)
HK\$331,903	JPY4,777,588	6 November 2017	(3)
HK\$35,849	JPY511,554	6 November 2017	(5)
HK\$351,180	JPY5,033,927	6 November 2017	(24)
HK\$240,212	JPY3,433,273	6 November 2017	(26)
HK\$3,032,220	JPY43,637,642	6 November 2017	(34)
HK\$455,192	JPY6,497,021	6 November 2017	(59)
HK\$1,112,099	JPY15,869,523	6 November 2017	(147)
HK\$1,946,198	JPY27,871,029	6 November 2017	(159)
JPY170,099	CNH10,069	6 November 2017	(0)
JPY2,033,805	CNH120,402	6 November 2017	(2)
JPY4,326,696	HK\$300,000	6 November 2017	(6)
JPY4,711,953	US\$41,867	6 November 2017	(6)
JPY18,780,382	US\$167,007	6 November 2017	(10)
JPY60,346,659	CNH3,569,727	6 November 2017	(112)
US\$1,100	JPY123,439	6 November 2017	(0)
US\$1,985	JPY222,487	6 November 2017	(1)
US\$179,781	JPY20,147,968	6 November 2017	(59)
US\$735,592	JPY82,559,811	6 November 2017	(117)
US\$303,543	JPY33,944,752	6 November 2017	(172)
US\$226,885	JPY25,311,892	6 November 2017	(189)
US\$335,156	JPY37,441,018	6 November 2017	(229)
US\$371,849	JPY41,428,024	6 November 2017	(366)
US\$1,120,875	JPY124,640,690	6 November 2017	(1,340)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) JPY'000
US\$1,495,481	JPY166,296,750	6 November 2017	(1,788)
		Total unrealized losses	(78,458)
		Net unrealized gains	107,125

**12 Distribution**

No distribution was made during the year (2017: nil).

**13 Other income**

The Fund did not receive any amount (2017: JPY35,104) from the Manager as compensation for valuation and/or other operational error(s).

**Independent Auditor's Report**

To the Unitholders of JPMorgan Japan (Yen) Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Japan (Yen) Fund set out on pages 519 to 544, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 1 August 1969, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Japan (Yen) Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 1 August 1969, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund	Net asset value per unit
30/9/18 -JPY Class (acc) -HKD Hedged Class (acc) -USD Hedged Class (acc) -RMB Hedged Class (acc)	JPY23,326,322,000 HK\$77,611,247 US\$78,139,809 CNY11,805,441	JPY40,967 HK\$22.79 US\$23.28 CNY16.96
30/9/17 -JPY Class (acc) -HKD Hedged Class (acc) -USD Hedged Class (acc) -RMB Hedged Class (acc)	JPY17,423,797,000 HK\$51,277,049 US\$43,842,782 CNY3,672,834	JPY31,616 HK\$17.43 US\$17.68 CNY12.66
30/9/16 -JPY Class (acc) -HKD Hedged Class (acc) -USD Hedged Class (acc) -RMB Hedged Class (acc)	JPY20,987,786,000 HK\$118,311,050 US\$119,557,950 CNY7,122,818	JPY25,471 HK\$14.03 US\$14.16 CNY9.80

## Performance Record – Unaudited (continued)

## Highest Offer/Lowest Bid Prices

<u>Financial period ended</u>	<u>Highest offer</u>	<u>Lowest bid</u>
30/9/18		
-JPY Class (acc)	JPY41,063	JPY31,639
-HKD Hedged Class (acc)	HK\$22.84	HK\$17.45
-USD Hedged Class (acc)	US\$23.33	US\$17.70
-RMB Hedged Class (acc)	CNY17.00	CNY12.68
30/9/17		
-JPY Class (acc)	JPY31,699	JPY24,938
-HKD Hedged Class (acc)	HK\$17.47	HK\$13.75
-USD Hedged Class (acc)	US\$17.72	US\$13.89
-RMB Hedged Class (acc)	CNY12.68	CNY9.63
30/9/16		
-JPY Class (acc)	JPY30,807	JPY22,837
-HKD Hedged Class (acc)	HK\$17.04	HK\$12.45
-USD Hedged Class (acc)	US\$17.13	US\$12.54
-RMB Hedged Class (acc)	CNY11.64	CNY8.57
30/9/15		
-JPY Class (acc)	JPY32,213	JPY17,505
-HKD Hedged Class (acc)	HK\$17.93	HK\$9.80
-USD Hedged Class (acc)	US\$18.02	US\$9.83
-RMB Hedged Class (acc)	CNY12.25	CNY9.20
30/9/14		
-JPY Class (acc)	JPY22,019	JPY16,476
-HKD Hedged Class (acc)	HK\$12.38	HK\$9.20
-USD Hedged Class (acc)	US\$12.39	US\$9.22
30/9/13		
-JPY Class (acc)	JPY20,477	JPY9,588
-HKD Hedged Class (acc)	HK\$11.57	HK\$9.47
-USD Hedged Class (acc)	US\$11.57	US\$9.48
30/9/12	JPY11,464	JPY8,749
30/9/11	JPY12,947	JPY9,339
30/9/10	JPY13,354	JPY9,539
30/9/09	JPY14,026	JPY8,422

## Management and Administration

## Manager and Service Provider

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

## Investment Manager

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

## Sub-Managers

JPMorgan Asset Management  
(Japan) Limited  
Tokyo Building  
7-3 Marunouchi 2 Chome  
Chiyoda – Ku  
Tokyo 100 6432  
Japan

JPMorgan Asset Management  
(UK) Limited  
60 Victoria Embankment  
London  
EC4Y 0JP  
United Kingdom

## Directors of the Manager

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

## Trustee

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

## Registrar

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

## Auditor

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

## UK Tax Information

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 1 January 1984 to 30 September 2010.

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value JPY'000	% of net assets		Holding	Fair value JPY'000	% of net assets
<b>Listed/Quoted Investments</b> (99.2%)				Hirano Tecseed	18,500	38,110	0.4
				Makita Corp	14,900	84,781	0.9
<b>Equities</b> (99.2%)				Miura Co	57,600	202,752	2.1
				Nissei ASB Machine	18,800	89,488	0.9
<b>Japan</b> (99.2%)				Nittoku Engineering	23,300	79,104	0.8
				Teikoku Electric Mfg	68,500	116,656	1.2
<b>Banks</b> (2.9%)				<b>Metal Products</b> (3.4%)			
Resona Hldgs	438,100	279,639	2.9	Rinnai Corp	10,300	89,198	0.9
<b>Chemicals</b> (14.4%)				RS Technologies	25,500	139,230	1.5
Aica Kogyo Co	36,900	169,371	1.7	Sumco Corp	60,300	99,374	1.0
Daicel Corp	52,000	68,640	0.7				
FP Corp	19,100	131,981	1.4	<b>Non Ferrous Metals</b> (0.6%)			
JSP Corp	15,300	44,401	0.5	Dowa Hldgs	17,200	62,092	0.6
Kansai Paint Co	45,100	94,439	1.0				
Kureha Corp	23,400	199,134	2.1	<b>Other Financing Business</b> (2.6%)			
Milbon Co	14,100	73,461	0.8	Mitsubishi UFJ Lease & Finance Co	375,500	251,210	2.6
Mitsui Chemicals	55,600	157,960	1.6				
Nifco Inc	41,100	125,560	1.3	<b>Other Products</b> (2.2%)			
Sakai Chemical Industry	16,500	46,250	0.5	Fuji Seal Intl	35,700	143,692	1.5
Taiyo Nippon Sanso	64,300	109,310	1.1	Lintec Corp	23,900	69,549	0.7
Takara Bio	20,000	63,000	0.6				
Tri Chemical Laboratories	23,300	110,326	1.1	<b>Pharmaceuticals</b> (3.4%)			
<b>Construction</b> (2.2%)				Gene Techno Science	46,700	46,653	0.5
Kumagai Gumi	22,900	72,020	0.8	PeptiDream Inc	31,700	143,601	1.5
Nishimatsu Construction	48,500	139,486	1.4	Sanbio Co	25,500	100,598	1.0
<b>Electric Appliances</b> (4.1%)				Sosei Group	27,500	37,702	0.4
Iriso Electronics	14,400	85,824	0.9	<b>Precision Instruments</b> (4.2%)			
Mabuchi Motor	12,100	55,478	0.6	Asahi Intecc	25,400	125,984	1.3
SCREEN Hldgs	14,000	92,960	0.9	Shimadzu Corp	41,200	146,672	1.5
Taiyo Yuden Co	64,500	164,733	1.7	Topcon Corp	64,900	134,603	1.4
<b>Glass &amp; Ceramics Products</b> (0.5%)				<b>Real Estate Management &amp; Development</b> (1.0%)			
Nikkato Corp	36,000	45,900	0.5	Arealink Co	39,360	98,203	1.0
<b>Information &amp; Communication</b> (12.8%)				<b>Retail Trade</b> (9.9%)			
Atrae Inc	46,900	117,672	1.2	Cosmos Pharmaceutical	2,800	71,540	0.7
GMO Internet	29,800	59,064	0.6	Don Quijote	16,800	96,600	1.0
GMO Payment Gateway	25,600	180,224	1.9	Marui Group Co	43,500	121,974	1.3
Hikari Tsushin	8,500	190,910	2.0	Monogatari Corp	8,000	89,040	0.9
LINE Corp	21,200	101,760	1.1	MonotaRO Co	42,600	136,533	1.4
Mercari Inc	52,300	196,386	2.0	Nitori Hldgs	5,700	92,882	1.0
Money Forward	23,000	116,150	1.2	Raksul Inc	34,500	124,718	1.3
Net One Systems	61,500	167,772	1.7	San-A Co	17,800	90,424	0.9
Square Enix Hldgs	23,600	110,920	1.1	Seria Co	10,900	43,818	0.5
<b>Insurance</b> (0.9%)				ZOZO Inc	26,300	90,472	0.9
Advantage Risk Management	71,400	86,037	0.9	<b>Securities</b> (1.4%)			
<b>Internet</b> (0.8%)				SBI Hldgs	38,900	137,317	1.4
Uzabase	22,800	74,442	0.8	<b>Services</b> (20.2%)			
<b>Iron &amp; Steel</b> (1.1%)				Benefit One	93,600	347,255	3.6
JFE Hldgs	39,100	101,934	1.1	Bengo4.Com	50,800	242,570	2.5
<b>Machinery</b> (8.2%)				Cyber Agent	19,000	114,950	1.2
Disco Corp	6,500	123,630	1.3	Grace Technology	39,400	133,172	1.4
Harmonic Drive Systems	13,000	54,405	0.6	Infomart Corp	120,800	178,784	1.8
				Litalico Inc	59,900	59,753	1.7
				M3 Inc	40,600	104,667	1.1



Investment Portfolio (Continued)  
As at 30 September 2018 *(Unaudited)*

Holding	Fair value JPY'000	% of net assets
<b>Services</b> (Continued)		
N Field Co	42,200	82,163 0.8
Nihon M&A Center	13,100	44,671 0.5
Persol Holdings Co	36,300	96,740 1.0
SMS Co	72,100	163,018 1.7
Sprix Ltd	19,900	57,053 0.6
Tosho Co	48,100	221,741 2.3
<b>Wholesale Trade</b> (2.4%)		
CI Medical Co	5,600	35,896 0.4
Misumi Group	67,400	198,156 2.0
<b>Total Listed/Quoted Investments</b>	9,586,338	99.2
<b>Other net assets</b>	74,537	0.8
<b>Net assets attributable to holders of redeemable units at 30 September 2018</b>	9,660,875	100.0
<b>Total investments, at cost</b>	6,601,953	

Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 *(Unaudited)*

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
<b>Japan</b>		
Services	20.2	17.6
Chemicals	14.4	13.3
Information & Communication	12.8	6.1
Retail Trade	9.9	13.0
Machinery	8.2	11.7
Precision Instruments	4.2	6.0
Electric Appliances	4.1	10.6
Pharmaceuticals	3.4	5.0
Metal Products	3.4	5.7
Banks	2.9	3.6
Other Financing Business	2.6	2.9
Wholesale Trade	2.4	3.5
Other Products	2.2	2.8
Construction	2.2	5.1
Securities	1.4	-
Iron & Steel	1.1	-
Real Estate Management & Development	1.0	4.5
Insurance	0.9	-
Internet	0.8	-
Non Ferrous Metals	0.6	1.0
Glass & Ceramics Products	0.5	2.4
Transportation Equipment	-	2.1
Foods	-	1.0
<b>Total Listed/Quoted Investments</b>	99.2	117.9
<b>Other net assets/(liabilities)</b>	0.8	(17.9)
<b>Net assets attributable to holders of redeemable units at 30 September</b>	100.0	100.0

**Statement of Financial Position**  
**As at 30 September 2018**

	2018 JPY'000	2017 JPY'000
<b>Assets</b>		
Cash at banks	88,738	24,526
Amounts due from brokers	2,437	278
Amounts receivable on allotment	2,545	1,644
Investments [Note 4(l)(a)]	9,586,338	13,213,709
Dividend receivable	33,980	43,207
<b>Total assets</b>	<u>9,714,038</u>	<u>13,283,364</u>
	-----	-----
<b>Liabilities</b>		
Short-term bank loans - unsecured [Note 9]	-	2,003,808
Amounts due to brokers	-	29,801
Amounts payable on redemption	38,719	27,595
Other accounts payable	14,444	17,462
<b>Total liabilities</b>	<u>53,163</u>	<u>2,078,666</u>
	-----	-----
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>9,660,875</u>	<u>11,204,698</u>
	=====	=====
<b>Equity</b>	<u>9,660,875</u>	<u>11,204,698</u>
	=====	=====

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

Bank of East Asia (Trustees) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

**Statement of Comprehensive Income**  
**For the year ended 30 September 2018**

	2018 JPY'000	2017 JPY'000
<b>Income</b>		
Net gains on investments and derivatives [Note 5]	1,913,649	3,181,495
Dividend income	144,886	166,737
Net foreign currency exchange gains/(losses)	97	(1,757)
Interest on deposits	7	31
	<u>2,058,639</u>	<u>3,346,506</u>
	-----	-----
<b>Expenses</b>		
Management fee [Note 7(e)]	158,041	163,069
Transaction costs	8,964	4,544
Registrar's fee [Note 7(h)]	7,073	4,769
Safe custody and bank charges	2,407	2,312
Trustee's fee [Note 8]	1,896	1,957
Auditor's fee	1,727	1,758
Legal and professional expenses	691	410
Printing and publication expenses	163	275
Other operating expenses	561	325
	<u>181,523</u>	<u>179,419</u>
	-----	-----
<b>Net operating profit</b>	<u>1,877,116</u>	<u>3,167,087</u>
	-----	-----
<b>Finance costs</b>		
Interest expense	(9,095)	(10,276)
	<u>1,868,021</u>	<u>3,156,811</u>
	-----	-----
<b>Profit before taxation</b>	<u>1,868,021</u>	<u>3,156,811</u>
	-----	-----
Taxation [Note 6]	(14,489)	(16,674)
	<u>1,853,532</u>	<u>3,140,137</u>
	-----	-----
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>1,853,532</u>	<u>3,140,137</u>
	=====	=====

The notes on pages 553 to 562 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the year ended 30 September 2018

	2018 JPY'000	2017 JPY'000
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	11,204,698	10,863,840
Allotment of redeemable units [Note 3]	1,538,210	604,906
Redemption of redeemable units [Note 3]	(4,935,565)	(3,404,185)
<b>Net redemption</b>	(3,397,355)	(2,799,279)
	7,807,343	8,064,561
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	1,853,532	3,140,137
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	9,660,875	11,204,698

**Statement of Cash Flows**  
For the year ended 30 September 2018

	2018 JPY'000	2017 JPY'000
<b>Operating activities</b>		
Purchase of investments and derivatives	(3,811,415)	(2,290,431)
Proceeds from disposal of investments and derivatives	9,320,489	3,781,653
Dividend received	154,113	163,567
Interest received	7	31
Trustee's fee paid	(1,925)	(1,957)
Registrar's fee paid	(7,567)	(4,300)
Transaction costs paid	(9,016)	(4,597)
Tax paid	(14,489)	(16,674)
Management fee paid	(160,449)	(163,069)
Others	(5,417)	(6,901)
<b>Net cash inflow from operating activities</b>	5,464,331	1,457,322
<b>Financing activities</b>		
Interest paid	(9,190)	(10,194)
Receipts on allotment of redeemable units	1,537,309	604,397
Payments on redemption of redeemable units	(4,924,441)	(3,385,642)
<b>Net cash outflow from financing activities</b>	(3,396,322)	(2,791,439)
<b>Increase/(decrease) in cash and cash equivalents</b>	2,068,009	(1,334,117)
Cash and cash equivalents at the beginning of the year	(1,979,282)	(645,276)
Exchange gains on cash and cash equivalents	11	111
<b>Cash and cash equivalents at the end of the year</b>	88,738	(1,979,282)
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	88,738	24,526
Short-term bank loans - unsecured	-	(2,003,808)
	88,738	(1,979,282)

The notes on pages 553 to 562 form part of these financial statements.

## Notes to the Financial Statements

### 1 The Fund

JPMorgan Japan Smaller Company (Yen) Fund (the "Fund") was established under a Trust Deed dated 5 June 1980, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to provide investors with long-term capital growth through investment primarily in the shares of small to medium sized Japanese companies.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation of financial statements

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

#### (b) Investments and derivatives

*Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(e) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(f) Foreign currency translation***Functional and presentation currency*

The Fund has adopted Japanese Yen as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(g) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(h) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(i) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(j) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

	2018 Units	2017 Units
Number of units in issue:		
At the beginning of the year	167,030.304	216,019.570
Total allotments	19,762.094	10,285.205
Total redemptions	(65,237.399)	(59,274.471)
At the end of the year	121,554.999	167,030.304
	JPY'000	JPY'000
Net assets attributable to holders of redeemable units	9,660,875	11,204,698
	JPY	JPY
Net assets attributable to holders of redeemable units (per unit)	79,477	67,082

As at 30 September 2018, the Fund had JPY9,660,875,000 (2017: JPY11,204,698,000) of puttable financial instruments, represented by the net assets attributable to the holders of redeemable units (or "net asset value" or "net assets" or "NAV"), classified as equity.

The Fund's policies for managing its obligations for the holders of redeemable units of the Fund are included in Note 4(II) capital risk management.

## 4 Financial risk management

### (I) Financial risk factors

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

#### (a) Market risk

##### (i) Market price risk

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Beta of the Fund on a regular basis. Beta measures the statistical relationship between the return of the Fund and the relevant benchmark index chosen by the Investment Manager.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
	Fair value of investments JPY'000	% of net assets	Fair value of investments JPY'000	% of net assets
Listed/Quoted Investments				
<u>Assets</u>				
Equities				
- Services	1,946,537	20.2	1,973,851	17.6
- Chemicals	1,393,833	14.4	1,486,996	13.3
- Information & Communication	1,240,858	12.8	679,018	6.1
- Retail Trade	958,001	9.9	1,455,821	13.0
- Machinery	788,926	8.2	1,315,119	11.7
- Precision Instruments	407,259	4.2	672,764	6.0
- Electric Appliances	398,995	4.1	1,185,853	10.6
- Metal Products	327,802	3.4	636,379	5.7
- Pharmaceuticals	328,554	3.4	559,447	5.0
- Construction	211,506	2.2	570,711	5.1
- Others	1,584,067	16.4	2,677,750	23.8
Total Listed/Quoted Investments	9,586,338	99.2	13,213,709	117.9

	Net asset value JPY'000	Relevant benchmark index for the Fund (Note*)	Beta (Note**)	% of reasonable possible change of the relevant benchmark index (Note***)	Estimated impact on net asset value (Note****) JPY'000
As at 30 September 2018	<u>9,660,875</u>	Russell / Nomura Small Cap Index Total	0.90	+8.9	<u>773,836</u>
As at 30 September 2017	<u>11,204,698</u>	Russell / Nomura Small Cap Index Total	0.98	+36.3	<u>3,985,959</u>

If the relevant benchmark index return was to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Relevant benchmark index for the Fund represents the relevant market index used by the Investment Manager in monitoring the market price risk of the Fund.

\*\* Beta measures the statistical relationship between the return of the Fund and the respective benchmark index over the maximum of past 36 months, or the number of months since portfolio inception. For funds launched within a period of less than 12 months, weekly returns of the Fund are used for calculating the Beta.

\*\*\* % of reasonable possible change is based on the actual historical change in the benchmark index in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. For funds launched within a period of less than 12 months, actual historical change in the benchmark index since the commencement of operations will be used to calculate the % of reasonable possible change.

\*\*\*\* Estimated impact on net asset value of the Fund is calculated by applying the relevant Beta against the net asset value of the Fund multiplied by the % of reasonable possible change of the relevant benchmark index, assuming all other variables that may impact the net asset value of the Fund are held constant.

## (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month JPY'000	2017 Less than 1 month JPY'000
Cash at banks	88,738	24,526
Short-term bank loans - unsecured	-	(2,003,808)
Total interest sensitivity gap	<u>88,738</u>	<u>(1,979,282)</u>

Any cash and cash equivalents are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

## (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.



The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

	JPY'000 equivalent	% of reasonable possible change against JPY (Note**)	Estimated impact on net asset value JPY'000
<u>2018</u>			
Hong Kong Dollar	131	+0.7	1
United States Dollar	(573)	+0.9	(5)
	<u>(442)</u>		<u>(4)</u>
<u>2017</u>			
Hong Kong Dollar	228	+10.4	24
United States Dollar	(1,232)	+11.2	(138)
	<u>(1,004)</u>		<u>(114)</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

## (b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 JPY'000	2017 JPY'000
Cash at banks	88,738	24,526
Amounts due from brokers	2,437	278
Amounts receivable on allotment	2,545	1,644
Dividend receivable	33,980	43,207
	<u>127,700</u>	<u>69,655</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties JPY'000	2017 Exposure to counterparties JPY'000
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	88,639	24,407
S&P(A)/Moody's(A)/FITCH(A)	99	119
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	9,586,338	13,213,709

### (c) Liquidity risk

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018 Less than 1 month JPY'000	2017 Less than 1 month JPY'000
Short-term bank loans - unsecured	-	2,003,808
Amounts due to brokers	-	29,801
Amounts payable on redemption	38,719	27,595
Other accounts payable	14,444	17,462
Total financial liabilities	53,163	2,078,666

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

### (II) Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

**(III) Fair value estimation**

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 JPY'000	Level 2 JPY'000	Level 3 JPY'000	Total JPY'000
---------------------------	--------------------	--------------------	--------------------	------------------

2018Assets

Equities	9,586,338	-	-	9,586,338
Total financial assets at fair value through profit and loss	9,586,338	-	-	9,586,338

2017Assets

Equities	13,213,709	-	-	13,213,709
Total financial assets at fair value through profit and loss	13,213,709	-	-	13,213,709

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the years ended 30 September 2018 and 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

**5 Net gains on investments and derivatives**

	2018 JPY'000	2017 JPY'000
Change in unrealized gains/losses in value of investments and derivatives	(1,912,290)	2,164,987
Realized gains on sale of investments and derivatives	3,825,939	1,016,508
	1,913,649	3,181,495

**6 Taxation**

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Overseas tax was withheld or paid on certain dividend income received during the years ended 30 September 2018 and 2017.

**7 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons**

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

(a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments JPY'000	% of the Fund's total aggregate value of transactions	Commission paid JPY'000	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
J.P. Morgan Securities (Asia Pacific) Limited	60,235	0.46	30	0.41	0.05
<u>2017</u>					
J.P. Morgan Securities (Asia Pacific) Limited	147,173	2.42	74	1.88	0.05

(b) Balances with the Manager and its Connected Persons as at year end:

	2018 JPY'000	2017 JPY'000
Cash at banks	88,639	24,407
Amounts payable	(12,382)	(15,465)

As at 30 September 2018, the Fund's investment balance of JPY9,586,338,000 (2017: JPY13,213,709,000) represents the investments held by the custodian, J.P. Morgan Chase Bank, N.A., a Connected Person of the Manager.

During the year, the interest income on cash at banks held with Connected Persons of the Manager was JPY7,000 (2017: JPY31,000).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.
- (d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to JPY309,000 (2017: JPY111,000).
- (e) Management fee of 1.5% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.
- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (g) Refer to Note 8 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

**8 Trustee's fee**

Trustee's fee of 0.018% per annum of the net asset value of the Fund is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

**9 Borrowings**

During the years ended 30 September 2018 and 2017, the Fund has unsecured short-term bank borrowings with duration less than 7 days.

**10 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**11 Distribution**

No distribution was made during the year (2017: nil).

**Independent Auditor's Report**

To the Unitholders of JPMorgan Japan Smaller Company (Yen) Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Japan Smaller Company (Yen) Fund set out on pages 551 to 562, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 5 June 1980, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Japan Smaller Company (Yen) Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund is managed by the Manager in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto; and
- report to the unitholders for each annual accounting period on the conduct of the Manager in the management of the Fund.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 5 June 1980, as amended, for the year ended 30 September 2018.

Bank of East Asia (Trustees) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund JPY'000	Net asset value per unit JPY
30/9/18	9,660,875	79,477
30/9/17	11,204,698	67,082
30/9/16	10,863,840	50,291

**Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u> JPY	<u>Lowest bid</u> JPY
30/9/18	82,393	66,356
30/9/17	67,082	49,764
30/9/16	59,505	43,128
30/9/15	61,830	38,095
30/9/14	46,260	36,059
30/9/13	42,474	20,707
30/9/12	24,073	19,081
30/9/11	27,635	19,692
30/9/10	34,094	22,414
30/9/09	31,286	19,668



**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

Bank of East Asia (Trustees)  
Limited  
32/F, BEA Tower  
Millennium City 5  
418 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong

**Sub-Manager**

JPMorgan Asset Management  
(Japan) Limited  
Tokyo Building  
7-3 Marunouchi 2-chome  
Chiyoda-ku  
Tokyo 100-6432  
Japan

**Registrar**

East Asia International  
Trustees Limited  
East Asia Chambers  
P.O. Box 901  
Road Town, Tortola  
British Virgin Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

**UK Tax Information**

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 1 January 1984 to 30 September 2010.

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments (98.5%)</b>				<b>Electronic Equipment Instruments &amp; Components (0.9%)</b>			
<b>Equities (98.5%)</b>				Samsung Electro-Mechanics			
<b>Korea (98.5%)</b>					16,800	2,105,206	0.9
<b>Aerospace &amp; Defense (0.9%)</b>				<b>Food &amp; Staples Retailing (4.3%)</b>			
LIG Nex1	62,900	1,964,828	0.9	E-MART Co	38,700	7,239,351	3.1
<b>Air Freight &amp; Logistics (2.9%)</b>				GS Retail	78,200	2,714,176	1.2
Hanjin Transportation	30,500	899,121	0.4	<b>Food Products (6.7%)</b>			
Hyundai Glovis	49,100	5,754,338	2.5	CJ CheilJedang	26,600	7,997,386	3.5
<b>Auto Components (6.5%)</b>				Easy Bio	162,100	1,129,622	0.5
Hankook Tire	141,000	6,368,357	2.8	Farmsco	303,000	2,644,165	1.1
Hyundai Mobis	41,900	8,612,306	3.7	Nong Shim Co	10,800	2,370,791	1.0
<b>Banks (8.9%)</b>				Nong Shim Hldgs	18,500	1,367,591	0.6
Hana Financial Group	203,300	8,164,990	3.5	<b>Health Care Equipment &amp; Supplies (0.8%)</b>			
Shinhan Financial Group	304,500	12,352,941	5.4	Suheung Co	64,231	1,824,004	0.8
<b>Beverages (0.8%)</b>				<b>Industrial Conglomerates (4.3%)</b>			
Hite Jinro	125,000	1,898,805	0.8	Samsung C&T	24,248	2,830,846	1.2
<b>Biotechnology (1.6%)</b>				SK Holdings Co	27,400	7,089,295	3.1
Hugel Inc	7,300	2,815,362	1.2	<b>Insurance (6.4%)</b>			
Naturalendo Tech	57,000	991,751	0.4	Orange Life Insurance	153,050	4,704,985	2.0
<b>Building Products (2.5%)</b>				Samsung Fire & Marine Insurance	34,000	8,704,981	3.8
KCC Corp	18,860	5,763,840	2.5	Tongyang Life Insurance	243,000	1,399,838	0.6
<b>Capital Markets (2.1%)</b>				<b>Internet Software &amp; Services (4.6%)</b>			
Korea Investment Hldgs	71,500	4,905,251	2.1	AfreecaTV Co	103,000	3,324,228	1.5
<b>Chemicals (9.1%)</b>				NAVER Corp	11,150	7,197,115	3.1
Duk San Neolux Co	149,300	2,106,419	0.9	<b>IT Services (0.9%)</b>			
Hanwha Chemical	265,000	4,610,773	2.0	NHN KCP	165,342	1,967,559	0.9
Kolon Industries	42,800	2,399,964	1.0	<b>Machinery (5.0%)</b>			
LG Chem	16,800	5,535,632	2.4	Doosan Bobcat	44,700	1,628,019	0.7
SK Materials	24,900	4,096,687	1.8	Hyundai Heavy Industries	82,500	10,003,381	4.3
Wonik Materials Await Cert	43,200	1,154,726	0.5	<b>Media (0.9%)</b>			
Wonik Materials Co	43,200	1,154,726	0.5	Nasmedia Co	54,004	1,969,314	0.9
<b>Construction &amp; Engineering (4.0%)</b>				<b>Metals &amp; Mining (1.9%)</b>			
Daelim Industrial	67,400	5,018,923	2.2	Korea Zinc Co	11,300	4,441,560	1.9
Samsung Engineering	241,100	4,194,934	1.8	<b>Multiline Retail (1.0%)</b>			
<b>Construction Materials (0.7%)</b>				Lotte Shopping	12,100	2,285,283	1.0
Ssangyong Cement Ind	288,300	1,676,389	0.7	<b>Pharmaceuticals (0.8%)</b>			
<b>Containers &amp; Packaging (0.0%)</b>				Hana Pharm Co	79,547	1,864,523	0.8
Lock&Lock Co	5,197	80,116	0.0	<b>Real Estate Management &amp; Development (0.1%)</b>			
<b>Electric Utilities (5.1%)</b>				SK D&D Co	9,163	285,815	0.1
Korea Electric Power	443,500	11,734,708	5.1	<b>Road &amp; Rail (1.1%)</b>			
<b>Electrical Equipment (1.2%)</b>				CJ Logistics	17,700	2,521,163	1.1
Vitzrocell Co	257,486	2,669,451	1.2	<b>Semiconductors &amp; Semiconductor Equipment (1.1%)</b>			
				SK Hynix	37,000	2,438,314	1.1

Investment Portfolio (Continued)  
As at 30 September 2018 *(Unaudited)*

Holding	Fair value US\$	% of net assets
<b>Software (1.8%)</b>		
Com2us Corp	16,100	2,127,798
NCsoft Corp	5,140	2,050,439
<b>Technology Hardware, Storage &amp; Peripherals (9.6%)</b>		
Samsung Electronics	420,700	17,616,871
Samsung Electronics GDR	4,400	4,606,800
<b>Total Listed/Quoted Investments</b>	227,375,757	98.5
<b>Other net assets</b>	3,350,039	1.5
<b>Net assets attributable to holders of redeemable units at 30 September 2018</b>	230,725,796	100.0
<b>Total investments, at cost</b>	236,092,120	

Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 *(Unaudited)*

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
<b>Korea</b>		
Technology Hardware, Storage & Peripherals	9.6	9.4
Chemicals	9.1	3.9
Banks	8.9	7.7
Food Products	6.7	8.9
Auto Components	6.5	5.6
Insurance	6.4	6.0
Electric Utilities	5.1	5.3
Machinery	5.0	1.0
Internet Software & Services	4.6	-
Food & Staples Retailing	4.3	2.5
Industrial Conglomerates	4.3	5.8
Construction & Engineering	4.0	2.5
Air Freight & Logistics	2.9	5.5
Building Products	2.5	5.0
Capital Markets	2.1	2.3
Metals & Mining	1.9	1.4
Software	1.8	1.7
Biotechnology	1.6	1.3
Electrical Equipment	1.2	-
Road & Rail	1.1	-
Semiconductors & Semiconductor Equipment	1.1	5.7
Multiline Retail	1.0	-
Electronic Equipment Instruments & Components	0.9	-
Media	0.9	-
IT Services	0.9	-
Aerospace & Defense	0.9	1.3
Beverages	0.8	1.0
Pharmaceuticals	0.8	-
Health Care Equipment & Supplies	0.8	2.0
Construction Materials	0.7	-
Real Estate Management & Development	0.1	-
Containers & Packaging	0.0	0.9
Wireless Telecommunication Services	-	2.0
Specialty Retail	-	2.0
Automobiles	-	1.7
Personal Products	-	1.4
Oil, Gas & Consumable Fuels	-	1.4
Hotels, Restaurants & Leisure	-	1.4
Diversified Telecommunication Services	-	1.1
Marine	-	0.5
Textiles, Apparel & Luxury Goods	-	0.4
<b>Total Listed/Quoted Investments</b>	98.5	98.6
<b>Other net assets</b>	1.5	1.4
<b>Net assets attributable to holders of redeemable units at 30 September</b>	100.0	100.0

Statement of Financial Position  
As at 30 September 2018

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	5,115,726	4,551,716
Amounts due from brokers	2,642,252	589,353
Amounts receivable on allotment	1,232,144	619,296
Investments [Note 4(l)(a)]	227,375,757	249,444,878
Interest and other accounts receivable	853	442
<b>Total assets</b>	<u>236,366,732</u>	<u>255,205,685</u>
<b>Liabilities</b>		
Amounts due to brokers	4,204,250	257,967
Amounts payable on redemption	1,082,479	1,431,302
Other accounts payable	354,207	419,354
<b>Total liabilities</b>	<u>5,640,936</u>	<u>2,108,623</u>
<b>Net assets attributable to holders of redeemable units</b> [Note 3]	<u>230,725,796</u>	<u>253,097,062</u>
<b>Equity</b>	<u>230,725,796</u>	<u>253,097,062</u>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

Statement of Comprehensive Income  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 5]	22,266,113	48,350,324
Dividend income	4,924,985	5,979,678
Interest on deposits	45,377	17,946
Net foreign currency exchange losses	(199,391)	(218,665)
Other income [Note 12]	15	-
	<u>27,037,099</u>	<u>54,129,283</u>
<b>Expenses</b>		
Management fee [Note 7(e)]	3,734,870	4,155,532
Transaction costs	1,266,759	1,585,959
Registrar's fee [Note 7(h)]	215,327	224,549
Safe custody and bank charges	95,316	114,402
Trustee's fee [Note 8]	80,733	87,748
Auditor's fee	27,900	27,700
Valuation fee [Note 7(e)]	16,240	16,660
Legal and professional expenses	6,202	10,690
Printing and publication expenses	2,996	6,719
Other operating expenses	7,284	5,105
	<u>5,453,627</u>	<u>6,235,064</u>
<b>Net operating profit</b>	21,583,472	47,894,219
<b>Finance costs</b>		
Interest expense	(510)	-
<b>Profit before taxation</b>	21,582,962	47,894,219
Taxation [Note 6]	(1,058,926)	(1,309,492)
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>20,524,036</u>	<u>46,584,727</u>

The notes on pages 571 to 581 form part of these financial statements.

Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	253,097,062	298,424,486
	-----	-----
Allotment of redeemable units [Note 3]	97,664,399	78,213,519
Redemption of redeemable units [Note 3]	(140,559,701)	(170,125,670)
	-----	-----
<b>Net redemption</b>	(42,895,302)	(91,912,151)
	-----	-----
	210,201,760	206,512,335
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	20,524,036	46,584,727
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	<u>230,725,796</u>	<u>253,097,062</u>

Statement of Cash Flows  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(226,469,560)	(232,857,483)
Proceeds from disposal of investments and derivatives	272,668,522	318,869,622
Dividend received	4,924,985	5,979,678
Interest received	45,603	17,574
Trustee's fee paid	(81,573)	(88,758)
Registrar's fee paid	(231,060)	(213,160)
Tax paid	(1,058,926)	(1,309,492)
Transaction costs paid	(1,238,003)	(1,613,773)
Management fee paid	(3,782,180)	(4,213,056)
Others	(415,666)	(395,744)
	-----	-----
<b>Net cash inflow from operating activities</b>	44,362,142	84,175,408
	-----	-----
<b>Financing activities</b>		
Interest paid	(510)	-
Receipts on allotment of redeemable units	97,051,551	79,106,350
Payments on redemption of redeemable units	(140,908,524)	(169,444,338)
	-----	-----
<b>Net cash outflow from financing activities</b>	(43,857,483)	(90,337,988)
	-----	-----
<b>Increase/(decrease) in cash and cash equivalents</b>	504,659	(6,162,580)
Cash and cash equivalents at the beginning of the year	4,551,716	10,714,320
Exchange gains/(losses) on cash and cash equivalents	59,351	(24)
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	<u>5,115,726</u>	<u>4,551,716</u>
	-----	-----
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	<u>5,115,726</u>	<u>4,551,716</u>

The notes on pages 571 to 581 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Korea Fund (the "Fund") was established under a Trust Deed dated 11 December 1991, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to provide investors with long-term capital appreciation through investment primarily in companies whose shares are listed on the Korea Stock Exchange or traded on the Korean over-the-counter market.

Pursuant to the Supplemental Trust Deed dated 4 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Securities lending and borrowing**

Securities lenders' agreements are entered into with institutions of appropriate financial standing who engage in such arrangements acceptable to the Trustee and on arm's length commercial terms. Securities lent are included in the investment portfolio of the Fund. Relevant securities lending income entitled by the Fund is accounted for in the Statement of Comprehensive Income. Collateral received for the purpose of securities lent generally consist of non-cash collateral which are off-balance sheet transactions and are therefore not included in the financial statements.

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(e) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(f) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(g) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(h) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(i) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(j) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.



**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**2018

	USD Class (acc) Units
Number of units in issue:	
At the beginning of the year	4,485,035.879
Total allotments	1,561,334.309
Total redemptions	(2,261,739.256)
At the end of the year	<u>3,784,630.932</u>

US\$

Net assets attributable to holders of redeemable units	<u>230,725,796</u>
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Net assets attributable to holders of redeemable units (per unit)	<u>60.96</u>
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2017

	USD Class (acc) Units
Number of units in issue:	
At the beginning of the year	6,247,364.156
Total allotments	1,459,691.462
Total redemptions	(3,222,019.739)
At the end of the year	<u>4,485,035.879</u>

US\$

Net assets attributable to holders of redeemable units	<u>253,097,062</u>
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Net assets attributable to holders of redeemable units (per unit)	<u>56.43</u>
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As at 30 September 2018, the Fund had US\$230,725,796 (2017: US\$253,097,062) of puttable financial instruments, represented by the net assets attributable to the holders of redeemable units (or "net asset value" or "net assets" or "NAV"), classified as equity.

The Fund's policies for managing its obligations for the holders of redeemable units of the Fund are included in Note 4(II) capital risk management.

## 4 Financial risk management

## (i) Financial risk factors

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

## (a) Market risk

## (i) Market price risk

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Beta of the Fund on a regular basis. Beta measures the statistical relationship between the return of the Fund and the relevant benchmark index chosen by the Investment Manager.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
Listed/Quoted Investments				
<u>Assets</u>				
Equities				
- Technology Hardware, Storage & Peripherals	22,223,671	9.6	23,848,128	9.4
- Chemicals	21,058,927	9.1	9,937,460	3.9
- Banks	20,517,931	8.9	19,408,617	7.7
- Food Products	15,509,555	6.7	22,452,487	8.9
- Auto Components	14,980,663	6.5	14,281,975	5.6
- Insurance	14,809,804	6.4	15,063,937	6.0
- Electric Utilities	11,734,708	5.1	13,450,036	5.3
- Machinery	11,631,400	5.0	2,505,064	1.0
- Industrial Conglomerates	9,920,141	4.3	14,725,630	5.8
- Air Freight & Logistics	6,653,459	2.9	13,937,628	5.5
- Building Products	5,763,840	2.5	12,778,190	5.0
- Semiconductors & Semiconductor Equipment	2,438,314	1.1	14,439,734	5.7
- Others	70,133,344	30.4	72,615,992	28.8
Total Listed/Quoted Investments	227,375,757	98.5	249,444,878	98.6

	Net asset value US\$	Relevant benchmark index for the Fund (Note*)	Beta (Note**)	% of reasonable possible change of the relevant benchmark index (Note***)	Estimated impact on net asset value (Note****) US\$
As at 30 September 2018	230,725,796	Korea Composite Stock Price (KOSPI)	0.93	+1.0	2,145,750
As at 30 September 2017	253,097,062	Korea Composite Stock Price (KOSPI)	0.96	+12.7	30,857,594

If the relevant benchmark index return was to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

- \* Relevant benchmark index for the Fund represents the relevant market index used by the Investment Manager in monitoring the market price risk of the Fund.
- \*\* Beta measures the statistical relationship between the return of the Fund and the respective benchmark index over the maximum of past 36 months, or the number of months since portfolio inception. For funds launched within a period of less than 12 months, weekly returns of the Fund are used for calculating the Beta.
- \*\*\* % of reasonable possible change is based on the actual historical change in the benchmark index in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. For funds launched within a period of less than 12 months, actual historical change in the benchmark index since the commencement of operations will be used to calculate the % of reasonable possible change.
- \*\*\*\* Estimated impact on net asset value of the Fund is calculated by applying the relevant Beta against the net asset value of the Fund multiplied by the % of reasonable possible change of the relevant benchmark index, assuming all other variables that may impact the net asset value of the Fund are held constant.

**(ii) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Cash at banks	5,115,726	4,551,716
Total interest sensitivity gap	5,115,726	4,551,716

Any cash and cash equivalents are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

**(iii) Currency risk**

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
Net currency exposures (Note*)			
<u>2018</u>			
Hong Kong Dollar	2,574	-0.2	(5)
Korean Won	223,307,390	+3.3	7,369,144
	<u>223,309,964</u>		<u>7,369,139</u>

	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
Net currency exposures (Note*)			
<u>2017</u>			
Hong Kong Dollar	3,262	-0.7	(23)
Korean Won	244,172,864	-3.8	(9,278,569)
	<u>244,176,126</u>		<u>(9,278,592)</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

## (b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	5,115,726	4,551,716
Amounts due from brokers	2,642,252	589,353
Amounts receivable on allotment	1,232,144	619,296
Interest and other accounts receivable	853	442
	<u>8,990,975</u>	<u>5,760,807</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	2,606,241	737,477
S&P(A)/Moody's(A)/FITCH(A)	2,509,485	3,814,239
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	227,375,757	249,444,878

### (c) Liquidity risk

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Amounts due to brokers	4,204,250	257,967
Amounts payable on redemption	1,082,479	1,431,302
Other accounts payable	354,207	419,354
Total financial liabilities	5,640,936	2,108,623

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

### (ii) Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

**(III) Fair value estimation**

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<u>2018</u>				
<u>Assets</u>				
Equities	227,375,757	-	-	227,375,757
Total financial assets at fair value through profit and loss	<u>227,375,757</u>	<u>-</u>	<u>-</u>	<u>227,375,757</u>
<u>2017</u>				
<u>Assets</u>				
Equities	249,444,878	-	-	249,444,878
Total financial assets at fair value through profit and loss	<u>249,444,878</u>	<u>-</u>	<u>-</u>	<u>249,444,878</u>

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the years ended 30 September 2018 and 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

**5 Net gains on investments and derivatives**

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	(22,331,254)	8,654,707
Realized gains on sale of investments and derivatives	44,597,367	39,695,617
	<u>22,266,113</u>	<u>48,350,324</u>

**6 Taxation**

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Overseas tax was withheld or paid on certain dividend income received during the years ended 30 September 2018 and 2017.

**7 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons**

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

(a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments US\$	% of the Fund's total aggregate value of transactions	Commission paid US\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
J.P. Morgan Securities (Asia Pacific) Limited	23,344,313	4.62	19,702	4.86	0.08
<u>2017</u>					
J.P. Morgan Securities (Asia Pacific) Limited	44,734,346	8.18	33,975	5.56	0.08

(b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	154,408	105,858
Amounts receivable	65,845	440
Amounts payable	(309,692)	(374,876)

During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$5,467 (2017: US\$4,388).

(c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.

(d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$6,953 (2017: US\$8,173).

(e) Management fee of 1.5% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.

The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.

(f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.

(g) Refer to Note 8 for fee paid to the Trustee.

(h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

**8 Trustee's fee**

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first US\$40 million, 0.04% per annum for the balance from US\$40 million to US\$70 million, and 0.025% per annum for the balance in excess of US\$70 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

**9 Borrowings**

During the year ended 30 September 2018, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms. The Fund has no bank borrowing during the year ended 30 September 2017.

**10 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**11 Distribution**

No distribution was made during the year (2017: nil).

**12 Other income**

The Fund received US\$15 (2017: nil) from the Manager as compensation for valuation and/or other operational error(s).



**Independent Auditor's Report**

To the Unitholders of JPMorgan Korea Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Korea Fund set out on pages 569 to 581, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 11 December 1991, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Korea Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 11 December 1991, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund US\$	Net asset value per unit US\$
30/9/18 - USD Class (acc)	230,725,796	60.96
30/9/17 - USD Class (acc)	253,097,062	56.43
30/9/16 - USD Class (acc)	298,424,486	47.77

**Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u> US\$	<u>Lowest bid</u> US\$
30/9/18 -USD Class (acc)	67.54	57.52
30/9/17 -USD Class (acc)	58.97	44.28
30/9/16 -USD Class (acc)	51.15	38.19
30/9/15 -USD Class (acc)	54.65	38.94
30/9/14 -USD Class (acc)	56.78	47.54
30/9/13 -USD Class (acc)	53.86	40.73
30/9/12	53.12	37.43
30/9/11	60.93	36.68
30/9/10	48.35	33.87
30/9/09	41.09	15.76

**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Investment Adviser**

JPMorgan Asset Management  
(Korea) Company Limited  
35, Seosomun-ro 11-gil  
Jung-gu, Seoul 110-120  
Korea

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

**UK Tax Information**

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 11 December 1991 to 30 September 2010.

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments</b> (99.0%)				<b>Technology</b> (2.2%)			
<b>Equities</b> (99.0%)				Globetronics Technology	840,300	507,611	0.6
<b>Malaysia</b> (94.9%)				Mi Equipment Hldgs	716,600	547,168	0.7
<b>Chemicals</b> (4.0%)				My EG Services	1,859,800	786,432	0.9
Petronas Chemicals	1,468,200	3,320,612	4.0	<b>Trading Services</b> (29.5%)			
<b>Construction</b> (2.5%)				Dialog Group	4,098,606	3,456,357	4.2
Advancecon Hldgs	4,818,600	465,734	0.5	Digi.com Bhd	1,251,300	1,457,356	1.8
Econpile Sdn	2,977,700	575,610	0.7	Genting Bhd	2,183,200	4,120,042	5.0
Gamuda Bhd	882,900	716,816	0.9	Genting Malaysia	2,846,000	3,431,567	4.1
IJM Corp	843,600	366,916	0.4	Hap Seng Consolidated (CDS)	326,000	779,848	0.9
<b>Consumer Products</b> (12.6%)				Malaysia Airports Hldgs	489,698	1,053,114	1.3
Axiata Group	1,337,375	1,473,585	1.8	MISC Bhd	340,300	498,301	0.6
Bioalpha Hldgs	8,698,099	525,438	0.6	Petronas Dagangan (CDS)	148,200	940,373	1.1
British American Tobacco (M) (CDS)	57,100	437,649	0.5	Sime Darby	1,295,289	816,891	1.0
Carlsberg Brewery Malaysia	265,600	1,283,557	1.6	Tenaga Nasional	1,830,800	6,839,234	8.2
Hartaalega Hldgs	1,296,200	2,073,419	2.5	Westports Hldgs	1,146,500	1,052,724	1.3
IHH Healthcare-MY List	951,900	1,198,357	1.4	<b>Singapore</b> (4.1%)			
Mynews Hldgs	4,244,400	1,476,848	1.8	<b>Automobiles</b> (0.9%)			
PPB Group	493,000	1,998,922	2.4	Jardine Cycle & Carriage	31,800	744,525	0.9
<b>Finance</b> (33.0%)				<b>Electronics</b> (0.7%)			
Alliance Bank Malaysia	620,900	627,126	0.8	Venture Corp (CDP)	42,900	553,538	0.7
AMMB Hldgs	1,103,200	1,100,934	1.3	<b>Healthcare</b> (2.5%)			
Bursa Malaysia	548,700	1,036,809	1.2	Health Management Intl	1,988,140	843,943	1.0
CIMB Group Hldgs	3,762,781	5,464,374	6.6	ISEC Healthcare	3,811,000	822,809	1.0
Hong Leong Bank (CDS)	486,400	2,418,778	2.9	Wilmar Intl	182,200	429,380	0.5
Hong Leong Financial Group	343,744	1,603,059	1.9	<b>Total Listed/Quoted Investments</b>		82,111,233	99.0
Malayan Banking	2,930,145	6,931,526	8.4	<b>Other net assets</b>		854,932	1.0
Public Bank	1,354,210	8,180,560	9.9				
RHB Capital Await Cert	238,206	0	0.0	<b>Net assets attributable to holders of redeemable units at 30 September 2018</b>		82,966,165	100.0
<b>Hotels</b> (0.7%)				<b>Total investments, at cost</b>		74,861,566	
Airasia Group	745,000	568,853	0.7				
<b>Industrial Products</b> (5.5%)							
Karex Bhd	1,312,500	245,787	0.3				
Mah Sing Group	1,327,200	327,110	0.4				
Maxis Bhd	463,100	653,499	0.8				
Petronas Gas	366,800	1,675,129	2.0				
Scientex Bhd (CDS)	447,900	961,061	1.2				
TOP Glove Corp	268,700	692,121	0.8				
<b>Plantations</b> (4.5%)							
IOI Corp (CDS)	638,500	700,445	0.8				
Kuala Lumpur Kepong	134,100	808,780	1.0				
Sime Darby Plantation	1,026,189	1,314,196	1.6				
Yinson Hldgs	814,800	905,661	1.1				
<b>Property</b> (0.4%)							
Sime Darby Property	1,054,789	300,749	0.4				

Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 (*Unaudited*)

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
<b>Malaysia</b>		
Finance	33.0	29.5
Trading Services	29.5	30.9
Consumer Products	12.6	10.9
Industrial Products	5.5	8.8
Plantations	4.5	4.0
Chemicals	4.0	2.9
Construction	2.5	6.8
Technology	2.2	1.1
Hotels	0.7	-
Property	0.4	0.3
Construction & Engineering	-	0.5
<b>Singapore</b>		
Healthcare	2.5	2.3
Automobiles	0.9	-
Electronics	0.7	-
<b>Debt Securities</b>	-	0.2
<b>Total Listed/Quoted Investments</b>	99.0	98.2
<b>Other net assets</b>	1.0	1.8
<b>Net assets attributable to holders of redeemable units at 30 September</b>	100.0	100.0

Statement of Financial Position  
As at 30 September 2018

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	1,583,694	531,926
Amounts due from brokers	4,948,446	897,424
Amounts receivable on allotment	77,203	523,253
Investments [Note 4(l)(a)]	82,111,233	103,968,310
Dividend and interest receivable	606,803	410,267
<b>Total assets</b>	<b>89,327,379</b>	<b>106,331,180</b>
<b>Liabilities</b>		
Amounts payable on redemption	6,205,158	272,317
Other accounts payable	156,056	188,601
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>6,361,214</b>	<b>460,918</b>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<b>82,966,165</b>	<b>105,870,262</b>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

Statement of Comprehensive Income  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 5]	6,029,764	9,628,841
Dividend income	3,322,419	2,839,248
Interest on deposits	17,615	7,318
Net foreign currency exchange (losses)/gains	(154,390)	16,635
Other income [Note 12]	1,965	-
	<b>9,217,373</b>	<b>12,492,042</b>
<b>Expenses</b>		
Management fee [Note 7(e)]	1,456,743	1,363,560
Transaction costs	146,394	110,074
Registrar's fee [Note 7(h)]	123,502	112,435
Safe custody and bank charges	48,177	42,777
Trustee's fee [Note 8]	43,292	42,043
Valuation fee [Note 7(e)]	16,170	16,310
Auditor's fee	15,800	15,600
Legal and professional expenses	6,302	3,779
Printing and publication expenses	1,305	1,130
Other operating expenses	5,305	3,866
	<b>1,862,990</b>	<b>1,711,574</b>
<b>Net operating profit</b>	<b>7,354,383</b>	<b>10,780,468</b>
<b>Finance costs</b>		
Interest expense	(894)	(383)
<b>Profit before taxation</b>	<b>7,353,489</b>	<b>10,780,085</b>
Taxation [Note 6]	-	(894)
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>7,353,489</b>	<b>10,779,191</b>

The notes on pages 590 to 600 form part of these financial statements.

Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	105,870,262	92,859,432
	-----	-----
Allotment of redeemable units [Note 3]	53,501,157	54,991,565
Redemption of redeemable units [Note 3]	(83,758,743)	(52,759,926)
	-----	-----
<b>Net (redemption)/allotment</b>	(30,257,586)	2,231,639
	-----	-----
	75,612,676	95,091,071
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	7,353,489	10,779,191
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	82,966,165	105,870,262
	=====	=====

Statement of Cash Flows  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(29,884,536)	(42,741,602)
Proceeds from disposal of investments and derivatives	53,714,670	27,185,442
Dividend received	3,125,664	2,655,145
Interest received	17,834	7,011
Tax paid	-	(894)
Trustee's fee paid	(47,529)	(37,908)
Registrar's fee paid	(126,232)	(110,159)
Transaction costs paid	(140,989)	(118,090)
Management fee paid	(1,484,432)	(1,335,974)
Others	(262,258)	(82,581)
	-----	-----
<b>Net cash inflow/(outflow) from operating activities</b>	24,912,192	(14,579,610)
	-----	-----
<b>Financing activities</b>		
Interest paid	(894)	(383)
Receipts on allotment of redeemable units	53,947,207	66,337,226
Payments on redemption of redeemable units	(77,825,902)	(52,609,871)
	-----	-----
<b>Net cash (outflow)/inflow from financing activities</b>	(23,879,589)	13,726,972
	-----	-----
<b>Increase/(decrease) in cash and cash equivalents</b>	1,032,603	(852,638)
Cash and cash equivalents at the beginning of the year	531,926	1,390,027
Exchange gains/(losses) on cash and cash equivalents	19,165	(5,463)
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	1,583,694	531,926
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	1,583,694	531,926
	=====	=====

The notes on pages 590 to 600 form part of these financial statements.



**Notes to the Financial Statements****1 The Fund**

JPMorgan Malaysia Fund (the "Fund") was established under a Trust Deed dated 12 December 1989, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to provide long-term capital growth by investing primarily in securities linked to the Malaysian economy. These include, but are not restricted to, securities listed on the Kuala Lumpur Stock Exchange.

Pursuant to the Supplemental Trust Deed dated 4 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(e) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(f) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(g) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(h) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(i) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(j) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**2018

	USD Class (acc) Units	USD C Class (acc) Units
Number of units in issue:		
At the beginning of the year	1,799,565.989	478,593.000
Total allotments	833,432.270	182,959.000
Total redemptions	(1,323,776.486)	(222,433.000)
At the end of the year	<u>1,309,221.773</u>	<u>439,119.000</u>
	US\$	US\$
Net assets attributable to holders of redeemable units	<u>78,719,232</u>	<u>4,246,933</u>
Net assets attributable to holders of redeemable units (per unit)	<u>60.13</u>	<u>9.67</u>

2017

	USD Class (acc) Units	USD C Class (acc) Units
Number of units in issue:		
At the beginning of the year	1,562,743.895	1,800,236.000
Total allotments	974,334.360	371,347.000
Total redemptions	(737,512.266)	(1,692,990.000)
At the end of the year	<u>1,799,565.989</u>	<u>478,593.000</u>
	US\$	US\$
Net assets attributable to holders of redeemable units	<u>101,558,727</u>	<u>4,311,535</u>
Net assets attributable to holders of redeemable units (per unit)	<u>56.44</u>	<u>9.01</u>

**4 Financial risk management****(i) Financial risk factors**

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

## (a) Market risk

## (i) Market price risk

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Beta of the Fund on a regular basis. Beta measures the statistical relationship between the return of the Fund and the relevant benchmark index chosen by the Investment Manager.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
Listed/Quoted Investments	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
<u>Assets</u>				
Equities				
- Finance	27,363,166	33.0	31,244,708	29.5
- Trading Services	24,445,807	29.5	32,751,495	30.9
- Consumer Products	10,467,775	12.6	11,532,930	10.9
- Industrial Products	4,554,707	5.5	9,341,044	8.8
- Construction	2,125,076	2.5	7,171,668	6.8
- Others	13,154,702	15.9	11,730,956	11.1
	82,111,233	99.0	103,772,801	98.0
Debt Securities				
- Malaysia	-	-	195,509	0.2
Total Listed/Quoted Investments	82,111,233	99.0	103,968,310	98.2

	Net asset value US\$	Relevant benchmark index for the Fund (Note*)	Beta (Note**)	% of reasonable possible change of the relevant benchmark index (Note***)	Estimated impact on net asset value (Note****) US\$
As at 30 September 2018	82,966,165	MSCI Malaysia Net	0.95	+7.6	5,990,157
As at 30 September 2017	105,870,262	MSCI Malaysia Net	1.00	+6.2	6,563,956

If the relevant benchmark index return was to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Relevant benchmark index for the Fund represents the relevant market index used by the Investment Manager in monitoring the market price risk of the Fund.

\*\* Beta measures the statistical relationship between the return of the Fund and the respective benchmark index over the maximum of past 36 months, or the number of months since portfolio inception. For funds launched within a period of less than 12 months, weekly returns of the Fund are used for calculating the Beta.

\*\*\* % of reasonable possible change is based on the actual historical change in the benchmark index in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. For funds launched within a period of less than 12 months, actual historical change in the benchmark index since the commencement of operations will be used to calculate the % of reasonable possible change.

\*\*\*\* Estimated impact on net asset value of the Fund is calculated by applying the relevant Beta against the net asset value of the Fund multiplied by the % of reasonable possible change of the relevant benchmark index, assuming all other variables that may impact the net asset value of the Fund are held constant.

## (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Cash at banks	1,583,694	531,926
Total interest sensitivity gap	1,583,694	531,926

Any cash and cash equivalents are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

## (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
Net currency exposures (Note*)			
<u>2018</u>			
Hong Kong Dollar	4,262	-0.2	(9)
Malaysian Ringgit	84,807,678	+2.0	1,696,154
Singapore Dollar	3,575,143	-0.6	(21,451)
	<u>88,387,083</u>		<u>1,674,694</u>
<u>2017</u>			
Hong Kong Dollar	1,786	-0.7	(13)
Malaysian Ringgit	103,093,619	-2.1	(2,164,966)
Singapore Dollar	2,441,438	+0.4	9,766
	<u>105,536,843</u>		<u>(2,155,213)</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

## (b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	1,583,694	531,926
Amounts due from brokers	4,948,446	897,424
Amounts receivable on allotment	77,203	523,253
Investments - debt securities	-	195,509
Dividend and interest receivable	606,803	410,267
	<u>7,216,146</u>	<u>2,558,379</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	1,572,875	498,768
S&P(A)/Moody's(A)/FITCH(A)	10,819	33,158
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	<u>82,111,233</u>	<u>103,968,310</u>

## (c) Liquidity risk

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Amounts payable on redemption	6,205,158	272,317
Other accounts payable	156,056	188,601
Net assets attributable to holders of redeemable units	82,966,165	105,870,262
Total financial liabilities	<u>89,327,379</u>	<u>106,331,180</u>

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

## (II) Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

## (III) Fair value estimation

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).



The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<u>2018</u>				
<u>Assets</u>				
Equities	82,111,233	-	-	82,111,233
Total financial assets at fair value through profit and loss	<u>82,111,233</u>	<u>-</u>	<u>-</u>	<u>82,111,233</u>
<u>2017</u>				
<u>Assets</u>				
Equities	103,772,801	-	-	103,772,801
Debt Securities	-	195,509	-	195,509
Total financial assets at fair value through profit and loss	<u>103,772,801</u>	<u>195,509</u>	<u>-</u>	<u>103,968,310</u>

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the years ended 30 September 2018 and 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 5 Net gains on investments and derivatives

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	(891,700)	7,597,663
Realized gains on sale of investments and derivatives	6,921,464	2,031,178
	<u>6,029,764</u>	<u>9,628,841</u>

## 6 Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

No overseas tax was withheld or paid during the year ended 30 September 2018. Overseas tax was withheld or paid on certain dividend income received during the year ended 30 September 2017.

## 7 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

- (a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments US\$	% of the Fund's total aggregate value of transactions	Commission paid US\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
J.P. Morgan Securities (Asia Pacific) Limited	7,129,146	8.13	5,764	7.86	0.08
<u>2017</u>					
J.P. Morgan Securities (Asia Pacific) Limited	1,805,178	2.86	1,684	2.50	0.09

- (b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	36,201	58,523
Amounts receivable	102	321
Amounts payable	(129,423)	(162,337)

During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$4,354 (2017: US\$1,547).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.
- (d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$1,875 (2017: US\$1,785).
- (e) Management fee for USD Class (acc) of 1.5% per annum and USD C Class (acc) of 0.75% per annum of the net asset value of each Class is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.
- The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.
- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (g) Refer to Note 8 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 8 Trustee's fee

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first US\$40 million, 0.04% per annum for the balance from US\$40 million to US\$70 million, and 0.025% per annum for the balance in excess of US\$70 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

## 9 Borrowings

During the years ended 30 September 2018 and 2017, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

**10 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**11 Distribution**

No distribution was made during the year (2017: nil).

**12 Other income**

The Fund received US\$1,965 (2017: nil) from the Manager as compensation for valuation and/or other operational error(s).

**Independent Auditor's Report**

To the Unitholders of JPMorgan Malaysia Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Malaysia Fund set out on pages 588 to 600, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 12 December 1989, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Malaysia Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 12 December 1989, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund US\$	Net asset value per unit US\$
30/9/18 - USD Class (acc) - USD C Class (acc)	78,719,232 4,246,933	60.13 9.67
30/9/17 - USD Class (acc) - USD C Class (acc)	101,558,727 4,311,535	56.44 9.01
30/9/16 - USD Class (acc) - USD C Class (acc)	78,524,185 14,335,247	50.25 7.96

**Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u> US\$	<u>Lowest bid</u> US\$
30/9/18 - USD Class (acc) - USD C Class (acc)	65.91 10.57	56.20 8.98
30/9/17 - USD Class (acc) - USD C Class (acc)	58.05 9.26	45.74 7.26
30/9/16 - USD Class (acc) - USD C Class (acc)	56.32 8.90	43.46 6.84
30/9/15 - USD Class (acc) - USD C Class (acc)	69.43 10.85	42.34 6.66
30/9/14 - USD Class (acc) - USD C Class (acc)	74.15 11.57	61.45 9.55
30/9/13 - USD Class (acc)	72.03	56.45
30/9/12	60.75	45.48
30/9/11	60.20	44.42
30/9/10	51.54	33.68
30/9/09	36.08	21.02

**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Sub-Manager**

JPMorgan Asset Management  
(Singapore) Limited  
168 Robinson Road  
17/F, Capital Tower  
Singapore 068912

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

**UK Tax Information**

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 12 December 1989 to 30 September 2010.

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	HK\$ portfolio fair value HK\$	% of net assets	Holding	HK\$ portfolio fair value HK\$	% of net assets
<b>Listed/Quoted Investments</b> (46.2%)			<b>Taiwan</b> (3.0%)		
<b>(I) Debt Securities</b> (9.7%)			Fubon Bank HK CD 0% 04/02/19	HKD50,000,000	49,628,723 3.0
<b>Canada</b> (1.2%)					594,883,840 36.5
Canadian Imper 1.875% 18/12/18-RegS	HKD20,000,000	20,304,653 1.2			----- -----
<b>Hong Kong</b> (3.4%)			<b>Total Listed/Quoted Investments</b>		752,979,286 46.2
HK Mortgage FRN 03/07/19	HKD55,000,000	55,271,291 3.4	<b>Other net assets</b>		876,222,774 53.8
<b>Malaysia</b> (0.6%)					----- -----
Malayan Banking 2.15% 20/11/18	HKD10,000,000	10,188,721 0.6	<b>Net assets attributable to holders of redeemable units at 30 September 2018</b>		1,629,202,060 100.0
<b>Netherlands</b> (3.7%)					=====
Cooperatieve Rabobank FRN 29/05/19	HKD60,000,000	60,102,516 3.7	<b>Total investments, at cost</b>		750,540,425
<b>United Kingdom</b> (0.8%)					=====
Mitsubishi Corp Fin 2.48% 1/19-RegS	HKD12,000,000	12,228,265 0.8			
		158,095,446 9.7			
		----- -----			
<b>(II) Money Market</b> (36.5%)					
<b>Australia</b> (3.7%)					
ICBC Sydney ECD 0% 05/10/18-HKD	HKD60,000,000	59,987,111 3.7			
<b>China</b> (13.9%)					
Agricult Bk CN HK CD FRN 05/19-RegS	HKD60,000,000	60,151,884 3.7			
China Dev Bank CD FRN 17/04/19	HKD60,000,000	60,297,820 3.7			
ICBC Ltd Sydney FRN 26/04/19-RegS	HKD60,000,000	60,262,086 3.7			
Shanghai Pudong CD 0% 10/10/18-RegS	HKD45,000,000	44,978,799 2.8			
<b>France</b> (6.1%)					
Banque Feder Cr ECP 0% 02/01/19-HKD	HKD50,000,000	49,731,125 3.0			
Bred Banque Popul ECP 0% 10/18-HKD	HKD50,000,000	49,977,425 3.1			
<b>Japan</b> (6.7%)					
China Const Bk Tky ECP 0% 10/18-HKD	HKD60,000,000	59,946,050 3.7			
Mitsubishi UFJ Trust CD 0% 19/10/18	HKD50,000,000	49,952,886 3.0			
<b>Luxembourg</b> (3.1%)					
BGL BNP Paribas ECP 0% 15/10/18-HKD	HKD50,000,000	49,969,931 3.1			



Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 (*Unaudited*)

	HK\$ portfolio % holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Debt Securities</b>		
Netherlands	3.7	-
Hong Kong	3.4	3.5
Canada	1.2	-
United Kingdom	0.8	0.3
Malaysia	0.6	-
Australia	-	1.7
New Zealand	-	1.1
Virgin Islands	-	0.9
United States	-	0.1
<b>Money Market</b>		
China	13.9	11.8
Japan	6.7	3.1
France	6.1	9.2
Australia	3.7	12.5
Luxembourg	3.1	-
Taiwan	3.0	-
Hong Kong	-	17.5
United Kingdom	-	3.5
United States	-	3.1
Singapore	-	3.1
Netherlands	-	3.1
Norway	-	2.5
Belgium	-	1.9
Malaysia	-	0.6
<b>Total Listed/Quoted Investments</b>	<b>46.2</b>	<b>79.5</b>
<b>Other net assets</b>	<b>53.8</b>	<b>20.5</b>
<b>Net assets attributable to holders of redeemable units at 30 September</b>	<b>100.0</b>	<b>100.0</b>

Statement of Financial Position  
As at 30 September 2018

	HK\$ portfolio	
	2018 HK\$	2017 HK\$
<b>Assets</b>		
Cash at banks	275,481,176	243,046,231
Short-term deposits [Note 3]	700,424,869	130,010,617
Amounts receivable on allotment	1,058,243	5,498,701
Investments [Note 5(l)(a)]	752,979,286	1,270,067,970
Interest and other accounts receivable	564,750	22,512
<b>Total assets</b>	<u>1,730,508,324</u>	<u>1,648,646,031</u>
<b>Liabilities</b>		
Amounts due to brokers	99,359,848	49,905,000
Amounts payable on redemption	1,180,611	1,392,709
Other accounts payable	765,805	768,022
<b>Total liabilities</b>	<u>101,306,264</u>	<u>52,065,731</u>
<b>Net assets attributable to holders of redeemable units [Note 4]</b>	<u>1,629,202,060</u>	<u>1,596,580,300</u>
<b>Equity</b>	<u>1,629,202,060</u>	<u>1,596,580,300</u>

Statement of Comprehensive Income  
For the year ended 30 September 2018

	HK\$ portfolio	
	2018 HK\$	2017 HK\$
<b>Income</b>		
Net gains on investments [Note 6]	13,024,791	8,917,359
Interest on deposits	2,879,912	226,191
Net foreign currency exchange (losses)/gains	(801)	37
	<u>15,903,902</u>	<u>9,143,587</u>
<b>Expenses</b>		
Management fee [Note 8(e)]	3,923,194	3,392,105
Registrar's fee [Note 8(h)]	1,176,958	1,019,169
Trustee's fee [Note 9]	282,470	244,601
Safe custody and bank charges	159,201	123,241
Auditor's fee	128,235	126,426
Legal and professional expenses	46,692	46,206
Printing and publication expenses	14,451	7,031
Transaction costs	9,791	10,227
Other operating expenses	21,449	30,994
	<u>5,762,441</u>	<u>5,000,000</u>
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>10,141,461</u>	<u>4,143,587</u>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

Bank of East Asia (Trustees) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

**Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units**  
For the year ended 30 September 2018

	HK\$ portfolio	
	2018 HK\$	2017 HK\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	1,596,580,300	1,156,329,674
	-----	-----
Allotment of redeemable units [Note 4]	826,325,268	1,365,792,531
Redemption of redeemable units [Note 4]	(803,844,969)	(929,685,492)
<b>Net allotment</b>	22,480,299	436,107,039
	-----	-----
	1,619,060,599	1,592,436,713
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	10,141,461	4,143,587
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	<u><u>1,629,202,060</u></u>	<u><u>1,596,580,300</u></u>

**Statement of Cash Flows**  
For the year ended 30 September 2018

	HK\$ portfolio	
	2018 HK\$	2017 HK\$
<b>Operating activities</b>		
Purchase of investments	(4,124,495,162)	(3,384,542,265)
Proceeds from disposal of investments	4,704,063,485	3,118,521,751
Interest received	2,337,674	217,557
Transaction costs paid	(10,613)	(10,413)
Trustee's fee paid	(282,746)	(238,745)
Registrar's fee paid	(1,175,670)	(934,351)
Management fee paid	(3,927,028)	(3,310,777)
Others	(369,546)	(328,442)
<b>Net cash inflow/(outflow) from operating activities</b>	576,140,394	(270,625,685)
	-----	-----
<b>Financing activities</b>		
Receipts on allotment of redeemable units	830,765,726	1,360,539,376
Payments on redemption of redeemable units	(804,057,067)	(930,206,967)
<b>Net cash inflow from financing activities</b>	26,708,659	430,332,409
	-----	-----
<b>Increase in cash and cash equivalents</b>	602,849,053	159,706,724
Cash and cash equivalents at the beginning of the year	373,056,848	213,349,811
Exchange gains on cash and cash equivalents	144	313
<b>Cash and cash equivalents at the end of the year</b>	<u><u>975,906,045</u></u>	<u><u>373,056,848</u></u>
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	275,481,176	243,046,231
Short-term deposits	700,424,869	130,010,617
	<u><u>975,906,045</u></u>	<u><u>373,056,848</u></u>

The notes on pages 609 to 618 form part of these financial statements.

## Notes to the Financial Statements

### 1 The Fund

JPMorgan Money Fund (the "Fund") was established under a Trust Deed dated 13 June 1983, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The Fund currently comprises the HK\$ portfolio ("Portfolio").

The investment objective of the Portfolio is to provide an efficient vehicle for holding liquid assets currently denominated in the currency of Hong Kong.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation of financial statements

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

##### *Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

#### (b) Investments

##### *Classification*

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

##### *Recognition, derecognition and measurement*

Purchases and sales of investments are accounted for on the trade date basis. Investments are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments are recognized in the Statement of Comprehensive Income. Investments are derecognized when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities and money market are fair valued based on quoted prices inclusive of accrued interest.

*Transfers between levels of the fair value hierarchy*

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

**(c) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(d) Income and expense**

Interest income on investments is accounted for as part of net gains/losses on investments in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(e) Foreign currency translation***Functional and presentation currency*

The Fund has adopted Hong Kong dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments".

**(f) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(g) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments sold and payables for investments purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(h) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

**3 Short-term deposits**

Analysis by financial institution

	2018		2017	
	HK\$	% of net assets	HK\$	% of net assets
Australia and New Zealand Banking Group Limited	110,000,000	6.8	-	-
Bank of Communications Co., Ltd.	30,000,000	1.9	-	-
Citibank N.A. (Hong Kong)	160,148,176	9.8	-	-
The Hongkong and Shanghai Banking Corporation Limited	70,016,341	4.3	-	-
ING Bank N.V. (Hong Kong)	140,209,707	8.6	-	-
Oversea-Chinese Banking Corporation Ltd. (Hong Kong)	100,050,645	6.1	80,003,981	5.0
Standard Chartered Bank (Hong Kong) Limited	-	-	50,006,636	3.1
Sumitomo Mitsui Trust Bank, Limited	70,000,000	4.3	-	-
Westpac Banking Corporation (Hong Kong)	20,000,000	1.2	-	-
	<u>700,424,869</u>	<u>43.0</u>	<u>130,010,617</u>	<u>8.1</u>

Analysis by remaining maturity

	2018 HK\$	2017 HK\$
Time deposits		
7 days or less	480,348,675	130,010,617
Over 7 days	220,076,194	-
	<u>700,424,869</u>	<u>130,010,617</u>

**4 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**

	2018 Units	2017 Units
Number of units in issue:		
At the beginning of the year	9,893,345.478	7,187,712.033
Total allotments	5,110,200.478	8,471,236.213
Total redemptions	(4,972,654.993)	(5,765,602.768)
At the end of the year	<u>10,030,890.963</u>	<u>9,893,345.478</u>
	HK\$	HK\$
Net assets attributable to holders of redeemable units	<u>1,629,202,060</u>	<u>1,596,580,300</u>
Net assets attributable to holders of redeemable units (per unit)	<u>162.42</u>	<u>161.38</u>

As at 30 September 2018, the Fund had HK\$1,629,202,060 (2017: HK\$1,596,580,300) of puttable financial instruments, represented by the net assets attributable to the holders of redeemable units (or "net asset value" or "net assets" or "NAV"), classified as equity.

The Fund's policies for managing its obligations for the holders of redeemable units of the Fund are included in Note 5(ii) capital risk management.

**5 Financial risk management****(l) Financial risk factors**

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

**(a) Market risk****(i) Market price risk**

The Fund primarily invests in debt securities and money market which are subject to interest rate risk. Refer to Note 5(l)(a)(ii) for interest rate risk.

**(ii) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates. The Fund is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its investments and cash deposits.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	Less than 1 year HK\$
<u>2018</u>	
Cash at banks	275,481,176
Short-term deposits	700,424,869
Investments (Note*)	752,979,286
	<hr/>
Total interest sensitivity gap	1,728,885,331
	<hr/>
<u>2017</u>	
Cash at banks	243,046,231
Short-term deposits	130,010,617
Investments (Note*)	1,270,067,970
	<hr/>
Total interest sensitivity gap	1,643,124,818
	<hr/>

Note:

\* The coupon rate of the investments ranged between 0.00% p.a. – 2.48% p.a. (2017: 0.00% p.a. – 5.29% p.a.).

As at 30 September, the Fund's fair value of investments were as follows:

	2018		2017	
Listed/Quoted Investments	Fair value of investments HK\$	% of net assets	Fair value of investments HK\$	% of net assets
<u>Assets</u>				
Debt Securities				
- Others	158,095,446	9.7	122,252,978	7.6
	<u>158,095,446</u>	<u>9.7</u>	<u>122,252,978</u>	<u>7.6</u>
	-----	-----	-----	-----
Money Market				
- China	225,690,589	13.9	187,310,492	11.8
- Japan	109,898,936	6.7	49,993,433	3.1
- France	99,708,550	6.1	146,847,328	9.2
- Australia	59,987,111	3.7	199,987,676	12.5
- Hong Kong	-	-	279,621,460	17.5
- Others	99,598,654	6.1	284,054,603	17.8
	<u>594,883,840</u>	<u>36.5</u>	<u>1,147,814,992</u>	<u>71.9</u>
	-----	-----	-----	-----
Total Listed/Quoted Investments	<u>752,979,286</u>	<u>46.2</u>	<u>1,270,067,970</u>	<u>79.5</u>

The Investment Manager monitors the Fund's interest rate risk sensitivity primarily through the modified duration of the Fund on a regular basis. The modified duration measures the sensitivity of the price of a bond and money market investment relative to the change in interest rate. As at 30 September 2018, the Investment Manager estimates that the Fund has a modified duration of 0.16 (2017: 0.14). For the purpose of disclosing relevant sensitivities, the percentage of reasonable possible change in interest rate adopted is 25 basis points, and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. If the interest rates were to rise by 25 basis points with all other variables that may impact the net asset value of the Fund held constant, this would result in a decrease in net asset value of the Fund by approximately HK\$651,681 (2017: HK\$558,803). If the interest rates were to fall by 25 basis points, this would result in an increase in the net asset value of the Fund by the same amount.

Any cash and cash equivalents are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

### (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

	HK\$ equivalent	% of reasonable possible change against HK\$ (Note**)	Estimated impact on net asset value HK\$
Net currency exposures (Note*)			
<u>2018</u>			
United States Dollar	79,419	+0.2	159
	<u>79,419</u>		<u>159</u>



	HK\$ equivalent	% of reasonable possible change against HK\$ (Note**)	Estimated impact on net asset value HK\$
Net currency exposures (Note*)			
<u>2017</u>			
United States Dollar	44,741	+0.7	313
	<u>44,741</u>		<u>313</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

## (b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment or amounts due from brokers, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 HK\$	2017 HK\$
Cash at banks	275,481,176	243,046,231
Short-term deposits	700,424,869	130,010,617
Amounts receivable on allotment	1,058,243	5,498,701
Investments - debt securities and money market	752,979,286	1,270,067,970
Interest and other accounts receivable	564,750	22,512
	<u>1,730,508,324</u>	<u>1,648,646,031</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The Fund's investments are predominantly in debt securities and money market and therefore the Fund is exposed to credit risk that the issuers may not be able to repay the principal amount and interest at maturity. Credit risk derived from debt securities and money market are managed and monitored on an on-going basis by making reference to the credit rating and credit outlook provided by credit rating agencies, if available, and internal credit analysis.

The table below summarizes the debt securities and money market by credit rating as at 30 September.

	2018 % of net assets	2017 % of net assets
S&P(AA)/Moody's(Aa)/FITCH(AA)	4.9	4.2
S&P(A)/Moody's(A)/FITCH(A)	1.4	-
Unrated	39.9	75.3
	<u>46.2</u>	<u>79.5</u>

The table below summarizes the unrated debt securities and money market as stated in the table above by their issuers' credit rating as at 30 September based on unaudited financial information as at that date.

	2018 % of net assets	2017 % of net assets
S&P(AA)/Moody's(Aa)/FITCH(AA)	13.2	2.5
S&P(A)/Moody's(A)/FITCH(A)	23.9	66.9
S&P(BBB)/Moody's(Baa)/FITCH(BBB)	2.8	2.8
Unrated	-	3.1
	<u>39.9</u>	<u>75.3</u>

The table below summarizes the credit rating of the banks/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties HK\$	2017 Exposure to counterparties HK\$
Bank balances and short-term deposits		
S&P(AA)/Moody's(Aa)/FITCH(AA)	575,537,435	243,044,009
S&P(A)/Moody's(A)/FITCH(A)	400,368,610	130,012,839
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	<u>752,979,286</u>	<u>1,270,067,970</u>

### (c) Liquidity risk

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018 Less than 1 month HK\$	2017 Less than 1 month HK\$
Amounts due to brokers	99,359,848	49,905,000
Amounts payable on redemption	1,180,611	1,392,709
Other accounts payable	765,805	768,022
Total financial liabilities	<u>101,306,264</u>	<u>52,065,731</u>

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

## (II) Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

## (III) Fair value estimation

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
<b>2018</b>				
<u>Assets</u>				
Debt Securities	-	158,095,446	-	158,095,446
Money Market	414,172,050	180,711,790	-	594,883,840
	<u>414,172,050</u>	<u>338,807,236</u>	<u>-</u>	<u>752,979,286</u>
Total financial assets at fair value through profit and loss				
	<u>414,172,050</u>	<u>338,807,236</u>	<u>-</u>	<u>752,979,286</u>
<b>2017</b>				
<u>Assets</u>				
Debt Securities	-	122,252,978	-	122,252,978
Money Market	856,154,611	291,660,381	-	1,147,814,992
	<u>856,154,611</u>	<u>413,913,359</u>	<u>-</u>	<u>1,270,067,970</u>
Total financial assets at fair value through profit and loss				
	<u>856,154,611</u>	<u>413,913,359</u>	<u>-</u>	<u>1,270,067,970</u>

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the years ended 30 September 2018 and 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 6 Net gains on investments

	2018 HK\$	2017 HK\$
Change in unrealized gains/losses in value of investments	1,387,984	279,723
Realized gains on sale of investments	11,636,807	8,637,636
	<u>13,024,791</u>	<u>8,917,359</u>

## 7 Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

## 8 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

- (a) Investment transactions with the Manager and its Connected Persons are set out below:

There were no investment transactions with the Manager and its Connected Persons during the year (2017: nil).

- (b) Balances with the Manager and its Connected Persons as at year end:

	2018 HK\$	2017 HK\$
Cash at banks	275,470,451	243,044,009
Amounts receivable	81,680	22,265
Amounts payable	(617,465)	(622,769)

As at 30 September 2018, the Fund's investment balance of HK\$752,979,286 (2017: HK\$1,270,067,970) represents the investments held by the custodian, J.P. Morgan Chase Bank, N.A., a Connected Person of the Manager.

During the year, the interest income on cash at banks held with Connected Persons of the Manager was HK\$444,745 (2017: HK\$213,021).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.
- (d) During the year, there was no income accruing to the Manager relating to allotments and redemptions in the Fund (2017: nil).
- (e) Management fee of 0.25% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears. The Manager has the discretion to waive part of management fee, if it considers appropriate.
- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (g) Refer to Note 9 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee at the rate of 0.075% per annum of the net asset value of the Portfolio. The registrar's fee is accrued daily based on the net asset value of the Portfolio on each dealing day and is payable quarterly in arrears.

**9 Trustee's fee**

Trustee's fee of 0.018% per annum of the net asset value of the Fund is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

**10 Soft dollar arrangements/Commission sharing arrangements**

During the year, the Investment Manager and its Connected Persons did not enter into any soft dollar arrangements/commission sharing arrangements in connection with directing transactions of the Fund through a broker or dealer (2017: nil).

**11 Distribution**

No distribution was made during the year (2017: nil).

**Independent Auditor's Report**

To the Unitholders of JPMorgan Money Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Money Fund set out on pages 607 to 618, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

**Our opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 13 June 1983, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Money Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund is managed by the Manager in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto; and
- report to the unitholders for each annual accounting period on the conduct of the Manager in the management of the Fund.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 13 June 1983, as amended, for the year ended 30 September 2018.

Bank of East Asia (Trustees) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund HK\$	Net asset value per unit HK\$
30/9/18	1,629,202,060	162.42
30/9/17	1,596,580,300	161.38
30/9/16	1,156,329,674	160.88

**Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u> HK\$	<u>Lowest bid</u> HK\$
30/9/18	162.40	161.38
30/9/17	161.38	160.88
30/9/16	160.88	160.72
30/9/15	160.72	160.49
30/9/14	160.49	160.18
30/9/13	160.18	159.95
30/9/12	159.95	159.69
30/9/11	159.68	159.54
30/9/10	159.53	159.40
30/9/09	159.40	158.19



**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

Bank of East Asia (Trustees)  
Limited  
32/F, BEA Tower  
Millennium City 5  
418 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong

**Registrar**

East Asia International  
Trustees Limited  
East Asia Chambers  
P.O. Box 901  
Road Town, Tortola  
British Virgin Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments</b> (102.8%)			Mastercard Inc 'A'	8,276	1,842,320 0.6
			Microsoft Corp	45,741	5,231,398 1.6
<b>(I) Equities</b> (34.5%)			Morgan Stanley	62,637	2,917,005 0.9
			Texas Instruments	17,187	1,843,993 0.6
			Visa Inc 'A'	12,077	1,812,637 0.5
<b>Canada</b> (0.6%)					
Manulife Financial (CA Listing)	100,463	1,794,593 0.6		112,752,531	34.5
<b>China</b> (7.1%)			<b>(II) Debt Securities</b> (45.7%)		
Agricultural Bank of China 'H'	2,034,000	998,167 0.3	<b>Australia</b> (3.6%)		
Alibaba Group Hldg ADR	35,249	5,807,625 1.8	Australia Gov No153 2.25% 21/11/22	AUD7,830,000	5,725,630 1.8
China Construction Bank 'H'	1,347,000	1,177,457 0.4	Australian Gov No142 4.25% 4/26-RegS	AUD7,160,000	5,883,926 1.8
China Mobile	183,000	1,804,298 0.5	<b>Canada</b> (3.0%)		
China Petroleum & Chemical 'H'	2,746,000	2,751,299 0.8	Canada Govt Of 1.75% 01/05/20	CAD12,500,000	9,679,673 3.0
CNOOC Ltd	1,882,000	3,727,971 1.1	<b>France</b> (4.6%)		
Ind & Comm Bank of China 'H'	1,585,000	1,158,635 0.4	France OAT 2.75% 25/10/27-RegS	EUR3,640,000	5,123,497 1.6
PetroChina Co 'H'	1,334,000	1,080,852 0.3	France OAT 3.25% 25/05/45-RegS	EUR1,456,000	2,332,149 0.7
Ping An Insurance (Group) 'H'	471,000	4,785,301 1.5	France OAT 4.75% 25/04/35	EUR1,297,000	2,352,936 0.7
<b>France</b> (1.6%)			France OAT 8.5% 25/04/23	EUR3,220,000	5,336,377 1.6
Capgemini SE	26,608	3,350,123 1.0	<b>Germany</b> (3.1%)		
Total SA	28,904	1,874,660 0.6	Bundesrep Deut 0.5% 15/02/28-RegS	EUR8,575,000	10,067,818 3.1
<b>Hong Kong</b> (0.9%)			<b>Italy</b> (2.9%)		
CK Hutchison Hldgs	248,500	2,864,535 0.9	Italy Rep Of (BTP) 2% 01/02/28	EUR5,590,000	6,007,873 1.8
<b>Japan</b> (1.9%)			Italy Rep Of (BTP) 3.5% 01/03/30	EUR1,992,000	2,378,724 0.7
Sumco Corp	173,400	2,515,853 0.8	Italy Rep Of (BTP) 4.75% 09/44-RegS	EUR843,000	1,155,867 0.4
THK Co	42,400	1,079,551 0.3	<b>Japan</b> (1.9%)		
Tokyo Electron	19,800	2,721,116 0.8	JGB No164 (20Yr) 0.5% 20/03/38	JPY277,000,000	2,380,297 0.7
<b>Netherlands</b> (1.6%)			JGB No351 (10Yr) 0.1% 20/06/28	JPY280,000,000	2,460,880 0.8
Royal Dutch Shell 'A'-NL List	154,861	5,319,686 1.6	JGB No58 (30Yr) 0.8% 20/03/48	JPY162,000,000	1,398,206 0.4
<b>United Kingdom</b> (2.6%)			<b>Spain</b> (2.9%)		
Diageo plc	144,257	5,114,938 1.6	Spain Kingdom Of 1.4% 30/4/28	EUR1,600,000	1,863,616 0.6
Prudential plc	142,498	3,269,582 1.0	Spain Kingdom Of 4.4% 31/10/23-RegS	EUR5,315,000	7,596,542 2.3
<b>United States</b> (18.2%)					
AbbVie Inc	17,578	1,662,527 0.5			
Accenture PLC 'A'	17,643	3,002,839 0.9			
Alphabet Inc 'A'	4,930	5,950,904 1.8			
Applied Materials	51,283	1,982,088 0.6			
Bank Of America	102,694	3,025,365 0.9			
Chevron Corp	28,342	3,465,660 1.1			
Citigroup Inc-US List	44,784	3,212,804 1.0			
Cognizant Technology Solutions 'A'	44,870	3,461,721 1.1			
DXC Technology	22,890	2,140,673 0.6			
Facebook Inc 'A'	19,476	3,203,023 1.0			
Global Payments	54,688	6,967,250 2.1			
Johnson & Johnson	40,981	5,662,345 1.7			
Lam Research	14,316	2,171,737 0.7			

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets
<b>United Kingdom (4.2%)</b>		
UK Treasury 1.5% 22/01/21-RegS	GBP2,160,000	2,866,306
UK Treasury 1.5% 22/07/26-RegS	GBP5,775,000	7,614,437
UK Treasury 1.5% 22/07/47-RegS	GBP2,780,000	3,306,663
<b>United States (19.5%)</b>		
US Treasury 1.625% 15/08/22	USD11,700,000	11,168,075
US Treasury 1.75% 15/05/23	USD7,710,000	7,364,019
US Treasury 2.125% 15/05/25	USD7,300,000	6,970,781
US Treasury 2.25% 15/08/27	USD4,700,000	4,418,655
US Treasury 2.375% 15/04/21	USD16,700,000	16,682,872
US Treasury 2.375% 30/04/20	USD3,570,000	3,583,588
US Treasury 3.625% 15/08/43	USD4,700,000	5,056,268
US Treasury 3.75% 15/08/41	USD6,271,100	6,867,494
US Treasury 6.125% 15/08/29	USD1,250,000	1,611,341
	149,254,510	45.7

\* Issued and managed by a Connected Person of the Manager  
(refer to Note 8 for the definition of Connected Persons)# Not authorized in Hong Kong and not available to Hong Kong  
residents

## (III) Collective Investment Schemes (23.2%)

## International (23.2%)

JPMF-JPM Global Corp Bd'X'(acc)-USD**	669,348	75,609,550	23.2
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## (IV) Derivatives (-0.6%)

## Forward foreign exchange

contracts (-0.6%)	(2,010,310)	(0.6)
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## Futures (0.0%)

Euro-Bund (EUX) Fut 12/18	(59)	114,443	0.0
		(1,895,867)	(0.6)

## Total Listed/Quoted Investments

335,720,724 102.8

## Other net liabilities

(9,175,355) (2.8)

## Net assets attributable to holders of

redeemable units at 30 September 2018 326,545,369 100.0

## Total investments, at cost

341,603,794

Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 (*Unaudited*)

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
United States	18.2	13.4
China	7.1	3.7
United Kingdom	2.6	3.2
Japan	1.9	7.1
Netherlands	1.6	0.3
France	1.6	1.2
Hong Kong	0.9	1.1
Canada	0.6	0.9
Korea	-	2.8
Taiwan	-	1.3
Norway	-	1.1
Singapore	-	1.0
Russia	-	0.8
Brazil	-	0.7
Germany	-	0.7
Italy	-	0.3
Israel	-	0.2
<b>Debt Securities</b>		
United States	19.5	6.9
France	4.6	1.8
United Kingdom	4.2	2.0
Australia	3.6	10.2
Germany	3.1	-
Canada	3.0	7.5
Italy	2.9	2.7
Spain	2.9	3.1
Japan	1.9	0.9
<b>Collective Investment Schemes</b>		
International	23.2	17.9
<b>Derivatives</b>		
Futures	0.0	0.0
Forward foreign exchange contracts	(0.6)	(0.4)
<b>Total Listed/Quoted Investments</b>	<b>102.8</b>	<b>92.4</b>
<b>Other net (liabilities)/assets</b>	<b>(2.8)</b>	<b>7.6</b>
<b>Net assets attributable to holders of redeemable units at 30 September</b>	<b>100.0</b>	<b>100.0</b>

**Statement of Financial Position**  
**As at 30 September 2018**

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	1,036,415	12,987,303
Amounts due from brokers	2,242,959	-
Amounts receivable on allotment	2,542,189	9,496,548
Margin deposits	16,161	-
Derivatives [Note 4(l)(a)]	1,172,425	1,037,572
Investments [Note 4(l)(a)]	337,616,591	228,981,818
Dividend and other accounts receivable	193,662	140,147
<b>Total assets</b>	<b>344,820,402</b>	<b>252,643,388</b>
<b>Liabilities</b>		
Short-term bank loans - unsecured [Note 10]	7,529,773	-
Amounts due to brokers	3,373,494	869,535
Amounts payable on redemption	3,340,169	2,400,491
Overdraft with a broker	-	7,919
Distribution payable [Note 6]	587,327	411,194
Derivatives [Note 4(l)(a)]	3,068,292	1,999,710
Other accounts payable	399,413	307,409
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>18,298,468</b>	<b>5,996,258</b>
<b>Net assets attributable to holders of redeemable units (In accordance with HKFRS)</b> [Note 3]	<b>326,521,934</b>	<b>246,647,130</b>
Fair value adjustment of units of the Fund [Note 3]	23,435	49,216
<b>Net assets attributable to holders of redeemable units (In accordance with the Trust Deed) [Note 3]</b>	<b>326,545,369</b>	<b>246,696,346</b>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

**Statement of Comprehensive Income**  
**For the year ended 30 September 2018**

	2018 US\$	23.2.2017 (Date of Trust Deed) to 30.9.2017 US\$
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 5]	(8,557,960)	11,732,930
Dividend income	3,214,405	819,069
Interest on deposits	76,157	8,981
Net foreign currency exchange (losses)/gains	(382,557)	116,357
Other income [Note 13]	-	460
	<b>(5,649,955)</b>	<b>12,677,797</b>
<b>Expenses</b>		
Management fee [Note 8(e)]	4,405,309	1,004,829
Transaction costs	480,393	264,051
Trustee's fee [Note 9]	106,712	29,022
Registrar's fee [Note 8(h)]	63,361	28,257
Safe custody and bank charges	61,040	29,601
Auditor's fee	18,791	16,409
Valuation fee [Note 8(e)]	17,150	8,890
Legal and professional expenses	5,387	5,432
Printing and publication expenses	3,565	4,757
Formation expenses [Note 2(i)]	-	62,457
Other operating expenses	10,944	238
	<b>5,172,652</b>	<b>1,453,943</b>
<b>Net operating (loss)/profit</b>	<b>(10,822,607)</b>	<b>11,223,854</b>
<b>Finance costs</b>		
Distribution [Note 6]	(7,132,670)	(1,832,242)
Interest expense	(2,953)	(54)
	<b>(7,135,623)</b>	<b>(1,832,296)</b>
<b>(Loss)/profit before taxation</b>	<b>(17,958,230)</b>	<b>9,391,558</b>
Taxation [Note 7]	(437,044)	(90,252)
	<b>(18,395,274)</b>	<b>9,301,306</b>
Change in cumulative difference arising from the fair value adjustment of units of the Fund	(25,781)	49,216
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>(18,421,055)</b>	<b>9,350,522</b>

The notes on pages 628 to 651 form part of these financial statements.

Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units  
For the year ended 30 September 2018

	23.2.2017 (Date of Trust Deed) to 30.9.2017 US\$	2018 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year/period</b>	-	246,696,346
Allotment of redeemable units [Note 3]	401,211,507	658,163,504
Redemption of redeemable units [Note 3]	(163,865,683)	(559,893,426)
<b>Net allotment</b>	237,345,824	98,270,078
	237,345,824	344,966,424
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	9,350,522	(18,421,055)
<b>Net assets attributable to holders of redeemable units at the end of the year/period</b>	246,696,346	326,545,369

Statement of Cash Flows  
For the year ended 30 September 2018

	2018 US\$	23.2.2017 (Date of Trust Deed) to 30.9.2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(680,377,092)	(287,657,530)
Proceeds from disposal of investments and derivatives	564,376,599	72,239,461
Dividend received	3,160,724	679,371
Interest received	76,198	8,663
Increase in margin deposits	(16,161)	-
Registrar's fee paid	(65,035)	(14,289)
Trustee's fee paid	(105,073)	(22,849)
Tax paid	(430,275)	(100,186)
Transaction costs paid	(479,835)	(259,112)
Management fee paid	(4,321,446)	(769,943)
(Decrease)/increase in overdraft with a broker	(7,919)	7,919
Others	(478,711)	47,133
<b>Net cash outflow from operating activities</b>	(118,668,026)	(215,841,362)
<b>Financing activities</b>		
Interest paid	(1,198)	(54)
Receipts on allotment of redeemable units	665,117,863	391,714,959
Payments on redemption of redeemable units	(558,953,748)	(161,465,192)
Distribution paid	(6,956,537)	(1,421,048)
<b>Net cash inflow from financing activities</b>	99,206,380	228,828,665
<b>(Decrease)/increase in cash and cash equivalents</b>	(19,461,646)	12,987,303
Cash and cash equivalents at the beginning of the year/period	12,987,303	-
Exchange losses on cash and cash equivalents	(19,015)	-
<b>Cash and cash equivalents at the end of the year/period</b>	(6,493,358)	12,987,303
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	1,036,415	12,987,303
Short-term bank loans - unsecured	(7,529,773)	-
	(6,493,358)	12,987,303

The notes on pages 628 to 651 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Multi Balanced Fund (the "Fund") was established under a Trust Deed dated 23 February 2017 (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to achieve capital growth in excess of its reference benchmark by investing primarily in securities globally. At least 70% of the Fund's total net asset value will be invested in debt and equity securities globally.

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(d) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(e) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.



*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year/period end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(f) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(g) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(h) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year/period.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(i) Formation expenses**

Formation expenses are recognized as an expense in the period in which they are incurred.

**(j) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**(k) Distribution payable to holders of redeemable units**

Proposed distributions to holders of redeemable units are recognized in the Statement of Comprehensive Income when they are appropriately authorized. The distribution on the redeemable units is recognized as a finance cost in the Statement of Comprehensive Income.

**3 Net assets attributable to holders of redeemable units and number of units in issue**Fair value adjustment of units of the Fund

As stated in Note 2(i), units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to the holders of redeemable units and is carried at the redemption amount that would be payable at the Statement of Financial Position date, if the holders of redeemable units exercised the right to redeem units of the Fund. The redemption amount is determined based on the net assets attributable to holders of redeemable units calculated in accordance with the provisions of the Trust Deed ("Trust Deed NAV").

	2018 US\$	2017 US\$
Net assets attributable to holders of redeemable units (In accordance with HKFRS)	326,521,934	246,647,130
Fair value adjustment of units of the Fund:		
Unamortized formation expenses as at 30 September [Note 3(a)]	23,435	49,216
Net assets attributable to holders of redeemable units (In accordance with the Trust Deed)	<u>326,545,369</u>	<u>246,696,346</u>

Note:

- (a) In accordance with the provisions of the Trust Deed, the formation expenses (including legal, accounting, and other professional fees and expenses) or costs incidental to the establishment of the Fund will be paid out of the assets of the Fund and amortized over the first three financial years. However, as stated in Note 2(i), the accounting policy of the Fund for the purpose of compliance with HKAS 38 "Intangible Assets" and for reporting purposes is to expense the expenditure incurred in the formation of the Fund in the period in which they arose.

Number of units in issue2018

	AUD Hedged Class (mth) Units	EUR Hedged Class (mth) Units	HKD Class (mth) Units	RMB Hedged Class (mth) Units	USD Class (mth) Units
Number of units in issue:					
At the beginning of the year	1,792,696.653	411,628.918	54,212,747.752	7,518,762.252	13,345,308.137
Total allotments	6,919,384.478	620,919.773	130,930,910.061	23,199,427.092	34,559,807.767
Total redemptions	(4,503,338.595)	(203,240.409)	(123,498,314.957)	(12,321,983.718)	(30,806,230.996)
At the end of the year	<u>4,208,742.536</u>	<u>829,308.282</u>	<u>61,645,342.856</u>	<u>18,396,205.626</u>	<u>17,098,884.908</u>
	A\$	EUR	HK\$	CNY	US\$
Net assets attributable to holders of redeemable units (In accordance with the Trust Deed)	<u>43,224,229</u>	<u>8,474,087</u>	<u>639,771,015</u>	<u>189,465,102</u>	<u>176,109,949</u>
Net assets attributable to holders of redeemable units (per unit)	<u>10.27</u>	<u>10.22</u>	<u>10.38</u>	<u>10.30</u>	<u>10.30</u>

2017

	AUD Hedged Class (mth) Units	EUR Hedged Class (mth) Units	HKD Class (mth) Units	RMB Hedged Class (mth) Units	USD Class (mth) Units
Number of units in issue:					
At the beginning of the period	-	-	-	-	-
Total allotments	3,275,870.340	470,552.836	95,208,752.247	11,147,544.622	22,096,616.342
Total redemptions	(1,483,173.687)	(58,923.918)	(40,996,004.495)	(3,628,782.370)	(8,751,308.205)
At the end of the period	<u>1,792,696.653</u>	<u>411,628.918</u>	<u>54,212,747.752</u>	<u>7,518,762.252</u>	<u>13,345,308.137</u>
	A\$	EUR	HK\$	CNY	US\$
Net assets attributable to holders of redeemable units (In accordance with the Trust Deed)	<u>18,895,746</u>	<u>4,349,106</u>	<u>576,114,889</u>	<u>79,498,563</u>	<u>141,008,609</u>
Net assets attributable to holders of redeemable units (per unit)	<u>10.54</u>	<u>10.57</u>	<u>10.63</u>	<u>10.57</u>	<u>10.57</u>

## 4 Financial risk management

### (i) Financial risk factors

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

The Fund's holding in the collective investment schemes, as a percentage of the collective investment schemes' total net asset value, will vary from time to time dependent on the volume of allotments and redemptions at the collective investment schemes level. It is possible that the Fund may, at any point in time, hold a majority of the collective investment schemes' total units in issue.

### (a) Market risk

#### (i) Market price risk

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Beta of the Fund on a regular basis. Beta measures the statistical relationship between the return of the Fund and the relevant benchmark index chosen by the Investment Manager.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
Listed/Quoted Investments				
<u>Assets</u>				
Equities				
- United States	59,556,289	18.2	33,141,853	13.4
- China	23,291,605	7.1	9,166,079	3.7
- Japan	6,316,520	1.9	17,485,571	7.1
- Others	23,588,117	7.3	38,523,013	15.6
	<u>112,752,531</u>	<u>34.5</u>	<u>98,316,516</u>	<u>39.8</u>
	-----	-----	-----	-----
Debt Securities				
- United States	63,723,093	19.5	16,956,774	6.9
- Australia	11,609,556	3.6	25,027,944	10.2
- Canada	9,679,673	3.0	18,613,806	7.5
- Others	64,242,188	19.6	25,888,519	10.5
	<u>149,254,510</u>	<u>45.7</u>	<u>86,487,043</u>	<u>35.1</u>
	-----	-----	-----	-----
Collective Investment Schemes				
- International	75,609,550	23.2	44,178,259	17.9
	-----	-----	-----	-----
Derivatives				
- Forward foreign exchange contracts	1,057,982	0.3	999,603	0.4
- Futures	114,443	0.0	37,969	0.0
	<u>1,172,425</u>	<u>0.3</u>	<u>1,037,572</u>	<u>0.4</u>
	<u>338,789,016</u>	<u>103.7</u>	<u>230,019,390</u>	<u>93.2</u>
	-----	-----	-----	-----
<u>Liabilities</u>				
Derivatives				
- Forward foreign exchange contracts	(3,068,292)	(0.9)	(1,999,710)	(0.8)
	<u>(3,068,292)</u>	<u>(0.9)</u>	<u>(1,999,710)</u>	<u>(0.8)</u>
	-----	-----	-----	-----
Total Listed/Quoted Investments	<u>335,720,724</u>	<u>102.8</u>	<u>228,019,680</u>	<u>92.4</u>
	=====	=====	=====	=====

Also, refer to Note 12 for the exposures on derivative contracts.

	Net asset value US\$	Relevant benchmark index for the Fund (Note*)	Beta (Note**)	% of reasonable possible change of the relevant benchmark index (Note***)	Estimated impact on net asset value (Note****) US\$
		45% JPM Government Bond Index Global Total Hedged to USD + 30% MSCI World Net Hedged to USD + 25% Bloomberg Barclays Global Aggregate Corporate Total Hedged to USD			
As at 30 September 2018	<u>326,545,369</u>		1.32	+4.2	<u>18,103,675</u>
		45% JPM Government Bond Index Global Total Hedged to USD + 30% MSCI World Net Hedged to USD + 25% Bloomberg Barclays Global Aggregate Corporate Total Hedged to USD			
As at 30 September 2017	<u>246,696,346</u>		1.30	+3.9	<u>12,507,505</u>

If the relevant benchmark index return was to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

- \* Relevant benchmark index for the Fund represents the relevant market index used by the Investment Manager in monitoring the market price risk of the Fund.
- \*\* Beta measures the statistical relationship between the return of the Fund and the respective benchmark index over the maximum of past 36 months, or the number of months since portfolio inception. For funds launched within a period of less than 12 months, weekly returns of the Fund are used for calculating the Beta.
- \*\*\* % of reasonable possible change is based on the actual historical change in the benchmark index in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. For funds launched within a period of less than 12 months, actual historical change in the benchmark index since the commencement of operations will be used to calculate the % of reasonable possible change.
- \*\*\*\* Estimated impact on net asset value of the Fund is calculated by applying the relevant Beta against the net asset value of the Fund multiplied by the % of reasonable possible change of the relevant benchmark index, assuming all other variables that may impact the net asset value of the Fund are held constant.

## (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates. The Fund is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its investments, derivatives, cash deposits and short-term bank loans.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	Less than 1 year US\$	1-5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
<u>2018</u>					
Cash at banks	1,036,415	-	-	-	1,036,415
Margin deposits	16,161	-	-	-	16,161
Short-term bank loans - unsecured	(7,529,773)	-	-	-	(7,529,773)
Derivatives	114,443	-	-	-	114,443
Investments (Note*)	-	62,406,540	86,847,970	75,609,550	224,864,060
Total interest sensitivity gap	(6,362,754)	62,406,540	86,847,970	75,609,550	218,501,306

<u>2017</u>					
Cash at banks	12,987,303	-	-	-	12,987,303
Overdraft with a broker	(7,919)	-	-	-	(7,919)
Derivatives	37,969	-	-	-	37,969
Investments (Note*)	-	55,166,996	31,320,047	44,178,259	130,665,302
Total interest sensitivity gap	13,017,353	55,166,996	31,320,047	44,178,259	143,682,655

Note:

\* The coupon rate of the investments ranged between 0.10% p.a. - 8.50% p.a. (2017: 0.10% p.a. - 6.13% p.a.).

Any cash and cash equivalents and margin deposits are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

The Fund held 45.7% (2017: 35.1%) of net asset value in debt securities with an average duration of 7.02 (2017: 5.25). If the interest rates were to rise by 25 basis points with all other variables that may impact the net asset value of the Fund held constant, this would result in a decrease in the fair value of debt securities by approximately US\$2,619,417 (2017: US\$1,135,142). Conversely, if the interest rates were to fall by 25 basis points, this would result in an increase in the fair value of debt securities by the same amount.

### (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The Fund enters in some forward foreign exchange contracts to hedge some of its foreign currency exposures to maintain limited exposure to non-US\$ currencies. Refer to Note 12(a) for the outstanding forward foreign exchange contracts as at year/period end.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

Net currency exposures (Note*)	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
<u>2018</u>			
Australian Dollar	31,258,016	-7.8	(2,438,125)
Canadian Dollar	(352,554)	-3.2	11,282
Chinese Yuan (Offshore)	27,581,048	-3.3	(910,175)
Chinese Yuan (Onshore)	(5,853,613)	-3.5	204,876
Euro	9,336,727	-1.8	(168,061)
Hong Kong Dollar	60,715	-0.2	(121)
Japanese Yen	58,040	-0.9	(522)
Korean Won	(13,122)	+3.3	(433)
Norwegian Krone	1,154	-2.2	(25)
Singapore Dollar	(382)	-0.6	2
Sterling	(343,350)	-2.8	9,614
Swiss Franc	1,115	-0.9	(10)
	<u>61,733,794</u>		<u>(3,291,698)</u>
<u>2017</u>			
Australian Dollar	14,914,359	+2.5	372,859
Brazilian Rial	(1,832,418)	+2.7	(49,475)
Canadian Dollar	(287,546)	+5.1	(14,665)
Chinese Yuan (Offshore)	11,926,335	+0.4	47,705
Chinese Yuan (Onshore)	(2,797,888)	+0.4	(11,192)
Euro	5,147,712	+5.2	267,681
Hong Kong Dollar	5,235,373	-0.7	(36,648)
Japanese Yen	340,657	-10.0	(34,066)
Korean Won	(398,674)	-3.8	15,150
Norwegian Krone	134,565	+0.4	538
Russian Ruble	(2,118,603)	+9.5	(201,267)
Singapore Dollar	416,740	+0.4	1,667
Sterling	(51,890)	+3.3	(1,712)
Swiss Franc	1,125	+0.2	2
Taiwan Dollar	(202,972)	+3.4	(6,901)
	<u>30,426,875</u>		<u>349,676</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

**(b) Credit risk**

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	1,036,415	12,987,303
Amounts due from brokers	2,242,959	-
Amounts receivable on allotment	2,542,189	9,496,548
Margin deposits	16,161	-
Derivatives issued by brokers	1,057,982	999,603
Investments - debt securities	149,254,510	86,487,043
Dividend and other accounts receivable	193,662	140,147
	<u>156,343,878</u>	<u>110,110,644</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

As at 30 September 2018, the Fund held 45.7% (2017: 35.1%) of net asset value in debt securities and therefore the Fund is exposed to credit risk that the issuers may not be able to repay the principal amount and interest at maturity. Credit risk derived from debt securities is managed and monitored on an on-going basis by making reference to the credit rating and credit outlook provided by credit rating agencies, if available, and internal credit analysis.

The table below summarizes the debt securities by credit rating as at 30 September.

	2018 % of net assets	2017 % of net assets
S&P(AAA)/Moody's(Aaa)/FITCH(AAA)	29.2	24.6
S&P(AA)/Moody's(Aa)/FITCH(AA)	8.8	3.8
S&P(A)/Moody's(A)/FITCH(A)	4.2	0.9
S&P(BBB)/Moody's(Baa)/FITCH(BBB)	1.1	5.8
Unrated	2.4	-
	<u>45.7</u>	<u>35.1</u>



The table below summarizes the credit rating of the banks/brokers/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	1,036,415	12,987,303
Margin deposits with brokers and derivatives held with/issued by brokers		
S&P(AA)/Moody's(Aa)/FITCH(AA)	619,418	977,270
S&P(A)/Moody's(A)/FITCH(A)	543,529	22,333
S&P(BBB)/Moody's(Baa)/FITCH(BBB)	25,639	-
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	337,616,591	228,981,818

### (c) Liquidity risk

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018		2017	
	Less than 1 month US\$	1 to 12 months US\$	Less than 1 month US\$	1 to 12 months US\$
Short-term bank loans - unsecured	7,529,773	-	-	-
Amounts due to brokers	3,373,494	-	869,535	-
Amounts payable on redemption	3,340,169	-	2,400,491	-
Distribution payable	587,327	-	411,194	-
Overdraft with a broker	-	-	7,919	-
Derivatives	2,908,542	159,750	1,999,710	-
Other accounts payable	399,413	-	307,409	-
Net assets attributable to holders of redeemable units	326,545,369	-	246,696,346	-
Total financial liabilities	344,684,087	159,750	252,692,604	-

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

### (d) Offsetting and amounts subject to master netting arrangements and similar agreements

As at 30 September 2018 and 2017, the Fund was subject to master netting arrangements with certain derivative counterparties. All of the derivative assets and liabilities of the Fund were held with these counterparties and the collateral and margin deposits maintained by the Fund were for the purpose of providing collateral on derivative positions.

In the event of default, the Fund and its counterparties have the option to settle transactions on net basis. An event of default may include failure to pay or deliver, breach of agreement or bankruptcy.

The following tables summarize the Fund's financial assets and liabilities subject to offsetting, master netting arrangements and similar agreements as at 30 September by types of financial instruments.

	Gross amounts of recognized financial assets presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>2018</u>				
<u>Assets</u>				
Margin deposits	16,161	-	-	16,161
Derivatives	993,394	(606,862)	-	386,532
Financial assets at fair value through profit and loss	1,009,555	(606,862)	-	402,693

	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>Liabilities</u>				
Derivatives	1,224,085	(606,862)	-	617,223
Financial liabilities at fair value through profit and loss	1,224,085	(606,862)	-	617,223

	Gross amounts of recognized financial assets presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>2017</u>				
<u>Assets</u>				
Margin deposits	33,000	-	(33,000)	-
Derivatives	281,658	(241,177)	-	40,481
Financial assets at fair value through profit and loss	314,658	(241,177)	(33,000)	40,481

	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>Liabilities</u>				
Derivatives	527,173	(233,258)	-	293,915
Overdraft with a broker	40,919	(7,919)	(33,000)	-
Financial liabilities at fair value through profit and loss	568,092	(241,177)	(33,000)	293,915

**(II) Capital risk management**

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

**(III) Fair value estimation**

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>2018</b>				
<u>Assets</u>				
Equities	112,752,531	-	-	112,752,531
Debt Securities	-	149,254,510	-	149,254,510
Collective Investment Schemes	75,609,550	-	-	75,609,550
Derivatives	114,443	1,057,982	-	1,172,425
Total financial assets at fair value through profit and loss	188,476,524	150,312,492	-	338,789,016
<u>Liabilities</u>				
Derivatives	-	3,068,292	-	3,068,292
Total financial liabilities at fair value through profit and loss	-	3,068,292	-	3,068,292

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<u>2017</u>				
<u>Assets</u>				
Equities	98,316,516	-	-	98,316,516
Debt Securities	-	86,487,043	-	86,487,043
Collective Investment Schemes	44,178,259	-	-	44,178,259
Derivatives	37,969	999,603	-	1,037,572
Total financial assets at fair value through profit and loss	142,532,744	87,486,646	-	230,019,390
<u>Liabilities</u>				
Derivatives	-	1,999,710	-	1,999,710
Total financial liabilities at fair value through profit and loss	-	1,999,710	-	1,999,710

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities, collective investment schemes and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the year ended 30 September 2018 and period ended 30 September 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 5 Net (losses)/gains on investments and derivatives

		23.2.2017 (Date of Trust Deed) to 30.9.2017
	2018 US\$	US\$
Change in unrealized gains/losses in value of investments and derivatives	(14,995,909)	9,112,839
Realized gains on sale of investments and derivatives	6,437,949	2,620,091
	(8,557,960)	11,732,930

## 6 Distribution

It is the intention of the Manager to have at least 85% of the income attributable to the distribution class(es) respectively in respect of each accounting period, after charging the expenses attributable to these distribution class(es) respectively, to be distributed to unitholders of these distribution class(es) respectively.

In the event that the amount available for distribution is insufficient to pay distributions as the Fund declares, the Manager may in its discretion determine that such distributions be paid from capital.

	23.2.2017 (Date of Trust Deed) to 30.9.2017	2018 US\$	US\$
Net operating (loss)/profit		(10,822,607)	11,223,854
Adjustments:			
Net losses/(gains) on investments and derivatives		8,557,960	(11,732,930)
Interest income included in net gains on investments and derivatives (at coupon rate)		3,551,976	1,029,830
Net foreign currency exchange losses/(gains)		382,557	(116,357)
Transaction costs		480,393	264,051
Interest expense		(2,953)	(54)
Taxation		(437,044)	(90,252)
Amount available for distribution		1,710,282	578,142

Distribution Class	Ex date	Pay date	Rate	Units	23.2.2017 (Date of Trust Deed) to 30.9.2017	2018 US\$	US\$
AUD Hedged Class (mth)	31.10.2017	8.11.2017	A\$0.0211	1,810,801.876	(29,296)		
EUR Hedged Class (mth)	31.10.2017	8.11.2017	EURO.0020	436,876.101	(1,018)		
HKD Class (mth)	31.10.2017	8.11.2017	HK\$0.0171	49,629,846.432	(108,779)		
RMB Hedged Class (mth)	31.10.2017	8.11.2017	CNY0.0365	8,340,367.139	(45,905)		
USD Class (mth)	31.10.2017	8.11.2017	US\$0.0170	14,400,472.008	(244,808)		
AUD Hedged Class (mth)	30.11.2017	8.12.2017	A\$0.0205	2,636,161.529	(41,025)		
EUR Hedged Class (mth)	30.11.2017	8.12.2017	EURO.0020	453,230.583	(1,081)		
HKD Class (mth)	30.11.2017	8.12.2017	HK\$0.0171	60,243,192.590	(131,899)		
RMB Hedged Class (mth)	30.11.2017	8.12.2017	CNY0.0370	10,155,081.327	(56,820)		
USD Class (mth)	30.11.2017	8.12.2017	US\$0.0170	17,865,122.903	(303,707)		
AUD Hedged Class (mth)	29.12.2017	9.1.2018	A\$0.0188	2,704,606.302	(39,770)		
EUR Hedged Class (mth)	29.12.2017	9.1.2018	EURO.0020	453,752.253	(1,090)		
HKD Class (mth)	29.12.2017	9.1.2018	HK\$0.0171	50,052,232.789	(109,487)		
RMB Hedged Class (mth)	29.12.2017	9.1.2018	CNY0.0374	10,287,695.924	(59,084)		
USD Class (mth)	29.12.2017	9.1.2018	US\$0.0170	15,539,311.219	(264,168)		
AUD Hedged Class (mth)	31.1.2018	8.2.2018	A\$0.0177	2,802,445.264	(40,166)		
EUR Hedged Class (mth)	31.1.2018	8.2.2018	EURO.0020	554,910.710	(1,383)		
HKD Class (mth)	31.1.2018	8.2.2018	HK\$0.0171	60,152,644.169	(131,511)		
RMB Hedged Class (mth)	31.1.2018	8.2.2018	CNY0.0360	10,448,041.124	(59,757)		
USD Class (mth)	31.1.2018	8.2.2018	US\$0.0170	16,663,319.323	(283,276)		
AUD Hedged Class (mth)	28.2.2018	8.3.2018	A\$0.0184	4,072,940.661	(58,399)		
EUR Hedged Class (mth)	28.2.2018	8.3.2018	EURO.0020	658,280.345	(1,606)		
HKD Class (mth)	28.2.2018	8.3.2018	HK\$0.0171	74,926,770.116	(163,731)		
RMB Hedged Class (mth)	28.2.2018	8.3.2018	CNY0.0367	10,704,578.162	(62,069)		
USD Class (mth)	28.2.2018	8.3.2018	US\$0.0170	20,980,370.252	(356,666)		
AUD Hedged Class (mth)	29.3.2018	11.4.2018	A\$0.0166	3,392,379.168	(43,195)		
EUR Hedged Class (mth)	29.3.2018	11.4.2018	EURO.0020	640,186.415	(1,575)		
HKD Class (mth)	29.3.2018	11.4.2018	HK\$0.0172	82,703,281.706	(181,249)		
RMB Hedged Class (mth)	29.3.2018	11.4.2018	CNY0.0361	12,244,705.771	(70,342)		
USD Class (mth)	29.3.2018	11.4.2018	US\$0.0170	21,698,822.757	(368,880)		
AUD Hedged Class (mth)	30.4.2018	9.5.2018	A\$0.0165	3,768,229.704	(46,933)		
EUR Hedged Class (mth)	30.4.2018	9.5.2018	EURO.0020	693,197.628	(1,675)		
HKD Class (mth)	30.4.2018	9.5.2018	HK\$0.0172	83,785,989.318	(183,623)		
RMB Hedged Class (mth)	30.4.2018	9.5.2018	CNY0.0296	15,659,374.265	(73,352)		
USD Class (mth)	30.4.2018	9.5.2018	US\$0.0170	21,249,491.828	(361,241)		

23.2.2017  
(Date of Trust Deed)  
to 30.9.2017  
US\$ US\$

Distribution Class	Ex date	Pay date	Rate	Units	2018 US\$	to 30.9.2017 US\$
AUD Hedged Class (mth)	31.5.2018	8.6.2018	A\$0.0164	4,369,022.046	(54,215)	
EUR Hedged Class (mth)	31.5.2018	8.6.2018	EUR0.0020	696,785.634	(1,627)	
HKD Class (mth)	31.5.2018	8.6.2018	HK\$0.0172	78,616,509.945	(172,384)	
RMB Hedged Class (mth)	31.5.2018	8.6.2018	CNY0.0328	16,624,390.904	(85,128)	
USD Class (mth)	31.5.2018	8.6.2018	US\$0.0170	21,885,638.351	(372,056)	
AUD Hedged Class (mth)	29.6.2018	10.7.2018	A\$0.0158	4,273,946.788	(49,893)	
EUR Hedged Class (mth)	29.6.2018	10.7.2018	EUR0.0020	743,785.730	(1,737)	
HKD Class (mth)	29.6.2018	10.7.2018	HK\$0.0172	76,139,539.700	(166,925)	
RMB Hedged Class (mth)	29.6.2018	10.7.2018	CNY0.0323	18,118,800.651	(88,300)	
USD Class (mth)	29.6.2018	10.7.2018	US\$0.0170	20,586,333.503	(349,968)	
AUD Hedged Class (mth)	31.7.2018	8.8.2018	A\$0.0179	4,317,823.099	(57,457)	
EUR Hedged Class (mth)	31.7.2018	8.8.2018	EUR0.0020	785,713.568	(1,839)	
HKD Class (mth)	31.7.2018	8.8.2018	HK\$0.0182	70,103,479.601	(162,592)	
RMB Hedged Class (mth)	31.7.2018	8.8.2018	CNY0.0260	19,396,080.085	(73,996)	
USD Class (mth)	31.7.2018	8.8.2018	US\$0.0180	21,234,494.871	(382,221)	
AUD Hedged Class (mth)	31.8.2018	10.9.2018	A\$0.0167	3,970,902.305	(47,958)	
EUR Hedged Class (mth)	31.8.2018	10.9.2018	EUR0.0020	801,712.775	(1,866)	
HKD Class (mth)	31.8.2018	10.9.2018	HK\$0.0182	64,130,541.722	(148,706)	
RMB Hedged Class (mth)	31.8.2018	10.9.2018	CNY0.0215	19,352,484.303	(60,901)	
USD Class (mth)	31.8.2018	10.9.2018	US\$0.0180	18,722,681.812	(337,008)	
AUD Hedged Class (mth)	28.9.2018	9.10.2018	A\$0.0174	4,253,693.371	(53,553)	
EUR Hedged Class (mth)	28.9.2018	9.10.2018	EUR0.0020	829,308.282	(1,926)	
HKD Class (mth)	28.9.2018	9.10.2018	HK\$0.0182	61,972,163.979	(144,142)	
RMB Hedged Class (mth)	28.9.2018	9.10.2018	CNY0.0294	18,453,609.601	(78,910)	
USD Class (mth)	28.9.2018	9.10.2018	US\$0.0180	17,155,357.387	(308,796)	
AUD Hedged Class (mth)	28.4.2017	10.5.2017	A\$0.0224	1,094,437.751		(18,334)
EUR Hedged Class (mth)	28.4.2017	10.5.2017	EUR0.0029	380,112.773		(1,200)
HKD Class (mth)	28.4.2017	10.5.2017	HK\$0.0170	16,496,990.676		(36,059)
RMB Hedged Class (mth)	28.4.2017	10.5.2017	CNY0.0396	3,137,055.535		(18,008)
USD Class (mth)	28.4.2017	10.5.2017	US\$0.0170	2,942,568.886		(50,024)
AUD Hedged Class (mth)	31.5.2017	8.6.2017	A\$0.0232	1,714,080.321		(29,604)
EUR Hedged Class (mth)	31.5.2017	8.6.2017	EUR0.0020	410,003.814		(922)
HKD Class (mth)	31.5.2017	8.6.2017	HK\$0.0170	36,758,780.050		(80,193)
RMB Hedged Class (mth)	31.5.2017	8.6.2017	CNY0.0442	4,707,411.880		(30,788)
USD Class (mth)	31.5.2017	8.6.2017	US\$0.0170	5,736,486.768		(97,520)
AUD Hedged Class (mth)	30.6.2017	10.7.2017	A\$0.0219	1,767,487.638		(29,691)
EUR Hedged Class (mth)	30.6.2017	10.7.2017	EUR0.0020	418,713.472		(955)
HKD Class (mth)	30.6.2017	10.7.2017	HK\$0.0170	40,217,706.141		(87,581)
RMB Hedged Class (mth)	30.6.2017	10.7.2017	CNY0.0520	5,272,128.184		(40,432)
USD Class (mth)	30.6.2017	10.7.2017	US\$0.0170	9,389,751.829		(159,626)
AUD Hedged Class (mth)	31.7.2017	8.8.2017	A\$0.0211	1,998,470.065		(33,665)
EUR Hedged Class (mth)	31.7.2017	8.8.2017	EUR0.0020	446,844.484		(1,054)
HKD Class (mth)	31.7.2017	8.8.2017	HK\$0.0170	44,594,821.720		(97,067)
RMB Hedged Class (mth)	31.7.2017	8.8.2017	CNY0.0388	6,499,830.690		(37,466)
USD Class (mth)	31.7.2017	8.8.2017	US\$0.0170	10,564,385.756		(179,595)
AUD Hedged Class (mth)	31.8.2017	8.9.2017	A\$0.0209	1,867,358.266		(30,955)
EUR Hedged Class (mth)	31.8.2017	8.9.2017	EUR0.0020	450,221.475		(1,070)
HKD Class (mth)	31.8.2017	8.9.2017	HK\$0.0171	55,380,445.965		(121,001)
RMB Hedged Class (mth)	31.8.2017	8.9.2017	CNY0.0298	7,303,425.186		(32,982)
USD Class (mth)	31.8.2017	8.9.2017	US\$0.0170	12,073,887.073		(205,256)
AUD Hedged Class (mth)	29.9.2017	11.10.2017	A\$0.0210	1,763,666.888		(29,061)
EUR Hedged Class (mth)	29.9.2017	11.10.2017	EUR0.0020	411,628.918		(973)
HKD Class (mth)	29.9.2017	11.10.2017	HK\$0.0171	54,121,753.005		(118,489)
RMB Hedged Class (mth)	29.9.2017	11.10.2017	CNY0.0320	7,490,786.266		(36,062)
USD Class (mth)	29.9.2017	11.10.2017	US\$0.0170	13,329,931.270		(226,609)

Total distribution to holders of redeemable units

(7,132,670)

(1,832,242)

**7 Taxation**

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Overseas tax was withheld or paid on certain dividend income received and interest income received during the year ended 30 September 2018 and period ended 30 September 2017.

**8 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons**

The following is a summary of significant related party transactions entered into during the year/period between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

## (a) Investment transactions with the Manager and its Connected Persons are set out below:

The Fund invests in various funds ("underlying funds") which are managed by the Manager or its Connected Persons. All fees on allotments and redemptions in the underlying funds payable by the Fund are waived by the managers of underlying funds which are managed by the Manager and/or its Connected Persons.

Name of company	Aggregate value of purchases and sales of investments US\$	% of the Fund's total aggregate value of transactions	Commission paid US\$	% of the Fund's total commission paid in the year/period	Average commission rate %
<u>2018</u>					
JPMorgan Asset Management (Europe) S.à r.l.	80,544,173	6.61	-	-	-
<u>2017</u>					
Academy Securities, Inc.	20,651	0.01	4	0.00	0.02
JPMorgan Asset Management (Europe) S.à r.l.	64,186,825	17.80	-	-	-
J.P. Morgan Securities plc London	1,246,588	0.35	778	0.84	0.06
J.P. Morgan Securities (Asia Pacific) Limited	560,922	0.16	224	0.24	0.04

## (b) Balances with the Manager and its Connected Persons as at year/period end:

	2018 US\$	2017 US\$
Cash at banks	401,679	49,957
Amounts receivable	277	160
Amounts payable	(332,373)	(250,622)

As at 30 September 2018, the Fund's investment balance of US\$75,609,550 (2017: US\$44,178,259) represents the investments in the collective investment schemes issued and managed by Connected Person of the Manager.

During the year/period, the interest income on cash at banks held with Connected Persons of the Manager was US\$4,328 (2017: US\$1,094).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.
- (d) During the year/period, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$2,309 (2017: US\$6,490).
- (e) Management fee of 1.25% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears. If the Fund invests in the collective investment scheme managed by the Manager or its Connected Persons, the management fee of the Manager will be reduced to take account of the management fee levied in respect of such collective investment scheme to the extent attributable to that Fund's interest in such collective investment scheme.

The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.

- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (g) Refer to Note 9 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 9 Trustee's fee

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first US\$40 million, 0.04% per annum for the balance from US\$40 million to US\$70 million, and 0.025% per annum for the balance in excess of US\$70 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

## 10 Borrowings

During the year ended 30 September 2018 and period ended 30 September 2017, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

## 11 Soft dollar arrangements/Commission sharing arrangements

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

## 12 Derivatives

- (a) Outstanding forward foreign exchange contracts as at 30 September were as follows:

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
<u>2018</u>			
Open contracts:			
A\$6,945	US\$5,046	2 October 2018	21
US\$229,370	A\$317,703	3 October 2018	521
A\$81,693	US\$59,298	4 October 2018	185
US\$334,579	A\$462,432	4 October 2018	37
US\$19,126	A\$26,434	5 October 2018	2
CNH2,537,567	US\$370,548	9 October 2018	1,469
A\$41,677,315	US\$30,189,630	10 October 2018	31,925
A\$192,315	US\$140,973	10 October 2018	1,814
A\$33,697	US\$24,757	10 October 2018	374
A\$79,239	US\$57,563	10 October 2018	226
A\$1,509	US\$1,099	10 October 2018	7
A\$1,496	US\$1,089	10 October 2018	6
A\$1,526	US\$1,109	10 October 2018	4
CNH1,036,795	US\$152,594	10 October 2018	1,807
CNH3,274,330	US\$476,628	10 October 2018	424
CNH1,250,438	US\$182,147	10 October 2018	289
CNH1,013,384	US\$147,627	10 October 2018	245
CNH3,706,755	US\$539,303	10 October 2018	209
CNH415,897	US\$60,656	10 October 2018	170
CNH144,411	US\$21,116	10 October 2018	114
CNH70,608	US\$10,376	10 October 2018	107



Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
CNH208,160	US\$30,355	10 October 2018	81
CNH104,251	US\$15,238	10 October 2018	76
CNH89,970	US\$13,143	10 October 2018	58
CNH188,823	US\$27,505	10 October 2018	43
CNH53,799	US\$7,852	10 October 2018	28
CNH15,064	US\$2,214	10 October 2018	23
CNH18,130	US\$2,650	10 October 2018	13
CNH13,185	US\$1,926	10 October 2018	9
CNH15,001	US\$2,189	10 October 2018	7
CNH7,542	US\$1,100	10 October 2018	3
CNH7,523	US\$1,097	10 October 2018	3
CNH7,526	US\$1,096	10 October 2018	1
EUR8,462,096	US\$9,962,878	10 October 2018	128,230
EUR8,691	US\$10,129	10 October 2018	28
EUR2,258	US\$2,633	10 October 2018	8
EUR1,603	US\$1,869	10 October 2018	5
US\$613,953	A\$854,993	10 October 2018	4,719
US\$437,368	A\$608,461	10 October 2018	2,915
US\$158,461	A\$222,563	10 October 2018	2,586
US\$98,490	A\$137,152	10 October 2018	754
US\$86,918	A\$121,047	10 October 2018	672
US\$538,611	CNH3,706,755	10 October 2018	483
US\$152,642	CNH1,052,344	10 October 2018	406
US\$25,443	A\$35,384	10 October 2018	161
US\$9,895	A\$13,864	10 October 2018	137
US\$228,849	CNH1,574,396	10 October 2018	124
US\$46,768	EUR40,316	10 October 2018	87
US\$56,319	EUR48,500	10 October 2018	48
US\$14,704	CNH101,413	10 October 2018	45
US\$1,419	A\$2,000	10 October 2018	28
US\$14,447	A\$20,000	10 October 2018	25
US\$24,250	CNH166,789	10 October 2018	7
JPY1,263,840,080	US\$11,434,683	17 October 2018	295,995
JPY427,493,182	US\$3,867,775	17 October 2018	100,120
JPY295,570,746	US\$2,675,238	17 October 2018	70,264
JPY280,253,763	US\$2,536,924	17 October 2018	66,944
JPY76,910,683	US\$694,917	17 October 2018	17,074
A\$19,692,904	US\$14,305,890	17 October 2018	56,105
CNY7,555,715	US\$1,103,975	17 October 2018	6,080
CNY12,734,663	US\$1,853,906	17 October 2018	3,475
CNY6,502,944	US\$945,484	17 October 2018	563
EUR460,717	US\$543,677	17 October 2018	7,909
EUR760,771	US\$886,113	17 October 2018	1,412
GBP653,539	US\$865,835	17 October 2018	13,033
GBP747,219	US\$984,596	17 October 2018	9,551
GBP606,903	US\$799,706	17 October 2018	7,758
GBP795,972	US\$1,045,787	17 October 2018	7,123
GBP540,166	US\$711,560	17 October 2018	6,696
GBP509,924	US\$667,234	17 October 2018	1,834
US\$3,824,823	C\$4,992,400	17 October 2018	38,654
US\$1,305,217	GBP1,018,778	17 October 2018	24,170
US\$2,294,385	KRW2,566,476,346	17 October 2018	22,321
US\$903,919	KRW1,019,738,141	17 October 2018	16,568
US\$1,313,778	GBP1,018,998	17 October 2018	15,902
US\$1,314,381	GBP1,018,389	17 October 2018	14,505
US\$1,130,852	C\$1,479,055	17 October 2018	13,746
US\$734,747	A\$1,031,646	17 October 2018	11,751
US\$714,537	GBP553,038	17 October 2018	7,118
US\$899,216	GBP694,026	17 October 2018	6,414
US\$2,838,888	EUR2,445,510	17 October 2018	4,989
US\$532,769	\$733,927	17 October 2018	4,551
US\$631,606	\$865,753	17 October 2018	2,226
US\$815,620	EUR702,898	17 October 2018	1,779
US\$2,352,972	EUR2,023,627	17 October 2018	303
HK\$17,854,831	US\$2,285,885	18 October 2018	3,621

# JPMORGAN MULTI BALANCED FUND

Annual report for the  
year ended 30 September 2018

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$2,033,070	HK\$15,945,107	18 October 2018	5,085
US\$600,453	HK\$4,709,780	18 October 2018	1,566
A\$425,709	US\$310,324	13 November 2018	2,196
A\$116,715	US\$84,912	13 November 2018	434
A\$1,514	US\$1,104	13 November 2018	8
A\$1,514	US\$1,102	13 November 2018	6
A\$1,509	US\$1,097	13 November 2018	5
A\$1,509	US\$1,097	13 November 2018	4
A\$1,517	US\$1,101	13 November 2018	3
CNH1,817,030	US\$264,020	13 November 2018	323
CNH370,985	US\$53,885	13 November 2018	46
CNH7,538	US\$1,098	13 November 2018	4
CNH7,550	US\$1,099	13 November 2018	3
US\$1,920,000	A\$2,658,827	13 November 2018	4,457
US\$27,846,501	CNH191,889,121	13 November 2018	1,458
US\$241,426	CNH1,663,983	13 November 2018	60
US\$2,479	CNH17,086	13 November 2018	1
Total unrealized gains			1,057,982
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US\$1,101	A\$1,517	2 October 2018	(3)
A\$2,658,827	US\$1,919,508	5 October 2018	(4,419)
CNH1,663,983	US\$241,795	9 October 2018	(224)
A\$1,521	US\$1,098	10 October 2018	(3)
A\$1,530	US\$1,103	10 October 2018	(4)
A\$1,532	US\$1,104	10 October 2018	(4)
A\$1,532	US\$1,101	10 October 2018	(7)
A\$1,550	US\$1,107	10 October 2018	(15)
A\$4,337	US\$3,115	10 October 2018	(24)
A\$1,884	US\$1,337	10 October 2018	(26)
A\$6,105	US\$4,384	10 October 2018	(34)
A\$28,894	US\$20,825	10 October 2018	(83)
A\$16,308	US\$11,712	10 October 2018	(89)
A\$72,590	US\$52,404	10 October 2018	(123)
A\$66,244	US\$47,573	10 October 2018	(361)
A\$147,263	US\$106,146	10 October 2018	(414)
A\$82,069	US\$58,931	10 October 2018	(454)
A\$126,260	US\$90,793	10 October 2018	(569)
A\$157,849	US\$113,358	10 October 2018	(861)
A\$111,891	US\$79,947	10 October 2018	(1,018)
A\$252,618	US\$181,421	10 October 2018	(1,373)
A\$155,356	US\$110,615	10 October 2018	(1,800)
A\$204,034	US\$145,636	10 October 2018	(2,003)
A\$230,623	US\$164,542	10 October 2018	(2,336)
CNH7,532	US\$1,095	10 October 2018	(0)
CNH7,572	US\$1,101	10 October 2018	(1)
CNH7,572	US\$1,101	10 October 2018	(1)
CNH7,528	US\$1,092	10 October 2018	(3)
CNH7,552	US\$1,095	10 October 2018	(3)
CNH678,824	US\$98,670	10 October 2018	(55)
CNH6,366,449	US\$925,564	10 October 2018	(344)
CNH934,387	US\$135,490	10 October 2018	(403)
CNH191,889,121	US\$27,884,538	10 October 2018	(22,954)
EUR59,022	US\$68,458	10 October 2018	(138)
EUR54,318	US\$62,925	10 October 2018	(204)
US\$1,485	CNH10,158	10 October 2018	(7)
US\$1,458	A\$2,000	10 October 2018	(11)
US\$26,357	CNH180,784	10 October 2018	(64)
US\$66,491	CNH456,490	10 October 2018	(102)
US\$20,853	A\$28,630	10 October 2018	(137)
US\$43,743	CNH299,661	10 October 2018	(161)
US\$87,454	CNH598,823	10 October 2018	(364)
US\$46,389	EUR39,461	10 October 2018	(527)
US\$56,898	EUR48,500	10 October 2018	(531)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$36,912	A\$50,239	10 October 2018	(559)
US\$37,544	A\$51,062	10 October 2018	(595)
US\$71,274	CNH485,000	10 October 2018	(738)
US\$164,540	CNH1,125,308	10 October 2018	(880)
US\$119,001	CNH811,784	10 October 2018	(939)
US\$79,609	CNH540,476	10 October 2018	(1,005)
US\$324,048	CNH2,220,423	10 October 2018	(1,120)
US\$333,923	EUR286,285	10 October 2018	(1,202)
US\$92,647	A\$126,100	10 October 2018	(1,401)
US\$234,344	CNH1,591,723	10 October 2018	(2,851)
US\$243,240	A\$330,580	10 October 2018	(4,032)
US\$542,096	CNH3,683,562	10 October 2018	(6,376)
US\$9,533,798	EUR8,124,927	10 October 2018	(90,952)
US\$28,374,359	CNH192,942,239	10 October 2018	(313,730)
US\$30,174,816	A\$41,055,010	10 October 2018	(467,379)
C\$2,018,946	US\$1,543,906	17 October 2018	(18,504)
C\$19,755,218	US\$15,106,993	17 October 2018	(181,057)
CNY13,491,238	US\$1,956,840	17 October 2018	(3,526)
EUR1,500,646	US\$1,740,750	17 October 2018	(4,350)
EUR8,132,966	US\$9,318,667	17 October 2018	(139,160)
EUR47,621,729	US\$54,564,472	17 October 2018	(814,837)
GBP3,206,671	US\$4,104,522	17 October 2018	(79,863)
GBP14,518,510	US\$18,583,616	17 October 2018	(361,588)
KRW664,010,002	US\$594,666	17 October 2018	(4,730)
KRW3,907,596,022	US\$3,448,832	17 October 2018	(78,521)
S\$1,599,679	US\$1,165,345	17 October 2018	(5,809)
US\$708,454	A\$972,878	17 October 2018	(4,480)
US\$5,519,626	EUR4,738,817	17 October 2018	(8,845)
US\$1,250,243	EUR1,067,452	17 October 2018	(8,892)
US\$549,679	JPY60,945,732	17 October 2018	(12,529)
US\$827,193	JPY92,016,769	17 October 2018	(16,198)
US\$821,471	JPY91,325,250	17 October 2018	(16,570)
US\$821,352	JPY91,212,706	17 October 2018	(17,442)
US\$757,745	JPY83,879,908	17 October 2018	(18,461)
US\$619,280	JPY68,115,585	17 October 2018	(18,932)
US\$937,105	JPY103,472,101	17 October 2018	(25,141)
US\$1,186,868	JPY131,782,227	17 October 2018	(25,396)
US\$1,255,359	A\$1,697,445	17 October 2018	(27,086)
US\$1,716,719	JPY190,188,065	17 October 2018	(40,478)
HK\$4,530,984	US\$577,690	18 October 2018	(1,475)
HK\$4,633,464	US\$590,724	18 October 2018	(1,540)
HK\$5,542,831	US\$706,838	18 October 2018	(1,665)
HK\$6,727,954	US\$857,877	18 October 2018	(2,112)
HK\$26,954,501	US\$3,439,625	18 October 2018	(5,788)
HK\$109,067,339	US\$13,913,796	18 October 2018	(27,551)
A\$26,434	US\$19,131	13 November 2018	(2)
A\$462,432	US\$334,674	13 November 2018	(35)
A\$317,703	US\$229,431	13 November 2018	(522)
CNH18,119	US\$2,629	13 November 2018	(1)
CNH593,557	US\$86,131	13 November 2018	(9)
CNH3,706,755	US\$537,749	13 November 2018	(195)
US\$5,047	A\$6,945	13 November 2018	(20)
US\$59,311	A\$81,693	13 November 2018	(182)
US\$73,019	CNH501,663	13 November 2018	(215)
US\$142,714	A\$195,788	13 November 2018	(1,002)
US\$369,827	CNH2,537,567	13 November 2018	(1,565)
US\$30,195,881	A\$41,677,315	13 November 2018	(29,831)
US\$9,989,179	EUR8,462,096	13 November 2018	(126,171)

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Total unrealized losses (3,068,292)

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Net unrealized losses (2,010,310)

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Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
<u>2017</u>			
Open contracts:			
A\$62,688	US\$49,789	3 October 2017	597
US\$1,096	A\$1,399	3 October 2017	2
A\$45,426	US\$35,711	6 October 2017	70
A\$330,000	US\$258,932	10 October 2017	14
CNH295,402	US\$44,437	10 October 2017	15
A\$1,036,787	US\$832,972	24 October 2017	19,613
A\$326,911	US\$261,484	24 October 2017	5,022
A\$329,082	US\$262,300	24 October 2017	4,135
A\$150,588	US\$120,459	24 October 2017	2,323
A\$129,662	US\$103,412	24 October 2017	1,692
A\$57,399	US\$45,636	24 October 2017	606
A\$337,343	US\$265,172	24 October 2017	526
A\$34,201	US\$27,316	24 October 2017	486
A\$39,028	US\$31,029	24 October 2017	412
A\$21,240	US\$17,027	24 October 2017	364
A\$4,609	US\$3,702	24 October 2017	87
A\$3,398	US\$2,741	24 October 2017	75
A\$5,591	US\$4,457	24 October 2017	71
A\$93,494	US\$73,391	24 October 2017	45
A\$1,990	US\$1,604	24 October 2017	42
A\$2,439	US\$1,952	24 October 2017	38
A\$1,380	US\$1,113	24 October 2017	30
A\$1,370	US\$1,100	24 October 2017	26
A\$1,380	US\$1,104	24 October 2017	21
A\$1,380	US\$1,104	24 October 2017	21
A\$1,386	US\$1,106	24 October 2017	18
A\$1,374	US\$1,095	24 October 2017	17
A\$1,379	US\$1,095	24 October 2017	14
A\$1,380	US\$1,094	24 October 2017	12
A\$1,385	US\$1,090	24 October 2017	3
A\$21,840	US\$17,136	24 October 2017	3
CNH3,042,113	US\$462,017	24 October 2017	4,934
CNH1,511,555	US\$231,063	24 October 2017	3,949
CNH1,333,854	US\$202,448	24 October 2017	2,035
CNH596,316	US\$90,585	24 October 2017	988
CNH434,421	US\$66,236	24 October 2017	963
CNH214,763	US\$32,747	24 October 2017	478
CNH94,894	US\$14,459	24 October 2017	201
CNH60,244	US\$9,165	24 October 2017	113
CNH35,119	US\$5,351	24 October 2017	74
CNH9,627	US\$1,468	24 October 2017	22
CNH7,141	US\$1,094	24 October 2017	21
CNH8,754	US\$1,335	24 October 2017	19
CNH7,218	US\$1,103	24 October 2017	19
CNH7,198	US\$1,098	24 October 2017	16
CNH11,084	US\$1,680	24 October 2017	15
CNH7,198	US\$1,095	24 October 2017	13
CNH8,666	US\$1,316	24 October 2017	14
CNH7,206	US\$1,094	24 October 2017	11
CNH7,206	US\$1,094	24 October 2017	11
CNH7,233	US\$1,096	24 October 2017	10
CNH14,851	US\$2,241	24 October 2017	10
EUR101,531	US\$121,250	24 October 2017	1,089
EUR27,612	US\$33,086	24 October 2017	407
EUR58,789	US\$69,872	24 October 2017	295
EUR12,051	US\$14,434	24 October 2017	171
EUR4,849	US\$5,795	24 October 2017	55
EUR920	US\$1,104	24 October 2017	15
EUR919	US\$1,101	24 October 2017	13
EUR926	US\$1,106	24 October 2017	11
US\$38,894	A\$49,660	24 October 2017	65

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$76,593	A\$97,681	24 October 2017	38
US\$18,241	CNH121,544	24 October 2017	21
A\$1,776,782,232	US\$16,330,929	25 October 2017	530,989
A\$32,536,539	US\$25,749,515	25 October 2017	224,600
BRL1,294,142	US\$408,221	25 October 2017	283
CNH233,092,551	US\$2,142,422	25 October 2017	69,660
CNY3,192,579	US\$487,558	25 October 2017	7,861
EUR431,879	US\$517,377	25 October 2017	6,249
EUR347,957	US\$417,508	25 October 2017	5,701
HK\$6,565,395	US\$841,766	25 October 2017	739
HK\$3,846,429	US\$493,266	25 October 2017	539
HK\$6,500,455	US\$833,203	25 October 2017	494
HK\$5,686,772	US\$728,776	25 October 2017	300
KRW7,927,156,685	US\$6,949,745	25 October 2017	26,015
KRW47,447,632	US\$432,294	25 October 2017	10,369
KRW438,426,521	US\$388,707	25 October 2017	5,777
KRW499,608,558	US\$440,502	25 October 2017	4,134
KRW704,903,694	US\$619,173	25 October 2017	3,497
KRW438,179,706	US\$385,956	25 October 2017	3,242
KRW52,972,926	GBP351,172	25 October 2017	440
NKR21,652,811	US\$2,728,227	25 October 2017	6,794
TWD93,161,791	US\$3,076,982	25 October 2017	4,465
TWD11,923,240	US\$394,274	25 October 2017	1,040
US\$417,920	GBP321,504	25 October 2017	13,721
US\$92,046,093	US\$828,427	25 October 2017	9,912
US\$516,513	CNY3,450,929	25 October 2017	2,006
US\$990,919	HK\$7,737,369	25 October 2017	238
A\$205,468	US\$164,818	21 November 2017	3,690
A\$1,364	US\$1,094	21 November 2017	24
CNH1,672,159	US\$255,063	21 November 2017	4,266
CNH24,513	US\$3,739	21 November 2017	62
Total unrealized gains			999,603
			-----
US\$1,090	A\$1,385	3 October 2017	(3)
US\$265,237	A\$337,343	3 October 2017	(524)
A\$49,660	US\$38,902	6 October 2017	(62)
US\$17,139	A\$21,840	6 October 2017	(4)
CNH121,544	US\$18,261	10 October 2017	(16)
A\$1,399	US\$1,096	24 October 2017	(2)
CNH397,222	US\$59,676	24 October 2017	(7)
EUR21,266	US\$25,102	24 October 2017	(65)
US\$258,892	A\$330,000	24 October 2017	(7)
US\$871	CNH5,745	24 October 2017	(8)
US\$1,506	CNH9,935	24 October 2017	(13)
US\$44,401	CNH295,402	24 October 2017	(16)
US\$642	A\$797	24 October 2017	(18)
US\$1,144	A\$1,431	24 October 2017	(21)
US\$1,568	A\$1,944	24 October 2017	(43)
US\$80,089	CNH532,630	24 October 2017	(60)
US\$35,703	A\$45,426	24 October 2017	(67)
US\$61,954	CNH411,777	24 October 2017	(84)
US\$6,095	CNH40,000	24 October 2017	(85)
US\$6,470	CNH42,431	24 October 2017	(95)
US\$10,049	A\$12,670	24 October 2017	(109)
US\$30,564	EUR25,457	24 October 2017	(436)
US\$29,932	EUR24,899	24 October 2017	(463)
US\$32,167	A\$40,357	24 October 2017	(507)
US\$22,309	CNH145,017	24 October 2017	(521)
US\$66,373	CNH437,883	24 October 2017	(581)
US\$22,049	A\$27,363	24 October 2017	(582)
US\$49,777	A\$62,688	24 October 2017	(598)
US\$82,725	CNH545,700	24 October 2017	(733)
US\$79,067	CNH520,879	24 October 2017	(805)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$57,448	CNH375,748	24 October 2017	(993)
US\$76,197	CNH499,821	24 October 2017	(1,099)
US\$68,143	A\$85,434	24 October 2017	(1,120)
US\$91,524	CNH600,000	24 October 2017	(1,375)
US\$82,526	A\$103,194	24 October 2017	(1,571)
US\$84,318	A\$105,139	24 October 2017	(1,836)
US\$142,469	A\$178,659	24 October 2017	(2,312)
US\$129,695	A\$162,166	24 October 2017	(2,476)
US\$230,899	CNH1,520,000	24 October 2017	(2,519)
US\$273,335	A\$342,214	24 October 2017	(4,870)
US\$457,261	CNH3,005,416	24 October 2017	(5,699)
US\$322,965	CNH2,108,691	24 October 2017	(6,139)
US\$451,866	A\$564,875	24 October 2017	(8,723)
US\$5,439,333	EUR4,503,728	24 October 2017	(109,051)
US\$12,036,161	CNH77,989,631	24 October 2017	(318,493)
US\$15,783,584	A\$19,508,859	24 October 2017	(478,976)
BRL4,519,020	US\$1,411,929	25 October 2017	(12,551)
C\$2,774,533	US\$2,194,755	25 October 2017	(24,161)
C\$23,564,613	US\$18,640,457	25 October 2017	(205,203)
CNY22,815,093	US\$3,407,323	25 October 2017	(20,735)
EUR4,689,072	US\$5,523,179	25 October 2017	(26,339)
EUR15,864,119	US\$18,686,076	25 October 2017	(89,109)
GBP307,658	US\$399,293	25 October 2017	(13,769)
GBP3,744,796	US\$4,836,468	25 October 2017	(191,295)
GBP6,387,516	US\$8,249,585	25 October 2017	(326,293)
HK\$77,849,170	US\$9,970,751	25 October 2017	(1,729)
RUB39,063,961	US\$672,718	25 October 2017	(3,235)
RUB83,372,064	US\$1,385,221	25 October 2017	(57,430)
S\$2,472,779	US\$1,813,775	25 October 2017	(7,659)
S\$394,808	A\$31,824,642	25 October 2017	(7,808)
US\$473,311	HK\$3,694,548	25 October 2017	(40)
US\$448,217	HK\$3,497,565	25 October 2017	(179)
US\$727,160	HK\$5,674,303	25 October 2017	(282)
US\$1,083,357	HK\$8,454,256	25 October 2017	(367)
US\$766,201	KRW876,127,857	25 October 2017	(974)
US\$68,228,369	US\$603,384	25 October 2017	(3,333)
US\$499,763	EUR417,959	25 October 2017	(5,103)
US\$604,612	KRW685,781,351	25 October 2017	(5,636)
US\$599,478	CNY3,935,756	25 October 2017	(8,131)
US\$637,899	A\$798,049	25 October 2017	(11,832)
US\$630,335	US\$68,325,692	25 October 2017	(22,730)
Total unrealized losses			(1,999,710)
Net unrealized losses			(1,000,107)

(b) Open futures contracts as at 30 September were as follows:

	No. of contracts long/(short)	Contract value US\$	Settlement date	Unrealized gains/(losses) US\$
<u>2018</u>				
Euro-Bund (EUX) Futures	(59)	(10,996,083)	December 2018	114,443
<u>2017</u>				
Long Gilt (LIF) Futures	(10)	(1,700,005)	December 2017	37,969

### 13 Other income

The Fund did not receive any amount (2017: US\$460) from the Manager as compensation for valuation and/or other operational error(s).

**Independent Auditor's Report**

To the Unitholders of JPMorgan Multi Balanced Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Multi Balanced Fund set out on pages 626 to 651, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 23 February 2017 ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKASs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Multi Balanced Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019



**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 23 February 2017 for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund	Net asset value per unit
30/9/18		
- AUD Hedged Class (mth)	A\$43,224,229	A\$10.27
- EUR Hedged Class (mth)	EUR8,474,087	EUR10.22
- HKD Class (mth)	HK\$639,771,015	HK\$10.38
- RMB Hedged Class (mth)	CNY189,465,102	CNY10.30
- USD Class (mth)	US\$176,109,949	US\$10.30
30/9/17		
- AUD Hedged Class (mth)	A\$18,895,746	A\$10.54
- EUR Hedged Class (mth)	EUR4,349,106	EUR10.57
- HKD Class (mth)	HK\$576,114,889	HK\$10.63
- RMB Hedged Class (mth)	CNY79,498,563	CNY10.57
- USD Class (mth)	US\$141,008,609	US\$10.57

**Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u>	<u>Lowest bid</u>
30/9/18		
- AUD Hedged Class (mth)	A\$11.08	A\$10.24
- EUR Hedged Class (mth)	EUR11.08	EUR10.18
- HKD Class (mth)	HK\$11.18	HK\$10.38
- RMB Hedged Class (mth)	CNY11.13	CNY10.27
- USD Class (mth)	US\$11.10	US\$10.27
30/9/17 (since inception)		
- AUD Hedged Class (mth)	A\$10.55	A\$9.92
- EUR Hedged Class (mth)	EUR10.57	EUR9.95
- HKD Class (mth)	HK\$10.63	HK\$9.96
- RMB Hedged Class (mth)	CNY10.59	CNY9.96
- USD Class (mth)	US\$10.58	US\$9.95

**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Sub-Manager**

JPMorgan Asset Management  
(UK) Limited  
60 Victoria Embankment  
London  
EC4Y 0JP  
United Kingdom

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments</b> (93.7%)			<b>Chile</b> (0.1%)		
<b>(I) Equities, Convertibles and Warrants</b> (46.4%)			Banco Santander-Chile		
			ADR	217,625	6,959,648 0.1
<b>Australia</b> (0.3%)			<b>China</b> (3.1%)		
Dexus Stapled Sec	388,825	2,970,891 0.0	China Construction Bank		
Goodman Group Stapled			'H'	19,900,000	17,395,237 0.3
Sec	1,560,641	11,698,531 0.2	China Life Insurance 'H'	2,020,000	4,589,912 0.1
Mirvac Group Stapled Sec	3,054,464	5,326,238 0.1	China Mobile	1,357,500	13,384,340 0.2
<b>Austria</b> (0.1%)			China Overseas Land &		
ams AG CB 0% 05/03/25-			Investment	4,002,000	12,530,384 0.2
RegS	EUR600,000	526,160 0.0	China Pacific Insurance		
Erste Group Bank	95,560	3,971,327 0.1	(Group) 'H'	4,993,600	19,272,670 0.3
OMV AG-AT List	27,653	1,554,236 0.0	China Resources Power		
<b>Belgium</b> (0.1%)			Hldgs	9,156,000	16,194,332 0.3
Ageas NV	19,080	1,026,295 0.0	CNOOC Ltd	8,817,000	17,465,206 0.3
Anheuser-Busch InBev	4,928	430,550 0.0	Ctrip.com Intl CB 1%		
KBC Group	24,189	1,800,923 0.0	01/07/20-144A	USD1,300,000	1,277,583 0.0
Warehouses De Pauw	29,190	3,844,735 0.1	Fuyao Glass Industry Group		
<b>Bermuda</b> (0.0%)			'H'	420,000	1,527,048 0.0
BW Group CB 1.75%			Fuyao Group Glass		
10/09/19-RegS	USD1,200,000	1,156,808 0.0	Industries 'A'-C1	4,299,537	15,915,177 0.3
Nabors Industries Cnv Pref			Guangdong Investment	3,170,000	5,631,126 0.1
6% 05/21	26,012	1,148,170 0.0	Henan Shuanghui Inv 'A'-		
<b>Brazil</b> (1.0%)			C2	806,756	3,068,428 0.0
Ambev SA ADR	3,582,436	16,371,732 0.2	Huayu Automotive Systems		
BB Seguridade			'A' (C1)	3,208,919	10,501,306 0.2
Participacoes	2,043,700	12,333,180 0.2	Inner Mongolia Yili Ind 'A'		
Cielo SA	1,250,400	3,835,535 0.1	(C1)	2,525,603	9,433,267 0.1
Engie Brasil Energia	982,061	8,724,950 0.1	Jiangsu Yanghe Brewery		
Itau Unibanco Hldg Pref	1,696,002	18,741,362 0.3	'A'-C2	333,777	6,213,959 0.1
Petrobras Distribuidora	1,072,580	5,237,273 0.1	Midea Group 'A'-C2	2,512,440	14,811,109 0.2
<b>Canada</b> (0.6%)			Ping An Insurance (Group)		
Allied Properties REIT	186,716	6,225,793 0.1	'H'	1,485,000	15,087,412 0.2
Canadian Apartment			SAIC Motor Corp 'A' (C1)	2,588,863	12,531,251 0.2
Properties REIT	138,727	5,118,281 0.1	Zhejiang Expressway CB		
Frontera Energy	37,156	524,887 0.0	0%04/22-RegS	EUR800,000	882,619 0.0
TransCanada Corp	558,603	22,584,397 0.4	<b>Cyprus</b> (0.0%)		
<b>Cayman Islands</b> (0.1%)			Abigrove Ltd CB 0%		
Future Land Dev CB 2.25%			16/02/22-RegS	USD800,000	843,896 0.0
02/19-RegS	HKD9,910,000	1,239,953 0.0	Volcan Hldgs		
Harvest Intl CB 0%			EB(AAL)4.125%4/20-		
21/11/22-RegS	HKD4,000,000	495,500 0.0	RegS	GBP400,000	675,105 0.0
Momo CB 1.25% 01/07/25-			<b>Czech Republic</b> (0.2%)		
144A	USD1,267,000	1,233,716 0.0	Komerční Banka	282,630	11,599,713 0.2
Powerlong Real Est CB 0%			Moneta Money Bank AS	691,981	2,546,988 0.0
02/19-RegS	HKD10,000,000	1,266,304 0.0	<b>Denmark</b> (0.2%)		
Telford Offshore Hldg Ltd	27,767	41,651 0.0	Novo Nordisk 'B'	212,402	10,004,184 0.2
Weibo CB 1.25% 15/11/22-			Tryg A/S	50,218	1,250,689 0.0
144A	USD1,300,000	1,260,043 0.0	<b>Finland</b> (0.2%)		
XL Group Pref 'D'	1,475	1,484,219 0.1	Elisa Oyj	34,024	1,443,625 0.0
Zhongsheng Group CB 0%			Fortum Oyj	62,269	1,561,506 0.0
05/23-RegS	HKD8,000,000	981,390 0.0	Konecranes Oyj	163,696	6,270,583 0.1
			Metso Oyj	38,902	1,379,940 0.0
			Nokian Renkaat	20,676	847,495 0.0
			Stora Enso 'R'	54,765	1,047,967 0.0

Investment Portfolio (Continued)  
As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Finland</b> (Continued)				<b>Hong Kong</b> (1.1%)			
UPM-Kymmene Oyj	48,751	1,913,901	0.1	China Overs Fin V CB 0%			
<b>France</b> (3.5%)				5/1/23-RegS	USD3,600,000	3,799,188	0.0
Airbus SE-FR List	53,188	6,683,129	0.1	Hang Seng Bank	673,600	18,301,493	0.3
Amundi SA	11,093	831,567	0.0	HKT Trust & HKT Stapled			
AXA SA	107,671	2,895,136	0.1	Uts	7,959,000	10,944,401	0.2
Bouygues SA	36,154	1,563,395	0.0	Hong Kong Exchanges &			
Capgemini SE	47,791	6,017,202	0.1	Clearing	253,300	7,251,109	0.1
CNP Assurances	60,429	1,457,109	0.0	New World Development	4,206,000	5,740,659	0.1
Covivio SA	69,394	7,233,952	0.1	PB Issuer No 4 CB 3.25%			
Credit Agricole	82,400	1,185,434	0.0	3/7/21-RegS	USD693,000	690,792	0.0
Engie SA-FR List	142,008	2,088,994	0.1	Sands China	2,346,800	10,631,965	0.2
Eutelsat Communications	58,170	1,375,612	0.0	WH Group	7,124,000	5,016,453	0.1
Gecina SA	8,333	1,391,808	0.0	Wharf Real Estate			
ICADE SA	13,923	1,287,257	0.0	Investment	883,000	5,698,667	0.1
LVMH Moët Hennessy				<b>Hungary</b> (0.3%)			
Louis Vuitton	58,883	20,832,386	0.4	OTP Bank	460,890	17,080,306	0.3
Michelin-Regd	157,249	18,803,272	0.3	<b>India</b> (0.7%)			
Natixis	211,155	1,433,279	0.0	Coal India	1,249,518	4,589,380	0.1
Orange	998,266	15,925,539	0.3	Infosys Ltd ADR	1,350,070	13,730,212	0.2
Orpar SA CB 0%				ITC Ltd	1,728,742	7,100,744	0.1
20/06/24-RegS	EUR400,000	480,452	0.0	Tata Consultancy Services	613,500	18,481,168	0.3
Peugeot SA	42,939	1,158,565	0.0	<b>Indonesia</b> (0.3%)			
Publicis Group	27,727	1,657,909	0.1	Telekomunikasi Indonesia	66,083,600	16,142,287	0.3
Renault SA	20,358	1,761,613	0.1	<b>Ireland</b> (0.0%)			
Rexel SA	55,602	835,365	0.0	AIB Group	247,552	1,268,015	0.0
Sanofi	296,312	26,349,378	0.4	Bank of Ireland Group	173,777	1,331,148	0.0
Schneider Electric	328,584	26,448,366	0.4	<b>Italy</b> (0.4%)			
SCOR SE	30,474	1,415,822	0.0	Assicurazioni Generali	106,923	1,847,963	0.0
SES SA FDR-FR List	75,410	1,655,427	0.0	Enel SpA	2,856,643	14,638,976	0.3
Total SA	584,311	37,897,335	0.6	ENI SpA	144,719	2,736,860	0.1
Veolia Environnement	76,983	1,537,057	0.0	Mediobanca SpA	126,725	1,266,432	0.0
Vinci SA	278,209	26,503,922	0.4	Poste Italiane	170,296	1,361,251	0.0
<b>Germany</b> (1.5%)				Prysmian SpA CB 0% 1/22-			
Allianz SE-Regd	136,775	30,501,918	0.5	RegS	EUR700,000	793,431	0.0
Aroundtown SA	705,185	6,274,094	0.1	Snam SpA	357,117	1,488,686	0.0
BASF SE	35,774	3,180,767	0.1	Telecom Italia (Ris)	2,242,260	1,206,872	0.0
Bayer Capit CB 5.625%				Terna-Rete Elettrica			
22/11/19-RegS	EUR1,700,000	1,848,550	0.0	Nazionale	254,379	1,359,417	0.0
Bayerische Motoren Werke	23,117	2,086,544	0.1	<b>Japan</b> (1.1%)			
Daimler AG-Regd	47,087	2,972,486	0.1	Bridgestone Corp	165,700	6,262,712	0.1
Deutsche Telekom-Regd	1,305,767	21,058,662	0.3	Daiwa House REIT			
E.ON SE	188,955	1,926,957	0.0	Investment	1,130	2,585,614	0.0
Evonik Industries	23,684	848,652	0.0	Invesco Office J-REIT	19,019	2,714,249	0.0
Hannover				Japan Airlines	291,100	10,466,632	0.2
Rueckversicherung-				Japan Hotel REIT			
Regd	10,841	1,532,425	0.0	Investment	6,666	4,853,442	0.1
Muenchener Rueck-Regd	10,391	2,302,190	0.1	JXTG Hldgs	1,277,700	9,654,883	0.2
RTL Group	18,314	1,307,147	0.0	Kenedix Office Investment	399	2,546,771	0.0
RWE AG	65,349	1,612,936	0.0	Kenedix Retail REIT	672	1,439,430	0.0
Schaeffler Ag	95,484	1,221,060	0.0	Mitsubishi Estate	195,000	3,316,811	0.1
Telefonica Deutschland				Nippon Prologis REIT	2,239	4,433,254	0.1
Hldg	322,673	1,364,591	0.0	Sumitomo Mitsui Financial			
Volkswagen AG Pref	328,134	6,714,764	0.1	Grp	207,900	8,393,973	0.1
Vonovia SE	110,705	5,410,809	0.1				

# JPMORGAN MULTI INCOME FUND

Annual report for the  
year ended 30 September 2018

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

Holding	Fair value US\$	% of net assets
<b>Japan</b> (Continued)		
Tokio Marine Hldgs	244,100	12,114,203 0.2
<b>Jersey C.I.</b> (0.1%)		
Intu Jer EB(Intu Prop)2.875% 11/22-RegS Remgro	GBP1,400,000	1,609,096 0.0
JerseyEB(MED)2.625% 3/21-RegS	GBP1,400,000	1,766,030 0.1
<b>Korea</b> (0.8%)		
KT & G	139,750	13,102,547 0.2
Orange Life Insurance	46,050	1,415,646 0.0
Samsung Electronics	413,280	17,306,157 0.3
Samsung Fire & Marine Insurance	42,360	10,845,382 0.2
SK Telecom ADR	264,604	7,377,160 0.1
<b>Marshall Island</b> (0.0%)		
Scorpio Tanlers CB 2.375% 7/19-144A	USD1,311,000	1,266,842 0.0
<b>Mexico</b> (0.7%)		
Bolsa Mexicana de Valores Cemex SAB de CV CB 3.72% 15/03/20	1,278,170	2,615,227 0.0
Fibra Uno Administracion Kimberly-Clark de Mexico 'A'	USD617,000	624,388 0.0
Walmart de Mexico	7,199,180	9,474,809 0.2
	6,257,591	11,143,644 0.2
	6,224,650	18,984,279 0.3
<b>Netherlands</b> (1.3%)		
ABN AMRO Group CVA	58,797	1,601,464 0.0
Aegon NV	259,935	1,687,098 0.1
Akzo Nobel	81,837	7,655,623 0.1
Eurocommercial Properties CVA	80,018	2,931,356 0.1
ING Groep NV	480,420	6,240,760 0.1
Koninklijke Ahold Delhaize	68,617	1,574,048 0.0
KPN (Koninklijke)	363,477	959,190 0.0
NN Group	37,490	1,673,420 0.0
Randstad Hldg	24,481	1,307,427 0.0
Royal Dutch Shell 'A'-NL List	598,712	20,566,572 0.3
Unilever NV CVA	642,016	35,767,575 0.6
Yandex NV CB 1.125% 15/12/18-144A	USD584,000	579,548 0.0
<b>Norway</b> (0.5%)		
Aker BP	35,133	1,490,175 0.0
DNB ASA	90,276	1,898,464 0.0
Equinor ASA	62,127	1,750,905 0.0
Marine Harvest	67,779	1,569,355 0.0
Norsk Hydro	1,719,525	10,317,192 0.2
Telenor ASA	656,387	12,824,183 0.2
Telenor East CB 0.25% 20/09/19-RegS	USD2,000,000	1,951,785 0.1
<b>Portugal</b> (0.0%)		
EDP-Energias de Portugal	407,105	1,502,725 0.0

(Continued)

Holding	Fair value US\$	% of net assets
Galp Energia SGPS	51,211	1,016,540 0.0
<b>Russia</b> (0.9%)		
Alrosa PJSC	6,597,270	10,756,881 0.2
Moscow Exchange MICEX-RTS	9,660,436	14,336,875 0.2
Sberbank of Russia (CLS USD)	9,635,890	29,913,239 0.5
Sberbank PAO ADR-UK List	87,690	1,111,909 0.0
Severstal Cherepovets GDR-RegS	215,353	3,585,627 0.0
<b>Saudi Arabia</b> (0.4%)		
Al Rajhi Bank PN 19/01/21 (HSBC)	1,098,550	25,250,318 0.4
<b>Singapore</b> (0.4%)		
Ascendas Real Estate Inv Trust	1,243,823	2,403,259 0.1
CapitaLand Ltd CB 1.85%19/6/20-RegS	SGD3,250,000	2,343,566 0.0
CapitaLand Ltd CB2.95%20/06/22-RegS	SGD2,500,000	1,844,924 0.0
City Developments	342,100	2,280,917 0.0
DBS Group Hldgs	902,300	17,229,118 0.3
<b>South Africa</b> (0.7%)		
Absa Group	454,012	4,872,739 0.1
AVI Ltd	1,196,670	8,988,185 0.1
Bid Corp	287,196	5,985,326 0.1
Brait SE CB 2.75% 18/09/20-RegS	GBP1,900,000	2,271,842 0.0
Firststrand Ltd	2,030,170	9,736,782 0.2
Spar Group	266,470	3,467,193 0.1
Vodacom Group	889,890	7,919,007 0.1
<b>Spain</b> (1.0%)		
ACS Actividades de Construction	23,955	1,020,575 0.0
Aena SME	9,679	1,680,703 0.0
Bankinter SA	97,194	895,450 0.0
CaixaBank SA	371,225	1,697,978 0.1
Enagas SA	51,479	1,390,184 0.0
Endesa SA	66,476	1,436,913 0.0
Iberdrola SA	3,966,431	29,199,226 0.5
Industria de Diseno Textil-Inditex	209,645	6,357,855 0.1
Intl Consolidated Airlines	96,196	827,038 0.0
Mapfre SA	452,741	1,420,870 0.0
Merlin Properties Socimi	476,025	6,460,672 0.1
Naturgy Energy Group	56,389	1,539,807 0.0
Red Electrica Corp	72,320	1,515,354 0.0
Repsol SA	104,677	2,086,961 0.1
Telefonica SA	292,458	2,316,006 0.1
<b>Sweden</b> (0.4%)		
Boliden AB	59,394	1,655,621 0.0
Lundin Petroleum	41,228	1,577,134 0.0

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Sweden</b> (Continued)				<b>United Kingdom</b> (3.4%)			
Millicom Intl Cellular SDR	14,405	826,896	0.0	3i Group	86,687	1,063,972	0.0
Nordea Bank	208,808	2,274,226	0.1	Admiral Group	53,303	1,445,803	0.0
Skandinaviska Enskilda Banken 'A'	165,260	1,844,151	0.0	Anglo American-UK List	93,894	2,109,684	0.0
SKF AB 'B'	47,952	945,485	0.0	AstraZeneca plc	217,237	16,892,457	0.3
Svenska Handelsbanken 'A'	675,220	8,522,629	0.2	Aviva plc	1,319,783	8,424,603	0.1
Swedbank AB 'A'	80,339	1,990,136	0.1	Babcock Intl Group	140,044	1,320,374	0.0
Swedish Match	29,210	1,494,462	0.0	BAE Systems	242,212	1,989,265	0.0
Tel2 AB 'B'	110,455	1,328,958	0.0	Barclays Pref VRN 7.75% Perp	USD1,720,000	1,730,320	0.0
Telia Co	360,169	1,653,184	0.0	Barratt Developments	124,987	924,149	0.0
Volvo AB 'B'	88,335	1,560,454	0.0	Berkeley Group Hldgs	30,196	1,448,683	0.0
<b>Switzerland</b> (2.1%)				BHP Billiton plc	126,943	2,766,505	0.1
Credit Suisse Group-Regd	125,706	1,898,202	0.0	BP plc	784,672	6,030,021	0.1
Novartis AG-Regd	578,327	49,970,104	0.8	British American Tobacco- UK List	335,125	15,664,972	0.3
Roche Hldg (Genusschein)	182,471	44,412,858	0.7	British Land	183,246	1,473,917	0.0
Swiss Re	159,146	14,761,085	0.2	British Land White CB 0% 06/20-RegS	GBP900,000	1,128,049	0.0
UBS Group	165,788	2,630,747	0.1	Centrica plc	540,905	1,092,614	0.0
Zurich Insurance Group- Regd	57,934	18,397,958	0.3	Compass Group	106,794	2,375,856	0.1
<b>Taiwan</b> (2.1%)				Easyjet plc	66,535	1,140,092	0.0
Asustek Computer	1,007,000	8,706,907	0.2	Ferguson PLC	150,255	12,765,493	0.2
Chicony Electronics	758,019	1,534,260	0.0	GlaxoSmithKline plc	216,194	4,332,666	0.1
Delta Electronics	1,452,886	6,233,520	0.1	Glencore plc-UK List	2,836,676	12,270,138	0.2
MediaTek Inc	990,000	7,992,500	0.1	Hammerson plc	280,597	1,671,122	0.0
Mega Financial Hldg	9,050,000	8,151,017	0.1	HSBC Hldgs VRN 6.25% Perp	USD2,645,000	2,633,627	0.1
Novatek Microelectronics	1,492,000	7,378,640	0.1	HSBC Hldgs-UK List	695,149	6,071,798	0.1
President Chain Store	564,000	6,622,147	0.1	Imperial Brands	65,599	2,284,890	0.0
Quanta Computer	5,815,000	10,131,923	0.2	John Wood Group	92,000	925,709	0.0
Taiwan Mobile	4,295,300	15,404,163	0.3	Legal & General Group	558,220	1,908,676	0.0
Taiwan Semiconductor Mfg ADR	1,140,855	50,380,156	0.8	Lloyds Banking Group	3,825,796	2,956,998	0.1
Vanguard Intl Semiconductor	3,412,000	7,598,860	0.1	Mondi plc	36,045	988,974	0.0
<b>Thailand</b> (0.5%)				NewRiver REIT	512,607	1,724,640	0.0
Siam Cement (F)	752,800	10,381,843	0.1	Next plc	22,104	1,583,630	0.0
Siam Commercial Bank (F)	3,954,300	18,218,635	0.3	Persimmon plc	60,412	1,863,153	0.0
Thai Oil (F)	1,588,000	4,345,640	0.1	Prudential plc	492,256	11,294,696	0.2
<b>Turkey</b> (0.1%)				Quilter PLC-UK List	166,355	291,344	0.0
Tofas Turk Otomobil Fabrikasi	500,550	1,781,459	0.0	Rio Tinto-UK List	569,743	28,827,365	0.5
Tupras-Turkiye Petrol Rafinerileri	141,340	3,157,463	0.1	Royal Dutch Shell 'B'-UK List	291,617	10,225,814	0.2
<b>United Arab Emirates</b> (0.3%)				Royal Mail	136,477	849,108	0.0
Aabar Inv PJSC CB 0.5% 03/20-RegS	EUR2,300,000	2,479,520	0.0	RSA Insurance Group	118,332	887,287	0.0
Aabar Inv PJSC CB 1% 27/03/22-RegS	EUR1,400,000	1,369,958	0.0	Safestore Hldgs	721,126	4,899,403	0.1
DP World CB 1.75% 19/06/24-RegS	USD2,200,000	2,175,664	0.0	Sainsbury (J)	218,463	916,765	0.0
Emaar Development	2,002,010	2,834,280	0.1	Schroders plc	25,525	1,030,198	0.0
First Abu Dhabi Bank PJSC	2,910,722	11,252,842	0.2	Segro plc	678,785	5,645,612	0.1
				Severn Trent	57,759	1,392,678	0.0
				Taylor Wimpey	6,766,985	15,160,467	0.3
				Tritax Big Box REIT	1,538,327	2,958,932	0.1
				Tritax EuroBox	455,995	624,973	0.0
				TUI AG-UK List	82,608	1,586,789	0.0
				Unite Group	341,291	3,974,391	0.1
				Vodafone Group NoVOD CB 2% 25/02/19	GBP900,000	1,051,305	0.0
				WPP plc	85,742	1,257,324	0.0
				<b>United States</b> (15.8%)			
				Altria Group	301,851	18,204,633	0.3

Investment Portfolio (Continued)  
As at 30 September 2018 *(Unaudited)*

(Continued)

		Fair value US\$	% of net assets			Fair value US\$	% of net assets
	Holding				Holding		
United States (Continued)				DISH Network CB			
American Tower	31,999	4,649,455	0.1	3.375%15/08/26-144A	USD1,110,000	1,064,396	0.0
Analog Devices	134,335	12,420,614	0.2	Dominion Ene Cnv Pref			
Ares Capital CB 3.75%				6.75% 08/19-A	44,046	2,083,376	0.0
01/02/22-144A	USD1,700,000	1,729,410	0.0	Dominion Energy Pref 'A'	76,000	1,811,840	0.0
Automatic Data				Douglas Emmett	134,472	5,072,284	0.1
Processing	69,454	10,463,940	0.2	Dowdupont Inc	88,875	5,715,551	0.1
Avalonbay Communities	112,151	20,316,153	0.3	DTE Energy Cnv Pref 6.5%			
Avaya Hldgs Corp	83,307	1,844,417	0.0	01/10/19	32,745	1,693,571	0.0
Bank of America 6% Cum				Eaton Corp	189,463	16,432,125	0.3
Pref	112,000	2,912,000	0.1	Elec For Imaging CB			
Bank Of America Conv				0.75% 01/09/19	USD594,000	587,104	0.0
Pref 7.25%Perp	3,165	4,096,301	0.1	EnLink Midstream			
Bank of America Pref				Partners Pref 'C'	USD5,247,000	4,761,653	0.1
5.875% Perp	224,000	5,712,000	0.1	Ensco Jersey EB (Ensco)			
Bank of America VRN				3%01/24-144A	USD2,600,000	2,604,719	0.0
5.875% Perp	USD8,335,000	8,262,069	0.1	Equinix Inc	23,704	10,261,225	0.2
BB&T Corp Deposit Pref 'F'	146,150	3,561,676	0.1	Equity Lifestyle Properties	72,845	7,025,900	0.1
Becton Dick NoA Cnv Pref				Essex Property Trust	32,081	7,914,704	0.1
6.125%5/20	19,306	1,261,840	0.0	Federal Realty Inv Trust	44,326	5,605,909	0.1
Belden Inc Dep Pref 'B'	15,434	1,460,056	0.0	Finisar Corp CB 0.5%			
BlackRock Capital Inv CB				15/12/36	USD2,091,000	1,917,761	0.0
5% 15/6/22	USD564,000	578,440	0.0	Fireeye Inc NoB CB 1.625%			
BlackRock TCP 4.625%				01/06/35	USD3,116,000	2,875,578	0.1
01/03/22-144A	USD1,114,000	1,115,787	0.0	Glencore Funding CB 0%			
Brandywine Realty Trust	276,510	4,346,737	0.1	27/3/25-RegS	USD1,400,000	1,266,650	0.0
Bristol Myers Squibb	117,969	7,323,516	0.1	Golar LNG CB 2.75%			
Brixmor Property Group				15/02/22-144A	USD293,000	307,226	0.0
REIT	284,680	4,984,747	0.1	Goldman Sachs Group Pref			
Bunge Ltd Conv Pref				'J'	123,000	3,129,120	0.1
4.875% Perp	5,193	563,441	0.0	Goldman Sachs Non Cum			
Caesars Entertainment	133,886	1,372,332	0.0	Pref 'P'	USD9,790,000	9,261,340	0.2
Camden Property Trust	66,898	6,259,646	0.1	Halcon Resources	76,900	343,743	0.0
Capital One Financial Pref				Healthcare Trust of			
'D'	57,250	1,495,370	0.0	America Cl 'A'	215,131	5,737,544	0.1
Chesapeake Energy CB				Hercules Cap CB 4.375%			
5.5% 9/26-144A	USD1,299,000	1,286,964	0.0	1/2/22-144A	USD1,357,000	1,350,475	0.0
Chevron Corp	108,284	13,240,968	0.2	Hess Cnv Pref 8%			
Cisco Systems	216,906	10,552,477	0.2	01/02/19	9,785	777,712	0.0
Citigroup Inc Pref 'T'	USD2,660,000	2,776,375	0.0	Highwoods Properties	72,314	3,417,560	0.1
Citigroup Inc-US List	176,371	12,652,856	0.2	Home Depot	48,601	10,067,697	0.2
Coca-Cola Co	1,125,567	51,989,939	0.8	Intercept Pharmaceut CB			
Colony Capital CB 3.875%				3.25% 07/23	USD586,000	594,512	0.0
15/01/21	USD659,000	626,842	0.0	Intl Business Machines	214,492	32,433,334	0.5
Colony Capital CB 5%				Invitation Homes	185,732	4,255,120	0.1
15/04/23	USD1,670,000	1,601,386	0.0	Iron Mountain	176,978	6,109,281	0.1
Comcast Corp 'A'	408,658	14,470,580	0.2	Jack Cooper Ent Wts			
Concordia Intl (US list)-				29/10/27	206	0	0.0
USD	7,412	149,255	0.0	Kilroy Realty	79,137	5,673,332	0.1
Concordia Intl(6month				Kinder Morgan Cv Prf			
Restrict Stk)	77,370	1,460,688	0.0	9.75% 26/10/18	37,526	1,247,740	0.0
Crown Cas Intl Cnv Pref				Liberty Inter EB 1.75%			
6.875% 8/20	2,098	2,278,428	0.0	30/9/46-144A	USD605,000	679,587	0.0
CVS Health	196,413	15,461,630	0.2	Liberty Inter EB 4%			
Digital Realty Trust	134,215	15,096,502	0.2	15/11/29-Regd	USD3,128,000	2,190,653	0.0
Discover Fin VRN 5.5%				Liberty Inter EB Sprint			
Non Cum Pref	USD5,156,000	5,020,655	0.1	3.75% 02/30	USD150,000	102,443	0.0
DISH Network CB 2.375%				Live Nation Ent CB 2.5%			
15/3/24-144A	USD4,380,000	3,894,142	0.1	03/23-144A	USD585,000	632,988	0.0

Investment Portfolio (Continued)  
As at 30 September 2018 (Unaudited)

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
United States (Continued)				State Street Pref VRN			
Macquarie Infracore CB 2%				5.625% Perp	USD2,405,000	2,411,013	0.0
01/10/23	USD1,903,000	1,732,206	0.0	SunPower Corp CB 0.875%			
Mandatory Exch Cvt Pref				1/6/21-144A	USD1,451,000	1,185,636	0.0
5.75% 19-144A	10,918	2,023,924	0.0	Sunstone Hotel Investors	240,596	3,936,151	0.1
Marathon Petroleum	130,405	10,428,488	0.2	Texas Instruments	162,104	17,392,137	0.3
Merck & Co	578,544	41,041,910	0.7	TPG Specialty Lend CB			
Microsoft Corp	62,419	7,138,861	0.1	4.5% 01/08/22	USD553,000	560,814	0.0
Mid-America Apartment				Twitter Inc CB 0.25%			
Communities	75,904	7,604,063	0.1	15/09/19-144A	USD1,965,000	1,898,900	0.0
Mondelez Intl 'A'	342,782	14,725,915	0.2	Twitter Inc CB 1%			
Morgan Stanley	337,224	15,704,521	0.3	15/09/21-144A	USD1,845,000	1,705,139	0.0
Morgan Stanley Pref 'I'	185,000	4,943,200	0.1	UCI Intl Hldgs	24,132	395,162	0.0
Morgan Stanley Pref 'K'	152,400	3,875,532	0.1	Union Pacific	97,155	15,819,748	0.3
Nabors Ind CB 0.75%				UnitedHealth Group	44,695	11,890,658	0.2
15/01/24-144A	USD2,912,000	2,275,738	0.0	US Bancorp Dep Pref 'J'	USD1,067,000	1,067,000	0.0
Natl Health Investors	97,878	7,398,598	0.1	US Bancorp Pref 5.5%			
NextEra Energy	212,090	35,546,283	0.6	Perp	115,000	2,889,950	0.1
NextEra Energy Conv Pref				Veeco Instruments CB			
6.123%9/19	32,683	1,861,297	0.0	2.7% 15/01/23	USD2,040,000	1,729,920	0.0
NII Hldgs	113,798	666,856	0.0	Ventas Inc	109,155	5,935,849	0.1
Northern Trust VRN 4.6%				VEREIT Inc CB 3.75%			
Perpetual	USD3,199,000	3,123,024	0.1	15/12/20	USD1,245,000	1,283,398	0.0
Nuance Commun CB 1%				Verizon Communications	856,230	45,714,119	0.7
15/12/35-144A	USD199,000	187,864	0.0	VICI Properties	252,243	5,453,494	0.1
Occidental Petroleum	116,781	9,595,895	0.2	VICI Properties (Restricted			
Pandora Media CB 1.75%				Stock)	66,890	1,446,162	0.0
12/20-144A	USD1,270,000	1,242,511	0.0	Vishay Intertech CB 2.25%			
Park Hotels & Resorts	309,884	10,170,393	0.2	6/25-144A	USD1,287,000	1,211,867	0.0
Penn Virginia	3,354	270,131	0.0	Vistra Energy	125,662	3,126,471	0.1
Penn Virginia Corp -				Vistra Energy Right	208,475	146,975	0.0
Accred Inv	1,771	142,636	0.0	Vornado Realty Trust REIT	219,649	16,034,376	0.3
Pepsico Inc	324,695	36,300,900	0.6	Weatherford Intl CB			
Pfizer Inc	1,371,413	60,438,170	1.0	5.875% 01/07/21	USD1,791,000	1,716,458	0.0
Philip Morris Intl	361,984	29,516,174	0.5	Wells Fargo & Co Pref 'Y'	110,250	2,756,250	0.0
Plains All Amer Cum Pref				Wells Fargo Conv Pref			
'B'	USD2,800,000	2,726,500	0.0	7.5% Perp-L	3,097	3,997,855	0.1
PNC Financial Services				Welltower Inc Conv Prf			
Dep Pref 'S'	USD3,625,000	3,588,750	0.1	6.5% Perp	20,709	1,253,309	0.0
Principal Financial Group	210,700	12,344,913	0.2	Whiting Petroleum CB			
Prologis Inc	340,090	23,054,700	0.4	1.25%4/20-144A	USD1,324,000	1,279,778	0.0
Public Storage	75,690	15,261,374	0.2	Xcel Energy	394,794	18,638,224	0.3
Rexford Industrial Realty	131,277	4,195,613	0.1				
Rovi Corp CB 0.5%				Virgin Islands (0.0%)			
01/03/20	USD244,000	232,585	0.0	Smart Insight Intl CB 0%	HKD10,000,000	1,263,761	0.0
RWT Hldgs CB 5.625%				01/19-RegS			
15/11/19-144A	USD1,620,000	1,673,881	0.0			2,938,552,345	46.4
SCE Trust II Preferred Secs	15,800	350,128	0.0			-----	-----
Sempra Energy Cnv							
Pref6.75%15/07/21	9,950	1,002,910	0.0				
Southern Co Pref	59,975	1,398,017	0.0	(II) Debt Securities (47.4%)			
Spirit Realty Cap CB 3.75%							
15/05/21	USD1,131,000	1,157,529	0.0	Angola (0.1%)			
Stanley Black Cnv Pref				Angola Rep Of 7%			
5.375% 5/20	22,418	2,457,237	0.0	17/08/19-RegS	USD4,110,000	1,049,391	0.0
Starwood Propert CB				Angola Rep Of 8.25%			
4.375% 01/04/23	USD1,141,000	1,171,721	0.0	09/05/28-RegS	USD720,000	770,468	0.0
State Street Pref 'D'	93,500	2,456,245	0.0	Angola Rep Of 9.5%	USD1,180,000	1,388,601	0.1
State Street Pref 'E'	110,000	2,811,600	0.1	12/11/25-RegS			
State Street Pref 'G'	94,000	2,416,740	0.0				



## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Argentina</b> (0.1%)				<b>Belarus</b> (0.0%)			
Argentina Rep Of 6.875% 11/01/48	USD850,000	669,611	0.0	Rep of Belarus 6.875% 28/02/23-RegS	USD260,000	274,925	0.0
Argentina Rep Of 6.875% 22/04/21	USD640,000	637,705	0.0	Republic of Belarus 6.2% 02/30-RegS	USD1,050,000	1,021,633	0.0
Argentina Rep Of 7.125% 28/06/17	USD608,000	484,124	0.0	Republic of Belarus 7.625% 6/27-RegS	USD822,000	895,105	0.0
Argentina Rep Of 8.28%31/12/33	USD615,000	809,164	0.0	<b>Belgium</b> (0.0%)			
Pampa Energia 7.375%7/23-RegS	USD682,000	642,062	0.0	KBC Groep VRN 5.625% Perp-RegS	EUR2,450,000	2,893,623	0.0
Prov Buenos Aires 10.875% 1/21-RegS	USD732,000	756,255	0.0	<b>Bermuda</b> (0.0%)			
Prov Buenos Aires 9.95% 9/6/21-RegS	USD860,000	870,540	0.0	IHS Markit 4.75% 15/02/25-144A	USD268,000	273,647	0.0
Provincia Cordoba 7.45% 1/9/24-RegS	USD560,000	473,877	0.0	Weatherford Intl 6.75% 15/09/40	USD274,000	209,747	0.0
YPF SA 8.5% 23/03/21- RegS	USD1,090,000	1,105,128	0.0	Weatherford Intl 7% 15/03/38	USD567,000	436,937	0.0
YPF SA 8.75% 04/04/24- RegS	USD1,610,000	1,681,276	0.1	Weatherford Intl 8.25% 15/06/23	USD597,000	588,894	0.0
				Weatherford Intl 9.875% 15/02/24	USD1,072,000	1,061,407	0.0
<b>Armenia</b> (0.0%)				<b>Brazil</b> (0.2%)			
Armenia Rep Of 6% 30/09/20-RegS	USD300,000	314,885	0.0	Banco Daycoval 5.75% 19/03/19-RegS	USD1,657,000	1,669,952	0.1
Armenia Rep Of 7.15% 26/03/25-RegS	USD470,000	497,163	0.0	Cemig Geracao E Tran9.25%12/24-RegS	USD1,400,000	1,483,728	0.0
<b>Australia</b> (0.2%)				Fed Rep of Brazil 4.25% 07/01/25	USD1,020,000	977,432	0.0
ANZ Banking Grp VRN 6.75% Perp-144A	USD6,816,000	7,232,287	0.1	Fed Rep of Brazil 6% 07/04/26	USD1,440,000	1,523,952	0.0
BHP Billiton VRN 6.75%19/10/75-144A	USD1,163,000	1,312,009	0.1	Fed Rep of Brazil 8.25% 20/01/34	USD985,000	1,177,096	0.0
FMG Res (Aug2006) 4.75% 05/22-144A	USD745,000	752,781	0.0	Nexa Resources 5.375% 04/05/27-RegS	USD1,550,000	1,531,707	0.1
FMG Res (Aug2006) 5.125% 05/24-144A	USD653,000	645,974	0.0	Votorantim Cimentos 7.25% 4/41-RegS	USD1,370,000	1,411,024	0.0
Nufarm Aust 5.75% 30/04/26-144A	USD655,000	631,925	0.0				
<b>Austria</b> (0.0%)				<b>Canada</b> (1.8%)			
Suzano Austria 5.75% 14/07/26-RegS	USD700,000	714,104	0.0	1011778 BC/New Red F14.25%5/24-144A	USD1,144,000	1,097,064	0.0
<b>Azerbaijan</b> (0.1%)				Athabasca Oil 9.875% 24/02/22-144A	USD1,195,000	1,238,139	0.0
Southern Gas 6.875% 24/03/26-RegS	USD720,000	803,331	0.0	Automation Tool 6.5% 15/06/23-144A	USD703,000	734,908	0.0
State Oil Co Azerb 6.95% 3/30-RegS	USD2,130,000	2,318,021	0.1	Bausch Health 8.5% 31/01/27-144A	USD1,224,000	1,302,540	0.0
State Oil Co Azerb 4.75%13/3/23- RegS	USD1,257,000	1,264,699	0.0	Bausch Health Cos 5.5% 1/11/25-144A	USD2,784,000	2,840,840	0.1
				Bausch Health Cos 5.625% 12/21-144A	USD372,000	378,045	0.0
<b>Bahrain</b> (0.0%)				Bausch Health Cos 5.875% 5/23-144A	USD17,436,000	17,343,492	0.3
Bahrain Kingdom 6.125% 1/8/23-RegS	USD200,000	205,462	0.0	Bausch Health Cos 6.125% 04/25-144A	USD7,407,000	7,245,846	0.1
Bahrain Kingdom 7% 12/10/28-RegS	USD200,000	205,692	0.0	Bausch Health Cos 9% 15/12/25-144A	USD5,300,000	5,851,200	0.1

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>Canada</b> (Continued)			Quebecor Media 5.75% 15/01/23	USD1,705,000	1,785,017 0.0
Bombardier Inc 6% 15/10/22-144A	USD2,003,000	2,063,424 0.0	Seven Generati 5.375% 30/09/25-144A	USD284,000	273,392 0.0
Bombardier Inc 6.125% 15/01/23-144A	USD1,181,000	1,200,700 0.0	Teck Resources 5.4% 01/02/43	USD530,000	507,767 0.0
Bombardier Inc 7.5% 01/12/24-144A	USD747,000	805,826 0.0	Teck Resources 6% 15/08/40	USD745,000	761,887 0.0
Bombardier Inc 7.5% 15/03/25-144A	USD3,397,000	3,518,726 0.1	Teck Resources 6.125% 01/10/35	USD1,625,000	1,743,828 0.0
Bombardier Inc 7.75% 15/03/20-144A	USD295,000	309,660 0.0	Transcanada Trust VRN 5.3% 15/03/77	USD2,685,000	2,565,479 0.1
Bombardier Inc 8.75% 01/12/21-144A	USD2,042,000	2,305,758 0.0	Transcanada Trust VRN 5.625% 05/75	USD3,105,000	3,109,405 0.1
Cascades Inc 5.75% 15/07/23-144A	USD273,000	276,996 0.0	Transcanada Trust VRN 5.875% 08/76	USD1,430,000	1,480,775 0.0
Concordia Intl 8% 06/09/24	USD629,000	621,487 0.0	Trinidad Drilling 6.625% 02/25-144A	USD713,000	709,232 0.0
Emera Inc No16-A VRN 6.75% 15/06/76	USD9,330,000	10,215,184 0.2	Videotron Ltd 5.125% 15/04/27-144A	USD840,000	843,051 0.0
Enbridge Inc VRN 5.5% 15/07/77	USD4,627,000	4,343,879 0.1	Videotron Ltd 5.375% 15/06/24-144A	USD4,500,000	4,689,344 0.1
Enbridge Inc VRN 6% 15/01/77	USD1,305,000	1,282,184 0.0	<b>Cayman Islands</b> (0.5%)		
Enbridge VRN 6.25% 01/03/78	USD3,590,000	3,500,998 0.1	ABQ Finance 3.625% 13/04/21-RegS	USD1,100,000	1,104,418 0.0
Garda World Sec 8.75% 05/25-144A	USD5,960,000	6,022,911 0.1	Avolon Hldgs 5.5% 15/01/23-144A	USD604,000	621,583 0.0
Gateway Casinos 8.25% 01/03/24-144A	USD1,914,000	2,039,032 0.0	Avolon Hldgs Fund 5.125% 10/23-144A	USD319,000	321,853 0.0
Hudbay Minerals 7.25% 15/01/23-144A	USD625,000	654,878 0.0	CIFC 2014-5A BR2 FRN 17/10/31	USD1,534,000	1,534,720 0.0
Jupiter Resource 8.5% 01/10/22-144A	USD570,000	297,825 0.0	CIFC 2014-5A DR2 FRN 17/10/31	USD455,000	455,295 0.0
Masonite Intl 5.75% 15/09/26-144A	USD1,871,000	1,881,161 0.0	Energuate Trust 5.875% 3/05/27-RegS	USD451,000	437,088 0.0
Mattamy Group 6.875% 15/12/23-144A	USD395,000	406,828 0.0	MAF Global Sec VRN 6.375% Perp-RegS	USD661,000	611,490 0.0
MEG Energy 6.375% 30/01/23-144A	USD4,637,000	4,269,759 0.1	Noble Hldg Int 7.875% 01/02/26-144A	USD1,105,000	1,160,941 0.0
MEG Energy 6.5% 15/01/25-144A	USD2,892,000	2,895,535 0.1	Noble Hldg Intl 6.2%01/08/40	USD563,000	433,698 0.0
MEG Energy 7% 31/03/24- 144A	USD448,000	407,767 0.0	Noble Hldg Intl 7.75% 15/01/24	USD988,000	996,755 0.0
NOVA Chemicals 4.875% 01/06/24-144A	USD2,467,000	2,423,087 0.1	Noble Hldg Intl 7.95% 01/04/25	USD798,000	807,536 0.0
Nova Chemicals 5% 01/05/25-144A	USD669,000	647,614 0.0	Noble Hldg Intl VRN 8.95% 01/04/45	USD185,000	187,488 0.0
NOVA Chemicals 5.25% 01/06/27-144A	USD1,320,000	1,256,838 0.0	Park Aerospace 5.5% 15/02/24-144A	USD1,565,000	1,608,696 0.1
Nova Chemicals 5.25% 01/08/23-144A	USD745,000	745,708 0.0	Park Aerospace Hldgs 4.5%03/23-144A	USD1,292,000	1,265,514 0.0
Open Text 5.625% 15/01/23-144A	USD305,000	313,959 0.0	Shelf Drill Hldgs 8.25% 2/25-144A	USD2,181,000	2,258,516 0.1
Open Text 5.875% 01/06/26-144A	USD1,530,000	1,605,863 0.0	Telford Offshore 1% 2/24(Pay in kd)	USD525,706	375,101 0.0
Precision Dril 7.125% 15/01/26-144A	USD1,917,000	1,993,760 0.0	Transocean 7.5% 15/01/26-144A	USD2,975,000	3,126,229 0.1
Precision Drilling 7.75% 15/12/23	USD745,000	807,639 0.0	Transocean Guard 5.875% 01/24-144A	USD1,559,000	1,588,589 0.0

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
Cayman Islands (Continued)				Denmark (0.1%)			
Transocean Inc 5.55%				DKT Finance 7% 17/06/23-			
15/10/22	USD163,000	166,748	0.0	RegS	EUR1,840,000	2,325,349	0.1
Transocean Inc 6.8%				DKT Finance 9.375%			
15/03/38	USD1,332,000	1,157,138	0.0	17/06/23-144A	USD810,000	874,093	0.0
Transocean Inc 7.5%							
15/04/31	USD872,000	856,377	0.0	Dominican Republic (0.1%)			
Transocean Inc 9%				Dominican Republic 5.5%			
15/07/23-144A	USD1,561,000	1,731,149	0.1	01/25-RegS	USD1,130,000	1,145,343	0.0
Transocean Inc 9.35%				Dominican Republic			
15/12/41	USD1,133,000	1,175,522	0.0	6.875% 1/26-RegS	USD1,280,000	1,383,732	0.0
Transocean Pon 6.125%				Dominican Republic 7.45%			
01/08/25-144A	USD1,537,000	1,578,622	0.0	04/44-RegS	USD1,920,000	2,104,797	0.1
Transocean Proteus 6.25%				Dominican Republic 7.5%			
12/24-144A	USD88,000	77,480	0.0	6/5/21-RegS	USD390,000	420,111	0.0
TRTX 2018-FL1 C FRN							
15/02/35	USD500,000	504,097	0.0	Ecuador (0.1%)			
UPCB Finance IV 4%				Ecuador Rep Of 10.5%			
15/01/27-RegS	EUR1,210,000	1,319,256	0.0	24/03/20-RegS	USD700,000	727,147	0.0
UPCB Finance IV 5.375%				Ecuador Rep Of 10.75%			
15/1/25-144A	USD4,917,000	4,966,648	0.1	28/03/22-RegS	USD1,730,000	1,835,350	0.0
Upcb Finance VII 3.625%				Ecuador Rep Of 8.75%			
06/29-RegS	EUR740,000	864,412	0.0	02/06/23-RegS	USD2,760,000	2,826,029	0.1
Chile (0.0%)				Egypt (0.1%)			
Empresa Elec Angam				Egypt Rep Of 5.875%			
4.875% 5/29-RegS	USD498,000	478,120	0.0	11/06/25-RegS	USD1,150,000	1,124,644	0.0
Colombia (0.1%)				Egypt Rep Of 6.125%			
Ecopetrol SA 5.375%				01/22-RegS	USD1,790,000	1,813,822	0.1
26/06/26	USD1,220,000	1,280,615	0.0	Egypt Rep Of 7.5%			
Ecopetrol SA 7.375%				31/01/27-RegS	USD630,000	652,365	0.0
18/09/43	USD1,197,000	1,361,783	0.1	Egypt Rep Of 8.5% 01/47-			
Rep of Colombia 3.875%				RegS	USD646,000	664,389	0.0
25/04/27	USD420,000	415,440	0.0	El Salvador (0.1%)			
Rep of Colombia 6.125%				Rep of El Salvador 5.875%			
18/01/41	USD700,000	803,194	0.0	1/25-RegS	USD600,000	563,973	0.0
Rep of Colombia 7.375%				Rep of El Salvador 6.375%			
18/09/37	USD750,000	952,285	0.0	1/27-RegS	USD1,100,000	1,045,470	0.0
Costa Rica (0.1%)				Rep of El Salvador			
Costa Rica Rep Of 4.375%				7.375%12/19-RegS	USD1,040,000	1,082,467	0.1
04/25-RegS	USD1,120,000	986,553	0.0	Rep of El Salvador 7.75%			
Costa Rica Rep Of 7.158%				01/23-RegS	USD1,000,000	1,056,924	0.0
03/45-RegS	USD760,000	673,571	0.0	Ethiopia (0.0%)			
Costa Rica Rep Of 4.25%				Rep Of Ethiopia 6.625%			
26/1/23-RegS	USD700,000	641,497	0.0	12/24-RegS	USD1,843,000	1,911,178	0.0
Instituto Costarricense				Finland (0.1%)			
11/21-RegS	USD980,000	1,015,251	0.1	Nokia OYJ 2% 15/03/24-			
Croatia (0.0%)				RegS	EUR1,010,000	1,217,762	0.1
Hrvatska Elekt 5.875%				Nokia OYJ 3.375%			
23/10/22-RegS	USD450,000	484,126	0.0	12/06/22	USD215,000	211,553	0.0
Rep of Croatia 6%				Nokia OYJ 4.375%			
26/01/24-RegS	USD1,400,000	1,537,457	0.0	12/06/27	USD745,000	728,794	0.0
Republic of Croatia				Nokia OYJ 6.625%			
5.5%4/4/23-RegS	USD640,000	695,259	0.0	15/05/39	USD636,000	707,491	0.0
				Stora Enso 2.5%			
				07/06/27-RegS	EUR360,000	438,564	0.0

Investment Portfolio (Continued)  
As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
France (1.0%)				Rexel SA 2.125%			
Accor SA VRN 4.125%				15/06/25-RegS	EUR1,527,000	1,750,122	0.0
Perp-RegS	EUR1,000,000	1,234,977	0.0	Rexel SA 3.5% 15/06/23-RegS	EUR670,000	815,913	0.0
Altice France 5.625%				Societe Genera VRN 7.375% Prep-144A	USD6,060,000	6,283,538	0.1
15/05/24-RegS	EUR1,990,000	2,436,633	0.1	Societe Generale VRN 6.75%Perp-144A	USD4,610,000	4,472,449	0.1
Altice France 5.875%				Societe Generale VRN 8% Prep-144A	USD2,105,000	2,301,069	0.1
01/02/27-RegS	EUR510,000	624,881	0.0	Solvay Finance VRN 5.425% Perp-RegS	EUR2,290,000	3,148,999	0.1
Altice France 6.25%				SPIE SA 3.125% 22/03/24-RegS	EUR1,300,000	1,558,078	0.0
15/05/24-144A	USD2,932,000	2,915,100	0.1	Vallourec SA 2.25% 30/09/24-RegS	EUR800,000	800,098	0.0
Altice France 7.375%				Vallourec SA 6.375% 15/10/23-RegS	EUR1,365,000	1,679,841	0.0
01/5/26-144A	USD1,522,000	1,547,599	0.0	Vallourec SA 6.625% 15/10/22-RegS	EUR470,000	595,309	0.0
Altice France 8.125%				Gabon (0.0%)			
01/02/27-144A	USD1,980,000	2,063,738	0.1	Gabonese Republic 6.95% 06/25-RegS	USD905,000	890,403	0.0
Arkema SA VRN 4.75%				Germany (0.4%)			
Perp-RegS	EUR1,400,000	1,815,388	0.0	ADLER Real Estate 1.5% 6/12/21-RegS	EUR275,000	325,733	0.0
Casino Guichard 1.865%				Blitz F 18-674 6% 30/07/26-RegS	EUR900,000	1,068,940	0.0
13/6/22-RegS	EUR500,000	525,939	0.0	CTC BondCo GmbH 5.25% 15/12/25-RegS	EUR1,700,000	1,971,012	0.0
Casino Guichard 4.498%				Douglas GmbH 6.25% 15/07/22-RegS	EUR610,000	591,854	0.0
03/24-RegS	EUR800,000	911,993	0.0	Hapag-Lloyd 6.75% 01/02/22-RegS	EUR310,000	381,651	0.0
CMA CGM 6.5% 15/07/22-RegS	EUR200,000	234,965	0.0	IHO Verwaltungs 3.25%9/23-RegS	EUR870,000	1,055,551	0.0
CMA CGM SA 5.25%				IHO Verwaltungs 3.75% 15/09/26-RegS	EUR740,000	901,468	0.0
15/01/25-RegS	EUR530,000	563,090	0.0	IHO Verwaltungs 4.5%9/23-144A	USD600,000	589,200	0.0
Credit Agri 8.125% Perp-144A	USD3,660,000	4,028,033	0.1	Lanxess AG VRN 4.5% 06/12/76-RegS	EUR420,000	537,674	0.0
Credit Agri VRN 6.625%				Nidda BondCo 5% 30/09/25-RegS	EUR1,460,000	1,729,433	0.0
Perp-144A	USD4,250,000	4,308,107	0.1	Nidda Healthcare 3.5% 30/09/24-RegS	EUR1,410,000	1,671,611	0.0
Elis SA 1.875% 15/02/23-RegS	EUR1,900,000	2,249,690	0.1	Progroup AG 3% 31/03/26-RegS	EUR1,200,000	1,429,109	0.0
Europcar Mobility 4.125%				RWE AG VRN 3.5% 21/04/75	EUR910,000	1,085,905	0.0
11/24-RegS	EUR1,395,000	1,639,547	0.0	Senvion Hldg 3.875% 25/10/22-RegS	EUR460,000	490,583	0.0
FAURECIA 2.625%				Tele Columbus 3.875% 02/05/25-RegS	EUR1,160,000	1,254,607	0.0
15/06/25-RegS	EUR840,000	1,005,397	0.0	Thyssenkrupp AG 1.375% 3/3/22-RegS	EUR1,914,000	2,267,432	0.1
Fnac Darty 3.25%				Thyssenkrupp AG 2.75% 08/03/21-RegS	EUR1,760,000	2,172,508	0.1
30/09/23-RegS	EUR370,000	452,485	0.0				
La Finac Atalian 5.125%							
05/25-RegS	EUR640,000	744,906	0.0				
La Finaciére Atalian 4%							
05/24-RegS	EUR1,040,000	1,190,096	0.0				
Loxam SAS 4.25%							
15/04/24-RegS	EUR1,120,000	1,389,304	0.0				
Loxam SAS 6% 15/04/25-RegS	EUR490,000	626,058	0.0				
NEW Areva Holding 3.5%							
22/03/21	EUR500,000	606,220	0.0				
NEW Areva Holding 4.875% 23/09/24	EUR1,100,000	1,319,082	0.0				
Novafives SAS 4.875%							
15/04/25-RegS	EUR404,000	446,029	0.0				
Novafives SAS FRN 15/06/25-RegS	EUR500,000	553,948	0.0				
Paprec Hldg 4% 31/03/25-RegS	EUR1,500,000	1,763,999	0.0				
Peugeot SA 2% 20/03/25-RegS	EUR1,600,000	1,881,230	0.0				
Peugeot SA 2% 23/03/24-RegS	EUR997,000	1,194,285	0.0				
Picard Groupe FRN 30/11/23-RegS	EUR870,000	1,010,371	0.0				

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>Germany</b> (Continued)				<b>Iraq</b> (0.0%)			
Unitymedia GmbH 3.75%				Rep of Iraq 5.8%			
15/01/27-RegS	EUR1,760,000	2,180,932	0.1	15/01/28-RegS	USD2,060,000	1,977,074	0.0
Unitymedia Hessen 3.5%				Rep of Iraq 6.752%			
15/1/27-RegS	EUR1,660,000	2,053,298	0.1	09/03/23-RegS	USD975,000	978,292	0.0
Unitymedia Kab 6.125%							
15/01/25-144A	USD1,404,000	1,485,335	0.0	<b>Ireland</b> (0.4%)			
Wepa Hygienepro 3.75%				Allied Irish VRN 4.125%			
15/05/24-RegS	EUR660,000	771,279	0.0	11/25-RegS	EUR1,200,000	1,528,192	0.0
<b>Ghana</b> (0.0%)				Ardagh Pkg/Hldgs			
Ghana Rep Of 10.75%				4.625%15/5/23-144A	USD800,000	805,978	0.0
14/10/30-RegS	USD1,221,000	1,583,842	0.0	Ardagh Pkg/Hldgs 6%			
<b>Honduras</b> (0.0%)				15/02/25-144A	USD5,500,000	5,432,167	0.1
Rep of Honduras 7.5%				Ardagh Pkg/Hldgs 6.75%	EUR3,185,000	4,110,378	0.1
15/03/24-RegS	USD670,000	723,321	0.0	Ardagh Pkg/Hldgs 7.25%			
Rep of Honduras 8.75%				15/5/24-144A	USD3,450,000	3,704,054	0.1
16/12/20-RegS	USD1,530,000	1,710,465	0.0	Ardagh Pkg/Hldgs USA			
<b>Hong Kong</b> (0.0%)				2.75%3/24-RegS	EUR1,130,000	1,335,821	0.0
CITIC Ltd 3.5% 11/07/23-				Bank Of Ireland			
RegS	USD783,000	761,646	0.0	VRN7.375% Perp-RegS	EUR500,000	642,285	0.0
<b>Hungary</b> (0.1%)				Eircom Finance 4.5%			
Hungarian Dev Bk				31/05/22-RegS	EUR630,000	760,612	0.0
6.25%21/10/20-RegS	USD830,000	894,390	0.0	Endo Dac/Fin LLC 5.875%			
Rep of Hungary 5.375%				10/24-144A	USD1,038,000	1,071,310	0.0
25/03/24	USD590,000	633,392	0.0	Endo Dac/Fin LLC 6%			
Rep of Hungary 5.75%				15/07/23-144A	USD4,240,000	3,816,707	0.1
22/11/23	USD1,880,000	2,078,442	0.1	James Hardie Intl 4.75%			
Rep of Hungary 7.625%				01/25-144A	USD505,000	491,758	0.0
29/03/41	USD530,000	761,450	0.0	Smurfit Kappa Acq 2.75%	EUR1,170,000	1,434,286	0.0
<b>Indonesia</b> (0.1%)				Smurfit Kappa Acq 3.25%			
Pertamina Persero 4.3%				06/21-RegS	EUR670,000	842,744	0.0
20/5/23-RegS	USD1,380,000	1,394,900	0.0	<b>Italy</b> (0.5%)			
Pertamina Persero 6%				Banca Monte VRN 5.375%			
03/05/42-RegS	USD710,000	748,565	0.0	18/1/28-RegS	EUR780,000	770,889	0.0
Pertamina Persero				Buzzi Unicem 2.125%			
6.45%30/5/44-RegS	USD1,440,000	1,602,618	0.1	28/4/23-RegS	EUR690,000	831,234	0.0
Pertamina Persero 6.5%				EVOCA 7% 15/10/23-RegS	EUR1,560,000	1,996,627	0.1
27/5/41-RegS	USD450,000	502,825	0.0	Guala Closures Spa			
Rep of Indonesia 4.35%				FRN15/04/24-RegS	EUR186,000	217,573	0.0
8/1/27-RegS	USD750,000	748,672	0.0	Intesa Sanpa 3.928%			
Rep of Indonesia 11.625%				15/09/26-RegS	EUR1,510,000	1,762,234	0.0
03/19-RegS	USD3,000	3,140	0.0	Intesa Sanpaolo 6.625%			
Rep of Indonesia				13/9/23-RegS	EUR1,400,000	1,894,190	0.0
4.125%15/1/25-RegS	USD440,000	438,332	0.0	Leonardo SpA 4.5%			
Rep of Indonesia 6.75%				19/01/21	EUR1,260,000	1,634,994	0.0
15/1/44-RegS	USD530,000	654,656	0.0	Leonardo SpA 4.875%			
<b>International</b> (0.0%)				24/03/25	EUR1,176,000	1,602,243	0.0
African Export-Imp 4.125%				Nexi Capital 4.125%			
6/24-R-RegS	USD650,000	633,050	0.0	01/11/23-RegS	EUR1,000,000	1,195,520	0.0
JBS USA Lux/Fin 6.75%				Telecom Italia 2.375%			
15/02/28-144A	USD1,598,000	1,595,803	0.0	12/10/27-RegS	EUR770,000	865,677	0.0
				Telecom Italia 2.5%			
				19/07/23-RegS	EUR320,000	377,708	0.0
				Telecom Italia 3.625%			
				19/01/24-RegS	EUR2,660,000	3,363,251	0.1
				Telecom Italia 3.625%			
				25/05/26-RegS	EUR1,690,000	2,080,341	0.1

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>Italy</b> (Continued)			Tengizchevroil Fin 4%		
Telecom Italia 4.875%			15/08/26-RegS	USD600,000	572,437 0.0
25/09/20-RegS	EUR950,000	1,199,590 0.0			
Telecom Italia SpA 3%			<b>Kenya</b> (0.0%)		
30/09/25-RegS	EUR330,000	399,463 0.0	Kenya Rep Of 5.875%		
Unicredit Spa 6.95%			24/06/19-RegS	USD820,000	843,845 0.0
31/10/22-RegS	EUR1,446,000	2,041,699 0.1	Kenya Rep Of 6.875%		
Unicredit Spa VRN 4.375%			24/06/24-RegS	USD1,364,000	1,396,633 0.0
01/27-RegS	EUR1,190,000	1,469,654 0.0			
Unicredit Spa VRN 5.75%			<b>Korea</b> (0.0%)		
10/25-RegS	EUR480,000	620,936 0.0	Heungkuk Life VRN		
Wind Tre 2.625%			4.475% 11/47-RegS	USD1,600,000	1,464,162 0.0
20/01/23-RegS	EUR1,360,000	1,498,568 0.0			
Wind Tre 3.125%			<b>Lebanon</b> (0.1%)		
20/01/25-RegS	EUR1,040,000	1,113,695 0.0	Lebanese Rep Of 5.15%		
Wind Tre Spa 5%			12/11/18-RegS	USD1,150,000	1,169,187 0.0
20/01/26-144A	USD3,059,000	2,649,434 0.1	Lebanese Rep Of 5.45%		
			28/11/19-RegS	USD1,158,000	1,120,215 0.0
<b>Ivory Coast</b> (0.0%)			Lebanese Rep Of 6%		
Ivory Coast 5.75%			20/05/19-RegS	USD2,850,000	2,843,968 0.1
31/12/32-RegS	USD1,780,000	1,587,859 0.0	Lebanese Rep Of 6.375%		
			09/03/20	USD2,130,000	2,020,829 0.0
<b>Jamaica</b> (0.0%)					
Jamaica Govt Of 8%			<b>Luxembourg</b> (1.4%)		
15/03/39	USD1,412,000	1,634,468 0.0	Altice Financing		
			6.625%15/2/23-144A	USD5,235,000	5,447,672 0.1
<b>Jersey C.I.</b> (0.2%)			Altice Financing 7.5%		
Adient Global 4.875%			15/5/26-144A	USD2,000,000	1,961,667 0.0
15/08/26-144A	USD2,010,000	1,801,421 0.0	Altice Finco 4.75%		
CPUK Finance 4.25%			15/01/28-RegS	EUR1,280,000	1,274,904 0.0
28/08/22-RegS	GBP1,420,000	1,864,855 0.0	Altice Lux 7.25%		
Delphi Technologies			15/05/22-RegS	EUR1,780,000	2,084,452 0.1
5%01/10/25-144A	USD2,300,000	2,221,920 0.1	Altice Lux 7.625%		
International Game			15/02/25-144A	USD1,700,000	1,607,563 0.0
6.5%15/2/25-144A	USD3,475,000	3,629,831 0.1	Altice Lux 7.75%		
Lincoln Financ 6.875%			15/05/22-144A	USD6,202,000	6,100,615 0.1
15/04/21-RegS	EUR1,735,000	2,154,053 0.0	Altice NV 6.25% 15/02/25-RegS	EUR1,820,000	2,043,008 0.0
			ARD Finance 6.625%		
<b>Jordan</b> (0.0%)			15/09/23	EUR340,000	409,105 0.0
Jordan (Kingdom Of) 7.5%			Camelot Finance		
10/47-RegS	USD530,000	517,986 0.0	7.875%15/10/24-144A	USD1,413,000	1,450,180 0.0
Jordan Kingdom Of 6%			Crystal Almond 10%		
31/01/27-RegS	USD700,000	670,378 0.0	01/11/21-RegS	EUR1,480,000	1,936,677 0.0
Jordan Kingdom Of			Dana Financing Lux 6.5%		
6.125% 01/26-RegS	USD890,000	885,682 0.0	1/6/26-144A	USD2,775,000	2,873,204 0.1
			eDreams ODIGEO 5.5%		
<b>Kazakhstan</b> (0.1%)			01/09/23-144A	EUR625,000	729,884 0.0
Kazakhstan Temir			FAGE Intl /USA 5.625%		
4.85%17/11/27-RegS	USD680,000	689,624 0.0	8/26-144A	USD510,000	471,591 0.0
KazMunaiGaz Natl 4.4%			Fiat Chrysler Fin 4.75%		
30/04/23-RegS	USD910,000	930,253 0.1	7/22-RegS	EUR1,700,000	2,246,052 0.1
KazmunayGas Natl 4.75%			Galapagos SA FRN		
19/4/27-RegS	USD340,000	348,475 0.0	15/06/21-RegS	EUR735,000	780,070 0.0
KazmunayGas Natl 4.75%			Garfunkelux Holdc 2 11%		
24/4/25-RegS	USD490,000	506,275 0.0	11/23-RegS	GBP430,000	581,760 0.0
KazmunayGas Natl 5.375%			Garfunkelux Holdco 7.5%		
04/30-RegS	USD750,000	782,468 0.0	1/8/22-RegS	EUR550,000	638,474 0.0
KazmunayGas Natl 6.375%			Gestamp Funding 3.5%		
10/48-RegS	USD598,000	648,293 0.0	15/05/23-RegS	EUR765,000	928,730 0.0

Investment Portfolio (Continued)  
As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>Luxembourg</b> (Continued)			Telenet Finance 4.875% 15/77/27-RegS	EUR1,000,000	1,144,806 0.0
Horizon Parent Hldgs 8.25%/22-RegS	EUR960,000	1,180,762 0.0	Telenet Intl Fin 3.5% 01/03/28-RegS	EUR700,000	810,829 0.0
INEOS Group 5.375% 01/08/24-RegS	EUR1,320,000	1,630,550 0.0	Trinseo Materials 5.375% 09/25-144A	USD1,864,000	1,832,959 0.0
INEOS Group 5.625% 01/08/24-144A	USD4,360,000	4,335,475 0.1	<b>Mexico</b> (0.3%)		
Intelsat Connect Fin 9.5%/02/23-144A	USD1,648,000	1,659,330 0.0	Alfa SAB 6.875% 25/03/44-RegS	USD516,000	533,361 0.0
Intelsat Jackson 5.5% 01/08/23-144A	USD6,894,000	6,431,528 0.1	BBVA Bancomer 6.75% 30/09/22-RegS	USD750,000	830,954 0.0
Intelsat Jackson 7.5% 01/04/21	USD2,985,000	3,134,250 0.1	Cemex SAB de CV 6.125% 5/05/25-144A	USD1,730,000	1,829,199 0.0
Intelsat Jackson 8% 15/02/24-144A	USD4,814,000	5,115,945 0.1	Cemex SAB de CV 7.75% 16/04/26-144A	USD4,408,000	4,972,316 0.1
Intelsat Jackson 8.5% 15/10/24-144A	USD5,030,000	5,099,582 0.1	Grupo KUO SAB 5.75% 07/07/27-RegS	USD1,340,000	1,297,678 0.0
Intelsat Jackson 9.75% 07/25-144A	USD590,000	636,807 0.0	Pemex Project Funding 6.625% 06/35	USD1,400,000	1,418,210 0.0
Intelsat Lux 7.75% 01/06/21-144A	USD156,000	155,584 0.0	Petroleos Mexic 5.35% 12/02/28-RegS	USD1,340,000	1,274,021 0.0
Intelsat Lux 8.125% 01/06/23-144A	USD1,025,000	937,448 0.0	Petroleos Mexic 6.35% 12/02/48-RegS	USD360,000	332,080 0.0
JSL Europe 7.75% 26/07/24-RegS	USD1,276,000	1,124,785 0.0	Petroleos Mexicanos 5.375% 13/03/22	USD2,130,000	2,199,624 0.1
LHMC Finco Sarl 6.25% 20/12/23-RegS	EUR1,330,000	1,627,984 0.0	Petroleos Mexicanos 5.625% 23/01/46	USD1,424,000	1,223,914 0.0
Mallinckrodt Intl 5.5% 15/4/25-144A	USD1,885,000	1,640,631 0.0	Petroleos Mexicanos 6.5% 13/03/27	USD1,880,000	1,926,530 0.1
Mallinckrodt Intl 5.625% 10/23-144A	USD2,645,000	2,409,430 0.1	Petroleos Mexicanos 6.75% 21/09/47	USD1,050,000	1,002,619 0.0
Matterhorn Tele 4.875% 1/5/23-RegS	EUR2,020,000	2,431,592 0.1	United Mexican States 4.6% 23/01/46	USD1,005,000	947,663 0.0
MOL Group Fin 6.25% 26/09/19-RegS	USD680,000	698,440 0.0	United Mexican States5.55% 21/01/45	USD900,000	966,773 0.0
Monitchem Holdco 5.25%/15/06/21-RegS	EUR400,000	467,903 0.0	<b>Mongolia</b> (0.0%)		
Monitchem Holdco 6.875% 06/22-RegS	EUR540,000	577,154 0.0	Mongolia 5.125% 05/12/22-RegS	USD635,000	620,086 0.0
Nielsen Co Lux 5% 01/02/25-144A	USD1,050,000	1,035,125 0.0	Mongolia 5.625% 01/05/23-RegS	USD1,460,000	1,454,069 0.0
Nielsen Co Lux 5.5% 01/10/21-144A	USD185,000	191,013 0.0	Mongolia Govt Int 10.875% 4/21-RegS	USD350,000	414,948 0.0
Picard Bondco 5.5% 30/11/24-RegS	EUR230,000	258,610 0.0	<b>Morocco</b> (0.1%)		
SES SA VRN 4.625% Perp- RegS	EUR2,320,000	2,897,901 0.1	OCP SA 5.625% 25/04/24- RegS	USD1,660,000	1,749,018 0.1
SIG Combibloc 7.75% 15/02/23-RegS	EUR1,460,000	1,781,347 0.0	OCP SA 6.875% 25/04/44- RegS	USD1,210,000	1,339,036 0.0
Telecom Italia Cap 7.721% 04/06/38	USD134,000	147,329 0.0	<b>Netherlands</b> (0.9%)		
Telecom Italia Capita 7.2% 18/07/36	USD287,000	303,359 0.0	Alcoa Nederland 6.125% 5/28-144A	USD325,000	341,347 0.0
Telecom Italia Capital 6% 30/09/34	USD1,009,000	1,009,168 0.0	Alcoa Nederland Hldg 6.75%/24-144A	USD3,816,000	4,040,906 0.1
Telecom Italia Capital 6.375% 11/33	USD1,390,000	1,413,051 0.0	Alcoa Nederland Hldg 7% 09/26-144A	USD325,000	349,125 0.0
Telecom Italia Fin 7.75% 24/01/33	EUR1,490,000	2,478,844 0.1	CBR Fashion Fin 5.125%/01/10/22-RegS	EUR180,000	183,422 0.0

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>Netherlands</b> (Continued)			Telefonica Eur VRN 2.625% Perp-RegS	EUR1,100,000	1,231,773 0.0
Constellium N.V. 6.625% 03/25-144A	USD1,427,000	1,456,283 0.0	Telefonica Eur VRN 5.875% Perp-RegS	EUR2,300,000	3,030,136 0.1
Constellium NV 4.25% 15/02/26-RegS	EUR385,000	457,856 0.0	Telefonica Euro VRN 3% Perp-RegS	EUR1,500,000	1,696,713 0.0
Constellium NV 5.75% 15/05/24-144A	USD250,000	254,181 0.0	Telefonica Euro VRN 3.875%Perp-RegS	EUR1,000,000	1,094,081 0.0
Constellium NV 5.875% 15/02/26-144A	USD400,000	390,503 0.0	Ziggo Bond Fin 4.625% 15/01/25-RegS	EUR720,000	839,051 0.0
Dufry One 2.5% 15/10/24- RegS	EUR670,000	788,188 0.0	Ziggo Bond Fin 5.875% 15/01/25-144A	USD1,105,000	1,051,024 0.0
Fiat Chry Auto 3.75% 29/03/24-RegS	EUR1,140,000	1,469,775 0.0	Ziggo BV 3.75% 1/25-RegS	EUR1,850,000	2,172,018 0.1
Fiat Chry Auto 5.25% 15/04/23	USD5,297,000	5,531,172 0.1	Ziggo BV 4.25% 15/01/27- RegS	EUR1,155,000	1,354,843 0.0
Hema Bondco I FRN 15/07/22-RegS	EUR700,000	752,533 0.0	Ziggo BV 5.5% 01/27-144A	USD1,225,000	1,161,130 0.0
ING Groep VRN 6.875% Perp-RegS	USD1,085,000	1,138,393 0.0	<b>Nigeria</b> (0.1%)		
InterXion Hldg 4.75% 15/06/25-RegS	EUR270,000	333,829 0.0	Rep of Nigeria 6.375% 12/07/23-rEGs	USD540,000	556,059 0.0
Kazakhstan Temir 6.95% 10/7/42-RegS	USD1,540,000	1,721,162 0.0	Rep of Nigeria 6.5% 28/11/27-RegS	USD700,000	693,321 0.0
Kongsberg Actuation 5% 15/7/25-RegS	EUR1,055,000	1,232,667 0.0	Rep of Nigeria 7.625% 28/11/47-RegS	USD530,000	521,283 0.0
Minejesa Capital 4.625% 08/30-RegS	USD641,000	592,766 0.0	Rep of Nigeria 7.696% 23/02/38-RegS	USD501,000	494,424 0.0
Naturgy Finance VRN 4.125%Perp-RegS	EUR1,100,000	1,389,732 0.0	Rep of Nigeria 7.875% 16/02/32-RegS	USD700,000	726,281 0.1
NXP BV/NXP Fdg 4.625% 15/06/22-144A	USD1,299,000	1,329,680 0.0	<b>Norway</b> (0.0%)		
NXP BV/NXP Fdg 4.625% 18/5/23-144A	USD2,150,000	2,215,396 0.1	Aker BP ASA 5.875% 31/03/25-144A	USD1,767,000	1,834,611 0.0
Nyrstar Netherlands 8.5% 09/19-RegS	EUR590,000	640,110 0.0	Aker BP ASA 6% 01/07/22-144A	USD161,000	168,849 0.0
Nyrstar Netherlands6.875% 3/24-RegS	EUR750,000	663,802 0.0	<b>Oman</b> (0.1%)		
Oi European Group 4% 15/03/23-144A	USD482,000	459,962 0.0	Oman Govt Intl Bd 4.125% 01/23-RegS	USD350,000	344,778 0.0
Repsol Int Fin 4.5% 25/03/75-RegS	EUR2,500,000	3,187,518 0.1	Oman Govt Intl Bd 4.75% 6/26-RegS	USD600,000	581,002 0.0
Saipem Finance Intl 2.75% 05/04/22	EUR1,280,000	1,549,365 0.0	Oman Govt Intl Bd 5.375% 03/27-RegS	USD360,000	352,596 0.0
Saipem Finance Intl 3.75% 08/09/23	EUR360,000	443,924 0.0	Oman Govt Intl Bd 5.625%17/1/28-Reg	USD850,000	849,288 0.0
Schaeffler Fin 4.75% 15/05/23-144A	USD1,710,000	1,733,204 0.1	Oman Govt Intl Bd 6.5%08/03/47-RegS	USD760,000	734,162 0.0
Sensata Tech 4.875% 15/10/23-144A	USD3,120,000	3,182,335 0.1	Oman Govt Intl Bd 6.75% 01/48-RegS	USD870,000	868,543 0.1
Sensata Tech 5% 01/10/25-144A	USD540,000	548,775 0.0	<b>Pakistan</b> (0.0%)		
Sensata Tech 5.625% 01/11/24-144A	USD518,000	548,271 0.0	Islamic Rep Pakistan 8.25%4/24-RegS	USD600,000	649,795 0.0
Sigma Holdco 5.75% 15/05/26-RegS	EUR1,200,000	1,354,537 0.0	Islamic Rep Pakistan 8.25%9/25-RegS	USD300,000	325,569 0.0
Stars Grp Hlds/US-Bor 7% 07/26-144A	USD1,691,000	1,772,591 0.1	Islamic Rep Pakistan6.875%12/27Re gS	USD680,000	663,614 0.0
Sunshine Mid 6.5% 15/05/26-RegS	EUR1,430,000	1,674,103 0.0			



## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

		Fair value US\$	% of net assets			Fair value US\$	% of net assets
	Holding				Holding		
Panama (0.1%)				Senegal (0.0%)			
Rep of Panama 3.75%				Senegal (Republic) 6.75%			
16/03/25	USD510,000	507,227	0.0	3/48-RegS	USD422,000	380,401	0.0
Rep of Panama 4.3%							
29/04/53	USD840,000	820,643	0.0	Serbia (0.1%)			
Rep of Panama 4.5%				Rep of Serbia 4.875%			
15/05/47	USD910,000	927,882	0.1	25/02/20-RegS	USD1,350,000	1,376,291	0.0
Rep of Panama 6.7%				Rep of Serbia 5.875%			
26/01/36	USD690,000	866,412	0.0	03/12/18-RegS	USD1,570,000	1,608,083	0.0
Rep of Panama of 3.875%				Rep of Serbia 7.25%			
17/03/28	USD700,000	695,280	0.0	28/09/21-RegS	USD1,580,000	1,722,839	0.1
Paraguay (0.0%)				South Africa (0.1%)			
Paraguay Rep of 4.7%				Rep of South Africa			
27/03/27-RegS	USD910,000	907,063	0.0	4.875% 14/04/26	USD2,930,000	2,866,022	0.1
Paraguay Rep of 6.1%				Rep of South Africa			
11/08/44-RegS	USD1,220,000	1,280,015	0.0	5.875% 16/09/25	USD2,190,000	2,236,314	0.0
Peru (0.0%)				Rep of South Africa			
BBVA Banco Contin 5%				5.875% 30/05/22	USD830,000	880,503	0.0
26/08/22-RegS	USD720,000	754,028	0.0	Rep of South Africa 6.25%			
Consorcio Tran 4.375%				08/03/41	USD460,000	458,387	0.0
07/05/23-RegS	USD657,000	667,676	0.0	Spain (0.2%)			
Rep of Peru 6.35%				Banco Bilbao Viz VRN			
12/08/28	PEN2,874,000	927,060	0.0	6.75%Perp-RegS	EUR400,000	486,509	0.0
Philippines (0.0%)				Banco Bilbao Viz VRN 7%			
Philippines Rep of				Perp-RegS	EUR600,000	716,864	0.0
10.625% 16/03/25	USD890,000	1,239,216	0.0	Bankia SA VRN 3.375%			
Portugal (0.0%)				15/03/27-RegS	EUR1,200,000	1,468,498	0.0
Energias De Port 5.375%				Bankinter SA VRN 2.5%			
09/75-RegS	EUR1,100,000	1,422,031	0.0	06/04/27-RegS	EUR1,200,000	1,437,833	0.0
Qatar (0.1%)				CaixaBank SA VRN 2.75%			
ABQ Finance 3.5%				14/7/28-RegS	EUR1,000,000	1,187,230	0.0
22/02/22-RegS	USD1,410,000	1,380,801	0.1	CaixaBank SA VRN 3.5%			
Ras Laffan Liq 5.298%				15/02/27-RegS	EUR1,300,000	1,629,180	0.1
30/09/20-RegS	USD2,175,000	506,771	0.0	Cellnex Telecom 2.875%			
State of Qatar 3.875%				18/4/25-RegS	EUR300,000	362,048	0.0
23/04/23-RegS	USD380,000	389,807	0.0	Grifols Sa 3.2% 01/05/25-			
State of Qatar 5.103%				RegS	EUR1,420,000	1,697,958	0.1
23/04/48-RegS	USD760,000	809,929	0.0	Grupo-Antolin Irausa			
Romania (0.0%)				3.25%4/24-RegS	EUR940,000	1,098,723	0.0
Romania 6.125%				Sri Lanka (0.1%)			
22/01/44-RegS	USD876,000	1,000,251	0.0	Rep of Sri Lanka			
Russia (0.1%)				5.875%25/7/22-RegS	USD1,650,000	1,643,764	0.1
Russian Feder 12.75%				Rep of Sri Lanka 6.25%			
24/06/28-RegS	USD1,041,000	1,705,735	0.0	27/7/21-RegS	USD930,000	946,099	0.0
Russian Feder 5.875%				Rep of Sri Lanka 6.25%			
16/09/43-RegS	USD2,400,000	2,602,435	0.1	4/10/20-RegS	USD890,000	924,691	0.0
Saudi Arabia (0.0%)				Supranational (0.0%)			
Saudi Arabia 3.25%				Starfruit US Hold/Fin 8%			
26/10/26-RegS	USD500,000	477,897	0.0	10/26-144A	USD470,000	476,933	0.0
				Sweden (0.2%)			
				Intrum AB 2.75%			
				15/07/22-RegS	EUR635,000	721,515	0.0
				Skandinaviska Ens			
				VRN5.75%Perp-RegS	USD700,000	721,519	0.0

Investment Portfolio (Continued)  
As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets	
Sweden (Continued)				United Kingdom (1.3%)				
Svenska Handelsbk				Afrén plc 6.625%				
VRN5.25%Perp-RegS	USD3,725,000	3,791,553	0.1	09/12/20-RegS		USD1,893,000	2,309	0.0
Swedbank AB VRN 5.5%				Arqiva Broadca Fin 6.75%				
Perp-RegS	USD3,000,000	3,015,267	0.1	09/23-RegS		GBP620,000	829,371	0.0
Telefon AB 1.875%				Barclays Bank 4.375%				
01/03/24-RegS	EUR510,000	594,108	0.0	11/09/24		USD1,649,000	1,608,485	0.0
Verisure Midhol 5.75%				Barclays Bank 4.836%				
01/12/23-RegS	EUR2,250,000	2,708,545	0.0	09/05/28		USD509,000	488,546	0.0
Volvo Car 2% 24/01/25-				Barclays Bank 5.2%				
RegS	EUR990,000	1,149,300	0.0	12/05/26		USD1,147,000	1,152,537	0.0
Switzerland (0.3%)				Barclays PLC VRN 7.25%				
Credit Suisse 7.5% Perp-				Perp-RegS		GBP1,469,000	1,991,850	0.1
144A	USD1,280,000	1,337,935	0.0	Barclays PLC VRN 7.875%				
Credit Suisse VRN 6.25%				Perp-RegS		USD4,193,000	4,361,139	0.1
Perp-144A	USD4,960,000	4,980,494	0.1	EC Finance 2.375%				
Credit Suisse VRN 7.25%				15/11/22-RegS		EUR1,435,000	1,688,291	0.0
Perp-144A	USD2,180,000	2,201,422	0.0	Ensco PLC 4.5% 01/10/24		USD266,000	235,743	0.0
Credit Suisse VRN 7.5%				Ensco PLC 5.2% 15/03/25		USD755,000	664,250	0.0
Perp-144A	USD1,520,000	1,639,041	0.0	Ensco PLC 5.75%				
UBS Group VRN 6.875%				01/10/44		USD67,000	52,122	0.0
Perpetual-RegS	USD1,000,000	1,022,663	0.0	Ensco PLC 7.75% 01/02/26		USD364,000	365,972	0.0
UBS Group VRN 6.875%				Ensco PLC 8% 31/01/24		USD329,000	338,312	0.0
Perp-RegS	USD2,900,000	3,099,067	0.1	HSBC Hldgs VRN 6.375%				
UBS Group VRN 7% Perp-				Perp		USD4,070,000	4,077,383	0.1
RegS	USD2,746,000	3,036,847	0.1	HSBC Hldgs VRN 6.5%				
UBS Group VRN 7.125%				23/03/28		USD4,160,000	4,028,313	0.1
Perp-RegS	USD600,000	642,353	0.0	HSBC Hldgs VRN 7.25%				
Tajikistan (0.0%)				Perp		USD4,066,000	4,316,127	0.1
Rep of Tajikistan 7.125%				Iceland Bondco 4.625%				
09/27-RegS	USD300,000	276,199	0.0	15/03/25-RegS		GBP1,330,000	1,646,065	0.0
Trinidad & Tobago (0.0%)				Ineos Finance 4%				
Petroleum Trinidad 9.75%				01/05/23-RegS		EUR360,000	434,434	0.0
08/19-RegS	USD1,147,000	1,115,720	0.0	Inmarsat Fin 6.5%				
Turkey (0.1%)				01/10/24-144A		USD655,000	684,475	0.0
KOC Hldg 5.25% 15/03/23-				International Game 6.25%				
RegS	USD1,037,000	979,222	0.0	01/27-144A		USD856,000	858,327	0.0
Rep of Turkey 6%				Jaguar Land Rover				
14/01/41	USD1,440,000	1,204,824	0.1	4.5%01/10/27-144A		USD1,798,000	1,510,320	0.0
Rep of Turkey 6%				KCA Deutag UK Fin 7.25%				
25/03/27	USD650,000	593,840	0.0	05/21-144A		USD1,095,000	1,067,503	0.0
Rep of Turkey 6.625%				KCA Deutag UK Fin				
17/02/45	USD1,350,000	1,188,199	0.0	9.625% 04/23-144A		USD200,000	205,197	0.0
Turkiye Is Bankasi 5%				KCA Deutag UK Fin				
30/4/20-RegS	USD960,000	910,725	0.0	9.875% 04/22-144A		USD685,000	720,534	0.0
Ukraine (0.1%)				Lloyds Banking Group VRN				
Ukraine Govt 7.75%				7.5% Perp		USD6,715,000	6,973,751	0.1
01/09/20-RegS	USD995,000	1,011,675	0.0	Merlin Enter 2.75%				
Ukraine Govt 7.75%				15/03/22-RegS		EUR1,440,000	1,746,106	0.1
01/09/21-RegS	USD1,520,000	1,545,701	0.0	Merlin Enter 5.75%				
Ukraine Govt 7.75%				15/06/26-144A		USD815,000	842,653	0.0
01/09/22-RegS	USD3,350,000	3,370,463	0.1	Nationwide Bldg				
Ukraine Govt 7.75%				VRN6.875% Perp-RegS		GBP1,606,000	2,181,318	0.1
01/09/23-RegS	USD1,650,000	1,633,184	0.0	New Look Secured 6.5%				
				01/07/22-RegS		GBP1,115,000	839,004	0.0
				Nomad Foods 3.25%				
				15/05/24-RegS		EUR1,020,000	1,217,901	0.0
				OTE PLC 2.375% 18/07/22-				
				RegS		EUR1,210,000	1,450,571	0.0

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
<b>United Kingdom</b> (Continued)				ABSHE 2003-HE7 M1 FRN 15/12/33			
OTE PLC 3.5% 09/07/20- RegS	EUR680,000	833,540	0.0	USD4,000,000	1,727,637	0.0	
Pizzaexpress Fin 6.625% 1/8/21-RegS	GBP430,000	508,083	0.0	ABSHE 2006-HE6 A4 FRN 25/11/36	USD2,305,000	822,205	0.0
Royal Bk Scotland 6% 19/12/23	USD183,000	193,834	0.0	Acadia Healthcare 5.625% 15/02/23	USD1,542,000	1,566,807	0.0
Royal Bk Scotland Grp 5.125%28/5/24	USD1,365,000	1,390,663	0.0	Acadia Healthcare 6.5% 01/03/24	USD635,000	657,490	0.0
Royal Bk Scotland Grp 6.1% 10/06/23	USD5,760,000	6,126,960	0.1	ACAR 2018-3 D 4.14% 15/10/24	USD2,978,000	2,981,418	0.1
Royal Bk Scotland Grp 6.125% 12/22	USD1,893,000	2,021,089	0.1	ACAR 2018-3 E 5.17% 15/10/24	USD2,535,000	2,538,020	0.1
Santander UK VRN 7.375% Perp-RegS	GBP500,000	688,986	0.0	ACAR 2018-3 F 6.44% 12/06/25	USD1,095,000	1,095,194	0.0
Sensata Tech UK 6.25% 15/02/26-144A	USD3,192,000	3,381,082	0.1	ACCO Brands 5.25% 15/12/24-144A	USD2,321,000	2,333,669	0.1
Synlab Bondco 6.25% 01/07/22-RegS	EUR430,000	525,878	0.0	ACCR 2005-1 M1 FRN 25/04/35	USD6,425,000	2,302,611	0.1
Synlab Bondco FRN 01/07/22-RegS	EUR700,000	828,249	0.0	Ace Cash Express 12% 15/12/22-144A	USD1,081,000	1,186,758	0.0
Synlab Unsecured 8.25% 01/07/23-RegS	EUR640,000	809,767	0.0	ACI Worldwide 5.75% 15/08/26-144A	USD1,219,000	1,242,026	0.0
TESCO PLC 5% 24/03/23	GBP1,061,000	1,557,258	0.0	ADT Corp 3.5% 15/07/22	USD1,465,000	1,403,293	0.0
TESCO PLC 5.125% 10/04/47	EUR430,000	649,944	0.0	ADT Corp 4.125% 15/06/23	USD4,455,000	4,328,125	0.1
Tesco Treasury 2.125% 12/11/20-RegS	EUR590,000	721,608	0.0	AECOM 5.125% 15/03/27	USD2,279,000	2,226,669	0.1
Titan Global Fin 2.375% 11/24-RegS	EUR945,000	1,083,081	0.0	AECOM 5.875% 15/10/24	USD1,861,000	2,020,042	0.0
Travelport Fin 6% 15/03/26-144A	USD795,000	805,070	0.0	Aercap Global Av VRN 6.5%06/45-144A	USD3,485,000	3,682,387	0.1
Tronox Finance 5.75% 01/10/25-144A	USD430,000	412,263	0.0	AES Corp 4% 15/03/21	USD1,400,000	1,403,049	0.0
Tullow Oil 7% 01/03/25- 144A	USD2,125,000	2,093,621	0.1	AES Corp 5.5% 15/04/25	USD805,000	843,689	0.0
Virgin Media Fin 4.5% 15/01/25-RegS	EUR500,000	601,076	0.0	AES Corp 6% 15/05/26	USD886,000	951,490	0.0
Virgin Media Fin 5.25% 15/02/22	USD395,000	400,119	0.0	Ahern Rentals 7.375% 15/05/23-144A	USD1,635,000	1,668,290	0.0
Virgin Media Fin 6.375%15/4/23-144A	USD622,000	656,612	0.0	Air Medical Grp 6.375% 15/5/23-144A	USD2,060,000	1,903,612	0.0
Virgin Media Secure 5.25% 1/26-144A	USD425,000	418,023	0.0	AK Steel 6.375% 15/10/25	USD930,000	910,838	0.0
Virgin Media Secure 5.5% 08/26-144A	USD1,475,000	1,470,616	0.0	AK Steel 7% 15/03/27	USD941,000	912,757	0.0
Virgin Media Secured 5.5%1/25-144A	USD1,250,000	1,261,389	0.0	AK Steel 7.5% 13/06/23	USD68,000	72,477	0.0
Worldpay Financ 3.75% 15/11/22-RegS	EUR1,790,000	2,284,533	0.1	Alliance Data 5.375% 01/08/22-144A	USD1,617,000	1,643,613	0.0
<b>United States</b> (34.9%)				Alliance Data 5.875% 01/11/21-144A	USD1,195,000	1,248,153	0.0
ABFC 2002-OPT1 M1 FRN 25/05/32	USD3,750,000	430,363	0.0	Allison Transmi 4.75% 01/10/27-144A	USD855,000	826,144	0.0
ABSHE 2001-HE3 A1 FRN 15/11/31	USD64,190,000	472,984	0.0	Allison Transmissi 5% 01/10/24-144A	USD1,808,000	1,844,160	0.0
ABSHE 2003-HE5 M2 FRN 15/09/33	USD17,000,000	904,021	0.0	Allstate Corp VRN 5.75% 15/08/53	USD7,850,000	8,182,426	0.1
ABSHE 2003-HE6 M2 FRN 25/11/33	USD12,500,000	1,015,515	0.0	Ally Financial 4.125% 13/02/22	USD2,702,000	2,716,861	0.1
				Ally Financial 4.625% 19/05/22	USD4,468,000	4,588,360	0.1
				Ally Financial 4.625% 30/03/25	USD3,200,000	3,180,411	0.1
				Ally Financial 5.125% 30/09/24	USD735,000	758,073	0.0
				Ally Financial 5.75% 20/11/25	USD1,435,000	1,524,320	0.0
				Ally Financial 8% 01/11/31	USD1,645,000	2,055,647	0.0

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)			Antero Resources 5.375% 01/11/21	USD3,972,000	4,111,798 0.1
Altice US Fin 5.375% 15/07/23-144A	USD2,115,000	2,162,793 0.1	Antero Resources 5.625% 01/06/23	USD1,635,000	1,704,929 0.0
Altice US Fin 5.5% 15/05/26-144A	USD1,684,000	1,712,675 0.0	ANTLR 2018-RTL1 A1 4.335% 25/07/22	USD1,265,000	1,265,594 0.0
AMC Entertainment Hldg 5.875% 11/26	USD445,000	434,852 0.0	AOMT 2018-2 A1 FRN 27/07/48	USD6,000,000	5,788,738 0.1
AMC Entertainment Hldgs 5.75% 06/25	USD2,526,000	2,455,097 0.1	Aramark Services 5% 01/02/28-144A	USD2,335,000	2,307,758 0.1
AMC Entertainment Hldgs 5.875% 2/22	USD85,000	86,382 0.0	Arconic Inc 5.125% 01/10/24	USD3,133,000	3,237,721 0.1
AMC Entertainment Hldgs 6.125% 5/27	USD411,000	403,556 0.0	Arconic Inc 5.9% 01/02/27	USD3,545,000	3,645,442 0.1
AMC Networks 4.75% 01/08/25	USD447,000	433,271 0.0	ARRW 2018-1 A1 FRN 25/04/48	USD2,000,000	1,867,343 0.0
AMC Networks 5% 01/04/24	USD3,810,000	3,862,388 0.1	ARSI 2003-W9 M2 FRN 25/01/34	USD5,000,000	308,481 0.0
American Axle & Mfg 6.25% 01/04/25	USD3,725,000	3,835,260 0.1	ARSI 2004-W7 M4 FRN 25/05/34	USD5,000,000	502,036 0.0
American Axle & Mfg 6.25% 15/03/26	USD2,057,000	2,034,183 0.0	ARSI 2004-W7 M9 FRN 25/05/34	USD2,000,000	490,507 0.0
American Axle & Mfg 6.5% 01/04/27	USD3,608,000	3,707,220 0.1	Ashland LLC 4.75% 15/08/22	USD3,695,000	3,765,646 0.1
American Axle & Mfg 6.625% 15/10/22	USD1,081,000	1,139,772 0.0	Ashtead Capital 4.375% 15/8/27-144A	USD580,000	554,242 0.0
American Express VRN 4.9% Perp	USD3,075,000	3,090,922 0.1	Ashtead Capital 5.625% 1/10/24-144A	USD1,465,000	1,559,309 0.0
American Express VRN 5.2% Perpetual	USD2,395,000	2,474,860 0.1	Avantor 6% 01/10/24- 144A	USD1,325,000	1,382,969 0.0
American Intl Grp VRN 5.75% 1/04/48	USD4,410,000	4,430,901 0.1	Avaya 7% 01/04/19 - 144A (New)	USD4,758,000	476 0.0
American Woodmark 4.875% 3/26-144A	USD1,745,000	1,665,893 0.0	Avis Budget Car 5.25% 15/03/25-144A	USD1,460,000	1,372,157 0.0
AmeriGas Partners 5.5% 20/05/25	USD2,159,000	2,180,620 0.1	Avis Budget Car 5.5% 01/04/23	USD1,275,000	1,306,480 0.0
AmeriGas Partners 5.625% 20/05/24	USD408,000	415,331 0.0	Avis Budget Car 6.375% 01/4/24-RegS	USD3,810,000	3,874,294 0.1
AmeriGas Partners 5.75% 20/05/27	USD601,000	603,058 0.0	Axalta Coating 4.875% 31/12/24-144A	USD1,135,000	1,119,370 0.0
AmeriGas Partners 5.875% 20/08/26	USD1,323,000	1,321,930 0.0	B&G Foods 5.25% 01/04/25	USD1,359,000	1,338,819 0.0
AMIT 2005-1 M5 FRN 25/06/35	USD1,000,000	974,705 0.0	BACM 2003-2 L FRN 11/03/41	USD6,820,844	3,962,758 0.1
Amkor Tech 6.375% 01/10/22	USD3,284,000	3,446,148 0.1	Ball Corp 5% 15/03/22	USD525,000	545,329 0.0
AMN Healthcare 5.125% 01/10/24-144A	USD529,000	527,347 0.0	Ball Corp 5.25% 01/07/25	USD320,000	334,504 0.0
Amwins Group 7.75% 01/07/26-144A	USD865,000	915,428 0.0	Banff Merger Sub 9.75% 09/26-144A	USD1,667,000	1,709,161 0.0
Andeavor Logist/Fin 6.25% 15/10/22	USD676,000	717,452 0.0	Bank of America NoAA VRN 6.1% Perp	USD6,796,000	7,185,902 0.1
Andeavor Logist/Fin VRN 6.875% Perp	USD1,190,000	1,212,354 0.0	Bank of America NoX VRN 6.25% Perp	USD7,040,000	7,442,011 0.1
Andeavor Logistics/Fin 6.375% 05/24	USD1,430,000	1,553,784 0.0	Bank of America NoZ VRN 6.5% Perp	USD4,020,000	4,468,864 0.1
Anixter Inc 5.5% 01/03/23	USD1,345,000	1,394,877 0.0	Bank of America VRN 5.125% Perp	USD5,915,000	6,054,923 0.1
Antero Midstream Part/Fin5.375%9/24	USD865,000	872,473 0.0	Bank of America VRN 6.3% Perp	USD2,694,000	2,916,726 0.1
Antero Resources 5.125% 01/12/22	USD5,298,000	5,470,627 0.1	Bank of New York NoD VRN4.5% 06/23	USD1,950,000	1,903,834 0.0

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)			BX 2018-MCSF B FRN 15/04/35	USD1,500,000	1,495,321 0.0
Bank of New York VRN 4.625% Perp	USD8,460,000	8,152,760 0.1	BX 2018-MCSF C FRN 15/04/35	USD1,000,000	997,599 0.0
Bank of New York VRN 4.95% 20/06/20	USD4,675,000	4,833,424 0.1	Cablevision Systems 8% 15/04/20	USD1,833,000	2,003,265 0.0
Bausch Health 6.5% 15/03/22-144A	USD1,416,000	1,476,731 0.0	Caleres Inc 6.25% 15/08/23	USD750,000	774,740 0.0
Bausch Health 9.25% 01/04/26-144A	USD937,000	1,055,329 0.0	Calfrac LP 8.5% 15/06/26- 144A	USD454,000	436,326 0.0
Bausch Health Cos 7% 15/03/24-144A	USD2,008,000	2,127,197 0.1	California Resources 5.5% 15/09/21	USD174,000	160,505 0.0
Berry Global 4.5% 15/02/26-144A	USD622,000	594,477 0.0	California Resources 8% 12/22-144A	USD1,536,000	1,499,221 0.0
Berry Global 5.125% 15/07/23	USD650,000	663,533 0.0	Callon Petroleum 6.125% 01/10/24	USD653,000	684,426 0.0
Berry Global 5.5% 15/05/22	USD155,000	160,755 0.0	Callon Petroleum 6.375% 01/07/26	USD241,000	251,288 0.0
Big River Steel LLC 7.25% 9/25-144A	USD360,000	383,325 0.0	Calpine Corp 5.25% 01/06/26-144A	USD1,275,000	1,201,688 0.0
Blue Cube Spinco 10% 15/10/25	USD345,000	412,334 0.0	Calpine Corp 5.5% 01/02/24	USD725,000	653,708 0.0
Blue Racer Mid 6.125% 15/11/22-144A	USD4,005,000	4,212,815 0.1	Calpine Corp 5.75% 15/01/25	USD1,080,000	987,135 0.0
Blue Racer Mid 6.625% 15/07/26-144A	USD675,000	700,451 0.0	Calpine Corp 5.875% 15/01/24-144A	USD1,000,000	1,017,403 0.0
BOMFT 2017-RN7 A1 3.1048% 28/09/32	USD1,000,000	36,029 0.0	Calpine Corp 6% 15/01/22- 144A	USD1,000,000	1,023,917 0.0
BOMFT 2018-RN5 A1 3.8195% 28/04/33	USD4,000,000	2,054,663 0.0	Capital One Fin NoE VRN 5.55% Perp	USD7,470,000	7,794,945 0.1
Booz Allen Hamilton 5.125%/25-144A	USD1,176,000	1,177,593 0.0	Carrizo Oil&Gas 6.25% 15/04/23	USD2,433,000	2,557,860 0.1
Boyd Gaming 6% 15/08/26	USD1,563,000	1,584,752 0.0	CAS 2017-C03 1M1 FRN 25/10/29	USD2,000,000	1,315,584 0.0
Boyd Gaming 6.375% 01/04/26	USD1,590,000	1,686,155 0.0	CAS 2017-C05 1M1 FRN 25/01/30	USD1,000,000	536,562 0.0
Boyd Gaming 6.875% 15/05/23	USD2,458,000	2,645,969 0.1	CAS 2018-C03 1M1 FRN 25/10/30	USD2,000,000	1,935,754 0.0
Boyne USA 7.25% 01/05/25-144A	USD1,675,000	1,826,564 0.0	CAS 2018-C03 1M2 FRN 25/10/30	USD3,168,000	3,215,011 0.1
Brink's Co 4.625% 15/10/27-144A	USD885,000	833,074 0.0	CAS 2018-C04 2M1 FRN 25/12/30	USD4,000,000	3,659,963 0.1
Bristow Group 6.25% 15/10/22	USD590,000	453,320 0.0	CB T-Mobile USA Escrow 6.375% 03/25	USD3,098,000	0 0.0
Bristow Group 8.75% 01/03/23-144A	USD595,000	585,951 0.0	CB T-Mobile USA Escrow 6.5% 15/1/24	USD995,000	0 0.0
BSABS 2004-AC3 M1 FRN 25/06/34	USD7,323,000	486,457 0.0	CB T-Mobile USA Escrow 6.5% 15/1/26	USD7,842,000	0 0.0
BSABS 2004-HE5 M2 FRN 25/07/34	USD3,400,000	298,402 0.0	CBASS 2004-CB2 M1 FRN 25/07/33	USD3,572,000	1,582,224 0.0
Buckeye Partners VRN 6.375% 01/78	USD3,060,000	2,957,777 0.1	CBASS 2004-CB6 M1 FRN 25/07/35	USD10,000,000	957,076 0.0
Bway Hldg 5.5% 15/04/24- 144A	USD2,935,000	2,958,072 0.1	CBASS 2006-CB6 A23 FRN 25/07/36	USD16,440,000	4,470,692 0.1
BWX Tech 5.375% 15/07/26-144A	USD1,305,000	1,332,858 0.0	CBS Outdoor Amer 5.25% 15/02/22	USD438,000	450,520 0.0
BX 2018-BIOA D FRN 15/03/37	USD1,500,000	1,507,833 0.0	CBS Outdoor Amer 5.625% 15/02/24	USD465,000	479,531 0.0
BX 2018-MCSF A FRN 15/04/35	USD3,500,000	3,497,367 0.1	CBS Outdoor Amer 5.875% 15/03/25	USD840,000	850,593 0.0

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)			CFMSI 2004-1 AF4 5.07%		
CBS Radio 7.25%			25/04/34	USD2,000,000	1,746,623
01/11/24-144A	USD640,000	632,933	0.0	CGCMT 2017-P7 B FRN	
CCM Merger 6% 15/03/22-144A	USD297,000	304,475	0.0	14/04/50	USD1,490,000
CCO Hldgs LLC/Cap 5%				Charles Schwab VRN 5% Perp	USD4,695,000
01/02/28-144A	USD3,623,000	3,431,283	0.1	CHEC 2004-1 M2 FRN	
CCO Hldgs LLC/Cap 5.125%				25/07/34-144A	USD2,284,328
05/27-144A	USD11,314,000	10,961,616	0.2	Chemours Co 6.625%	264,878
CCO Hldgs LLC/Cap				15/05/23	USD2,105,000
5.375% 05/25-144A	USD495,000	501,755	0.0	Chemours Co 7% 15/05/25	2,250,514
CCO Hldgs LLC/Cap 5.5%				Cheniere Corpus 5.125%	USD1,130,000
1/5/26-144A	USD2,940,000	2,970,625	0.1	30/06/27	1,233,332
CCO Hldgs LLC/Cap 5.75%				Cheniere Corpus 5.875%	USD1,265,000
01/09/23	USD3,000	3,067	0.0	31/03/25	1,286,385
CCO Hldgs LLC/Cap 5.75%				Cheniere Corpus 7%	USD2,345,000
2/26-144A	USD6,695,000	6,752,558	0.1	30/06/24	2,502,937
CCO Hldgs LLC/Cap				Cheniere Energy 5.25%	USD890,000
5.875% 4/24-144A	USD12,083,000	12,634,287	0.2	01/10/25	993,591
CD 2017-CD5 D 3.35%				Cheniere Energy 5.625%	USD557,000
15/08/50	USD920,000	779,763	0.0	1/10/26-144A	574,401
CDW LLC/CDW Fin 5%				Chesapeake Energy	USD586,000
01/09/23	USD506,000	514,752	0.0	6.625% 15/08/20	591,494
CDW LLC/CDW Fin 5%				Chesapeake Energy 7%	USD381,000
01/09/25	USD2,300,000	2,306,133	0.1	01/10/24	400,894
CDW LLC/CDW Fin 5.5%				Chesapeake Energy 8%	USD1,680,000
01/12/24	USD636,000	669,920	0.0	15/01/25	1,683,407
Cedar Fair/Maguum				Chesapeake Energy 8%	USD2,037,000
5.375% 01/06/24	USD165,000	168,369	0.0	15/06/27	2,142,698
Cemex Finance 6%				Chesapeake Energy 8%	USD3,848,000
01/04/24-144A	USD1,890,000	2,001,038	0.0	15/12/22-144A	4,019,257
Centene Corp 4.75%				Chesapeake Energy FRN	USD2,147,000
15/01/25	USD1,030,000	1,038,063	0.0	15/04/19	2,294,189
Centene Corp 5.625%				CHS/Community 5.125%	USD352,000
15/02/21	USD724,000	741,874	0.0	01/08/21	356,703
Centene Corp 6.125%				CHS/Community 6.25%	USD1,579,000
15/02/24	USD1,290,000	1,364,596	0.0	31/03/23	1,551,117
CenterPoint Energy VRN				CHS/Community 6.875%	USD1,513,000
6.125% Perp	USD4,655,000	4,768,243	0.1	01/02/22	1,437,159
Central Garden & Pet				CHS/Community 8.125%	USD1,128,000
5.125%01/02/28	USD3,955,000	3,791,032	0.1	30/06/24-144A	662,935
Central Garden & Pet				CHS/Community 8.625%	USD2,441,000
6.125%15/11/23	USD270,000	285,023	0.0	15/01/24-144A	2,092,776
Centurylink 6.45%				Cincinnati Bell 7%	USD2,561,000
15/06/21	USD660,000	699,265	0.0	15/07/24-144A	2,709,191
CenturyLink Inc 5.625%				Cincinnati Bell 8%	USD1,945,000
01/04/25	USD215,000	216,881	0.0	15/10/25-144A	1,813,280
CenturyLink Inc 5.8%				Cinemark USA 4.875%	USD606,000
15/03/22	USD805,000	821,726	0.0	01/06/23	585,935
CenturyLink Inc 7.5%				CIT Group 4.75% 16/02/24	USD2,824,000
01/04/24	USD2,992,000	3,313,640	0.1	CIT Group 5.25% 07/03/25	2,832,825
CenturyLink Inc NoW				CIT Group 6.125%	514,465
6.75% 01/12/23	USD3,110,000	3,294,268	0.1	09/03/28	USD510,000
Cequel Comm 5.125%				Citgo Petroleum 6.25%	USD642,000
15/12/21-144A	USD200,000	204,518	0.0	15/08/22-144A	656,097
Cequel Commun/Cap 7.5%				Citigroup Inc NoD VRN	USD336,000
1/04/28-144A	USD795,000	861,913	0.0	5.35% Perp	352,378
CFAB 2003-2 1M1 5.239%				Citigroup Inc NoN VRN	USD2,960,000
25/07/32	USD1,000,000	188,797	0.0	5.8% Perp	3,017,309
					USD10,995,000
					11,503,311
					0.2

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

		Fair value US\$	% of net assets			Fair value US\$	% of net assets
	Holding				Holding		
United States (Continued)				COLT 2018-2 A1 FRN 27/07/48			
Citigroup Inc NoO VRN 5.875% Perp	USD4,375,000	4,479,793	0.1	COMM 2015-LC21 D FRN 10/07/48	USD4,000,000	3,554,791	0.1
Citigroup Inc VRN 5.9% Perp	USD2,000,000	2,062,398	0.0	Commercial Metals 4.875% 15/05/23	USD600,000	550,004	0.0
Citigroup Inc VRN 5.95% Perp	USD5,720,000	5,899,791	0.1	Commercial Metals 5.375% 15/07/27	USD619,000	621,115	0.0
Citigroup Inc VRN 6.125% Perp	USD2,080,000	2,219,129	0.1	Commscope Inc 5.5% 15/06/24-144A	USD344,000	326,403	0.0
Citigroup Inc VRN 6.3% Perp	USD5,800,000	6,061,290	0.1	Commscope Tech Fin 5% 15/03/27-144A	USD1,239,000	1,268,357	0.0
Claire's Stores 9% 15/03/19-RegS	USD640,000	400,000	0.0	Commscope Tech Fin 6% 15/06/25-144A	USD673,000	652,623	0.0
Claire's Stores 9% 15/03/19-SEPT	USD1,100,000	687,500	0.0	Constellation Merger 8.5% 9/25-144A	USD6,636,000	6,968,906	0.1
Claire's Stores 9%3/19- 144A Default	USD1,480,000	925,000	0.0	Continental Resources 4.5% 15/04/23	USD875,000	832,368	0.0
Claire's Stores6.125%3/20- 144A Defa	USD754,000	471,250	0.0	Continental Resources 5% 15/09/22	USD2,505,000	2,600,165	0.1
Clean Harbors 5.125% 01/06/21	USD1,315,000	1,337,465	0.0	Cooper-Standard 5.625%11/26-144A	USD384,000	387,541	0.0
Clear Channel 6.5% 15/11/22-Ser A	USD1,666,000	1,736,065	0.0	CoreCivic Inc 4.625% 01/05/23	USD2,005,000	2,002,494	0.0
Clear Channel 6.5% 15/11/22-Ser B	USD14,530,000	15,177,392	0.3	Cornserstone Chem 6.75% 8/24-144A	USD3,525,000	3,451,930	0.1
Clear Channel 7.625% 15/03/20-SerA	USD485,000	487,250	0.0	Coty Inc 6.5% 15/04/26- 144A	USD415,000	419,098	0.0
Clear Channel 7.625% 15/03/20-SerB	USD8,053,000	8,130,622	0.1	Covanta Hldg 5.875% 01/03/24	USD2,430,000	2,349,270	0.1
Clearwater Pap 4.5% 01/02/23	USD850,000	797,938	0.0	Covanta Hldg 5.875% 01/07/25	USD250,000	256,584	0.0
Clearwater Pap 5.375% 01/02/25-144A	USD1,338,000	1,256,326	0.0	Covey Park Energy 7.5% 05/25-144A	USD572,000	585,732	0.0
Clearway Energy 5.75% 15/10/25-144A	USD340,000	342,975	0.0	Crestwood Mids/Fin 5.75% 01/04/25	USD1,565,000	1,630,860	0.0
Clearway Energy Oper 5% 15/09/26	USD765,000	734,188	0.0	Crestwood Midstream 6.25% 01/04/23	USD975,000	1,024,969	0.0
Cleveland-Cliff 4.875% 15/1/24-144A	USD415,000	410,971	0.0	Crown Amer LLC/Cap 4.25% 30/09/26	USD1,712,000	1,825,078	0.0
Cleveland-Cliff 5.75% 01/03/25	USD385,000	377,586	0.0	Crown Amer LLC/Cap 4.75% 02/26-144A	USD405,000	373,033	0.0
CMLTI 2005-6 A1 FRN 25/09/35	USD7,517,000	323,740	0.0	CSC Hldgs 10.125% 15/01/23-144A	USD147,000	142,651	0.0
CMLTI 2005-9 2A2 5.5% 25/11/35	USD9,324,000	245,440	0.0	CSC Hldgs 10.875% 15/10/25-144A	USD2,785,000	3,105,623	0.1
CNG Hldgs 9.375% 15/05/20-144A	USD1,535,000	1,554,827	0.0	CSC Hldgs 5.25% 01/06/24-144A	USD1,750,000	2,074,552	0.0
CNG Hldgs 9.375% 15/05/20-RegS	USD349,000	353,508	0.0	CSC Hldgs 5.375% 01/02/28-144A	USD1,232,000	1,228,427	0.0
CNO Financial 5.25% 30/05/25	USD1,096,000	1,135,890	0.0	CSC Hldgs 5.5% 15/04/27- 144A	USD535,000	514,380	0.0
CNX Midstream Part 6.5% 03/26-144A	USD330,000	329,716	0.0	CSC Hldgs 6.625% 15/10/25-144A	USD672,000	668,883	0.0
Coeur Mining 5.875% 01/06/24	USD418,000	409,549	0.0	CSC Hldgs 6.75% 15/11/21	USD3,820,000	4,078,752	0.1
Cogent Comm 5.375% 01/03/22-144A	USD3,015,000	3,073,730	0.1	CSI Compresso LP/Fin7.5% 4/25-144A	USD1,604,000	1,731,117	0.0
Cogent Comm 5.625% 15/04/21-144A	USD500,000	515,469	0.0	CSMC 2007-C1 AM 5.416% 15/02/40	USD405,000	429,047	0.0
					USD1,449,000	487,114	0.0

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)			DBGS 2018-5BP B FRN 15/06/33	USD4,050,000	4,036,290 0.1
Cumberland Farm 6.75% 01/05/25-144A	USD307,000	322,542 0.0	DCP Midstream Oper 3.875% 15/03/23	USD1,747,000	1,710,177 0.0
Curo Group Hldg 8.25% 01/09/25-144A	USD1,444,000	1,401,101 0.0	DCP Midstream Oper 4.95% 01/04/22	USD252,000	262,962 0.0
CVR Partners/Nit 8.25% 1/6/23-144A	USD5,016,000	5,466,116 0.1	DCP Midstream Oper 5.375% 15/07/25	USD1,060,000	1,092,912 0.0
CWALT 2004-30CB 3A1 5% 25/02/20	USD28,065,000	614,881 0.0	DCP Midstream Oper 6.75% 09/37-144A	USD535,000	574,055 0.0
CWALT 2005-23CB A4 5.5% 25/07/35	USD12,960,000	4,065,807 0.1	DCP Midstream Oper VRN 7.375% Perp	USD1,187,000	1,200,906 0.0
CWALT 2005-64CB 1A11 5.5% 25/12/35	USD4,000,000	1,738,876 0.0	Dean Foods 6.5% 15/03/23-144A	USD814,000	766,494 0.0
CWALT 2005-12 1A5 FRN 25/04/35	USD20,000,000	1,302,712 0.0	Delek Logistics 6.75% 15/05/25	USD1,800,000	1,854,900 0.0
CWALT 2005-16 1A4 5.5% 25/07/35	USD3,700,000	1,306,727 0.0	Dell Intl LLC/EMC 5.875% 6/21-144A	USD1,290,000	1,347,790 0.0
CWALT 2006-14CB A1 6% 25/06/36	USD7,000,000	1,159,419 0.0	Dell Intl LLC/EMC 6.02%15/6/26-144A	USD1,860,000	2,014,625 0.0
CWALT 2006-41CB 1A7 6% 25/01/37	USD11,000,000	1,672,959 0.0	Dell Intl LLC/EMC 7.125% 06/24-144A	USD2,575,000	2,809,271 0.1
CWALT 2006-4CB 2A4 5.5% 25/04/36	USD11,944,000	3,031,358 0.1	Denbury Resourc 9.25% 31/03/22-144A	USD1,390,000	1,498,082 0.0
CWALT 2006-4CB 2A6 5.5% 25/04/36	USD6,937,000	1,995,313 0.0	Denbury Resource 7.5% 15/02/24-144A	USD369,000	383,145 0.0
CWALT 2007-8CB A9 6% 25/05/37	USD2,200,000	479,768 0.0	Denbury Resources 5.5% 01/05/22	USD169,000	159,353 0.0
CWHL 2004-HYB6 A2 FRN 20/11/34	USD8,900,000	454,692 0.0	Denbury Resources 9% 15/05/21-144A	USD420,000	468,405 0.0
CWHL 2005-26 1A11 5.5% 25/11/35	USD16,400,000	1,026,654 0.0	Diamond Offshore Dr 7.875% 08/25	USD923,000	968,174 0.0
CWHL 2005-31 2A1 FRN 25/01/36	USD20,000,000	1,115,329 0.0	Diamondback Energy 4.75% 11/24-144A	USD571,000	583,015 0.0
CWHL 2005-HYB3 2A2A FRN 20/06/35	USD7,735,000	674,149 0.0	Diamondback Energy 5.375% 31/05/25	USD720,000	747,797 0.0
CWHL 2006-19 1A4 6% 25/01/37	USD8,000,000	1,893,970 0.0	Diebold Nixdorf 8.5% 15/04/24	USD2,243,000	1,697,266 0.0
CWHL 2006-HYB1 2A2C FRN 20/03/36	USD2,444,000	1,170,644 0.0	Dish DBS 5% 15/03/23	USD6,314,000	5,726,307 0.1
CWHL 2007-2 A16 6% 25/03/37	USD20,096,100	4,543,366 0.1	Dish DBS 5.875% 15/07/22	USD3,751,000	3,717,814 0.1
CWHL 2007-9 A11 5.75% 25/07/37	USD5,000,000	1,023,959 0.0	Dish DBS 5.875% 15/11/24	USD10,207,000	9,400,080 0.2
CWL 2004-6 M3 FRN 25/09/34	USD17,000,000	1,768,691 0.0	Dish DBS 6.75% 01/06/21	USD4,441,000	4,640,845 0.1
CWL 2004-6 M5 FRN 25/08/34	USD3,000,000	294,962 0.0	Dish DBS 7.75% 01/07/26	USD4,614,000	4,439,014 0.1
CWL 2004-BC1 M1 FRN 25/02/34	USD5,500,000	1,501,920 0.0	DJO Fin 8.125% 15/06/21- 144A	USD2,800,000	2,936,986 0.1
CWL 2005-12 M2 FRN 25/02/36	USD1,000,000	996,771 0.0	Dole Food 7.25% 15/06/25-144A	USD1,730,000	1,736,656 0.0
Cyrusone LP/Fin 5.375% 15/03/27	USD1,477,000	1,515,607 0.0	Dominion Energy VRN 5.75%10/54	USD6,485,000	6,934,086 0.1
DAE Funding 5% 01/08/24-144A	USD641,000	635,124 0.0	Downstream Dev 10.5% 15/02/23-144A	USD1,645,000	1,704,083 0.0
Dana Inc 5.5% 15/12/24	USD615,000	621,270 0.0	DRIVE 2018-4 D 4.09% 15/01/26	USD3,150,000	3,166,093 0.1
Dana Inc 6% 15/09/23	USD1,000,000	1,022,667 0.0	DRMT 2018-2A A1 FRN 25/04/58	USD4,500,000	3,990,368 0.1
DaVita Inc 5% 01/05/25	USD4,525,000	4,443,113 0.1	Elanco Animal 4.272% 28/08/23-144A	USD630,000	635,007 0.0
DaVita Inc 5.125% 07/24	USD960,000	942,623 0.0	Elanco Animal 4.9% 28/08/28-144A	USD630,000	640,419 0.0
DaVita Inc 5.75% 08/22	USD363,000	372,782 0.0			



## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)			EP Energy/Everest 7.75% 05/26-144A	USD6,457,000	6,780,209 0.1
Eldorado Resorts 6% 01/04/25	USD1,740,000	1,821,171 0.0	EP Energy/Everest 8% 15/02/25-144A	USD1,599,000	1,239,580 0.0
Eldorado Resorts 6% 15/09/26-144A	USD382,000	387,475 0.0	EP Energy/Everest 8% 29/11/24-144A	USD2,762,000	2,850,077 0.1
Eldorado Resorts 7% 01/08/23	USD220,000	233,842 0.0	EP Energy/Everest 9.375% 05/24-144A	USD3,930,000	3,385,941 0.1
Embarq Corp 7.995% 01/06/36	USD6,679,000	6,858,999 0.1	Equinix Inc 5.375% 01/01/22	USD600,000	628,313 0.0
EMC 2.65% 01/06/20	USD806,000	800,022 0.0	Equinix Inc 5.375% 01/04/23	USD550,000	578,531 0.0
EMI Music Pub 7.625% 15/06/24-144A	USD1,075,000	1,178,416 0.0	Equinix Inc 5.75% 01/01/25	USD1,893,000	1,972,269 0.0
Encompass Health 5.75% 01/11/24	USD610,000	632,240 0.0	Equinix Inc 5.875% 15/01/26	USD3,743,000	3,901,714 0.1
Encompass Health 5.75% 15/09/25	USD2,155,000	2,176,670 0.1	Escrow Gcb Penn Virg 8.5% 05/20-New	USD705,000	2,468 0.0
Endo Dac/Fin LLC VRN 6% 02/25-144A	USD1,040,000	904,800 0.0	Escrow GCB Texas 11.5% 1/10/20-144A	USD12,173,000	60,865 0.0
Endo Fin/Fin Stp Cpn 7.25% 1/22-144A	USD771,000	763,526 0.0	ESH Hospitality 5.25% 01/05/25-144A	USD2,547,000	2,519,938 0.1
Endo Finance 5.75% 15/01/22-144A	USD302,000	286,036 0.0	EW Scripps 5.125% 15/05/25-144A	USD339,000	332,427 0.0
Energizer Gamma 6.375% 15/07/26-144	USD680,000	710,635 0.0	Exela Intermediate/Fin10% 7/23-144A	USD2,263,000	2,460,698 0.1
Energizer Hldgs 5.5% 15/06/25-144A	USD3,209,000	3,236,900 0.1	Extraction Oil 5.625% 01/02/26-144A	USD85,000	76,022 0.0
Energy Transfer 5.5% 01/06/27	USD240,000	254,086 0.0	Fair Isaac 5.25% 15/05/26-144A	USD571,000	587,190 0.0
Energy Transfer 5.875% 15/01/24	USD1,980,000	2,113,458 0.1	FFML 2003-FF4 M1 FRN 25/10/33	USD10,250,000	2,246,091 0.1
Energy Transfer Equi 4.25% 15/03/23	USD600,000	597,695 0.0	FG G08737 3% 01/12/46	USD3,380,000	2,812,074 0.1
Energy Transfer VRN 6.25% Perp	USD4,855,000	4,754,191 0.1	FG G08756 3% 01/04/47	USD4,220,000	3,680,729 0.1
Energy Transfer VRN 6.625% Perp	USD4,733,000	4,590,704 0.1	FG G60852 4% 01/08/46	USD1,700,000	1,362,198 0.0
Enlink Midstream 5.6% 01/04/44	USD455,000	415,984 0.0	FG G61096 3.5% 01/02/47	USD300,000	262,352 0.0
EnLink Midstream Part 4.15% 1/06/25	USD689,000	661,063 0.0	FG G67700 3.5% 01/08/46	USD1,750,000	1,386,099 0.0
EnLink Midstream Part 4.4% 01/04/24	USD1,914,000	1,900,430 0.0	FG G67706 3.5% 01/12/47	USD25,350,000	23,294,013 0.4
EnLink Midstream Part 4.85% 15/8/26	USD1,037,000	1,018,343 0.0	FG G67708 3.5% 01/03/48	USD29,900,000	28,189,717 0.5
Entegris Inc 4.625% 10/02/26-144A	USD3,526,000	3,366,130 0.1	FG G67714 4% 01/07/48	USD4,800,000	4,803,408 0.1
Enterprise Dev Auth 12% 07/24-144A	USD2,095,000	2,056,592 0.0	FG Q52307 3.5% 01/11/47	USD25,000,000	23,626,332 0.4
Enterprise Merg 8.75% 15/10/26-144A	USD3,944,000	3,889,770 0.1	FHAMS 2005-FA10 1A5 5.5% 25/01/36	USD9,557,000	527,530 0.0
Enterprise Prod VRN 4.875% 16/08/77	USD461,000	446,061 0.0	FHLT 2004-1 M4 FRN 25/02/34	USD1,250,000	68,944 0.0
Enterprise Prod VRN 5.25% 16/08/77	USD4,390,000	4,165,945 0.1	FHLT 2004-2 M7 FRN 25/07/34	USD3,679,000	258,893 0.0
Enterprise Prods Oper 5.375% 02/78	USD829,000	776,304 0.0	FHLT 2004-A M1 FRN 25/01/34	USD7,500,000	1,663,845 0.0
Envision Healthcare 5.125% 7/22-144A	USD1,990,000	2,065,247 0.0	FHLT 2004-D M1 FRN 25/11/34	USD850,000	462,569 0.0
Envision Healthcare 5.625% 15/07/22	USD1,905,000	1,982,295 0.0	FHMS K054 X3 FRN 25/04/43	USD14,730,830	1,445,549 0.0
			FHMS K716 X3 FRN 25/08/42	USD25,719,613	1,226,461 0.0
			FHMS K721 X3 FRN 25/09/22	USD18,000,000	858,655 0.0

Investment Portfolio (Continued)  
As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
United States (Continued)							
FHMS K723 X3 FRN				FN MA2670 3% 01/07/46	USD24,110,000	19,089,877	0.3
25/10/34	USD10,661,704	916,640	0.0	FN MA2920 3% 01/03/47	USD7,460,000	6,417,337	0.1
FHR 4116 BP 3% 15/10/42	USD4,505,910	3,999,596	0.1	FNR 2017-69 GY 3%			
FHR 4614 HB 2.5%				25/09/47	USD13,000,000	11,808,646	0.2
15/09/46	USD9,838,000	8,380,979	0.1	FNR 2018-14 PY 3.5%			
FHR 4754 QB 3%				25/03/48	USD8,627,000	8,305,238	0.1
15/02/48	USD810,000	706,848	0.0	Ford Motor Credit 4.687%			
FHR 4808 BY 3.5%				09/06/25	USD1,750,000	1,723,768	0.0
15/07/48	USD6,737,000	6,451,642	0.1	Freeport-Mcmoran 3.55%			
Fidelity & Guaranty 5.5%				01/03/22	USD865,000	844,853	0.0
05/25-144A	USD811,000	822,838	0.0	Freeport-Mcmoran			
Fifth Third Bancorp VRN				3.875% 15/3/23	USD5,910,000	5,722,962	0.1
5.1% Perp	USD3,020,000	3,006,083	0.1	Freeport-Mcmoran 4.55%			
Financial&Risk 6.25%				14/11/24	USD2,780,000	2,758,636	0.1
15/05/26-144A	USD1,083,000	1,091,447	0.0	Freeport-Mcmoran 5.4%			
Financial&Risk 8.25%				14/11/34	USD164,000	158,301	0.0
15/11/26-144A	USD363,000	361,857	0.0	Freeport-Mcmoran 5.45%			
First Data 5% 15/01/24-144A	USD1,399,000	1,420,762	0.0	15/03/43	USD1,101,000	1,010,082	0.0
First Data 5.375%				FREMF 2013-K32 B FRN			
15/08/23	USD5,710,000	5,842,004	0.1	25/10/46	USD1,000,000	997,387	0.0
First Data 5.75% 15/01/24-144A	USD11,239,000	11,501,868	0.2	FREMF 2017-K67 C FRN			
First Data 7% 01/12/23-144A	USD1,828,000	1,946,058	0.0	25/09/49	USD1,195,000	1,121,553	0.0
FirstCash Inc 5.375%				FREMF 2017-KF40 B FRN			
01/06/24-144A	USD272,000	278,233	0.0	25/11/27	USD750,000	771,611	0.0
Flex Acquisition 6.875%				FREMF 2018-K731 C			
01/25-144A	USD267,000	259,528	0.0	3.90982% 25/02/25	USD5,000,000	4,798,767	0.1
FN AN3747 2.87%				FREMF 2018-KF46 B FRN			
01/02/32	USD1,200,000	1,096,323	0.0	25/03/28	USD1,125,000	1,134,526	0.0
FN AN6122 3.06%				FREMF 2018-KF47 B FRN			
01/08/32	USD2,110,000	1,957,322	0.0	25/05/25	USD1,050,000	1,056,440	0.0
FN AN7633 3.13%				FREMF 2018-KF49 B FRN			
01/12/32	USD770,000	722,907	0.0	25/06/25	USD1,030,000	1,032,605	0.0
FN AN7845 3.08%				Frontier Comm 10.5%			
01/12/29	USD2,240,000	2,127,814	0.1	15/09/22	USD877,000	783,526	0.0
FN AN8095 3.24%				Frontier Comm			
01/01/33	USD1,760,000	1,664,548	0.0	11%15/09/25	USD6,669,000	5,243,761	0.1
FN AN8281 3.19%				Frontier Comm 6.875%			
01/02/30	USD1,040,000	993,913	0.0	15/01/25	USD1,030,000	648,399	0.0
FN AN8572 3.55%				Frontier Comm 8.5%			
01/04/30	USD1,140,000	1,131,567	0.0	01/04/26-144A	USD2,095,000	2,074,748	0.0
FN AN9116 3.61%				Frontier Commun 7.125%			
01/05/30	USD1,080,000	1,078,116	0.0	15/01/23	USD525,000	381,749	0.0
FN AS9585 4% 01/05/47	USD13,000,000	11,730,362	0.2	Frontier Commun 8.75%			
FN BD2446 3% 01/01/47	USD3,640,000	3,121,862	0.1	15/04/22	USD450,000	390,531	0.0
FN BH9285 3.5%				FXI Hldgs 7.875%			
01/02/48	USD3,910,000	3,714,572	0.1	01/11/24-144A	USD1,667,000	1,642,516	0.0
FN BJ0645 3.5% 01/03/48	USD9,380,000	8,997,866	0.2	Gartner Inc 5.125%			
FN BM1909 4% 01/02/45	USD13,240,000	11,729,306	0.2	01/04/25-144A	USD1,828,000	1,879,413	0.0
FN BM3226 3.437%				Gates Global 6% 15/07/22-144A	USD1,855,000	1,890,090	0.0
01/10/32	USD1,350,000	1,305,958	0.0	GCB T-Mobile USA Esc			
FN BM3357 3.5% 01/11/47	USD13,460,000	12,756,386	0.2	4.75% 02/28	USD1,288,000	0	0.0
FN BM3788 3.5%				GCB T-Mobile USA Escr			
01/03/48	USD37,450,000	35,874,600	0.6	4.5% 01/02/26	USD1,778,000	0	0.0
FN BM4028 3.5%				GCI Inc 6.75% 01/06/21	USD2,260,000	2,336,275	0.1
01/10/47	USD1,450,000	1,377,066	0.0	GCI Inc 6.875% 15/04/25	USD1,585,000	1,688,740	0.0
FN CA1231 3.5% 01/02/38	USD12,000,000	11,382,417	0.2	GCP Applied Tech 5.5%			
				15/04/26-144A	USD1,570,000	1,583,541	0.0
				General Elec Cap NoD VRN			
				5% Perp	USD19,562,000	19,385,399	0.3

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)			Graphic Packaging 4.75% 15/04/21	USD100,000	103,138 0.0
General Motors Fin VRN 5.75% Perp	USD4,475,000	4,328,062 0.1	Gray Television 5.125%15/10/24-144A	USD1,205,000	1,191,301 0.0
General Motors Fin VRN 6.5% Perp	USD1,925,000	1,893,745 0.0	Gray Television 5.875% 15/7/26-144A	USD810,000	811,946 0.0
Genesis Energy LP/Fin 6.25% 15/5/26	USD435,000	428,667 0.0	GRCE 2014-GRCE B 3.52% 10/06/28	USD1,800,000	1,804,320 0.0
Genesis Energy LP/Fin 6.5% 01/10/25	USD165,000	166,238 0.0	GSMS 2007-GG10 AM FRN 10/08/45	USD19,098,934	1,285,719 0.0
Genesis Energy/Fin 5.625% 15/06/24	USD573,000	549,543 0.0	GSMS 2017-GS5 D FRN 10/03/50	USD3,250,000	2,687,224 0.1
Genesis Energy/Fin 6% 15/05/23	USD658,000	663,045 0.0	GSR 2005-6F 3A18 5.5% 25/07/35	USD2,200,000	1,443,361 0.0
Genesys/Greeneden 10% 30/11/24-144A	USD2,196,000	2,505,880 0.1	GSR 2005-AR4 2A1 FRN 25/07/35	USD45,935,000	3,173,167 0.1
GEO Group 5.875% 15/01/22	USD2,375,000	2,416,332 0.1	GTT Comms 7.875% 31/12/24-144A	USD367,000	364,213 0.0
GEO Group 5.875% 15/10/24	USD340,000	334,336 0.0	Gulfport Energy 6.375% 15/05/25	USD714,000	722,271 0.0
GEO Group 6% 15/04/26	USD560,000	551,693 0.0	Gulfport Energy 6% 15/10/24	USD1,869,000	1,878,657 0.0
Global Part/GLP 6.25% 15/07/22	USD752,000	756,282 0.0	Gulfport Energy 6.625% 01/05/23	USD445,000	466,184 0.0
Global Part/GLP 7% 15/06/23	USD983,000	1,020,463 0.0	H&E Equipment 5.625% 01/09/25	USD800,000	803,750 0.0
GLP Capital/Fin 5.25% 01/06/25	USD1,200,000	1,243,630 0.0	Halcon Resource 6.75% 15/02/25	USD1,360,000	1,317,330 0.0
GLP Capital/Fin 5.375% 15/04/26	USD600,000	624,177 0.0	Hanesbrands Inc 4.875% 15/5/26-144A	USD1,225,000	1,195,498 0.0
GLP Capital/Fin 5.75% 01/06/28	USD1,200,000	1,266,485 0.0	Harland Clarke 8.375% 15/08/22-144A	USD584,000	566,160 0.0
GNR 2014-27 M2 3.5% 20/12/43	USD3,300,000	3,714,794 0.1	HCA Healthcare 6.25% 15/02/21	USD1,155,000	1,216,661 0.0
GNR 2016-111 PB 2.5% 20/08/46	USD5,777,122	4,952,210 0.1	HCA Inc 4.25% 15/10/19	USD835,000	858,336 0.0
GNR 2017-156 LP 2.5% 20/10/47	USD3,008,424	2,488,420 0.1	HCA Inc 5% 15/03/24	USD1,234,000	1,267,592 0.0
GNR 2018-104 HC 3.5% 20/08/48	USD8,613,577	8,216,096 0.1	HCA Inc 5.375% 01/02/25	USD18,812,000	19,415,081 0.3
Golden Nugget 6.75% 15/10/24-144A	USD2,915,000	3,034,879 0.1	HCA Inc 5.375% 01/09/26	USD1,898,000	1,935,341 0.0
Goldman Sachs Group VRN 5.3% Perp	USD2,860,000	2,933,669 0.1	HCA Inc 5.5% 15/06/47	USD905,000	931,783 0.0
Goldman Sachs NoL VRN 5.7% Perp	USD5,865,000	6,054,586 0.1	HCA Inc 5.625% 01/09/28	USD2,748,000	2,781,491 0.1
Goldman Sachs VRN 5.375% Perp	USD7,020,000	7,308,256 0.1	HCA Inc 5.875% 15/02/26	USD9,298,000	9,778,306 0.2
Goodman Networks 8% 11/05/22	USD331,825	188,108 0.0	HCA Inc 5.875% 15/03/22	USD1,175,000	1,255,912 0.0
Goodyear Tire 5% 31/05/26	USD725,000	695,845 0.0	HCA Inc 7.5% 15/02/22	USD3,862,000	4,273,239 0.1
Goodyear Tire 5.125% 15/11/23	USD645,000	660,397 0.0	HCA Inc No1 5.875% 01/05/23	USD3,725,000	4,035,029 0.1
Goodyear Tire&Rubber 4.875%15/03/27	USD1,679,000	1,548,318 0.0	HEAT 2004-3 M1 FRN 25/08/34	USD3,750,000	1,220,704 0.0
GPMT 2018-FL1 AS FRN 21/11/35	USD1,500,000	1,501,691 0.0	HEAT 2004-4 M2 FRN 25/10/34	USD19,500,000	1,128,480 0.0
GPMT 2018-FL1 B FRN 21/11/35	USD4,100,000	4,107,664 0.1	Hecla Mining 6.875% 01/05/21	USD1,427,000	1,475,013 0.0
Graham Hlds 5.75% 01/06/26-144A	USD410,000	428,686 0.0	Herc Rentals 7.5% 01/06/22-144A	USD392,000	424,340 0.0
			Herc Rentals 7.75% 01/06/24-144A	USD1,883,000	2,077,577 0.0
			Hertz Corp 5.5% 15/10/24- 144A	USD5,595,000	4,785,745 0.1
			Hertz Corp 6.25% 15/10/22	USD1,071,000	1,028,213 0.0

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)			IMM 2005-1 1A2 FRN		
Hertz Corp 7.375%			25/04/35	USD18,095,000	1,558,049
15/01/21	USD655,000	664,379	0.0		
Hertz Corp 7.625%			IMM 2005-4 1A1A FRN		
01/06/22-144A	USD2,520,000	2,552,550	25/05/35	USD13,500,000	818,569
Hess Infrastru 5.625%			IMM 2005-8 1AM FRN		
15/02/26-144A	USD615,000	624,033	25/02/36	USD6,000,000	925,131
Hexion Inc 6.625%			IMM 2007-A M3 FRN		
15/04/20	USD3,736,000	3,641,287	25/05/37	USD4,500,000	730,047
Hexion Inc 9% 15/11/20	USD470,000	408,219	0.0		
Hilcorp Energy/Fin 5%			Infor Software 7.125%		
01/12/24-144A	USD2,845,000	2,810,623	01/05/21-144A	USD3,812,000	3,963,289
Hillman Group 6.375%			Infor US 5.75% 15/08/20-		
15/07/22-144A	USD310,000	282,397	144A	USD889,000	906,644
Hill-Rom Hldgs 5%			Infor US 6.5% 15/05/22	USD7,932,000	8,250,712
15/02/25-144A	USD355,000	350,168	0.0		
Hill-Rom Hldgs 5.75%			Ingevity 4.5% 01/02/26-		
01/09/23-144A	USD2,715,000	2,802,672	144A	USD873,000	838,080
Hilton Domestic Op			INHEL 2004-C M1 FRN		
5.125% 5/26-144A	USD1,772,000	1,803,305	25/03/35	USD7,360,000	4,487,323
Hilton Domestic Oper			Interval Acquisition		
4.25% 01/09/24	USD640,000	623,515	5.625%15/04/23	USD1,450,000	1,509,359
Hilton Grand Vac 6.125%			Iqvia Inc 4.875% 05/23-		
01/12/24	USD585,000	611,569	144A	USD650,000	663,596
Hilton Worldwide 4.625%			Iqvia Inc 5% 13/09/26-		
01/04/25	USD1,661,000	1,672,669	144A	USD1,805,000	1,810,515
Hilton Worldwide 4.875%			IRB Hldg 6.75% 15/02/26-		
01/04/27	USD690,000	693,019	144A	USD2,482,000	2,542,189
HOF 2018-1 A1 FRN			Iron Mountain 4.875%		
25/06/48	USD3,900,000	3,726,735	15/09/27-144A	USD574,000	527,171
Holly Energy Part 6%			Iron Mountain 5.25%		
01/08/24-144A	USD873,000	901,373	15/03/28-144A	USD551,000	510,961
Hologic 4.375% 15/10/25-			Iron Mountain 5.75%		
144A	USD3,099,000	3,022,063	15/08/24	USD2,235,000	2,234,659
Hughes Satellite 5.25%			Iron Mountain 6%		
01/08/26	USD2,564,000	2,528,771	15/08/23	USD1,700,000	1,755,533
Hughes Satellite 6.625%			Ithaca Merger 7.125%		
01/08/26	USD744,000	731,755	15/07/23-144A	USD2,439,000	2,536,662
Huntington Bancshare			Jack Ohio Finance 6.75%		
VRN 5.7% Perp	USD2,015,000	2,026,653	11/21-144A	USD4,554,000	4,829,517
Huntsman Intl 4.875%			Jack Ohio Finance 10.25%		
15/11/20	USD200,000	207,933	11/22-144A	USD735,000	836,961
Huntsman Intl 5.125%			Jagged Peak Energy		
15/11/22	USD3,600,000	3,786,700	5.875% 5/26-144A	USD570,000	579,027
Icahn Ent/Fin 6.25%			Jaguar HI / Pp 6.375%		
01/02/22	USD1,542,000	1,600,468	01/08/23-144A	USD580,000	590,513
Icahn Ent/Fin 6.75%			JB Poindexter 7.125%		
01/02/24	USD769,000	795,915	15/04/26-144A	USD394,000	423,612
Icahn Enterprises/Finance			JBS USA Lux/Fin 5.75%		
6% 1/8/20	USD420,000	430,240	15/06/25-144A	USD1,882,000	1,855,051
Icahn Entp/Fin 6.375%			JBS USA Lux/Fin 5.875%		
15/12/25	USD1,592,000	1,630,639	15/7/24-144A	USD2,163,000	2,149,271
iHeartCommunications 9%			JBS USA Lux/Fin 7.25%		
15/12/19	USD5,097,000	3,835,493	01/06/21	USD50,000	52,083
ILFC E-Capital FRN			JBS USA Lux/Fin 7.25%		
21/12/65-144A	USD3,276,000	2,952,750	01/06/21-144A	USD4,785,000	4,984,375
ILFC E-Capital VRN 4.82%			Jeld-Wen Inc 4.625%		
12/65-144A	USD1,160,000	1,045,621	15/12/25-144A	USD805,000	753,575
IMM 2004-10 2A FRN			Jeld-Wen Inc 4.875%		
25/03/35	USD35,000,000	1,514,254	15/12/27-144A	USD350,000	324,399
		0.0	JPMAC 2007-CH1 AF6		
			4.958646% 11/36	USD12,500,000	957,412
					0.0

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)			Liberty Inter 8.25% 01/02/30	USD360,000	389,387 0.0
JPMCC 2007-LD11 AM FRN 15/06/49	USD1,800,000	272,008 0.0	Liberty Mutual 7.8% 15/03/37-RegS	USD750,000	882,913 0.0
Kaiser Aluminum 5.875% 15/05/24	USD389,000	407,359 0.0	LifePoint Health 5.5% 01/12/21	USD405,000	419,241 0.0
Kennedy-Wilson 5.875% 01/04/24	USD611,000	624,366 0.0	LIN Television 5.875% 15/11/22	USD316,000	328,938 0.0
Keycorp VRN 5% Perp Kinetics Concept 7.875%15/2/21-144A	USD5,250,000	5,156,667 0.1	Live Nation Ent 4.875% 11/24-144A	USD1,376,000	1,376,430 0.0
KLX Inc 5.875% 01/12/22- 144A	USD1,000,000	1,052,083 0.0	Live Nation Ent 5.625% 3/26-144A	USD280,000	283,500 0.0
Koppers Inc 6% 15/02/25- 144A	USD811,000	817,218 0.0	LKQ Corp 4.75% 15/05/23	USD1,213,000	1,240,832 0.0
Kratos Defense &Sec 6.5% 11/25-144A	USD735,000	772,189 0.0	LPL Hldgs 5.75% 15/09/25-144A	USD1,241,000	1,214,698 0.0
Kronos Acquisition 9% 15/08/23-144A	USD830,000	790,783 0.0	LSTRZ 2017-7 A FRN 01/10/22	USD1,250,000	273,728 0.0
L Brands 5.25% 01/02/28	USD408,000	355,450 0.0	LTF Merger Sub 8.5% 15/06/23-144A	USD2,095,000	2,233,852 0.1
L Brands 6.75% 01/07/36	USD2,060,000	1,749,713 0.0	MABS 2004-WMC3 M5 FRN 25/10/34	USD3,920,000	257,372 0.0
Ladder Cap Fin 5.25% 01/10/25-144A	USD373,000	359,945 0.0	MagnaChip Semi Stp Cpn 6.625% 07/21	USD995,000	1,011,404 0.0
Ladder Cap Fin 5.25% 15/03/22-144A	USD679,000	683,131 0.0	Mariposa Bor/Merger 8%15/10/21-144A	USD2,217,000	1,533,918 0.0
Lamar Media 5.375% 15/01/24	USD398,000	410,516 0.0	Marriott Owners 6.5% 15/09/26-144A	USD2,579,000	2,657,946 0.1
Lamar Media 5.75% 01/02/26	USD1,477,000	1,542,850 0.0	Martin Midst/Fin 7.25% 15/02/21	USD1,607,000	1,617,870 0.0
Laredo Petroleum 5.625% 15/01/22	USD47,000	47,558 0.0	Mastec Inc 4.875% 15/03/23	USD2,057,000	2,059,503 0.0
LBCMT 2007-C3 AJ FRN 15/07/44	USD1,000,000	180,548 0.0	Matador Resources 5.875% 09/26-144A	USD408,000	414,743 0.0
LBUBS 2006-C6 AJ FRN 15/09/39	USD2,000,000	714,235 0.0	Match Group 5% 15/12/27- 144A	USD151,000	152,091 0.0
Lennar Corp 4.75% 29/11/27	USD340,000	332,298 0.0	Match Group 6.375% 01/06/24	USD380,000	408,500 0.0
Lennar Corp 5.25% 01/06/26	USD471,000	477,029 0.0	Mattel 6.75% 31/12/25- 144A	USD5,493,000	5,469,998 0.1
Lennar Corp 5.875% 15/11/24	USD1,955,000	2,079,034 0.0	Mattel Inc 3.15% 15/03/23	USD475,000	413,915 0.0
Lennar Corp Stp Cpn 4.75% 15/11/22	USD50,000	51,237 0.0	MCMLT 2018-2 A1 FRN 25/05/58	USD4,000,000	3,805,130 0.1
Lennar No7YR 4.5% 30/04/24	USD810,000	808,441 0.0	Meredith 6.875% 01/02/26-144A	USD990,000	1,023,619 0.0
Level 3 Fin 5.125% 01/05/23	USD2,371,000	2,395,945 0.1	Metlife Inc 6.4% 15/12/36	USD4,285,000	4,643,159 0.1
Level 3 Fin 5.25% 15/03/26	USD460,000	464,834 0.0	Metlife Inc VRN 5.25% Perpetual	USD6,516,000	6,730,496 0.1
Level 3 Fin 5.375% 01/05/25	USD4,699,000	4,720,048 0.1	Metlife Inc VRN 5.875% Perp	USD4,625,000	4,748,261 0.1
Level 3 Fin 5.375% 15/01/24	USD1,153,000	1,168,735 0.0	MFRA 2017-NPL1 A1 3.3515% 25/11/47	USD1,600,000	1,365,559 0.0
Level 3 Fin 5.625% 01/02/23	USD1,703,000	1,750,365 0.0	MFRA 2018-NPL1 A1 3.875% 25/05/48	USD5,000,000	4,835,952 0.1
Levi Strauss 5% 01/05/25	USD400,000	406,253 0.0	MFRA 2018-NPL2 A1 4.1637% 25/07/48	USD5,000,000	4,758,997 0.1
LFT 2017-2A C 4.33% 20/05/26	USD245,000	242,352 0.0	MGM Growth Lp/Mg 4.5% 01/09/26	USD395,000	372,781 0.0
LGI Homes 6.875% 15/07/26-144A	USD538,000	540,008 0.0	MGM Growth Lp/Mg 4.5% 15/01/28	USD270,000	248,265 0.0

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)			Nationstar Mort/Cap 6.5% 01/06/22	USD313,000	319,390 0.0
MGM Growth Lp/Mg 5.625% 01/05/24	USD1,515,000	1,592,170 0.0	Nationstar Mort/Cap 6.5% 01/07/21	USD455,000	461,825 0.0
MGM Resorts Intl 4.625% 01/09/26	USD1,035,000	967,988 0.0	Nationstar Mortgage 8.125%7/23-144A	USD586,000	623,419 0.0
MGM Resorts Intl 5.75% 15/06/25	USD1,440,000	1,467,290 0.0	Nationstar Mortgage 9.125%7/26-144A	USD696,000	742,821 0.0
MGM Resorts Intl 6% 15/03/23	USD6,863,000	7,132,830 0.1	Natl Rural Utilities 5.25% 20/04/46	USD843,000	879,306 0.0
MGM Resorts Intl 7.75% 15/03/22	USD4,400,000	4,836,896 0.1	Navistar Intl 6.625% 01/11/25-144A	USD1,162,000	1,236,199 0.0
MHL 2005-1 1B1 FRN 25/02/35	USD10,000,000	692,671 0.0	NCHET 2003-3 M2 FRN 25/07/33	USD4,000,000	52,460 0.0
Micron Tech 5.5% 1/2/25	USD167,000	173,958 0.0	NCHET 2004-2 M5 FRN 25/08/34	USD5,000,000	454,147 0.0
Midcontinent Comm 6.875% 8/23-144A	USD1,040,000	1,098,536 0.0	NCHET 2004-3 M1 FRN 25/11/34	USD2,380,000	1,798,411 0.0
MLCC 2004-C A1 FRN 25/07/29	USD61,068,000	1,498,598 0.0	NCHET 2004-4 M1 FRN 25/02/35	USD3,189,000	1,521,508 0.0
MLMI 2003-OPT1 M1 FRN 25/07/34	USD8,907,901	670,679 0.0	NCHET 2006-2 A2B FRN 25/08/36	USD6,000,000	1,585,848 0.0
MLMI 2005-A6 2A3 FRN 25/08/35	USD800,000	252,125 0.0	Neiman Marcus 8.75% 15/10/21-144A	USD2,614,175	1,830,830 0.0
MLMT 2007-C1 AM FRN 12/06/50	USD4,000,000	91,090 0.0	Netflix 4.875% 15/04/28- 144A	USD3,005,000	2,888,644 0.1
MMC Energy 8.875% 15/10/20	USD700,000	0 0.0	Netflix Inc 4.375% 15/11/26-144A	USD154,000	146,920 0.0
Morgan Stanley NoH VRN 5.45% Perp	USD12,265,000	12,513,434 0.2	Netflix Inc 5.75% 01/03/24	USD500,000	520,996 0.0
Morgan Stanley VRN 5.55% Perp	USD2,631,000	2,735,495 0.1	Netflix Inc 5.875% 15/11/28-144A	USD2,094,000	2,146,968 0.1
MPH Acquisition 7.125% 1/6/24-144A	USD3,244,000	3,442,695 0.1	New Albertsons 5.75% 15/03/25	USD1,885,000	1,704,842 0.0
MSAC 2004-HE7 M4 FRN 25/08/34	USD6,435,000	476,225 0.0	New Albertsons 6.625% 01/06/28	USD178,000	138,543 0.0
MSAC 2004-HE8 M1 FRN 25/09/34	USD2,000,000	1,817,122 0.0	New Albertsons 6.625% 15/06/24	USD5,880,000	5,791,958 0.1
MSAC 2004-NC7 M2 FRN 25/07/34	USD2,350,000	588,451 0.0	New Albertsons 7.45% 01/08/29	USD686,000	579,476 0.0
MSAC 2004-NC8 M1 FRN 25/09/34	USD4,750,000	3,143,323 0.1	New Albertsons 7.75% 15/06/26	USD665,000	595,387 0.0
MSAC 2004-NC8 M6 FRN 25/09/34	USD5,066,000	478,311 0.0	New Albertsons 8% 01/05/31	USD3,748,000	3,310,733 0.1
MSAC 2004-OP1 B1 FRN 25/11/34	USD3,000,000	82,945 0.0	New Albertsons 8.7% 01/05/30	USD120,000	110,100 0.0
MSAC 2004-WMC2 M2 FRN 25/07/34	USD19,000,000	711,078 0.0	New Home NoWi 7.25% 01/04/22	USD1,165,000	1,230,531 0.0
MSAC 2004-WMC3 M2 FRN 25/01/35	USD2,000,000	1,586,177 0.0	Newfield Exploration 5.375% 1/1/26	USD800,000	839,750 0.0
MSAC 2005-WMC6 M3 FRN 25/07/35	USD1,222,000	851,131 0.0	Newfield Exploration 5.625% 1/07/24	USD850,000	905,711 0.0
MSBAM 2014-C15 D FRN 15/04/47	USD570,000	563,829 0.0	Newfield Exploration 5.75% 30/01/22	USD225,000	238,161 0.0
MSC 2018-MP D FRN 11/07/40	USD1,190,000	1,152,518 0.0	Nexstar Broad 5.625% 01/08/24-144A	USD965,000	953,541 0.0
MSCI Inc 5.375% 15/05/27- 144A	USD1,313,000	1,365,333 0.0	Nexstar Broad 6.125% 15/02/22-144A	USD955,000	977,993 0.0
Mueller Water 5.5% 15/06/26-144A	USD640,000	653,858 0.0	NextEra Energy 4.25% 15/09/24-144A	USD467,000	458,542 0.0
Nabors Industries 5.75% 1/2/25-144A	USD2,312,000	2,239,820 0.1			

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

		Fair value US\$	% of net assets			Fair value US\$	% of net assets
	Holding				Holding		
United States (Continued)							
NextEra Energy Oper 4.5%				Parsley Energy 5.375%			
09/27-144A	USD482,000	462,479	0.0	15/01/25-144A	USD545,000	551,865	0.0
NGPL Pipeco 4.375%				Parsley Energy 5.625%			
15/08/22-144A	USD235,000	238,370	0.0	15/10/27-144A	USD545,000	561,861	0.0
NGPL Pipeco 4.875%				PART 2018-1A D 4.14%			
15/08/27-144A	USD368,000	368,452	0.0	15/10/24	USD1,415,000	1,415,354	0.0
NHEL 2003-1 A1 FRN				PART 2018-1A E 5.03%			
25/05/33	USD81,500,000	1,025,963	0.0	15/01/26	USD1,040,000	1,040,474	0.0
NHEL 2003-3 M1 FRN				Party City 6.125%			
25/12/33	USD3,000,000	153,110	0.0	15/08/23-144A	USD388,000	396,857	0.0
Nielsen Finance 5%				Party City Hldgs 6.625%			
15/04/22-144A	USD3,233,000	3,218,631	0.1	08/26-144A	USD1,143,000	1,166,840	0.0
NiSource Inc VRN 5.65%				PBF Hldg 7% 15/11/23	USD709,000	759,512	0.0
Perp-144A	USD2,275,000	2,291,525	0.1	PBF Hldg 7.25% 15/06/25	USD1,428,000	1,537,038	0.0
Northern Oil and 9.5%				PBF Logistics 6.875%			
5/23-144A-PIK	USD248,048	264,481	0.0	15/05/23	USD565,000	594,506	0.0
Northwest Acq/Dom				Peabody Energy 6%03/22-			
7.125% 11/22-144A	USD360,000	376,988	0.0	144A	USD323,000	328,303	0.0
Novelis Corp 5.875%				Peabody Energy			
30/09/26-144A	USD2,995,000	2,979,110	0.1	6.375%03/25-144A	USD245,000	248,718	0.0
Novelis Corp 6.25%				Penske Automotive Grp			
15/08/24-144A	USD1,825,000	1,876,075	0.0	5.5% 15/05/26	USD2,048,000	2,036,281	0.0
NRG Energy 5.75%				PetSmart Inc 5.875%			
15/01/28-144A	USD642,000	656,213	0.0	01/06/25-144A	USD2,390,000	2,006,604	0.0
NRG Energy 6.25%				PetSmart Inc 7.125%			
01/05/24	USD1,400,000	1,492,458	0.0	15/03/23-144A	USD5,158,000	3,717,199	0.1
NRG Energy 6.25%				PetSmart Inc 8.875%			
15/07/22	USD253,000	264,358	0.0	01/06/25-144A	USD1,967,000	1,474,430	0.0
NRG Energy 6.625%				PGT Escrow Issu 6.75%			
15/01/27	USD730,000	780,360	0.0	01/08/26-144A	USD1,331,000	1,393,640	0.0
NRG Energy 7.25%				Pilgrim's Pride 5.75%			
15/05/26	USD735,000	820,362	0.0	15/03/25-144A	USD2,307,000	2,226,383	0.1
NRZT 2018-2A A1 FRN				Pilgrim's Pride			
25/02/58	USD4,000,000	3,685,548	0.1	5.875%30/09/27-144A	USD1,035,000	975,656	0.0
Nuance Comms 5.625%				Plantronics Inc 5.5%			
15/12/26-144A	USD1,595,000	1,617,430	0.0	31/05/23-144A	USD2,320,000	2,356,604	0.1
Nuance Commun 5.375%				PNC Financial NoR VRN			
15/08/20-144A	USD366,000	369,429	0.0	4.85% Perp	USD2,410,000	2,433,899	0.1
Nuance Commun 5.375%				PNC Financial VRN 6.75%			
15/08/20-RegS	USD17,000	17,159	0.0	Perp	USD2,694,000	2,933,227	0.1
Nustar Logistics 5.625%				PNMSR 2018-FT1 A FRN			
28/04/27	USD1,105,000	1,120,035	0.0	25/04/23	USD1,475,000	1,483,497	0.0
NVA Hldgs 6.875%				Polaris Intermed 8.5%			
01/04/26-144A	USD1,148,000	1,185,569	0.0	01/12/22-144A	USD1,555,500	1,652,071	0.0
Oasis Petroleum 6.25%				Post Hldgs 5% 15/08/26-			
01/05/26-144A	USD1,716,000	1,786,845	0.0	144A	USD749,000	711,654	0.0
Oasis Petroleum 6.875%				Post Hldgs 5.5% 01/03/25-			
15/01/23	USD1,405,000	1,457,005	0.0	144A	USD1,170,000	1,165,125	0.0
Oasis Petroleum 6.875%				Post Hldgs 5.625%			
15/03/22	USD465,000	475,712	0.0	15/01/28-144A	USD690,000	672,319	0.0
Oshkosh Corp 5.375%				Post Hldgs 5.75%			
01/03/25	USD1,342,000	1,388,942	0.0	01/03/27-144A	USD2,680,000	2,639,242	0.1
Owens-Brockway 5.375%				PPSI 2004-WWF1 M4 FRN			
15/01/25-144A	USD780,000	791,532	0.0	25/12/34	USD6,800,000	6,250,755	0.1
Owens-Brockway 5.875%				PPSI 2005-WCH1 M4 FRN			
15/08/23-144A	USD800,000	828,006	0.0	25/01/36	USD680,000	685,027	0.0
Parsley Energy 5.25%				Prestige Brand 6.375%			
15/08/25-144A	USD1,145,000	1,146,956	0.0	01/03/24-144A	USD1,020,000	1,038,169	0.0
				PRET 2017-NPL2 A1 3.25%			
				28/03/57	USD2,000,000	1,039,666	0.0

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)			RAMP 2006-RZ3 M1 FRN 25/08/36	USD1,400,000	1,387,139 0.0
PRET 2017-NPL2 A2 5.5% 28/03/57	USD1,000,000	1,001,733 0.0	Range Resources 4.875% 15/05/25	USD1,980,000	1,920,831 0.0
PRET 2017-NPL5 A1 FRN 30/12/32	USD6,400,000	4,558,339 0.1	Range Resources 5% 15/03/23	USD600,000	592,687 0.0
PRET 2018-NPL2 A1 3.7% 27/03/33	USD5,000,000	4,324,293 0.1	Range Resources 5% 15/08/22	USD47,000	46,948 0.0
PRET 2018-NPL3 A1 4.125% 27/08/33	USD2,000,000	1,903,651 0.0	RASC 2005-AHL2 M1 FRN 25/10/35	USD2,000,000	1,992,853 0.0
Prime Security 9.25% 15/05/23-144A	USD3,835,000	4,227,874 0.1	RBS Global Inc/Rex 4.875%12/25-144A	USD700,000	675,923 0.0
Progressive Corp VRN 5.375% 15/9/66	USD2,675,000	2,675,719 0.1	Reliance Hldgs USA 5.4% 02/22-RegS	USD660,000	686,565 0.0
Prudential Fin VRN 5.2% 15/03/44	USD7,587,000	7,604,534 0.1	Revlon Consumer 6.25% 01/08/24	USD1,303,000	805,145 0.0
Prudential Fin VRN 5.375% 15/05/45	USD405,000	413,750 0.0	Reynolds Grp 5.125% 15/07/23-144A	USD1,865,000	1,871,191 0.0
Prudential Fin VRN 5.625% 15/06/43	USD6,155,000	6,494,082 0.1	Reynolds Grp 5.75% 15/10/20	USD5,805,000	5,788,893 0.1
Prudential Fin VRN 5.875% 15/09/42	USD8,365,000	8,906,141 0.2	Reynolds Grp 6.875% 15/02/21	USD300,000	106,174 0.0
Prudential Financial VRN 5.7% 09/48	USD3,814,000	3,812,185 0.1	Reynolds Grp 7% 15/07/24-144A	USD670,000	688,276 0.0
QEP Resources 5.25% 01/05/23	USD615,000	610,213 0.0	RHP Hotel Prop/Fin 5% 15/04/21	USD2,260,000	2,314,931 0.1
QEP Resources 5.375% 01/10/22	USD982,000	1,013,301 0.0	RHP Hotel Prop/Fin 5% 15/04/23	USD1,767,000	1,805,530 0.0
QEP Resources 5.625% 01/03/26	USD15,000	14,524 0.0	Rite Aid 6.125% 01/04/23- 144A	USD3,110,000	2,822,973 0.1
Qorvo 5.5% 15/07/26- 144A	USD244,000	250,456 0.0	Rowan Companies 4.75% 15/01/24	USD90,000	81,228 0.0
Quad Graphics 7% 01/05/22	USD450,000	469,650 0.0	Rowan Companies 7.375% 15/06/25	USD669,000	678,510 0.0
Quicken Loans 5.25% 15/01/28-144A	USD1,309,000	1,226,969 0.0	SABR 2004-NC1 M2 FRN 25/02/34	USD11,000,000	772,025 0.0
Quicken Loans 5.75% 01/05/25-144A	USD2,439,000	2,493,369 0.1	Sabre Global 5.25% 15/11/23-144A	USD1,100,000	1,121,817 0.0
Qwest Capital Fdg 7.75% 15/02/31	USD468,000	438,705 0.0	Sabre Global 5.375% 15/04/23-144A	USD3,060,000	3,151,141 0.1
Rackspace Hosting 8.625% 11/24-144A	USD2,154,000	2,159,565 0.1	SAIL 2004-6 M2 FRN 25/07/34	USD16,000,000	28,243 0.0
Radian Group 4.5% 01/10/24	USD922,000	932,511 0.0	SAIL 2004-8 M9 FRN 25/09/34	USD3,250,000	633,152 0.0
Rain Cii Carbon 7.25% 01/04/25-144A	USD1,975,000	2,086,094 0.0	Sally Hldgs/Cap 5.625% 01/12/25	USD250,000	244,828 0.0
RALI 2005-QQ1 A1 FRN 25/08/35	USD42,479,000	5,272,777 0.1	Sanchez Energy 6.125% 15/01/23	USD321,000	187,121 0.0
RALI 2006-QS10 A13 FRN 25/08/36	USD33,000,000	4,232,043 0.1	Sanchez Energy 7.75% 15/06/21	USD910,000	657,766 0.0
RALI 2007-QS5 A2 FRN 25/03/37	USD37,500,000	7,103,629 0.1	SARM 2004-12 3A1 FRN 25/09/34	USD8,125,000	413,048 0.0
RAMC 2003-3 M1 FRN 25/12/33	USD3,000,000	420,304 0.0	SASC 2002-AL1 A3 3.45% 25/02/32	USD14,700,000	741,734 0.0
RAMC 2004-1 M4 FRN 25/05/34	USD4,250,000	658,046 0.0	SASC 2006-BC6 A4 FRN 25/01/37	USD2,500,000	1,663,434 0.0
RAMC 2005-2 AV3 FRN 25/08/35	USD1,940,000	607,039 0.0	SAST 2003-3 M1 FRN 25/12/33	USD2,500,000	543,113 0.0
RAMP 2005-RS6 M4 FRN 25/06/35	USD2,400,000	2,410,424 0.1	SAST 2004-2 MF1 4.42018% 25/08/35	USD950,000	322,783 0.0



## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
United States (Continued)				SIX Flags Ent 4.875%			
SBA Comms 4% 01/10/22	USD153,000	152,954	0.0	31/7/24-144A	USD1,533,000	1,510,963	0.0
SBA Communicate				SM Energy 5% 15/01/24	USD1,332,000	1,316,090	0.0
4.875% 01/09/24	USD2,900,000	2,886,406	0.1	SM Energy 5.625%			
SBA Communis 4.875%				01/06/25	USD1,750,000	1,779,400	0.0
15/07/22	USD821,000	839,383	0.0	SM Energy 6.625%			
Scientific Games Intl 10%				15/01/27	USD1,333,000	1,386,647	0.0
01/12/22	USD3,080,000	3,367,467	0.1	SM Energy 6.75%			
Scientific Games Intl 5%				15/09/26	USD395,000	413,684	0.0
10/25-144A	USD867,000	841,472	0.0	Solera LLC/Fin 10.5%			
Scotts Miracle-Gro 5.25%				1/3/24-144A	USD1,425,000	1,569,281	0.0
15/12/26	USD745,000	726,716	0.0	Sotheby's 4.875%			
Scotts Miracle-Gro 6%				15/12/25-144A	USD1,265,000	1,213,583	0.0
15/10/23	USD3,130,000	3,302,672	0.1	Southern Copper 5.875%			
SDART 2016-3 E 4.29%				23/04/45	USD840,000	945,449	0.0
15/02/24	USD3,005,000	3,031,530	0.1	Southwestern Energy			
Sealed Air 5.125%				6.2% 23/01/25	USD3,314,000	3,340,383	0.1
01/12/24-144A	USD240,000	245,300	0.0	Southwestern Energy			
Sealed Air 5.25%				7.5% 01/04/26	USD1,321,000	1,434,606	0.0
01/04/23-144A	USD192,000	200,400	0.0	Southwestern Energy			
Sealed Air 5.5% 15/09/25-				7.75% 01/10/27	USD565,000	617,969	0.0
144A	USD155,000	158,285	0.0	Spectrum Brands 5.75%			
Semgroup Corp 6.375%				15/07/25	USD3,401,000	3,495,425	0.1
15/03/25	USD85,000	83,860	0.0	Spectrum Brands 6.625%			
Semgroup Corp 7.25%				15/11/22	USD2,650,000	2,788,245	0.1
15/03/26	USD1,268,000	1,262,576	0.0	Spectrum Brands 7.75%			
Semgroup/Rose Rock				15/01/22	USD2,595,000	2,708,820	0.1
5.625% 15/07/22	USD352,000	353,540	0.0	Springleaf Finance 5.625%			
Semgroup/Rose Rock				15/03/23	USD3,036,000	3,038,884	0.1
5.625% 15/11/23	USD866,000	860,588	0.0	Springleaf Finance 6.125%			
Seminole Hard 5.875%				15/05/22	USD740,000	780,248	0.0
15/05/21-144A	USD1,785,000	1,831,311	0.0	Springleaf Finance 6.875%			
SEMT 2018-2 A4 FRN				15/03/25	USD425,000	425,502	0.0
25/02/48	USD2,000,000	1,888,599	0.0	Springleaf Finance 7.125%			
Service Corp 5.375%				15/03/26	USD1,300,000	1,300,867	0.0
15/05/24	USD2,705,000	2,815,717	0.1	Sprint Capital 8.75%			
Service Corp 7.5%				15/03/32	USD7,119,000	8,036,560	0.1
01/04/27	USD780,000	906,750	0.0	Sprint Commun 6%			
Service Corp 8% 15/11/21	USD800,000	906,178	0.0	15/11/22	USD926,000	966,778	0.0
SESI LLC 7.75% 15/09/24	USD232,000	237,439	0.0	Sprint Commun 7%			
Sinclair TV 5.125%				01/03/20-144A	USD1,090,000	1,138,596	0.0
15/02/27-144A	USD955,000	884,854	0.0	Sprint Commun 7%			
Sinclair TV 5.375%				01/03/20-RegS	USD450,000	470,063	0.0
01/04/21	USD1,280,000	1,320,800	0.0	Sprint Corp 7.125%			
Sinclair TV 5.625%				15/06/24	USD7,659,000	8,126,039	0.1
01/08/24-144A	USD1,750,000	1,731,406	0.0	Sprint Corp 7.25%			
Sinclair TV 5.875%				15/09/21	USD1,329,000	1,409,700	0.0
15/03/26-144A	USD88,000	86,030	0.0	Sprint Corp 7.625%			
Sinclair TV 6.125%				01/03/26	USD1,017,000	1,083,211	0.0
01/10/22	USD1,852,000	1,941,128	0.0	Sprint Corp 7.625%			
Sirius XM Radio 4.625%				15/02/25	USD15,121,000	16,220,948	0.3
15/5/23-144A	USD1,250,000	1,259,340	0.0	Sprint Corp 7.875%			
Sirius XM Radio 5%				15/09/23	USD10,345,000	11,221,739	0.2
01/08/27-144A	USD1,140,000	1,103,900	0.0	SPX Flow 5.625%			
Sirius XM Radio 5.375%				15/08/24-144A	USD985,000	997,005	0.0
15/7/26-144A	USD1,600,000	1,604,156	0.0	SPX Flow 5.875%			
Sirius XM Radio 6%				15/08/26-144A	USD925,000	938,881	0.0
15/07/24-144A	USD4,835,000	5,071,512	0.1	STACR 2016-DNA3 M2 FRN			
Sirius XM Radio 5.375%				25/12/28	USD1,000,000	836,026	0.0
15/04/25-144A	USD4,370,000	4,494,697	0.1				

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)			Suntrust Banks NoG VRN		
STACR 2017-DNA1 M2 FRN			5.05% Perp	USD3,735,000	3,743,850 0.1
25/07/29	USD800,000	877,335 0.0	Suntrust Banks VRN		
STACR 2017-DNA2 M1 FRN			5.125% Perp	USD4,705,000	4,481,937 0.1
25/10/29	USD2,000,000	1,854,204 0.0	Suntrust Banks VRN		
STACR 2017-DNA2 M2 FRN			5.625% Perp	USD4,740,000	4,906,433 0.1
25/10/29	USD2,000,000	2,208,996 0.1	Supervalu Inc 6.75%		
STACR 2017-DNA3 M1 FRN			01/06/21	USD1,323,000	1,372,613 0.0
25/03/30	USD1,000,000	939,015 0.0	Supervalu Inc 7.75%		
STACR 2017-DNA3 M2 FRN			15/11/22	USD3,222,000	3,441,991 0.1
25/03/30	USD1,000,000	1,048,492 0.0	SVHE 2005-OPT1 M2 FRN		
STACR 2018-DNA2 M1 FRN			25/06/35	USD1,000,000	822,871 0.0
25/12/30	USD5,000,000	5,020,200 0.1	Symantec Corp 5%		
STACR 2018-DNA2 M2 FRN			15/04/25-144A	USD1,217,000	1,229,995 0.0
25/12/30	USD2,000,000	2,022,177 0.0	Talen Energy Supply 6.5%		
STACR 2018-DNA3 M2 FRN			01/06/25	USD1,578,000	1,229,525 0.0
25/09/48	USD1,000,000	1,005,360 0.0	Tallgrass Ener/ Fin		
STACR 2018-HQA1 M1 FRN			Co5.5%9/24-144A	USD865,000	883,333 0.0
25/09/30	USD3,000,000	2,878,413 0.1	Tallgrass Energy/Fin 5.5%		
STACR 2018-HQA1 M2 FRN			1/28-144A	USD1,860,000	1,900,197 0.0
25/09/30	USD6,500,000	6,593,951 0.1	Talos Production/Fin 11%		
Standard Ind 4.75%			04/22-144A	USD95,382	106,168 0.0
15/01/28 (144A)	USD3,900,000	3,636,858 0.1	Targa Res 4.25% 15/11/23-		
Standard Ind 5%			144A	USD2,016,000	2,000,488 0.0
15/02/27-144A	USD330,000	312,308 0.0	Targa Res 5% 15/01/28-		
Standard Ind 6%			144A	USD1,230,000	1,209,158 0.0
15/10/25-144A	USD1,505,000	1,580,501 0.0	Targa Res 5.125%		
Staples Inc 8.5%			01/02/25-144A	USD1,220,000	1,239,571 0.0
15/09/25-144A	USD6,240,000	5,904,773 0.1	Targa Res 6.75%		
STAR 2018-IMC1 A1 FRN			15/03/24-144A	USD3,900,000	4,126,200 0.1
25/03/48	USD4,900,000	4,705,085 0.1	Targa Resource 5.875%		
State Street NoF VRN			15/04/26-144A	USD1,477,000	1,563,892 0.0
5.25% 15/09/20	USD2,470,000	2,537,513 0.1	Tegna Inc 4.875%		
Station Casinos 5%			15/09/21-144A	USD575,000	585,590 0.0
01/10/25-144A	USD850,000	833,000 0.0	Tegna Inc 5.5% 15/09/24-		
Steel Dynamics 4.125%			144A	USD1,165,000	1,203,769 0.0
15/09/25	USD1,295,000	1,242,337 0.0	Tegna Inc 6.375%		
Steel Dynamics 5%			15/10/23-144A	USD1,788,000	1,902,022 0.0
15/12/26	USD640,000	647,886 0.0	Teleflex Inc 4.875%		
Sterigenics-Nord 6.5%			01/06/26	USD158,000	158,733 0.0
15/05/23-144A	USD750,000	790,917 0.0	Teleflex Inc 5.25%		
Stevens Hldg 6.125%			15/06/24	USD580,000	602,016 0.0
01/10/26-144A	USD322,000	326,428 0.0	Tempur Sealy Intl 5.5%		
STWH 2018-NPB1 A1			15/06/26	USD2,726,000	2,672,692 0.1
4.0162% 16/05/23	USD5,000,000	4,564,732 0.1	Tempur Sealy Intl 5.625%		
Summit Mater/Fin 5.125%			15/10/23	USD3,231,000	3,316,823 0.1
06/25-144A	USD600,000	574,250 0.0	Tenet Healthcare 4.375%		
Summit Materials 6.125%			01/10/21	USD1,324,000	1,332,748 0.0
07/23	USD2,165,000	2,223,521 0.1	Tenet Healthcare 4.5%		
Summit Mid Hldgs 5.5%			01/04/21-144A	USD2,565,000	2,621,943 0.1
15/08/22	USD265,000	266,200 0.0	Tenet Healthcare 4.625%		
Summit Mid Hldgs 5.75%			07/24-144A	USD5,495,000	5,397,540 0.1
15/04/25	USD2,105,000	2,092,399 0.0	Tenet Healthcare 5.125%		
Sunoco LP/Finance			1/5/25-144A	USD2,464,000	2,476,577 0.1
4.875% 01/23-144A	USD1,075,000	1,072,626 0.0	Tenet Healthcare 6%		
Sunoco LP/Finance 5.5%			01/10/20-144A	USD361,000	384,736 0.0
15/2/26-144A	USD842,000	818,447 0.0	Tenet Healthcare 6.75%		
Sunoco LP/Finance			01/02/20	USD150,000	156,188 0.0
5.875% 03/28-144A	USD204,000	196,373 0.0	Tenet Healthcare 6.75%		
			15/06/23	USD7,825,000	7,976,609 0.1

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)			TriMas Corp 4.875% 15/10/25-144A	USD1,120,000	1,100,377 0.0
Tenet Healthcare 7% 01/08/25-144A	USD857,000	856,286 0.0	Triumph Group 4.875% 01/04/21	USD365,000	363,056 0.0
Tenet Healthcare 7.5% 01/01/22-144A	USD1,555,000	1,650,244 0.0	Triumph Group 5.25% 01/06/22	USD1,435,000	1,387,473 0.0
Tenet Healthcare 8.125% 01/04/22	USD2,797,000	3,061,386 0.1	Triumph Group 7.75% 15/08/25	USD1,465,000	1,437,638 0.0
Tenn Health Hldgs 6.375% 02/25-144A	USD2,717,000	2,392,658 0.1	TRK 2018-1 A1 4.3356% 25/08/21	USD2,000,000	2,001,443 0.0
Tennant Co 5.625% 01/05/25	USD1,600,000	1,645,500 0.0	Tronox Inc 6.5% 15/04/26-144A	USD799,000	794,284 0.0
Tenneco Inc 5% 06/06/26	USD1,720,000	1,552,052 0.0	Tutor Perini 6.875% 01/05/25-144A	USD2,302,000	2,431,248 0.1
Tenneco Inc 5.375% 15/12/24	USD160,000	153,972 0.0	Ultra Resource 7.125% 15/04/25-144A	USD1,506,000	659,408 0.0
Terex Corp 5.625% 01/02/25-144A	USD1,742,000	1,736,556 0.0	Ultra Resources 6.875% 15/4/22-144A	USD3,811,000	1,931,039 0.0
Terraform Global 6.125% 03/26-144A	USD741,000	716,995 0.0	Unit Corp 6.625% 15/05/21	USD798,000	821,962 0.0
TerraForm Power 4.25% 31/01/23-144A	USD905,000	891,048 0.0	United Continental 5% 01/02/24	USD1,692,000	1,698,317 0.0
TerraForm Power 5% 31/01/28-144A	USD1,140,000	1,072,550 0.0	United Rentals 5.5% 15/07/25	USD470,000	487,174 0.0
Terraform Pwr Stp Cp6.625%6/25-144A	USD300,000	323,852 0.0	United Rentals NA 4.625% 15/10/25	USD1,830,000	1,814,127 0.0
T-Mobile USA 4.5% 01/02/26	USD1,933,000	1,858,580 0.0	United Rentals NA 4.875% 15/01/28	USD3,000,000	2,857,775 0.1
T-Mobile USA 4.75% 01/02/28	USD2,568,000	2,440,670 0.1	United Rentals NA 5.5% 15/05/27	USD4,620,000	4,619,666 0.1
T-Mobile USA 5.125% 15/04/25	USD400,000	414,203 0.0	United Rentals NA 5.75% 15/11/24	USD2,035,000	2,142,900 0.1
T-Mobile USA 6% 15/04/24	USD288,000	307,128 0.0	United Rentals NA 5.875% 15/9/26	USD2,050,000	2,109,165 0.0
T-Mobile USA 6.375% 01/03/25	USD3,098,000	3,251,700 0.1	United States Steel 6.25% 15/03/26	USD1,212,000	1,208,276 0.0
T-Mobile USA 6.5% 15/01/24	USD995,000	1,049,946 0.0	United States Steel 6.875% 15/08/25	USD208,000	215,287 0.0
T-Mobile USA 6.5% 15/01/26	USD7,842,000	8,340,141 0.1	Uniti Group/CSL Cap 6.0% 04/23-144A	USD1,335,000	1,335,223 0.0
T-Mobile USA Escrow 6% 15/04/24	USD288,000	0 0.0	Uniti Group/CSL Cap 8.25% 15/10/23	USD2,915,000	2,927,656 0.1
TMST 2007-4 3A1 FRN 25/09/37	USD8,198,000	167,947 0.0	Univar USA Inc 6.75% 15/07/23-144A	USD770,000	807,923 0.0
Toll Brothers Fin 4.875% 15/11/25	USD420,000	420,910 0.0	Univision Comm 5.125% 15/02/25-144A	USD1,274,000	1,196,348 0.0
Toll Brothers Fin 5.625% 15/01/24	USD355,000	371,641 0.0	Univision Comm 5.125% 15/05/23-144A	USD630,000	612,273 0.0
Transdigm Inc 6% 15/07/22	USD1,474,000	1,519,409 0.0	Univision Comm 6.75% 15/09/22-RegS	USD61,000	62,636 0.0
Transdigm Inc 6.375% 15/06/26	USD646,000	666,395 0.0	US Bancorp VRN 5.125% Perp	USD2,170,000	2,258,578 0.1
Transdigm Inc 6.5% 15/05/25	USD2,257,000	2,354,741 0.1	US Cellular 6.7% 15/12/33	USD750,000	776,983 0.0
Transdigm Inc 6.5% 15/07/24	USD1,451,000	1,505,372 0.0	US Concrete 6.375% 01/06/24	USD1,195,000	1,237,363 0.0
Transdigm Inc 6.875% 15/05/26-144A	USD541,000	569,298 0.0	US Treasury 1.125% 31/01/19	USD9,380,000	9,360,039 0.2
Transmontaige Part 6.125% 15/02/26	USD488,000	462,539 0.0	US Treasury 1.125% 31/01/19*	USD2,199,000	2,194,320 0.0
Treehouse Foods 6% 15/02/24-144A	USD2,165,000	2,251,961 0.1	USA Com Part/Fin 6.875% 04/26-144A	USD382,000	408,130 0.0

## Investment Portfolio (Continued)

As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>United States</b> (Continued)			Wabash National 5.5%		
USG Corp 4.875%			01/10/25-144A	USD1,140,000	1,120,050
01/06/27-144A	USD255,000	262,013	0.0		
Usis Merger Sub 6.875%			WAMU 2005-AR3 A2 FRN		
1/05/25-144A	USD452,000	464,948	0.0	25/03/35	USD11,500,000
Vantiv LLC/Issuer 4.375%					1,084,607
11/25-144A	USD1,525,000	1,470,142	0.0	Weatherford Intl 6.8%	
Venator Fin Sarl 5.75%				15/06/37	USD6,000
15/7/25-144A	USD2,385,000	2,187,376	0.1	Weatherford Intl 9.875%	
Verscend Escrow 9.75%				1/3/25-144A	USD655,000
15/08/26-144A	USD161,000	167,715	0.0	Welbilt Inc 9.5% 15/02/24	USD1,140,000
Vertiv Group 9.25%				Wellcare Health Plan	
15/10/24-144A	USD4,703,000	5,091,716	0.1	5.25% 01/04/25	USD1,168,000
VERUS 2018-2 A1 FRN				Wells Fargo & Co VRN	
01/06/58	USD2,000,000	1,932,803	0.0	5.875% Prep	USD3,098,000
VERUS 2018-INV1 A2 FRN				Wells Fargo & Co VRN	
25/03/58	USD2,000,000	1,810,773	0.0	5.9% Perp-SerS	USD14,026,000
VERUS 2018-INV1 A3 FRN				Wesco Distribution 5.375%	
25/03/58	USD3,250,000	2,946,447	0.1	15/06/24	USD1,235,000
Viacom Inc VRN 5.875%				West Street Me 6.375%	
28/02/57	USD2,905,000	2,874,223	0.1	01/09/25-144A	USD190,000
Viacom Inc VRN 6.25%				Western Digital 4.75%	
28/02/57	USD3,328,000	3,301,340	0.1	15/02/26	USD3,738,000
Viasat Inc 5.625%				WFMBS 2004-O A1 FRN	
15/09/25-144A	USD265,000	251,750	0.0	25/08/34	USD14,100,000
VICI Properties 0%				WFMBS 2005-17 2A1 5.5%	
15/10/23(Dummy)	USD2,938,462	0	0.0	25/01/36	USD14,000,000
VICI Properties 8%				WFMBS 2006-2 1A12	
15/10/23	USD2,938,462	3,351,724	0.1	5.75% 25/03/36	USD20,000,000
Vista Outdoor 5.875%				WFMBS 2006-AR2 2A1	
01/10/23	USD3,345,000	3,388,903	0.1	FRN 25/03/36	USD8,400,000
Vistra Energy 5.875%				WFMBS 2007-3 3A1 5.5%	
01/06/23	USD3,500,000	3,673,542	0.1	25/04/22	USD77,630,000
Vistra Energy 7.375%				Whiting Petrol 6.625%	
01/11/22	USD780,000	834,194	0.0	15/01/26	USD1,926,000
Vistra Energy 7.625%				Whiting Petroleum 5.75%	
01/11/24	USD1,785,000	1,986,028	0.0	15/03/21	USD2,690,000
VOC Escrow 5% 15/02/28-144A				Whiting Petroleum 6.25%	
USD807,000	781,893	0.0		01/04/23	USD1,207,000
VOLT 2017-NP11 A1				Wildhorse Res Dev 6.875%	
3.375% 25/10/47	USD1,480,000	1,077,741	0.0	01/02/25	USD1,875,000
VOLT 2017-NPL3 A1 3.5%				Windstream Serv/Fin 9%	
25/03/47	USD2,000,000	1,106,078	0.0	30/6/25-144A	USD8,672,000
VOLT 2017-NPL6 A1 3.25%				WLAKE 2018-3A F 6.02%	
25/05/47	USD1,750,000	860,482	0.0	18/02/25	USD1,530,000
VOLT 2017-NPL6 A2				WMG Acquisition	
5.375% 25/05/47	USD850,000	851,749	0.0	4.875%01/11/24-144A	USD840,000
VOLT 2017-NPL7 A1 3.25%				WMG Acquisition 5.5%	
25/06/47	USD2,000,000	890,933	0.0	15/04/26-144A	USD1,373,000
VOLT 2017-NPL7 A2				WMG Acquisition 5.625%	
5.375% 25/06/47	USD2,000,000	2,003,810	0.0	15/4/22-144A	USD2,024,000
VOLT 2017-NPL8 A2 5%				WPX Energy 5.75%	
25/06/47	USD1,000,000	998,536	0.0	01/06/26	USD2,159,000
VOLT 2017-NPL9 A1				WPX Energy 6% 15/01/22	USD525,000
3.125% 25/09/47	USD300,000	223,138	0.0	Wyndham Destinations	
VOLT 2018-NPL1 A1 3.75%				5.4% 01/04/24	USD311,000
25/04/48	USD5,000,000	4,853,812	0.1	Wyndham Destinations	
Voya Financial VRN 5.65%				5.75% 01/04/27	USD308,000
15/05/53	USD7,245,000	7,426,809	0.1	Wyndham Destinations	
				6.35% 01/10/25	USD141,000
				Wynn Las Vegas/Cap 5.5%	
				1/3/25-144A	USD4,230,000

**Investment Portfolio (Continued)**  
**As at 30 September 2018 (Unaudited)**

Holding	Fair value US\$	% of net assets
<b>United States (Continued)</b>		
XPO Logistics 6.125% 01/09/23-144A	USD485,000	504,451 0.0
XPO Logistics 6.5% 15/06/22-144A	USD2,032,000	2,136,930 0.1
Zayo Group/Cap 5.75% 15/01/27-144A	USD1,747,000	1,766,023 0.0
Zayo Group/Cap 6% 01/04/23	USD2,865,000	3,041,198 0.1
Zayo Group/Cap 6.375% 15/05/25	USD2,715,000	2,882,199 0.1
<b>Uruguay (0.1%)</b>		
Rep Orient Uruguay 4.375% 27/10/27	USD890,000	922,810 0.0
Rep Orient Uruguay 5.1% 18/06/50	USD1,645,000	1,705,440 0.1
Rep Orient Uruguay 7.625% 21/03/36	USD550,000	741,905 0.0
Republica Orient Ur 4.975% 20/04/55	USD750,000	766,687 0.0
<b>Virgin Islands (0.0%)</b>		
GTL Trade Fin 5.893% 29/04/24-RegS	USD800,000	829,745 0.0
		3,001,419,120 47.4
		-----
<b>(III) Derivatives (-0.1%)</b>		
<b>Forward foreign exchange contracts (-0.1%)</b>		
	(2,887,313)	(0.1)
<b>Futures (-0.0%)</b>		
Mini MSCI Emerg Mkts Idx Fut 12/18	(794)	(1,106,085) (0.0)
		(3,993,398) (0.1)
		-----
<b>Total Listed/Quoted Investments</b>	5,935,978,067	93.7
<b>Other net assets</b>	398,532,780	6.3
<b>Net assets attributable to holders of redeemable units at 30 September 2018</b>	6,334,510,847	100.0
<b>Total investments, at cost</b>	5,797,042,047	

**Statement of Movements in Portfolio Holdings**  
**For the year ended 30 September 2018 (Unaudited)**

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities, Convertibles and Warrants</b>		
United States	15.8	16.2
France	3.5	2.5
United Kingdom	3.4	5.8
China	3.1	2.2
Switzerland	2.1	1.5
Taiwan	2.1	2.1
Germany	1.5	1.9
Netherlands	1.3	1.1
Japan	1.1	1.3
Hong Kong	1.1	1.3
Brazil	1.0	1.1
Spain	1.0	1.2
Russia	0.9	1.1
Korea	0.8	0.8
India	0.7	0.7
South Africa	0.7	1.3
Mexico	0.7	0.7
Canada	0.6	0.4
Thailand	0.5	0.5
Norway	0.5	0.2
Italy	0.4	0.6
Singapore	0.4	0.2
Sweden	0.4	0.5
Saudi Arabia	0.4	0.3
United Arab Emirates	0.3	0.3
Australia	0.3	0.3
Hungary	0.3	0.3
Indonesia	0.3	0.3
Finland	0.2	0.9
Czech Republic	0.2	0.5
Denmark	0.2	0.5
Cayman Islands	0.1	0.1
Belgium	0.1	0.1
Chile	0.1	0.3
Austria	0.1	0.0
Turkey	0.1	0.3
Jersey C.I.	0.1	0.1
Ireland	0.0	0.1
Portugal	0.0	0.0
Bermuda	0.0	0.0
Cyprus	0.0	0.0
Marshall Island	0.0	0.0
Virgin Islands	0.0	-
Malaysia	-	0.0
Israel	-	0.0
<b>Debt Securities</b>		
United States	34.9	33.7
Canada	1.8	2.0
Luxembourg	1.4	1.3
United Kingdom	1.3	0.8
France	1.0	0.5
Netherlands	0.9	0.9

\* Security pledged as collateral with broker for derivative contracts

**Statement of Movements in Portfolio Holdings** (Continued) (Continued)  
**For the year ended 30 September 2018** (*Unaudited*)

	% holdings of net assets			% holdings of net assets	
	2018	2017		2018	2017
Cayman Islands	0.5	0.4	Philippines	0.0	0.0
Italy	0.5	-	Trinidad & Tobago	0.0	0.0
Germany	0.4	0.1	Romania	0.0	0.1
Ireland	0.4	0.4	Gabon	0.0	0.1
Mexico	0.3	0.8	Virgin Islands	0.0	0.0
Switzerland	0.3	0.3	Armenia	0.0	0.0
Sweden	0.2	0.1	Hong Kong	0.0	-
Jersey C.I.	0.2	0.1	Austria	0.0	0.0
Australia	0.2	0.2	Chile	0.0	0.0
Spain	0.2	0.1	Saudi Arabia	0.0	-
Brazil	0.2	0.4	Supranational	0.0	-
Argentina	0.1	0.5	Bahrain	0.0	0.0
Ukraine	0.1	0.4	Senegal	0.0	-
Lebanon	0.1	0.4	Tajikistan	0.0	-
South Africa	0.1	0.2	Venezuela	-	0.1
Indonesia	0.1	0.4	India	-	0.1
Ecuador	0.1	0.2	Zambia	-	0.0
Dominican Republic	0.1	0.2	Slovenia	-	0.0
Turkey	0.1	0.7	Japan	-	0.0
Colombia	0.1	0.2	Aruba	-	0.0
Serbia	0.1	0.1	Malaysia	-	0.0
Kazakhstan	0.1	0.1			
Azerbaijan	0.1	0.1	<b>Derivatives</b>		
Hungary	0.1	0.1			
Russia	0.1	0.3	Futures	(0.0)	0.1
Egypt	0.1	0.2	Forward foreign exchange contracts	(0.1)	(0.3)
Uruguay	0.1	0.1			
Panama	0.1	0.1	<b>Total Listed/Quoted Investments</b>	<u>93.7</u>	<u>98.2</u>
El Salvador	0.1	0.1			
Oman	0.1	0.1	<b>Other net assets</b>	<u>6.3</u>	<u>1.8</u>
Sri Lanka	0.1	0.2			
Costa Rica	0.1	0.1			
Finland	0.1	0.0	<b>Net assets attributable to holders of redeemable units at 30 September</b>	<u>100.0</u>	<u>100.0</u>
Angola	0.1	0.1			
Denmark	0.1	-			
Morocco	0.1	0.1			
Qatar	0.1	0.0			
Nigeria	0.1	0.0			
Iraq	0.0	0.0			
Belgium	0.0	0.1			
Croatia	0.0	0.1			
Bermuda	0.0	0.1			
Mongolia	0.0	0.0			
Honduras	0.0	0.1			
Peru	0.0	0.2			
Kenya	0.0	0.0			
International	0.0	-			
Belarus	0.0	0.1			
Paraguay	0.0	0.0			
Jordan	0.0	0.1			
Norway	0.0	-			
Ethiopia	0.0	0.1			
Pakistan	0.0	0.2			
Jamaica	0.0	0.1			
Ivory Coast	0.0	0.0			
Ghana	0.0	0.1			
Korea	0.0	-			
Portugal	0.0	-			

**Statement of Financial Position  
As at 30 September 2018**

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	51,716,253	12,162,131
Short-term deposits	361,329,891	133,382,286
Amounts due from brokers	23,885,947	104,158,015
Amounts receivable on allotment	43,340,733	44,425,401
Margin deposits	1,669,865	-
Derivatives [Note 4(l)(a)]	23,293,948	44,202,619
Investments [Note 4(l)(a)]	5,939,971,465	5,691,952,510
Dividend and other accounts receivable	6,967,603	4,660,689
<b>Total assets</b>	<b>6,452,175,705</b>	<b>6,034,943,651</b>
	-----	-----
<b>Liabilities</b>		
Short-term bank loans - unsecured [Note 10]	419,659	-
Overdraft with a broker	-	4,002,344
Amounts due to brokers	35,808,387	128,080,451
Amounts payable on redemption	20,554,261	31,871,678
Distribution payable [Note 6]	25,074,621	22,950,278
Derivatives [Note 4(l)(a)]	27,287,346	53,547,168
Tax payable [Note 7]	1,760,992	-
Other accounts payable	6,759,592	6,393,024
	-----	-----
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>117,664,858</b>	<b>246,844,943</b>
	-----	-----
<b>Net assets attributable to holders of redeemable units</b> [Note 3]	<b>6,334,510,847</b>	<b>5,788,098,708</b>
	=====	=====

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

**Statement of Comprehensive Income  
For the year ended 30 September 2018**

	2018 US\$	2017 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 5]	18,091,864	479,616,001
Dividend income	124,099,537	96,217,341
Interest on deposits	2,065,275	665,845
Net foreign currency exchange (losses)/gains	(2,647,545)	1,009,291
Other income [Note 13]	1,739,332	3,011,088
	-----	-----
	<b>143,348,463</b>	<b>580,519,566</b>
	-----	-----
<b>Expenses</b>		
Management fee [Note 8(e)]	76,061,035	63,479,197
Transaction costs	5,100,579	5,472,213
Trustee's fee [Note 9]	1,543,678	1,285,507
Safe custody and bank charges	964,439	729,755
Registrar's fee [Note 8(h)]	932,904	928,366
Printing and publication expenses	53,164	36,305
Auditor's fee	45,100	44,600
Legal and professional expenses	23,595	165,947
Valuation fee [Note 8(e)]	16,800	16,800
Other operating expenses	12,077	26,929
	-----	-----
	<b>84,753,371</b>	<b>72,185,619</b>
	-----	-----
<b>Net operating profit</b>	<b>58,595,092</b>	<b>508,333,947</b>
	-----	-----
<b>Finance costs</b>		
Distribution [Note 6]	(288,633,098)	(265,032,593)
Interest expense	(3,331)	(11,386)
	-----	-----
	<b>(288,636,429)</b>	<b>(265,043,979)</b>
	-----	-----
<b>(Loss)/profit before taxation</b>	<b>(230,041,337)</b>	<b>243,289,968</b>
	-----	-----
Taxation [Note 7]	(26,106,922)	(20,809,184)
	-----	-----
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>(256,148,259)</b>	<b>222,480,784</b>
	=====	=====

The notes on pages 694 to 735 form part of these financial statements.

Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	5,788,098,708	4,221,036,358
	-----	-----
Allotment of redeemable units [Note 3]	4,593,191,696	5,244,210,274
Redemption of redeemable units [Note 3]	(3,790,631,298)	(3,899,628,708)
	-----	-----
<b>Net allotment</b>	802,560,398	1,344,581,566
	-----	-----
	6,590,659,106	5,565,617,924
	-----	-----
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	(256,148,259)	222,480,784
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	<u>6,334,510,847</u>	<u>5,788,098,708</u>

Statement of Cash Flows  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(4,339,444,908)	(3,722,822,477)
Proceeds from disposal of investments and derivatives	4,092,556,588	2,652,346,936
Dividend received	121,752,788	94,557,088
Interest received	2,016,203	652,391
Registrar's fee paid	(912,542)	(914,297)
Trustee's fee paid	(1,537,107)	(1,256,900)
(Increase)/decrease in margin deposits	(1,669,865)	3,467,995
(Decrease)/increase in overdraft with a broker	(4,002,344)	4,002,344
Transaction costs paid	(5,475,296)	(5,109,231)
Tax paid	(24,389,532)	(20,729,028)
Management fee paid	(75,743,628)	(62,051,195)
Others	(830,618)	2,796,852
	-----	-----
<b>Net cash outflow from operating activities</b>	(237,680,261)	(1,055,059,522)
	-----	-----
<b>Financing activities</b>		
Interest paid	(3,254)	(11,406)
Receipts on allotment of redeemable units	4,594,276,364	5,255,909,325
Payments on redemption of redeemable units	(3,801,948,715)	(3,886,595,698)
Distribution paid	(286,508,755)	(260,784,781)
	-----	-----
<b>Net cash inflow from financing activities</b>	505,815,640	1,108,517,440
	-----	-----
<b>Increase in cash and cash equivalents</b>	268,135,379	53,457,918
Cash and cash equivalents at the beginning of the year	145,544,417	91,952,549
Exchange (losses)/gains on cash and cash equivalents	(1,053,311)	133,950
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	<u>412,626,485</u>	<u>145,544,417</u>
	-----	-----
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	51,716,253	12,162,131
Short-term deposits	361,329,891	133,382,286
Short-term bank loans - unsecured	(419,659)	-
	-----	-----
	<u>412,626,485</u>	<u>145,544,417</u>
	-----	-----

The notes on pages 694 to 735 form part of these financial statements.



**Notes to the Financial Statements****1 The Fund**

JPMorgan Multi Income Fund (the "Fund") was established under a Trust Deed dated 24 June 2011, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to maximize the income return primarily through investing in a diversified portfolio of income producing equities, bonds and other securities. In addition, the Fund aims to provide medium to long-term moderate capital growth.

Pursuant to the Trust Deed, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(d) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(e) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(f) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(g) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(h) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(i) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**(j) Distribution payable to holders of redeemable units**

Proposed distributions to holders of redeemable units are recognized in the Statement of Comprehensive Income when they are appropriately authorized. The distribution on the redeemable units is recognized as a finance cost in the Statement of Comprehensive Income.

**(k) Investments pledged as collateral**

If the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral, the Fund classifies that asset in its Statement of Financial Position separately from other assets and identifies the asset as pledged collateral. Where the party to whom the collateral is provided does not have the right to sell or re-pledge the collateral, a disclosure of the collateral provided is made in the notes to the financial statements.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**2018

	AUD Hedged Class (mth) Units	CAD Hedged Class (mth) Units	EUR Hedged Class (mth) Units	GBP Hedged Class (mth) Units	HKD Class (mth) Units
Number of units in issue:					
At the beginning of the year	89,136,464.213	41,000,324.790	8,626,251.086	21,167,426.455	914,399,133.183
Total allotments	58,256,831.376	21,119,548.064	3,396,666.938	9,346,256.139	837,472,935.817
Total redemptions	(43,961,655.078)	(19,356,258.035)	(3,806,271.550)	(10,920,534.803)	(687,301,423.778)
At the end of the year	<u>103,431,640.511</u>	<u>42,763,614.819</u>	<u>8,216,646.474</u>	<u>19,593,147.791</u>	<u>1,064,570,645.222</u>
	A\$	C\$	EUR	GBP	HK\$
Net assets attributable to holders of redeemable units	<u>1,054,976,543</u>	<u>441,718,348</u>	<u>82,728,028</u>	<u>196,861,070</u>	<u>11,772,743,948</u>
Net assets attributable to holders of redeemable units (per unit)	<u>10.20</u>	<u>10.33</u>	<u>10.07</u>	<u>10.05</u>	<u>11.06</u>
	NZD Hedged Class (mth) Units	RMB Hedged Class (acc) Units	RMB Hedged Class (mth) Units	SGD Hedged Class (mth) Units	USD Class (mth) Units
Number of units in issue:					
At the beginning of the year	25,077,227.636	3,922,969.794	426,785,497.302	9,031,148.457	180,262,798.499
Total allotments	17,463,592.633	2,834,881.398	392,878,248.283	3,473,919.754	160,465,719.758
Total redemptions	(16,214,570.415)	(2,117,415.910)	(233,839,899.570)	(4,154,589.405)	(135,867,944.147)
At the end of the year	<u>26,326,249.854</u>	<u>4,640,435.282</u>	<u>585,823,846.015</u>	<u>8,350,478.806</u>	<u>204,860,574.110</u>
	NZ\$	CNY	CNY	S\$	US\$
Net assets attributable to holders of redeemable units	<u>268,132,201</u>	<u>62,411,237</u>	<u>5,553,335,228</u>	<u>83,197,327</u>	<u>2,258,150,999</u>
Net assets attributable to holders of redeemable units (per unit)	<u>10.18</u>	<u>13.45</u>	<u>9.48</u>	<u>9.96</u>	<u>11.02</u>

2018

	USD Class (acc) Units
Number of units in issue:	
At the beginning of the year	5,868,430.505
Total allotments	2,501,271.458
Total redemptions	(4,270,350.539)
At the end of the year	<u>4,099,351.424</u>
	US\$
Net assets attributable to holders of redeemable units	<u>58,537,701</u>
Net assets attributable to holders of redeemable units (per unit)	<u>14.28</u>

2017

	AUD Hedged Class (mth) Units	CAD Hedged Class (mth) Units	EUR Hedged Class (mth) Units	GBP Hedged Class (mth) Units	HKD Class (mth) Units
Number of units in issue:					
At the beginning of the year	90,601,922.492	41,325,536.592	8,073,659.591	18,072,827.032	555,765,025.921
Total allotments	54,064,186.037	26,506,797.102	5,402,726.679	16,792,591.356	986,468,720.242
Total redemptions	(55,529,644.316)	(26,832,008.904)	(4,850,135.184)	(13,697,991.933)	(627,834,612.980)
At the end of the year	<u>89,136,464.213</u>	<u>41,000,324.790</u>	<u>8,626,251.086</u>	<u>21,167,426.455</u>	<u>914,399,133.183</u>
	A\$	C\$	EUR	GBP	HK\$
Net assets attributable to holders of redeemable units	<u>929,337,595</u>	<u>432,710,608</u>	<u>88,669,191</u>	<u>217,354,944</u>	<u>10,310,572,592</u>
Net assets attributable to holders of redeemable units (per unit)	<u>10.43</u>	<u>10.55</u>	<u>10.28</u>	<u>10.27</u>	<u>11.28</u>

2017

	NZD Hedged Class (mth) Units	RMB Hedged Class (acc) Units	RMB Hedged Class (mth) Units	SGD Hedged Class (mth) Units	USD Class (mth) Units
Number of units in issue:					
At the beginning of the year	23,723,964.521	2,310,754.334	304,457,814.258	7,548,324.873	123,178,083.782
Total allotments	19,806,635.528	2,937,134.910	319,500,533.622	4,513,751.703	199,115,774.826
Total redemptions	(18,453,372.413)	(1,324,919.450)	(197,172,850.578)	(3,030,928.119)	(142,031,060.109)
At the end of the year	<u>25,077,227.636</u>	<u>3,922,969.794</u>	<u>426,785,497.302</u>	<u>9,031,148.457</u>	<u>180,262,798.499</u>
	NZ\$	CNY	CNY	S\$	US\$
Net assets attributable to holders of redeemable units	<u>261,135,965</u>	<u>50,478,161</u>	<u>4,127,629,777</u>	<u>91,996,717</u>	<u>2,029,669,143</u>
Net assets attributable to holders of redeemable units (per unit)	<u>10.41</u>	<u>12.87</u>	<u>9.67</u>	<u>10.19</u>	<u>11.26</u>
	USD Class (acc) Units				
Number of units in issue:					
At the beginning of the year	6,213,569.046				
Total allotments	8,296,529.570				
Total redemptions	(8,641,668.111)				
At the end of the year	<u>5,868,430.505</u>				
	US\$				
Net assets attributable to holders of redeemable units	<u>81,654,588</u>				
Net assets attributable to holders of redeemable units (per unit)	<u>13.91</u>				

#### 4 Financial risk management

##### (i) Financial risk factors

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

##### (a) Market risk

##### (i) Market price risk

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
Listed/Quoted Investments	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
<u>Assets</u>				
Equities, Convertibles and Warrants				
- United States	1,003,632,366	15.8	936,613,901	16.2
- United Kingdom	215,877,301	3.4	337,244,865	5.8
- Others	1,719,042,678	27.2	1,593,393,262	27.6
	<u>2,938,552,345</u>	<u>46.4</u>	<u>2,867,252,028</u>	<u>49.6</u>
	-----	----	-----	----
Debt Securities				
- United States	2,209,297,119	34.9	1,948,940,022	33.7
- Others	792,122,001	12.5	875,760,460	15.1
	<u>3,001,419,120</u>	<u>47.4</u>	<u>2,824,700,482</u>	<u>48.8</u>
	-----	----	-----	----
Derivatives				
- Forward foreign exchange contracts	23,293,948	0.3	39,813,748	0.7
- Futures	-	-	4,388,871	0.1
	<u>23,293,948</u>	<u>0.3</u>	<u>44,202,619</u>	<u>0.8</u>
	-----	----	-----	----
	<u>5,963,265,413</u>	<u>94.1</u>	<u>5,736,155,129</u>	<u>99.2</u>
	-----	----	-----	----
<u>Liabilities</u>				
Derivatives				
- Forward foreign exchange contracts	(26,181,261)	(0.4)	(53,547,168)	(1.0)
- Futures	(1,106,085)	(0.0)	-	-
	<u>(27,287,346)</u>	<u>(0.4)</u>	<u>(53,547,168)</u>	<u>(1.0)</u>
	-----	----	-----	----
Total Listed/Quoted Investments	<u>5,935,978,067</u>	<u>93.7</u>	<u>5,682,607,961</u>	<u>98.2</u>
	=====	=====	=====	=====

Also, refer to Note 12 for the exposures on derivative contracts.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Fund's volatility, which helps to describe the likely range of the Fund's return, on a regular basis. In statistical terms, it is the standard deviation of the return distribution. Greater volatility of monthly fund returns means that there is a wider range of likely returns in the future, or greater uncertainty regarding the fund returns. Most investors would equate this greater uncertainty with greater risk.

The table below summarizes the volatility of the Fund expressed in annual terms and the estimated impact on the net asset value.

	2018	2017
Annual volatility (Note*)	5.00%	5.91%

If the above volatility were to be applied to the Fund's net asset value as at 30 September 2018 of US\$6,334,510,847 (2017: US\$5,788,098,708) and assuming that the Fund's returns are normally distributed with its mean return equals to nil and with one standard deviation away from the mean return (i.e. a probability of 68%), the estimated reasonable possible change in the Fund's net asset value would be between US\$6,017,785,305 and US\$6,651,236,389; or within +/- US\$316,725,542 (2017: between US\$5,446,022,074 and US\$6,130,175,342; or within +/- US\$342,076,634) over a twelve-month period based on the Fund's historical annual volatility percentage as a result of the market price fluctuation, assuming that all other variables that may impact the net asset value of the Fund are held constant.

Note:

- \* Volatility is calculated based on the monthly Fund's returns over the maximum of past 36 months or the number of months since portfolio inception. For funds launched within a period of less than 12 months, volatility is calculated based on the weekly Fund's returns since the Fund's launch. Volatility is expressed in annual volatility by applying the square root of time adjustment. Volatility may not cover stressed market events, nor represent the Investment Manager's forecast of the Fund's range of future returns.

## (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates. The Fund is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its investments, derivatives, cash deposits and short-term bank loans.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	Less than 1 year US\$	1-5 years US\$	Over 5 years US\$	Total US\$
<u>2018</u>				
Cash at banks	51,716,253	-	-	51,716,253
Investments (Note*)	47,282,289	757,894,435	2,459,952,996	3,265,129,720
Short-term deposits	361,329,891	-	-	361,329,891
Margin deposits	1,669,865	-	-	1,669,865
Short-term bank loans - unsecured	(419,659)	-	-	(419,659)
Total interest sensitivity gap	<u>461,578,639</u>	<u>757,894,435</u>	<u>2,459,952,996</u>	<u>3,679,426,070</u>

<u>2017</u>				
Cash at banks	12,162,131	-	-	12,162,131
Investments (Note*)	36,329,949	647,366,581	2,243,189,953	2,926,886,483
Short-term deposits	133,382,286	-	-	133,382,286
Derivatives	4,367,805	-	-	4,367,805
Overdraft with a broker	(4,002,344)	-	-	(4,002,344)
Total interest sensitivity gap	<u>182,239,827</u>	<u>647,366,581</u>	<u>2,243,189,953</u>	<u>3,072,796,361</u>

Note:

- \* The coupon rate of the investments ranged between 0.00% p.a. - 12.75% p.a. (2017: 0.00% p.a. - 12.75% p.a.).

The Fund held 47.4% (2017: 48.8%) of net asset value in debt securities with an average duration of 5.05 (2017: 4.79). If the interest rates were to rise by 25 basis points with all other variables that may impact the net asset value of the Fund held constant, this would result in a decrease in the fair value of debt securities by approximately US\$37,892,916 (2017: US\$33,825,788). Conversely, if the interest rates were to fall by 25 basis points, this would result in an increase in the fair value of debt securities by the same amount.

Any cash and cash equivalents and margin deposits are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.



## (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The Fund enters in some forward foreign exchange contracts to hedge some of its foreign currency exposures to maintain limited exposure to non-US\$ currencies. Refer to Note 12(a) for the outstanding forward foreign exchange contracts as at year end.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

Net currency exposures (Note*)	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
<u>2018</u>			
Australian Dollar	768,263,591	-7.8	(59,924,560)
Brazilian Rial	51,017,520	-20.8	(10,611,644)
Canadian Dollar	344,024,749	-3.2	(11,008,792)
Chinese Yuan (Offshore)	903,027,081	-3.3	(29,799,894)
Czech Koruna	14,156,342	-1.0	(141,563)
Danish Krone	3,190,430	-2.0	(63,809)
Euro	93,269,031	-1.8	(1,678,843)
Hong Kong Dollar	10,031,820	-0.2	(20,064)
Hungarian Forint	17,084,615	-5.6	(956,738)
Indian Rupee	28,360,331	-9.9	(2,807,673)
Indonesian Rupiah	16,142,287	-9.6	(1,549,660)
Japanese Yen	7,316,468	-0.9	(65,848)
Korean Won	42,669,732	+3.3	1,408,101
Mexican Nuevo Peso	42,217,959	-2.9	(1,224,321)
New Zealand Dollar	178,014,295	-8.3	(14,775,186)
Norwegian Krone	6,212,545	-2.2	(136,676)
Peruvian New Sol	1,154,393	-1.0	(11,544)
Polish Zloty	4,341	-1.1	(48)
Singapore Dollar	68,304,518	-0.6	(409,827)
South African Rand	41,024,896	-4.6	(1,887,145)
Sterling	259,380,262	-2.8	(7,262,647)
Swedish Krona	2,865,949	-8.2	(235,008)
Swiss Franc	2,576,230	-0.9	(23,186)
Taiwan Dollar	79,753,937	-0.7	(558,278)
Thai Baht	32,946,118	+3.1	1,021,330
Turkish Lira	4,938,922	-40.8	(2,015,080)
UAE Dirham	17,429,783	+0.0	0
	<u>3,035,378,145</u>		<u>(144,738,603)</u>

Net currency exposures (Note*)	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
<u>2017</u>			
Australian Dollar	726,053,652	+2.5	18,151,341
Brazilian Rial	42,988,891	+2.7	1,160,700
Canadian Dollar	350,453,839	+5.1	17,873,146
Chinese Yuan (Offshore)	682,965,442	+0.4	2,731,862
Czech Koruna	29,436,167	+9.4	2,767,000
Danish Krone	(734,544)	+5.3	(38,931)
Euro	113,347,518	+5.2	5,894,071
Hong Kong Dollar	100,501,246	-0.7	(703,509)
Hungarian Forint	16,467,661	+4.7	773,980
Indian Rupee	25,253,294	+1.9	479,813
Indonesian Rupiah	23,012,163	-3.1	(713,377)
Japanese Yen	5,174,030	-10.0	(517,403)
Korean Won	32,272,266	-3.8	(1,226,346)
Mexican Nuevo Peso	43,443,716	+6.6	2,867,285
New Zealand Dollar	187,906,414	-0.6	(1,127,438)
Norwegian Krone	2,282,098	+0.4	9,128
Peruvian New Sol	3,322,223	+4.3	142,856
Polish Zloty	4,391	+5.0	220
Russian Ruble	5,253,545	+9.5	499,087
Singapore Dollar	73,179,199	+0.4	292,717
South African Rand	70,330,442	+1.8	1,265,948
Sterling	300,047,226	+3.3	9,901,558
Swedish Krona	1,307,878	+5.0	65,394
Swiss Franc	3,805,710	+0.2	7,611
Taiwan Dollar	82,943,407	+3.4	2,820,076
Thai Baht	27,251,922	+3.9	1,062,825
Turkish Lira	24,724,574	-15.6	(3,857,034)
UAE Dirham	8,574,211	+0.0	0
	<u>2,981,568,581</u>		<u>60,582,580</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

## (b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	51,716,253	12,162,131
Short-term deposits	361,329,891	133,382,286
Amounts due from brokers	23,885,947	104,158,015
Amounts receivable on allotment	43,340,733	44,425,401
Margin deposits	1,669,865	-
Derivatives issued by brokers	23,293,948	44,202,619
Investments - debt securities	3,001,419,120	2,824,700,482
Dividend and other accounts receivable	6,967,603	4,660,689
	<u>3,513,623,360</u>	<u>3,167,691,623</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

As at 30 September 2018, the Fund held 47.4% (2017: 48.8%) of net asset value in debt securities and therefore the Fund is exposed to credit risk that the issuers may not be able to repay the principal amount and interest at maturity. Credit risk derived from debt securities is managed and monitored on an on-going basis by making reference to the credit rating and credit outlook provided by credit rating agencies, if available, and internal credit analysis.

The table below summarizes the debt securities by credit rating as at 30 September.

	2018 % of net assets	2017 % of net assets
S&P(AAA)/Moody's(Aaa)/FITCH(AAA)	1.0	0.1
S&P(AA)/Moody's(Aa)/FITCH(AA)	0.2	-
S&P(A)/Moody's(A)/FITCH(A)	0.5	1.5
S&P(BBB)/Moody's(Baa)/FITCH(BBB)	10.1	11.3
S&P(BB)/Moody's(Ba)/FITCH(BB)	18.1	19.4
S&P(B)/Moody's(B)/FITCH(B)	9.4	12.0
S&P(CCC)/Moody's(Caa)/FITCH(CCC)	2.0	1.9
Unrated	6.1	2.6
	<u>47.4</u>	<u>48.8</u>

The table below summarizes the credit rating of the banks/brokers/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances and short-term deposits		
S&P(AA)/Moody's(Aa)/FITCH(AA)	413,046,144	145,544,417
Margin deposits with brokers and derivatives issued by brokers		
S&P(AA)/Moody's(Aa)/FITCH(AA)	5,506,332	9,045,647
S&P(A)/Moody's(A)/FITCH(A)	19,398,788	30,768,101
S&P(BBB)/Moody's(Baa)/FITCH(BBB)	58,693	-
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	<u>5,939,971,465</u>	<u>5,691,952,510</u>

### (c) Liquidity risk

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018		2017	
	Less than 1 month US\$	1 to 12 months US\$	Less than 1 month US\$	1 to 12 months US\$
Short-term bank loans - unsecured	419,659	-	-	-
Overdraft with a broker	-	-	4,002,344	-
Amounts due to brokers	35,808,387	-	128,080,451	-
Amounts payable on redemption	20,554,261	-	31,871,678	-
Distribution payable	25,074,621	-	22,950,278	-
Derivatives	19,454,161	7,833,185	42,353,661	11,193,507
Other accounts payable	6,759,592	-	6,393,024	-
Net assets attributable to holders of redeemable units	6,334,510,847	-	5,788,098,708	-
Total financial liabilities	6,442,581,528	7,833,185	6,023,750,144	11,193,507

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

### (d) Offsetting and amounts subject to master netting arrangements and similar agreements

As at 30 September 2018 and 2017, the Fund was subject to master netting arrangements with certain derivative counterparties. All of the derivative assets and liabilities of the Fund were held with these counterparties and the collateral and margin deposits maintained by the Fund were for the purpose of providing collateral on derivative positions.

In the event of default, the Fund and its counterparties have the option to settle transactions on net basis. An event of default may include failure to pay or deliver, breach of agreement or bankruptcy.

The following tables summarize the Fund's financial assets and liabilities subject to offsetting, master netting arrangements and similar agreements as at 30 September by types of financial instruments.

	Gross amounts of recognized financial assets presented in the Statement of Financial Position US\$	Related amounts subject to master netting arrangements and similar agreements net off against		
		Financial Instruments US\$	Collateral and margin deposits US\$	Net amount US\$
<u>2018</u>				
<u>Assets</u>				
Margin deposits	1,669,865	-	(1,106,085)	563,780
Derivatives	7,285,938	(6,447,279)	-	838,659
Financial assets at fair value through profit and loss	8,955,803	(6,447,279)	(1,106,085)	1,402,439

	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position US\$	Related amounts subject to master netting arrangements and similar agreements net off against  Financial Instruments US\$	Collateral and margin deposits US\$	Net amount US\$
<u>2018</u>				
<u>Liabilities</u>				
Derivatives	20,843,852	(7,553,364)	-	13,290,488
Financial liabilities at fair value through profit and loss	20,843,852	(7,553,364)	-	13,290,488

	Gross amounts of recognized financial assets presented in the Statement of Financial Position US\$	Related amounts subject to master netting arrangements and similar agreements net off against  Financial Instruments US\$	Collateral and margin deposits US\$	Net amount US\$
<u>2017</u>				
<u>Assets</u>				
Derivatives	16,897,229	(1,693,936)	-	15,203,293
Financial assets at fair value through profit and loss	16,897,229	(1,693,936)	-	15,203,293

	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position US\$	Related amounts subject to master netting arrangements and similar agreements net off against  Financial Instruments US\$	Collateral and margin deposits US\$	Net amount US\$
<u>Liabilities</u>				
Derivatives	3,477,487	(1,566,856)	-	1,910,631
Overdraft with a broker	4,002,344	(4,002,344)	-	-
Financial liabilities at fair value through profit and loss	7,479,831	(5,569,200)	-	1,910,631

**(II) Capital risk management**

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

**(III) Fair value estimation**

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<u>2018</u>				
<u>Assets</u>				
Equities, Convertibles and Warrants	2,818,684,139	119,868,206	-	2,938,552,345
Debt Securities (Note*)	-	3,001,419,120	-	3,001,419,120
Derivatives	-	23,293,948	-	23,293,948
Total financial assets at fair value through profit and loss	<u>2,818,684,139</u>	<u>3,144,581,274</u>	<u>-</u>	<u>5,963,265,413</u>
<u>Liabilities</u>				
Derivatives	<u>1,106,085</u>	<u>26,181,261</u>	<u>-</u>	<u>27,287,346</u>
Total financial liabilities at fair value through profit and loss	<u>1,106,085</u>	<u>26,181,261</u>	<u>-</u>	<u>27,287,346</u>
<u>2017</u>				
<u>Assets</u>				
Equities, Convertibles and Warrants	2,758,905,454	108,346,574	-	2,867,252,028
Debt Securities (Note*)	-	2,824,700,482	-	2,824,700,482
Derivatives	4,388,871	39,813,748	-	44,202,619
Total financial assets at fair value through profit and loss	<u>2,763,294,325</u>	<u>2,972,860,804</u>	<u>-</u>	<u>5,736,155,129</u>
<u>Liabilities</u>				
Derivatives	<u>-</u>	<u>53,547,168</u>	<u>-</u>	<u>53,547,168</u>
Total financial liabilities at fair value through profit and loss	<u>-</u>	<u>53,547,168</u>	<u>-</u>	<u>53,547,168</u>

Note:

- \* Debt securities include a security pledged as collateral with a fair value US\$2,194,320 (2017: US\$3,875,264).

The Fund has not sold or re-pledged any collateral during the years ended 30 September 2018 and 2017. The terms and conditions associated with collateral have no significant unusual requirements from the usual practice of recourse when a default occurs.

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the years ended 30 September 2018 and 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 5 Net gains on investments and derivatives

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	(242,326,703)	205,559,122
Realized gains on sale of investments and derivatives	260,418,567	274,056,879
	<u>18,091,864</u>	<u>479,616,001</u>

## 6 Distribution

It is the intention of the Manager to have at least 85% of the income attributable to the distribution class(es) respectively in respect of each accounting period, after charging the expenses attributable to these distribution class(es) respectively, to be distributed to unitholders of these distribution class(es) respectively.

In the event that the amount available for distribution is insufficient to pay distributions as the Fund declares, the Manager may in its discretion determine that such distributions be paid from capital.

	2018 US\$	2017 US\$
Net operating profit	58,595,092	508,333,947
Adjustments:		
Net gains on investments and derivatives	(18,091,864)	(479,616,001)
Interest income included in net gains on investments and derivatives (at coupon rate)	169,264,659	153,019,792
Net foreign currency exchange losses/(gains)	2,647,545	(1,009,291)
Transaction costs	5,100,579	5,472,213
Interest expense	(3,331)	(11,386)
Taxation	(26,106,922)	(20,809,184)
Capital gains tax	1,872,371	48,020
Amount available for distribution	<u>193,278,129</u>	<u>165,428,110</u>

Distribution Class	Ex date	Pay date	Rate	Units	2018 US\$	2017 US\$
AUD Hedged Class (mth)	31.10.2017	8.11.2017	A\$0.0448	91,516,988.766	(3,143,645)	
CAD Hedged Class (mth)	31.10.2017	8.11.2017	C\$0.0386	41,777,113.108	(1,250,948)	
EUR Hedged Class (mth)	31.10.2017	8.11.2017	EUR0.0227	8,504,252.328	(224,890)	
GBP Hedged Class (mth)	31.10.2017	8.11.2017	GBP0.0296	20,737,582.872	(815,139)	
HKD Class (mth)	31.10.2017	8.11.2017	HK\$0.0440	910,285,525.699	(5,133,759)	
NZD Hedged Class (mth)	31.10.2017	8.11.2017	NZ\$0.0473	27,204,775.708	(881,513)	
RMB Hedged Class (mth)	31.10.2017	8.11.2017	CNY0.0556	441,560,916.906	(3,702,063)	
SGD Hedged Class (mth)	31.10.2017	8.11.2017	S\$0.0363	9,405,595.010	(250,604)	
USD Class (mth)	31.10.2017	8.11.2017	US\$0.0440	177,528,503.610	(7,811,254)	
AUD Hedged Class (mth)	30.11.2017	8.12.2017	A\$0.0442	92,585,876.776	(3,106,666)	
CAD Hedged Class (mth)	30.11.2017	8.12.2017	C\$0.0385	42,860,922.248	(1,280,871)	
EUR Hedged Class (mth)	30.11.2017	8.12.2017	EUR0.0235	8,400,738.817	(235,391)	
GBP Hedged Class (mth)	30.11.2017	8.12.2017	GBP0.0317	20,774,919.674	(891,466)	
HKD Class (mth)	30.11.2017	8.12.2017	HK\$0.0441	918,513,601.144	(5,186,352)	
NZD Hedged Class (mth)	30.11.2017	8.12.2017	NZ\$0.0472	29,210,564.707	(946,159)	
RMB Hedged Class (mth)	30.11.2017	8.12.2017	CNY0.0556	461,956,030.256	(3,884,126)	
SGD Hedged Class (mth)	30.11.2017	8.12.2017	S\$0.0372	9,176,851.153	(253,436)	
USD Class (mth)	30.11.2017	8.12.2017	US\$0.0440	177,015,145.275	(7,788,666)	

Distribution Class	Ex date	Pay date	Rate	Units	2018 US\$	2017 US\$
AUD Hedged Class (mth)	29.12.2017	9.1.2018	A\$0.0426	92,116,009.800	(3,069,268)	
CAD Hedged Class (mth)	29.12.2017	9.1.2018	C\$0.0346	42,020,273.962	(1,160,383)	
EUR Hedged Class (mth)	29.12.2017	9.1.2018	EUR0.0135	8,258,778.739	(133,881)	
GBP Hedged Class (mth)	29.12.2017	9.1.2018	GBP0.0237	20,326,225.776	(651,662)	
HKD Class (mth)	29.12.2017	9.1.2018	HK\$0.0441	908,073,826.166	(5,122,748)	
NZD Hedged Class (mth)	29.12.2017	9.1.2018	NZ\$0.0459	28,950,601.661	(945,066)	
RMB Hedged Class (mth)	29.12.2017	9.1.2018	CNY0.0564	461,212,212.131	(3,994,498)	
SGD Hedged Class (mth)	29.12.2017	9.1.2018	S\$0.0363	9,122,894.185	(247,801)	
USD Class (mth)	29.12.2017	9.1.2018	US\$0.0440	172,761,348.030	(7,601,499)	
AUD Hedged Class (mth)	31.1.2018	8.2.2018	A\$0.0414	88,343,326.492	(2,961,591)	
CAD Hedged Class (mth)	31.1.2018	8.2.2018	C\$0.0352	41,933,951.032	(1,203,142)	
EUR Hedged Class (mth)	31.1.2018	8.2.2018	EUR0.0165	8,626,277.054	(177,312)	
GBP Hedged Class (mth)	31.1.2018	8.2.2018	GBP0.0262	20,167,880.052	(751,409)	
HKD Class (mth)	31.1.2018	8.2.2018	HK\$0.0441	944,425,288.191	(5,324,992)	
NZD Hedged Class (mth)	31.1.2018	8.2.2018	NZ\$0.0452	25,842,080.187	(864,483)	
RMB Hedged Class (mth)	31.1.2018	8.2.2018	CNY0.0550	465,572,107.283	(4,068,199)	
SGD Hedged Class (mth)	31.1.2018	8.2.2018	S\$0.0343	8,111,246.611	(212,508)	
USD Class (mth)	31.1.2018	8.2.2018	US\$0.0440	184,527,051.115	(8,119,190)	
AUD Hedged Class (mth)	28.2.2018	8.3.2018	A\$0.0421	88,002,330.621	(2,887,042)	
CAD Hedged Class (mth)	28.2.2018	8.3.2018	C\$0.0380	41,958,723.619	(1,244,337)	
EUR Hedged Class (mth)	28.2.2018	8.3.2018	EUR0.0219	8,441,768.978	(225,482)	
GBP Hedged Class (mth)	28.2.2018	8.3.2018	GBP0.0295	19,487,721.758	(792,109)	
HKD Class (mth)	28.2.2018	8.3.2018	HK\$0.0441	960,829,780.908	(5,414,820)	
NZD Hedged Class (mth)	28.2.2018	8.3.2018	NZ\$0.0442	25,448,651.745	(812,409)	
RMB Hedged Class (mth)	28.2.2018	8.3.2018	CNY0.0554	472,301,667.166	(4,133,964)	
SGD Hedged Class (mth)	28.2.2018	8.3.2018	S\$0.0342	7,920,175.296	(204,762)	
USD Class (mth)	28.2.2018	8.3.2018	US\$0.0440	192,361,224.212	(8,463,894)	
AUD Hedged Class (mth)	29.3.2018	11.4.2018	A\$0.0403	91,252,366.306	(2,820,804)	
CAD Hedged Class (mth)	29.3.2018	11.4.2018	C\$0.0347	43,859,193.563	(1,180,465)	
EUR Hedged Class (mth)	29.3.2018	11.4.2018	EUR0.0157	8,363,818.457	(161,494)	
GBP Hedged Class (mth)	29.3.2018	11.4.2018	GBP0.0249	19,324,660.759	(675,005)	
HKD Class (mth)	29.3.2018	11.4.2018	HK\$0.0443	989,221,671.549	(5,583,696)	
NZD Hedged Class (mth)	29.3.2018	11.4.2018	NZ\$0.0433	24,327,362.969	(759,905)	
RMB Hedged Class (mth)	29.3.2018	11.4.2018	CNY0.0549	486,342,824.594	(4,248,887)	
SGD Hedged Class (mth)	29.3.2018	11.4.2018	S\$0.0349	8,286,981.875	(220,556)	
USD Class (mth)	29.3.2018	11.4.2018	US\$0.0440	191,127,606.695	(8,409,615)	
AUD Hedged Class (mth)	30.4.2018	9.5.2018	A\$0.0403	93,087,375.508	(2,831,760)	
CAD Hedged Class (mth)	30.4.2018	9.5.2018	C\$0.0348	43,684,049.872	(1,185,854)	
EUR Hedged Class (mth)	30.4.2018	9.5.2018	EUR0.0174	8,260,459.982	(173,657)	
GBP Hedged Class (mth)	30.4.2018	9.5.2018	GBP0.0263	19,281,588.932	(698,462)	
HKD Class (mth)	30.4.2018	9.5.2018	HK\$0.0443	1,012,503,354.423	(5,715,147)	
NZD Hedged Class (mth)	30.4.2018	9.5.2018	NZ\$0.0421	24,006,821.458	(712,130)	
RMB Hedged Class (mth)	30.4.2018	9.5.2018	CNY0.0492	488,551,509.875	(3,803,853)	
SGD Hedged Class (mth)	30.4.2018	9.5.2018	S\$0.0322	8,642,563.039	(210,181)	
USD Class (mth)	30.4.2018	9.5.2018	US\$0.0440	197,525,381.628	(8,691,117)	
AUD Hedged Class (mth)	31.5.2018	8.6.2018	A\$0.0402	96,433,870.762	(2,933,261)	
CAD Hedged Class (mth)	31.5.2018	8.6.2018	C\$0.0351	43,903,483.349	(1,187,953)	
EUR Hedged Class (mth)	31.5.2018	8.6.2018	EUR0.0180	8,252,111.578	(173,388)	
GBP Hedged Class (mth)	31.5.2018	8.6.2018	GBP0.0265	20,115,363.561	(709,312)	
HKD Class (mth)	31.5.2018	8.6.2018	HK\$0.0443	1,027,036,667.751	(5,800,211)	
NZD Hedged Class (mth)	31.5.2018	8.6.2018	NZ\$0.0421	25,349,038.028	(748,797)	
RMB Hedged Class (mth)	31.5.2018	8.6.2018	CNY0.0521	515,528,275.201	(4,193,152)	
SGD Hedged Class (mth)	31.5.2018	8.6.2018	S\$0.0340	8,741,013.884	(222,210)	
USD Class (mth)	31.5.2018	8.6.2018	US\$0.0440	200,793,105.528	(8,834,897)	
AUD Hedged Class (mth)	29.6.2018	10.7.2018	A\$0.0395	97,420,021.719	(2,843,162)	
CAD Hedged Class (mth)	29.6.2018	10.7.2018	C\$0.0339	43,401,498.482	(1,118,485)	
EUR Hedged Class (mth)	29.6.2018	10.7.2018	EUR0.0166	8,575,949.505	(166,213)	
GBP Hedged Class (mth)	29.6.2018	10.7.2018	GBP0.0251	20,041,144.350	(664,129)	
HKD Class (mth)	29.6.2018	10.7.2018	HK\$0.0443	1,027,931,075.996	(5,804,300)	
NZD Hedged Class (mth)	29.6.2018	10.7.2018	NZ\$0.0407	25,651,372.328	(706,848)	
RMB Hedged Class (mth)	29.6.2018	10.7.2018	CNY0.0517	523,449,773.985	(4,083,158)	
SGD Hedged Class (mth)	29.6.2018	10.7.2018	S\$0.0344	8,484,652.727	(214,061)	
USD Class (mth)	29.6.2018	10.7.2018	US\$0.0440	200,258,102.387	(8,811,357)	



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Distribution Class	Ex date	Pay date	Rate	Units	2018 US\$	2017 US\$
AUD Hedged Class (mth)	31.7.2018	8.8.2018	A\$0.0406	99,920,369.894	(3,015,801)	
CAD Hedged Class (mth)	31.7.2018	8.8.2018	C\$0.0354	42,768,687.695	(1,162,835)	
EUR Hedged Class (mth)	31.7.2018	8.8.2018	EUR0.0172	8,772,240.234	(176,540)	
GBP Hedged Class (mth)	31.7.2018	8.8.2018	GBP0.0261	19,920,206.089	(682,002)	
HKD Class (mth)	31.7.2018	8.8.2018	HK\$0.0443	1,028,887,047.532	(5,808,440)	
NZD Hedged Class (mth)	31.7.2018	8.8.2018	NZ\$0.0412	25,560,282.850	(716,938)	
RMB Hedged Class (mth)	31.7.2018	8.8.2018	CNY0.0451	540,866,936.432	(3,579,220)	
SGD Hedged Class (mth)	31.7.2018	8.8.2018	S\$0.0337	8,461,182.369	(209,463)	
USD Class (mth)	31.7.2018	8.8.2018	US\$0.0440	203,061,319.465	(8,934,698)	
AUD Hedged Class (mth)	31.8.2018	10.9.2018	A\$0.0396	103,454,228.528	(2,962,797)	
CAD Hedged Class (mth)	31.8.2018	10.9.2018	C\$0.0360	42,587,871.602	(1,175,784)	
EUR Hedged Class (mth)	31.8.2018	10.9.2018	EUR0.0172	8,611,547.443	(172,336)	
GBP Hedged Class (mth)	31.8.2018	10.9.2018	GBP0.0275	20,054,436.652	(716,808)	
HKD Class (mth)	31.8.2018	10.9.2018	HK\$0.0443	1,049,484,428.482	(5,923,398)	
NZD Hedged Class (mth)	31.8.2018	10.9.2018	NZ\$0.0416	26,211,963.408	(723,492)	
RMB Hedged Class (mth)	31.8.2018	10.9.2018	CNY0.0411	571,356,668.970	(3,437,122)	
SGD Hedged Class (mth)	31.8.2018	10.9.2018	S\$0.0348	8,386,079.347	(213,010)	
USD Class (mth)	31.8.2018	10.9.2018	US\$0.0440	206,248,004.166	(9,074,912)	
AUD Hedged Class (mth)	28.9.2018	9.10.2018	A\$0.0402	103,360,027.707	(3,006,403)	
CAD Hedged Class (mth)	28.9.2018	9.10.2018	C\$0.0349	42,784,286.559	(1,155,169)	
EUR Hedged Class (mth)	28.9.2018	9.10.2018	EUR0.0175	8,203,818.605	(166,753)	
GBP Hedged Class (mth)	28.9.2018	9.10.2018	GBP0.0276	19,593,612.302	(705,209)	
HKD Class (mth)	28.9.2018	9.10.2018	HK\$0.0442	1,062,602,152.470	(6,002,251)	
NZD Hedged Class (mth)	28.9.2018	9.10.2018	NZ\$0.0406	26,294,805.038	(707,745)	
RMB Hedged Class (mth)	28.9.2018	9.10.2018	CNY0.0483	584,538,680.318	(4,106,411)	
SGD Hedged Class (mth)	28.9.2018	9.10.2018	S\$0.0351	8,350,478.806	(214,514)	
USD Class (mth)	28.9.2018	9.10.2018	US\$0.0440	204,776,490.314	(9,010,166)	
AUD Hedged Class (mth)	31.10.2016	8.11.2016	A\$0.0510	89,041,504.369		(3,428,460)
CAD Hedged Class (mth)	31.10.2016	8.11.2016	C\$0.0410	41,684,755.703		(1,287,632)
RMB Hedged Class (mth)	31.10.2016	8.11.2016	CNY0.0650	293,114,553.171		(2,804,965)
EUR Hedged Class (mth)	31.10.2016	8.11.2016	EUR0.0280	7,922,307.848		(246,638)
GBP Hedged Class (mth)	31.10.2016	8.11.2016	GBP0.0360	19,413,388.218		(853,265)
HKD Class (mth)	31.10.2016	8.11.2016	HK\$0.0460	567,141,813.728		(3,342,216)
NZD Hedged Class (mth)	31.10.2016	8.11.2016	NZ\$0.0560	23,154,444.188		(929,279)
SGD Hedged Class (mth)	31.10.2016	8.11.2016	S\$0.0390	7,500,017.180		(211,223)
USD Class (mth)	31.10.2016	8.11.2016	US\$0.0460	125,750,522.431		(5,784,524)
AUD Hedged Class (mth)	30.11.2016	8.12.2016	A\$0.0510	89,348,013.926		(3,360,152)
CAD Hedged Class (mth)	30.11.2016	8.12.2016	C\$0.0410	41,709,944.455		(1,278,038)
RMB Hedged Class (mth)	30.11.2016	8.12.2016	CNY0.0630	276,803,518.846		(2,536,082)
EUR Hedged Class (mth)	30.11.2016	8.12.2016	EUR0.0310	7,998,852.882		(262,192)
GBP Hedged Class (mth)	30.11.2016	8.12.2016	GBP0.0370	19,345,682.024		(894,308)
HKD Class (mth)	30.11.2016	8.12.2016	HK\$0.0460	577,713,755.876		(3,403,727)
NZD Hedged Class (mth)	30.11.2016	8.12.2016	NZ\$0.0550	23,005,440.204		(888,691)
SGD Hedged Class (mth)	30.11.2016	8.12.2016	S\$0.0400	8,044,099.636		(225,194)
USD Class (mth)	30.11.2016	8.12.2016	US\$0.0460	128,865,448.417		(5,927,811)
AUD Hedged Class (mth)	30.12.2016	10.1.2017	A\$0.0510	90,477,867.818		(3,321,612)
CAD Hedged Class (mth)	30.12.2016	10.1.2017	C\$0.0390	42,219,929.451		(1,224,679)
RMB Hedged Class (mth)	30.12.2016	10.1.2017	CNY0.0840	275,267,123.790		(3,326,945)
EUR Hedged Class (mth)	30.12.2016	10.1.2017	EUR0.0240	8,118,126.945		(208,927)
GBP Hedged Class (mth)	30.12.2016	10.1.2017	GBP0.0320	20,498,490.684		(807,994)
HKD Class (mth)	30.12.2016	10.1.2017	HK\$0.0460	616,184,067.683		(3,632,022)
NZD Hedged Class (mth)	30.12.2016	10.1.2017	NZ\$0.0530	23,469,208.534		(873,895)
SGD Hedged Class (mth)	30.12.2016	10.1.2017	S\$0.0420	8,162,958.467		(234,487)
USD Class (mth)	30.12.2016	10.1.2017	US\$0.0460	133,568,263.048		(6,144,140)
AUD Hedged Class (mth)	27.1.2017	8.2.2017	A\$0.0510	94,068,581.546		(3,616,924)
CAD Hedged Class (mth)	27.1.2017	8.2.2017	C\$0.0390	44,260,722.023		(1,315,176)
RMB Hedged Class (mth)	27.1.2017	8.2.2017	CNY0.1170	280,229,733.604		(4,789,589)
EUR Hedged Class (mth)	27.1.2017	8.2.2017	EUR0.0260	8,172,303.870		(225,721)
GBP Hedged Class (mth)	27.1.2017	8.2.2017	GBP0.0330	21,970,288.934		(915,341)
HKD Class (mth)	27.1.2017	8.2.2017	HK\$0.0460	720,339,109.491		(4,242,996)
NZD Hedged Class (mth)	27.1.2017	8.2.2017	NZ\$0.0540	24,105,509.587		(939,776)
SGD Hedged Class (mth)	27.1.2017	8.2.2017	S\$0.0420	7,990,978.803		(235,177)
USD Class (mth)	27.1.2017	8.2.2017	US\$0.0460	152,300,789.932		(7,005,836)

Distribution Class	Ex date	Pay date	Rate	Units	2018 US\$	2017 US\$
AUD Hedged Class (mth)	28.2.2017	8.3.2017	A\$0.0500	93,323,114.178		(3,558,873)
CAD Hedged Class (mth)	28.2.2017	8.3.2017	C\$0.0410	44,739,912.053		(1,374,846)
RMB Hedged Class (mth)	28.2.2017	8.3.2017	CNY0.0770	296,464,784.653		(3,338,533)
EUR Hedged Class (mth)	28.2.2017	8.3.2017	EUR0.0310	8,331,105.792		(274,432)
GBP Hedged Class (mth)	28.2.2017	8.3.2017	GBP0.0370	22,476,490.417		(1,026,490)
HKD Class (mth)	28.2.2017	8.3.2017	HK\$0.0460	802,083,037.993		(4,722,117)
NZD Hedged Class (mth)	28.2.2017	8.3.2017	NZ\$0.0520	24,148,888.150		(902,976)
SGD Hedged Class (mth)	28.2.2017	8.3.2017	S\$0.0400	8,101,205.224		(228,807)
USD Class (mth)	28.2.2017	8.3.2017	US\$0.0460	161,596,292.111		(7,433,426)
AUD Hedged Class (mth)	31.3.2017	11.4.2017	A\$0.0490	93,388,149.426		(3,512,189)
CAD Hedged Class (mth)	31.3.2017	11.4.2017	C\$0.0400	45,533,036.469		(1,348,596)
RMB Hedged Class (mth)	31.3.2017	11.4.2017	CNY0.0680	320,927,900.128		(3,171,030)
EUR Hedged Class (mth)	31.3.2017	11.4.2017	EUR0.0270	8,449,515.232		(243,100)
GBP Hedged Class (mth)	31.3.2017	11.4.2017	GBP0.0340	22,963,679.979		(964,822)
HKD Class (mth)	31.3.2017	11.4.2017	HK\$0.0460	817,228,229.364		(4,805,678)
NZD Hedged Class (mth)	31.3.2017	11.4.2017	NZ\$0.0520	26,871,656.753		(976,801)
SGD Hedged Class (mth)	31.3.2017	11.4.2017	S\$0.0390	8,400,276.881		(236,865)
USD Class (mth)	31.3.2017	11.4.2017	US\$0.0460	169,660,334.466		(7,804,375)
AUD Hedged Class (mth)	28.4.2017	10.5.2017	A\$0.0470	97,030,670.182		(3,432,295)
CAD Hedged Class (mth)	28.4.2017	10.5.2017	C\$0.0380	45,412,946.528		(1,255,474)
RMB Hedged Class (mth)	28.4.2017	10.5.2017	CNY0.0600	334,786,812.950		(2,931,214)
EUR Hedged Class (mth)	28.4.2017	10.5.2017	EUR0.0270	8,525,003.361		(248,793)
GBP Hedged Class (mth)	28.4.2017	10.5.2017	GBP0.0330	22,513,139.381		(961,170)
HKD Class (mth)	28.4.2017	10.5.2017	HK\$0.0450	842,779,157.656		(4,865,386)
NZD Hedged Class (mth)	28.4.2017	10.5.2017	NZ\$0.0500	28,081,854.780		(962,052)
SGD Hedged Class (mth)	28.4.2017	10.5.2017	S\$0.0380	8,545,569.732		(233,556)
USD Class (mth)	28.4.2017	10.5.2017	US\$0.0450	172,370,758.367		(7,756,684)
AUD Hedged Class (mth)	31.5.2017	8.6.2017	A\$0.0480	98,219,852.594		(3,509,749)
CAD Hedged Class (mth)	31.5.2017	8.6.2017	C\$0.0380	45,138,958.100		(1,259,894)
RMB Hedged Class (mth)	31.5.2017	8.6.2017	CNY0.0640	348,174,761.914		(3,312,687)
EUR Hedged Class (mth)	31.5.2017	8.6.2017	EUR0.0260	8,691,720.854		(256,075)
GBP Hedged Class (mth)	31.5.2017	8.6.2017	GBP0.0330	21,835,117.940		(921,749)
HKD Class (mth)	31.5.2017	8.6.2017	HK\$0.0450	860,055,438.093		(4,955,629)
NZD Hedged Class (mth)	31.5.2017	8.6.2017	NZ\$0.0500	28,715,697.006		(1,019,048)
SGD Hedged Class (mth)	31.5.2017	8.6.2017	S\$0.0380	8,605,644.560		(233,274)
USD Class (mth)	31.5.2017	8.6.2017	US\$0.0450	175,442,193.192		(7,894,899)
AUD Hedged Class (mth)	30.6.2017	10.7.2017	A\$0.0470	96,688,256.276		(3,456,076)
CAD Hedged Class (mth)	30.6.2017	10.7.2017	C\$0.0360	43,469,212.799		(1,204,968)
RMB Hedged Class (mth)	30.6.2017	10.7.2017	CNY0.0710	364,464,388.221		(3,832,535)
EUR Hedged Class (mth)	30.6.2017	10.7.2017	EUR0.0240	8,677,166.083		(239,501)
GBP Hedged Class (mth)	30.6.2017	10.7.2017	GBP0.0310	21,564,956.894		(859,962)
HKD Class (mth)	30.6.2017	10.7.2017	HK\$0.0450	879,423,556.657		(5,058,140)
NZD Hedged Class (mth)	30.6.2017	10.7.2017	NZ\$0.0480	25,368,396.017		(895,302)
SGD Hedged Class (mth)	30.6.2017	10.7.2017	S\$0.0370	8,664,142.702		(230,314)
USD Class (mth)	30.6.2017	10.7.2017	US\$0.0450	175,571,625.323		(7,900,723)
AUD Hedged Class (mth)	31.7.2017	8.8.2017	A\$0.0450	93,030,992.833		(3,334,781)
CAD Hedged Class (mth)	31.7.2017	8.8.2017	C\$0.0350	42,769,174.430		(1,207,270)
RMB Hedged Class (mth)	31.7.2017	8.8.2017	CNY0.0580	392,094,460.397		(3,384,343)
EUR Hedged Class (mth)	31.7.2017	8.8.2017	EUR0.0230	8,645,062.867		(236,467)
GBP Hedged Class (mth)	31.7.2017	8.8.2017	GBP0.0290	22,168,013.133		(859,221)
HKD Class (mth)	31.7.2017	8.8.2017	HK\$0.0440	901,356,209.840		(5,077,966)
NZD Hedged Class (mth)	31.7.2017	8.8.2017	NZ\$0.0460	24,515,156.043		(852,843)
SGD Hedged Class (mth)	31.7.2017	8.8.2017	S\$0.0360	9,113,996.324		(241,079)
USD Class (mth)	31.7.2017	8.8.2017	US\$0.0440	179,123,378.216		(7,881,429)
AUD Hedged Class (mth)	31.8.2017	8.9.2017	A\$0.0450	90,485,289.738		(3,200,871)
CAD Hedged Class (mth)	31.8.2017	8.9.2017	C\$0.0370	42,057,162.226		(1,224,396)
RMB Hedged Class (mth)	31.8.2017	8.9.2017	CNY0.0500	413,516,546.921		(3,114,424)
EUR Hedged Class (mth)	31.8.2017	8.9.2017	EUR0.0230	9,001,542.079		(250,425)
GBP Hedged Class (mth)	31.8.2017	8.9.2017	GBP0.0300	21,489,734.979		(819,642)
HKD Class (mth)	31.8.2017	8.9.2017	HK\$0.0440	905,310,830.495		(5,112,758)
NZD Hedged Class (mth)	31.8.2017	8.9.2017	NZ\$0.0470	24,506,689.832		(821,419)
SGD Hedged Class (mth)	31.8.2017	8.9.2017	S\$0.0360	9,048,628.045		(239,875)
USD Class (mth)	31.8.2017	8.9.2017	US\$0.0440	179,235,599.161		(7,886,367)

Distribution Class	Ex date	Pay date	Rate	Units	2018 US\$	2017 US\$
AUD Hedged Class (mth)	29.9.2017	11.10.2017	A\$0.0450	89,059,501.980		(3,123,660)
CAD Hedged Class (mth)	29.9.2017	11.10.2017	C\$0.0380	41,083,423.882		(1,261,427)
RMB Hedged Class (mth)	29.9.2017	11.10.2017	CNY0.0520	426,498,855.833		(3,310,843)
EUR Hedged Class (mth)	29.9.2017	11.10.2017	EUR0.0240	8,625,914.249		(239,643)
GBP Hedged Class (mth)	29.9.2017	11.10.2017	GBP0.0300	21,165,156.273		(837,689)
HKD Class (mth)	29.9.2017	11.10.2017	HK\$0.0440	912,915,287.020		(5,142,724)
NZD Hedged Class (mth)	29.9.2017	11.10.2017	NZ\$0.0470	24,985,916.374		(845,316)
SGD Hedged Class (mth)	29.9.2017	11.10.2017	S\$0.0370	9,027,278.123		(243,972)
USD Class (mth)	29.9.2017	11.10.2017	US\$0.0440	180,568,284.345		(7,945,004)
Total distribution to holders of redeemable units					(288,633,098)	(265,032,593)

## 7 Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Overseas tax was withheld or paid on certain dividend income received, interest income received and capital gains derived during the years ended 30 September 2018 and 2017.

## 8 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

(a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments US\$	% of the Fund's total aggregate value of transactions	Commission paid US\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
J.P. Morgan India Private Limited	1,258,829	0.02	505	0.02	0.04
J.P. Morgan Securities LLC	1,466,734	0.02	-	-	-
J.P. Morgan Securities plc London	31,635,180	0.39	30,022	1.23	0.09
J.P. Morgan Securities (Asia Pacific) Limited	9,639,160	0.12	4,965	0.20	0.05
<u>2017</u>					
Academy Securities, Inc.	17,560,795	0.28	3,146	0.11	0.02
J.P. Morgan Securities LLC	193,619	0.00	-	-	-
J.P. Morgan Securities plc London	17,492,758	0.28	17,107	0.62	0.10
J.P. Morgan Securities (Asia Pacific) Limited	543,456	0.01	1,087	0.04	0.20

(b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	5,571,054	5,320,203
Amounts receivable	7,459	5,021
Amounts payable	(6,283,260)	(5,958,213)

During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$76,574 (2017: US\$29,541).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.
- (d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$35,012 (2017: US\$119,195).
- (e) Management fee of 1.25% per annum of the net asset value of each class is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.

The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.

- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (g) Refer to Note 9 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 9 Trustee's fee

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first US\$40 million, 0.04% per annum for the balance from US\$40 million to US\$70 million, and 0.025% per annum for the balance in excess of US\$70 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

## 10 Borrowings

During the years ended 30 September 2018 and 2017, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

## 11 Soft dollar arrangements/Commission sharing arrangements

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

## 12 Derivatives

- (a) Outstanding forward foreign exchange contracts as at 30 September were as follows:

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
<u>2018</u>			
Open contracts:			
A\$1,811,066	US\$1,315,887	2 October 2018	5,400
EUR3,752	US\$4,426	2 October 2018	68
GBP20,000	US\$26,289	2 October 2018	209
NZ\$97,270	US\$64,765	2 October 2018	275
S\$1,931	US\$1,415	2 October 2018	2
US\$397,177	C\$515,033	2 October 2018	1,270
EUR100,402	US\$118,009	3 October 2018	1,381

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
GBP76,150	US\$100,424	3 October 2018	1,116
NZ\$102,129	US\$67,922	3 October 2018	210
US\$146,884	C\$191,897	3 October 2018	1,574
US\$654,656	A\$906,774	3 October 2018	1,486
US\$233,591	NZ\$352,432	3 October 2018	72
US\$1,930	A\$2,667	3 October 2018	0
US\$2,298	GBP1,762	3 October 2018	0
A\$1,334,909	US\$968,959	4 October 2018	3,019
EUR13,122	US\$15,324	4 October 2018	81
GBP53,966	US\$70,791	4 October 2018	408
US\$545,789	A\$754,351	4 October 2018	60
US\$14,316	A\$19,830	4 October 2018	33
US\$182,745	GBP140,127	4 October 2018	9
US\$495,498	C\$640,440	4 October 2018	7
EUR130,652	US\$151,803	5 October 2018	11
NZ\$579,926	US\$384,535	5 October 2018	44
US\$17,749	A\$24,531	5 October 2018	2
CNH5,493,350,675	US\$800,371,629	9 October 2018	1,385,290
CNH15,928,693	US\$2,340,871	9 October 2018	24,105
CNH61,846,756	US\$9,012,238	9 October 2018	16,870
CNH9,450,177	US\$1,385,472	9 October 2018	10,981
CNH9,733,158	US\$1,426,231	9 October 2018	10,582
CNH5,364,510	US\$790,203	9 October 2018	9,957
CNH11,088,512	US\$1,622,656	9 October 2018	9,875
CNH23,433,779	US\$3,417,784	9 October 2018	9,433
CNH4,928,505	US\$725,420	9 October 2018	8,589
CNH10,689,022	US\$1,560,863	9 October 2018	6,186
CNH8,788,566	US\$1,282,668	9 October 2018	4,406
CNH10,551,159	US\$1,538,792	9 October 2018	4,167
CNH6,475,544	US\$945,775	9 October 2018	3,933
CNH4,511,853	US\$660,032	9 October 2018	3,801
CNH10,537,539	US\$1,536,374	9 October 2018	3,730
CNH4,525,526	US\$661,253	9 October 2018	3,032
CNH11,596,052	US\$1,689,243	9 October 2018	2,642
CNH5,419,271	US\$790,463	9 October 2018	2,251
CNH14,597,675	US\$2,125,199	9 October 2018	2,025
CNH7,160,286	US\$1,043,218	9 October 2018	1,783
CNH8,769,859	US\$1,276,445	9 October 2018	903
CNH376,794	US\$55,457	9 October 2018	653
CNH329,947	US\$48,490	9 October 2018	501
CNH549,098	US\$80,360	9 October 2018	496
CNH191,087	US\$28,147	9 October 2018	355
CNH641,113	US\$93,501	9 October 2018	253
CNH342,131	US\$50,013	9 October 2018	251
CNH229,493	US\$33,628	9 October 2018	249
CNH527,263	US\$76,907	9 October 2018	219
CNH241,331	US\$35,250	9 October 2018	149
CNH222,046	US\$32,443	9 October 2018	147
CNH155,321	US\$22,722	9 October 2018	131
CNH125,746	US\$18,374	9 October 2018	84
CNH200,253	US\$29,197	9 October 2018	71
CNH138,103	US\$20,156	9 October 2018	69
CNH20,730	US\$3,054	9 October 2018	39
CNH157,018	US\$22,876	9 October 2018	38
CNH59,698	US\$8,719	9 October 2018	36
CNH16,781	US\$2,470	9 October 2018	29
CNH61,580	US\$8,981	9 October 2018	24
CNH210,669	US\$30,663	9 October 2018	22
CNH33,382	US\$4,877	9 October 2018	22
CNH19,295	US\$2,824	9 October 2018	17
CNH7,466	US\$1,095	9 October 2018	9
CNH7,542	US\$1,100	9 October 2018	3
CNH7,569	US\$1,104	9 October 2018	3

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
CNH9,280	US\$1,352	9 October 2018	2
US\$762,565,435	CNH5,255,372,205	9 October 2018	1,807,868
US\$2,317,475	CNH16,122,288	9 October 2018	27,448
US\$8,985,033	CNH61,922,155	9 October 2018	21,301
US\$6,001,082	CNH41,386,473	9 October 2018	18,419
US\$3,912,617	CNH26,973,684	9 October 2018	10,600
US\$2,612,330	CNH17,999,717	9 October 2018	5,658
US\$7,588	CNH52,282	9 October 2018	17
US\$4,936	CNH34,040	9 October 2018	15
A\$1,046,461,192	US\$758,020,908	10 October 2018	801,589
A\$1,719,407	US\$1,263,565	10 October 2018	19,402
A\$1,190,057	US\$875,090	10 October 2018	13,964
A\$1,222,084	US\$898,023	10 October 2018	13,723
A\$757,820	US\$555,505	10 October 2018	7,146
A\$2,277,984	US\$1,654,846	10 October 2018	6,497
A\$1,085,979	US\$791,096	10 October 2018	5,282
A\$686,647	US\$499,750	10 October 2018	2,892
A\$96,678	US\$70,495	10 October 2018	539
A\$26,935	US\$19,793	10 October 2018	302
A\$12,430	US\$9,140	10 October 2018	146
A\$30,218	US\$22,012	10 October 2018	146
A\$15,359	US\$11,178	10 October 2018	65
A\$4,780	US\$3,513	10 October 2018	54
A\$4,847	US\$3,553	10 October 2018	46
A\$1,676	US\$1,222	10 October 2018	9
A\$1,526	US\$1,109	10 October 2018	4
C\$155,597	US\$120,604	10 October 2018	210
C\$6,707	US\$5,198	10 October 2018	9
C\$4,390	US\$3,403	10 October 2018	6
EUR82,014,867	US\$96,560,483	10 October 2018	1,242,804
EUR871,435	US\$1,019,200	10 October 2018	6,419
EUR654,646	US\$767,083	10 October 2018	6,254
EUR312,799	US\$365,627	10 October 2018	2,092
EUR532,468	US\$620,184	10 October 2018	1,350
EUR517,681	US\$602,419	10 October 2018	770
EUR103,565	US\$121,069	10 October 2018	707
EUR172,772	US\$201,361	10 October 2018	566
EUR58,580	US\$68,592	10 October 2018	511
EUR141,788	US\$165,250	10 October 2018	464
EUR165,816	US\$193,132	10 October 2018	421
EUR32,130	US\$37,698	10 October 2018	357
EUR32,705	US\$38,357	10 October 2018	347
EUR64,475	US\$75,209	10 October 2018	276
EUR159,388	US\$185,499	10 October 2018	258
EUR60,490	US\$70,515	10 October 2018	213
EUR89,408	US\$103,993	10 October 2018	83
EUR10,955	US\$12,779	10 October 2018	46
EUR2,549	US\$2,973	10 October 2018	11
EUR1,746	US\$2,040	10 October 2018	11
EUR2,915	US\$3,398	10 October 2018	10
EUR1,083	US\$1,268	10 October 2018	9
EUR1,249	US\$1,460	10 October 2018	8
EUR2,066	US\$2,408	10 October 2018	7
EUR942	US\$1,101	10 October 2018	6
EUR1,288	US\$1,499	10 October 2018	1
GBP198,222,254	US\$260,736,994	10 October 2018	2,156,063
GBP268,987	US\$354,157	10 October 2018	3,263
GBP209,149	US\$275,369	10 October 2018	2,534
GBP380,222	US\$498,356	10 October 2018	2,356
GBP317,769	US\$415,910	10 October 2018	1,381
GBP35,723	US\$47,025	10 October 2018	424
GBP6,561	US\$8,636	10 October 2018	78

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
GBP2,393	US\$3,151	10 October 2018	29
GBP6,223	US\$8,144	10 October 2018	26
GBP836	US\$1,101	10 October 2018	10
GBP878	US\$1,151	10 October 2018	5
GBP1,146	US\$1,500	10 October 2018	5
NZ\$266,850,317	US\$177,308,827	10 October 2018	387,066
NZ\$834,764	US\$559,953	10 October 2018	6,504
NZ\$650,896	US\$436,843	10 October 2018	5,300
NZ\$1,133,857	US\$755,007	10 October 2018	3,260
NZ\$1,153,867	US\$767,918	10 October 2018	2,904
NZ\$430,791	US\$288,129	10 October 2018	2,515
NZ\$250,769	US\$167,985	10 October 2018	1,725
NZ\$81,894	US\$54,874	10 October 2018	579
NZ\$8,524	US\$5,718	10 October 2018	66
NZ\$9,080	US\$6,082	10 October 2018	63
NZ\$2,452	US\$1,645	10 October 2018	20
NZ\$1,915	US\$1,281	10 October 2018	11
NZ\$4,447	US\$2,959	10 October 2018	11
NZ\$2,612	US\$1,739	10 October 2018	8
S\$82,618,444	US\$60,494,379	10 October 2018	16,783
S\$60,109	US\$44,154	10 October 2018	154
S\$14,506	US\$10,651	10 October 2018	32
S\$1,499	US\$1,101	10 October 2018	4
S\$1,627	US\$1,195	10 October 2018	4
US\$259,555,410	GBP200,835,258	10 October 2018	2,433,344
US\$339,853,717	C\$439,518,878	10 October 2018	225,850
US\$2,214,924	A\$3,100,144	10 October 2018	28,338
US\$3,590,638	A\$5,000,167	10 October 2018	27,481
US\$1,272,595	A\$1,793,434	10 October 2018	25,132
US\$1,472,745	A\$2,068,518	10 October 2018	24,033
US\$1,365,856	A\$1,913,736	10 October 2018	18,922
US\$802,468	C\$1,058,352	10 October 2018	16,434
US\$815,028	C\$1,072,117	10 October 2018	14,525
US\$942,286	NZ\$1,439,639	10 October 2018	12,194
US\$1,747,816	C\$2,274,571	10 October 2018	12,142
US\$1,513,075	GBP1,168,430	10 October 2018	11,138
US\$946,473	NZ\$1,444,062	10 October 2018	10,939
US\$549,031	C\$723,268	10 October 2018	10,599
US\$813,413	GBP631,491	10 October 2018	10,364
US\$482,590	C\$635,942	10 October 2018	9,472
US\$485,849	NZ\$746,699	10 October 2018	9,211
US\$2,220,411	A\$3,080,927	10 October 2018	8,946
US\$565,277	GBP439,660	10 October 2018	8,257
US\$951,285	C\$1,240,056	10 October 2018	8,213
US\$1,005,339	A\$1,398,616	10 October 2018	6,700
US\$831,826	A\$1,158,402	10 October 2018	6,393
US\$791,357	A\$1,102,093	10 October 2018	6,117
US\$705,087	GBP545,163	10 October 2018	6,076
US\$721,347	C\$939,829	10 October 2018	5,848
US\$916,125	A\$1,274,057	10 October 2018	5,783
US\$494,354	NZ\$753,544	10 October 2018	5,245
US\$640,133	C\$834,075	10 October 2018	5,235
US\$653,149	C\$850,834	10 October 2018	5,186
US\$334,430	GBP260,277	10 October 2018	5,099
US\$1,263,331	A\$1,752,812	10 October 2018	5,004
US\$302,968	C\$397,978	10 October 2018	4,969
US\$726,973	GBP560,304	10 October 2018	3,942
US\$355,380	GBP275,069	10 October 2018	3,446
US\$2,085,925	A\$2,887,407	10 October 2018	3,402
US\$532,416	C\$692,344	10 October 2018	3,287
US\$221,363	NZ\$338,355	10 October 2018	2,966
US\$235,528	GBP182,507	10 October 2018	2,551

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$164,056	NZ\$250,934	10 October 2018	2,313
US\$129,740	C\$170,600	10 October 2018	2,262
US\$741,501	GBP570,013	10 October 2018	2,080
US\$317,238	GBP244,738	10 October 2018	2,022
US\$1,896,800	C\$2,453,716	10 October 2018	1,773
US\$158,401	NZ\$241,480	10 October 2018	1,700
US\$765,196	C\$991,026	10 October 2018	1,614
US\$190,730	C\$248,253	10 October 2018	1,357
US\$417,342	C\$540,872	10 October 2018	1,160
US\$402,192	GBP309,018	10 October 2018	922
US\$98,229	NZ\$149,234	10 October 2018	713
US\$77,445	S\$106,755	10 October 2018	700
US\$213,050	EUR183,913	10 October 2018	693
US\$590,185	C\$763,595	10 October 2018	649
US\$227,440	NZ\$343,835	10 October 2018	523
US\$61,503	C\$80,099	10 October 2018	474
US\$86,532	NZ\$131,074	10 October 2018	370
US\$141,472	S\$193,727	10 October 2018	338
US\$272,988	GBP209,479	10 October 2018	277
US\$36,103	NZ\$54,817	10 October 2018	241
US\$32,412	GBP25,000	10 October 2018	201
US\$127,912	GBP98,206	10 October 2018	198
US\$38,504	C\$50,000	10 October 2018	184
US\$116,090	EUR100,000	10 October 2018	130
US\$150,958	EUR130,000	10 October 2018	128
US\$363,157	S\$496,253	10 October 2018	105
US\$10,520	NZ\$15,981	10 October 2018	75
US\$462,803	C\$598,209	10 October 2018	64
US\$8,608	A\$11,971	10 October 2018	54
US\$22,776	GBP17,500	10 October 2018	53
US\$8,393	C\$10,914	10 October 2018	52
US\$1,897	C\$2,502	10 October 2018	39
US\$24,982	EUR21,524	10 October 2018	33
US\$3,502	NZ\$5,321	10 October 2018	26
US\$7,230	A\$10,015	10 October 2018	17
US\$24,660	GBP18,916	10 October 2018	16
US\$2,762	A\$3,832	10 October 2018	11
US\$3,278	GBP2,515	10 October 2018	3
C\$1,461,289	US\$1,131,981	17 October 2018	1,127
DKr30,392,714	US\$4,774,550	17 October 2018	34,798
DKr21,404,735	US\$3,362,582	17 October 2018	24,507
EUR296,729,113	US\$347,923,787	17 October 2018	2,857,501
EUR142,137,844	US\$166,660,886	17 October 2018	1,368,787
EUR22,159,145	US\$25,982,262	17 October 2018	213,393
EUR6,487,861	US\$7,607,212	17 October 2018	62,478
EUR3,042,449	US\$3,586,835	17 October 2018	48,770
EUR3,923,884	US\$4,600,872	17 October 2018	37,787
EUR2,210,540	US\$2,592,860	17 October 2018	22,223
EUR2,434,051	US\$2,850,164	17 October 2018	19,606
EUR1,303,255	US\$1,532,881	17 October 2018	17,326
EUR1,533,366	US\$1,795,835	17 October 2018	12,684
EUR754,864	US\$889,931	17 October 2018	12,101
EUR1,134,404	US\$1,330,602	17 October 2018	11,404
EUR687,326	US\$809,282	17 October 2018	9,991
EUR1,164,063	US\$1,362,324	17 October 2018	8,635
EUR585,096	US\$688,459	17 October 2018	8,051
EUR976,865	US\$1,143,712	17 October 2018	7,715
EUR323,900	US\$382,224	17 October 2018	5,561
EUR313,333	US\$366,330	17 October 2018	1,955
EUR614,127	US\$715,797	17 October 2018	1,629
GBP80,418,577	US\$105,438,614	17 October 2018	500,413
GBP68,941,133	US\$90,390,277	17 October 2018	428,993
GBP16,461,408	US\$21,582,924	17 October 2018	102,433



Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
GBP4,652,579	US\$6,121,324	17 October 2018	50,174
GBP6,467,881	US\$8,480,185	17 October 2018	40,247
GBP3,572,327	US\$4,683,758	17 October 2018	22,229
GBP757,027	US\$1,004,830	17 October 2018	16,986
GBP1,407,596	US\$1,851,952	17 October 2018	15,180
GBP902,816	US\$1,189,277	17 October 2018	11,192
GBP826,639	US\$1,089,159	17 October 2018	10,478
GBP578,665	US\$762,069	17 October 2018	6,968
GBP684,427	US\$897,689	17 October 2018	4,580
GBP415,691	\$744,747	17 October 2018	2,795
GBP457,416	US\$598,450	17 October 2018	1,568
JPY4,766,987,071	US\$42,868,384	17 October 2018	855,173
JPY2,011,285,188	US\$18,087,011	17 October 2018	360,814
JPY168,999,036	US\$1,507,335	17 October 2018	17,884
JPY182,794,433	US\$1,624,978	17 October 2018	13,943
SFr97,273,740	US\$101,182,553	17 October 2018	1,465,752
SFr17,518,315	US\$18,222,264	17 October 2018	263,972
SFr2,133,123	US\$2,220,629	17 October 2018	33,932
SFr1,404,376	US\$1,466,556	17 October 2018	26,909
SFr5,571,544	US\$5,737,785	17 October 2018	26,310
SFr654,105	US\$681,245	17 October 2018	10,712
US\$678,134	GBP523,550	17 October 2018	5,043
US\$2,692,086	GBP2,065,924	17 October 2018	3,736
US\$1,246,278	Nkr10,172,067	17 October 2018	3,605
US\$1,222,625	Nkr9,977,921	17 October 2018	3,403
US\$2,274,913	EUR1,958,126	17 October 2018	2,190
US\$1,967,631	Nkr16,023,337	17 October 2018	1,224
US\$1,169,620	SKr10,390,050	17 October 2018	115
HK\$19,031,653	US\$2,436,978	18 October 2018	4,289
US\$13,842,340	HK\$108,541,207	18 October 2018	31,749
US\$3,787,719	HK\$29,711,439	18 October 2018	10,093
US\$3,004,834	HK\$23,571,180	18 October 2018	8,110
CNH48,738,501	US\$7,108,520	5 November 2018	32,355
CNH14,804,561	US\$2,160,533	5 November 2018	11,113
CNH11,819,848	US\$1,721,053	5 November 2018	4,972
CNH7,594,152	US\$1,107,362	5 November 2018	4,795
CNH6,444,283	US\$939,750	5 November 2018	4,128
CNH8,534,703	US\$1,243,024	5 November 2018	3,902
CNH3,957,172	US\$577,154	5 November 2018	2,627
CNH11,491,460	US\$1,670,524	5 November 2018	2,121
CNH7,598,664	US\$1,104,622	5 November 2018	1,399
CNH1,214,754	US\$177,172	5 November 2018	806
CNH12,416,446	US\$1,803,172	5 November 2018	474
CNH4,050,426	US\$588,527	5 November 2018	460
CNH621,951	US\$90,712	5 November 2018	413
CNH1,441,318	US\$209,487	5 November 2018	227
CNH201,259	US\$29,354	5 November 2018	134
CNH262,677	US\$38,257	5 November 2018	120
CNH125,850	US\$18,366	5 November 2018	94
CNH147,908	US\$21,567	5 November 2018	92
CNH92,446	US\$13,491	5 November 2018	69
CNH86,516	US\$12,616	5 November 2018	55
CNH149,476	US\$21,729	5 November 2018	28
CNH31,398	US\$4,582	5 November 2018	24
CNH149,811	US\$21,774	5 November 2018	24
CNH62,998	US\$9,159	5 November 2018	13
CNH13,585	US\$1,981	5 November 2018	9
CNH166,002	US\$24,109	5 November 2018	8
CNH32,009	US\$4,653	5 November 2018	6
CNH7,536	US\$1,099	5 November 2018	5
CNH16,099	US\$2,340	5 November 2018	3
CNH7,550	US\$1,099	5 November 2018	3
CNH7,570	US\$1,099	5 November 2018	0

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$3,686,096	CNH25,453,490	5 November 2018	9,420
US\$1,631,214	CNH11,240,594	5 November 2018	769
US\$1,042,060	CNH7,180,585	5 November 2018	464
US\$1,477,827	CNH10,180,991	5 November 2018	314
US\$224,991	CNH1,550,000	5 November 2018	48
US\$17,438	CNH120,166	5 November 2018	8
US\$8,178	CNH56,353	5 November 2018	4
US\$5,250	CNH36,175	5 November 2018	3
A\$2,597,403	US\$1,889,660	13 November 2018	9,660
A\$1,578,366	US\$1,150,564	13 November 2018	8,142
A\$1,122,058	US\$815,491	13 November 2018	3,346
A\$929,808	US\$675,105	13 November 2018	2,110
A\$5,040	US\$3,674	13 November 2018	26
A\$6,114	US\$4,444	13 November 2018	18
A\$2,241	US\$1,630	13 November 2018	8
C\$373,002	US\$289,281	13 November 2018	445
C\$137,149	US\$106,285	13 November 2018	83
C\$1,426	US\$1,105	13 November 2018	1
EUR444,302	US\$523,037	13 November 2018	5,202
EUR196,567	US\$231,769	13 November 2018	2,670
EUR96,693	US\$114,176	13 November 2018	1,481
EUR38,605	US\$45,683	13 November 2018	689
EUR50,532	US\$59,206	13 November 2018	311
GBP758,109	US\$1,006,941	13 November 2018	16,397
GBP927,482	US\$1,217,548	13 November 2018	5,700
GBP323,096	US\$426,878	13 November 2018	4,720
GBP591,374	US\$777,187	13 November 2018	4,497
GBP149,311	US\$196,631	13 November 2018	1,541
GBP2,485	US\$3,272	13 November 2018	26
GBP1,510	US\$1,982	13 November 2018	10
NZ\$633,550	US\$423,599	13 November 2018	3,492
NZ\$247,272	US\$164,936	13 November 2018	970
NZ\$125,504	US\$83,481	13 November 2018	259
NZ\$263,263	US\$174,609	13 November 2018	39
NZ\$2,482	US\$1,653	13 November 2018	7
NZ\$1,645	US\$1,096	13 November 2018	5
NZ\$1,660	US\$1,101	13 November 2018	0
S\$17,276	US\$12,673	13 November 2018	18
US\$337,907,217	C\$437,485,770	13 November 2018	860,584
US\$1,096,118	C\$1,420,270	13 November 2018	3,670
US\$1,281,756	A\$1,774,983	13 November 2018	2,976
US\$189,570	C\$247,488	13 November 2018	2,071
US\$624,936	C\$807,316	13 November 2018	212
US\$1,083,085	A\$1,496,598	13 November 2018	153
US\$122,377	NZ\$184,607	13 November 2018	36
US\$330,200	C\$426,463	13 November 2018	34
US\$177,937	GBP136,206	13 November 2018	29
US\$152,264	EUR130,652	13 November 2018	12
US\$1,275	S\$1,741	13 November 2018	0
EUR102,222,260	US\$120,403,225	5 December 2018	1,028,070
EUR35,618,586	US\$42,102,914	5 December 2018	507,529
EUR6,824,314	US\$8,078,129	5 December 2018	108,696
EUR7,465,627	US\$8,816,072	5 December 2018	97,714
EUR4,425,710	US\$5,237,105	5 December 2018	68,761
EUR1,780,687	US\$2,102,215	5 December 2018	22,728
EUR1,939,552	US\$2,279,876	5 December 2018	14,866
EUR633,651	US\$748,081	5 December 2018	8,103
EUR565,224	US\$667,694	5 December 2018	7,626
EUR1,079,682	US\$1,266,994	5 December 2018	6,142
EUR292,358	US\$345,147	5 December 2018	3,732
EUR395,830	US\$465,042	5 December 2018	2,791
EUR695,778	US\$815,104	5 December 2018	2,574
EUR5,027,343	US\$5,872,238	5 December 2018	1,307

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
EUR118,889	US\$140,064	5 December 2018	1,225
EUR227,192	US\$266,472	5 December 2018	1,157
EUR109,038	US\$128,271	5 December 2018	937
GBP854,390	US\$1,134,295	5 December 2018	16,667
GBP594,585	US\$790,879	5 December 2018	13,102
GBP226,390	US\$298,877	5 December 2018	2,736
GBP739,123	US\$967,652	5 December 2018	805
US\$80,755	EUR69,370	5 December 2018	254
Total unrealized gains			23,293,948
C\$807,316	US\$624,431	2 October 2018	(137)
US\$83,468	NZ\$125,504	2 October 2018	(259)
US\$674,945	A\$929,808	2 October 2018	(2,136)
US\$231,011	EUR196,567	2 October 2018	(2,698)
US\$426,086	GBP323,096	2 October 2018	(4,769)
C\$1,420,270	US\$1,095,252	3 October 2018	(3,517)
US\$1,101	NZ\$1,660	3 October 2018	(0)
US\$59,015	EUR50,532	3 October 2018	(318)
US\$775,779	GBP591,374	3 October 2018	(4,567)
C\$247,488	US\$189,423	4 October 2018	(2,058)
NZ\$184,607	US\$122,352	4 October 2018	(42)
US\$174,568	NZ\$263,263	4 October 2018	(24)
A\$1,774,983	US\$1,281,428	5 October 2018	(2,950)
C\$426,463	US\$329,941	5 October 2018	(12)
GBP136,206	US\$177,634	5 October 2018	(6)
A\$1,496,598	US\$1,082,818	9 October 2018	(120)
CNH120,166	US\$17,461	9 October 2018	(17)
CNH24,017	US\$3,452	9 October 2018	(41)
CNH369,839	US\$53,721	9 October 2018	(71)
CNH219,522	US\$31,845	9 October 2018	(84)
CNH217,306	US\$31,513	9 October 2018	(93)
CNH493,700	US\$71,652	9 October 2018	(154)
CNH354,928	US\$51,468	9 October 2018	(155)
CNH368,436	US\$53,309	9 October 2018	(279)
CNH222,353	US\$31,948	9 October 2018	(392)
CNH11,240,594	US\$1,633,321	9 October 2018	(1,580)
CNH11,371,989	US\$1,650,464	9 October 2018	(3,547)
CNH12,713,346	US\$1,844,255	9 October 2018	(4,852)
CNH26,537,458	US\$3,854,675	9 October 2018	(5,095)
CNH12,430,040	US\$1,802,571	9 October 2018	(5,330)
CNH31,991,426	US\$4,628,840	9 October 2018	(24,188)
CNH16,730,189	US\$2,404,903	9 October 2018	(28,437)
US\$1,268	CNH8,708	9 October 2018	(2)
US\$1,580	CNH10,844	9 October 2018	(3)
US\$10,262	CNH70,517	9 October 2018	(6)
US\$4,152	CNH28,406	9 October 2018	(21)
US\$4,034	CNH27,579	9 October 2018	(23)
US\$11,398	CNH78,097	9 October 2018	(39)
US\$19,386	CNH132,931	9 October 2018	(52)
US\$55,184	CNH378,353	9 October 2018	(154)
US\$27,222	CNH185,974	9 October 2018	(173)
US\$29,029	CNH198,150	9 October 2018	(208)
US\$48,995	CNH332,779	9 October 2018	(593)
US\$1,724,988	CNH11,849,326	9 October 2018	(1,550)
US\$2,199,721	CNH15,098,407	9 October 2018	(3,717)
US\$1,533,485	CNH10,507,408	9 October 2018	(5,224)
US\$2,012,120	CNH13,797,367	9 October 2018	(5,347)
US\$2,532,436	CNH17,372,623	9 October 2018	(5,656)
US\$7,258,907	CNH49,833,171	9 October 2018	(10,867)
US\$2,675,035	CNH18,316,181	9 October 2018	(11,018)
US\$3,981,960	CNH27,301,630	9 October 2018	(11,045)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$1,684,560	CNH11,491,229	9 October 2018	(13,206)
US\$3,002,711	CNH20,553,104	9 October 2018	(13,342)
US\$4,777,956	CNH32,758,546	9 October 2018	(13,354)
US\$3,288,619	CNH22,482,277	9 October 2018	(18,660)
US\$2,981,732	CNH20,370,647	9 October 2018	(18,901)
US\$2,571,892	CNH17,475,704	9 October 2018	(30,119)
US\$3,302,852	CNH22,474,291	9 October 2018	(34,054)
US\$3,358,708	CNH22,812,827	9 October 2018	(40,672)
US\$6,891,337	CNH47,040,552	9 October 2018	(49,473)
US\$4,350,508	CNH29,535,232	9 October 2018	(54,725)
A\$3,303	US\$2,372	10 October 2018	(18)
A\$5,533	US\$3,977	10 October 2018	(27)
A\$4,916	US\$3,530	10 October 2018	(27)
A\$14,829	US\$10,689	10 October 2018	(42)
A\$38,848	US\$28,066	10 October 2018	(44)
A\$21,133	US\$15,232	10 October 2018	(60)
A\$12,030	US\$8,638	10 October 2018	(67)
A\$41,134	US\$29,695	10 October 2018	(69)
A\$16,537	US\$11,876	10 October 2018	(90)
A\$27,418	US\$19,707	10 October 2018	(132)
A\$17,958	US\$12,818	10 October 2018	(176)
A\$60,034	US\$43,170	10 October 2018	(270)
A\$22,425	US\$15,916	10 October 2018	(311)
A\$36,687	US\$26,213	10 October 2018	(334)
A\$52,454	US\$37,348	10 October 2018	(608)
A\$600,868	US\$433,101	10 October 2018	(1,688)
A\$146,367	US\$103,870	10 October 2018	(2,041)
A\$2,045,947	US\$1,478,109	10 October 2018	(2,339)
A\$1,057,030	US\$761,844	10 October 2018	(3,023)
A\$1,441,737	US\$1,035,265	10 October 2018	(7,976)
A\$1,656,653	US\$1,190,752	10 October 2018	(8,002)
A\$1,674,660	US\$1,202,644	10 October 2018	(9,140)
A\$2,392,635	US\$1,720,535	10 October 2018	(10,776)
A\$1,722,765	US\$1,230,923	10 October 2018	(15,670)
A\$3,046,599	US\$2,187,894	10 October 2018	(16,625)
A\$4,096,787	US\$2,942,079	10 October 2018	(22,356)
A\$2,791,108	US\$1,992,245	10 October 2018	(27,401)
A\$9,779,515	US\$7,031,924	10 October 2018	(44,533)
A\$10,706,258	US\$7,622,995	10 October 2018	(124,053)
C\$8,424	US\$6,518	10 October 2018	(0)
C\$2,069	US\$1,599	10 October 2018	(2)
C\$1,429	US\$1,103	10 October 2018	(2)
C\$1,431	US\$1,101	10 October 2018	(7)
C\$2,417	US\$1,857	10 October 2018	(13)
C\$2,740	US\$2,104	10 October 2018	(16)
C\$2,737	US\$2,101	10 October 2018	(17)
C\$11,687	US\$9,018	10 October 2018	(24)
C\$5,152	US\$3,963	10 October 2018	(24)
C\$2,108	US\$1,603	10 October 2018	(28)
C\$6,689	US\$5,132	10 October 2018	(44)
C\$8,317	US\$6,383	10 October 2018	(52)
C\$11,662	US\$8,953	10 October 2018	(70)
C\$1,135,441	US\$878,475	10 October 2018	(77)
C\$6,839	US\$5,186	10 October 2018	(106)
C\$8,819	US\$6,693	10 October 2018	(131)
C\$11,485	US\$8,744	10 October 2018	(142)
C\$16,841	US\$12,888	10 October 2018	(143)
C\$10,927	US\$8,310	10 October 2018	(145)
C\$296,032	US\$228,821	10 October 2018	(234)
C\$57,264	US\$44,037	10 October 2018	(271)
C\$48,710	US\$37,369	10 October 2018	(320)
C\$70,922	US\$54,436	10 October 2018	(440)
C\$248,113	US\$191,457	10 October 2018	(522)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
C\$121,513	US\$93,268	10 October 2018	(753)
C\$500,811	US\$386,689	10 October 2018	(816)
C\$248,845	US\$191,370	10 October 2018	(1,175)
C\$562,313	US\$431,699	10 October 2018	(3,392)
C\$589,574	US\$452,741	10 October 2018	(3,445)
C\$281,337	US\$214,199	10 October 2018	(3,487)
C\$1,076,944	US\$829,421	10 October 2018	(3,869)
C\$299,745	US\$227,960	10 October 2018	(3,969)
C\$1,148,299	US\$882,287	10 October 2018	(6,214)
C\$429,377	US\$325,589	10 October 2018	(6,644)
C\$1,254,870	US\$952,710	10 October 2018	(18,251)
C\$1,324,445	US\$1,005,095	10 October 2018	(19,700)
C\$1,526,861	US\$1,158,705	10 October 2018	(22,711)
C\$2,159,972	US\$1,642,126	10 October 2018	(29,162)
C\$5,479,342	US\$4,155,645	10 October 2018	(84,020)
C\$437,485,770	US\$337,689,948	10 October 2018	(816,528)
EUR946	US\$1,098	10 October 2018	(1)
EUR91,448	US\$106,151	10 October 2018	(130)
EUR328,312	US\$381,054	10 October 2018	(510)
EUR673,196	US\$781,753	10 October 2018	(636)
EUR2,111,931	US\$2,446,604	10 October 2018	(7,882)
GBP849	US\$1,107	10 October 2018	(1)
GBP846	US\$1,103	10 October 2018	(1)
GBP2,478	US\$3,225	10 October 2018	(7)
GBP3,602	US\$4,688	10 October 2018	(11)
GBP1,329	US\$1,719	10 October 2018	(15)
GBP2,856	US\$3,705	10 October 2018	(21)
GBP3,617	US\$4,689	10 October 2018	(29)
GBP8,052	US\$10,437	10 October 2018	(66)
GBP4,979	US\$6,414	10 October 2018	(81)
GBP8,627	US\$11,132	10 October 2018	(122)
GBP7,171	US\$9,220	10 October 2018	(134)
GBP139,610	US\$181,967	10 October 2018	(154)
GBP211,472	US\$275,704	10 October 2018	(162)
GBP46,288	US\$60,014	10 October 2018	(369)
GBP296,681	US\$385,977	10 October 2018	(1,044)
GBP576,230	US\$750,576	10 October 2018	(1,115)
GBP85,259	US\$110,031	10 October 2018	(1,189)
GBP78,070	US\$100,566	10 October 2018	(1,276)
GBP180,943	US\$234,058	10 October 2018	(1,983)
GBP281,299	US\$364,938	10 October 2018	(2,017)
GBP176,951	US\$228,636	10 October 2018	(2,196)
GBP173,513	US\$222,973	10 October 2018	(3,374)
GBP550,804	US\$714,575	10 October 2018	(3,949)
GBP744,641	US\$965,262	10 October 2018	(6,122)
GBP2,501,583	US\$3,255,881	10 October 2018	(7,435)
GBP1,482,030	US\$1,922,897	10 October 2018	(10,411)
GBP743,347	US\$955,777	10 October 2018	(13,920)
GBP1,048,050	US\$1,349,623	10 October 2018	(17,558)
NZ\$1,670	US\$1,105	10 October 2018	(2)
NZ\$3,381	US\$2,231	10 October 2018	(10)
NZ\$2,068	US\$1,362	10 October 2018	(10)
NZ\$1,677	US\$1,100	10 October 2018	(11)
NZ\$6,417	US\$4,242	10 October 2018	(13)
NZ\$1,666	US\$1,092	10 October 2018	(13)
NZ\$4,661	US\$3,058	10 October 2018	(32)
NZ\$2,855	US\$1,857	10 October 2018	(36)
NZ\$9,642	US\$6,327	10 October 2018	(66)
NZ\$15,722	US\$10,349	10 October 2018	(74)
NZ\$11,652	US\$7,618	10 October 2018	(107)
NZ\$16,699	US\$10,919	10 October 2018	(153)
NZ\$113,272	US\$74,933	10 October 2018	(166)
NZ\$40,096	US\$26,310	10 October 2018	(273)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
NZ\$85,346	US\$56,188	10 October 2018	(396)
NZ\$103,326	US\$67,560	10 October 2018	(945)
NZ\$403,680	US\$266,499	10 October 2018	(1,141)
NZ\$202,116	US\$132,474	10 October 2018	(1,529)
NZ\$202,684	US\$132,556	10 October 2018	(1,824)
NZ\$491,669	US\$323,872	10 October 2018	(2,104)
NZ\$582,219	US\$383,234	10 October 2018	(2,777)
NZ\$546,512	US\$358,557	10 October 2018	(3,780)
NZ\$340,898	US\$221,833	10 October 2018	(4,182)
NZ\$1,089,475	US\$713,121	10 October 2018	(9,201)
NZ\$2,442,196	US\$1,607,536	10 October 2018	(11,640)
NZ\$1,803,117	US\$1,180,239	10 October 2018	(15,227)
S\$1,508	US\$1,101	10 October 2018	(3)
S\$1,508	US\$1,101	10 October 2018	(3)
S\$1,503	US\$1,097	10 October 2018	(4)
S\$68,147	US\$49,875	10 October 2018	(9)
S\$7,905	US\$5,769	10 October 2018	(18)
S\$23,788	US\$17,319	10 October 2018	(94)
S\$74,032	US\$53,998	10 October 2018	(194)
S\$95,521	US\$69,434	10 October 2018	(489)
S\$284,830	US\$207,785	10 October 2018	(713)
S\$189,554	US\$137,683	10 October 2018	(1,073)
S\$291,635	US\$211,956	10 October 2018	(1,524)
S\$322,484	US\$234,388	10 October 2018	(1,673)
S\$744,741	US\$541,246	10 October 2018	(3,912)
US\$1,261	S\$1,720	10 October 2018	(2)
US\$1,166	EUR1,000	10 October 2018	(4)
US\$2,100	EUR1,800	10 October 2018	(8)
US\$14,699	EUR12,640	10 October 2018	(9)
US\$3,985	EUR3,404	10 October 2018	(29)
US\$11,696	EUR10,000	10 October 2018	(74)
US\$36,707	S\$50,000	10 October 2018	(106)
US\$306,419	NZ\$461,971	10 October 2018	(133)
US\$29,223	EUR25,000	10 October 2018	(168)
US\$33,069	EUR28,299	10 October 2018	(181)
US\$146,621	S\$200,027	10 October 2018	(199)
US\$110,089	NZ\$165,363	10 October 2018	(454)
US\$377,396	C\$486,936	10 October 2018	(627)
US\$66,789	EUR56,923	10 October 2018	(633)
US\$63,517	NZ\$94,690	10 October 2018	(737)
US\$90,132	GBP68,459	10 October 2018	(827)
US\$343,136	EUR294,419	10 October 2018	(962)
US\$347,324	S\$472,628	10 October 2018	(1,355)
US\$454,945	GBP347,624	10 October 2018	(1,470)
US\$156,695	NZ\$233,923	10 October 2018	(1,604)
US\$200,943	GBP152,651	10 October 2018	(1,808)
US\$215,206	GBP163,498	10 October 2018	(1,922)
US\$244,316	NZ\$364,611	10 October 2018	(2,579)
US\$590,005	GBP450,126	10 October 2018	(2,815)
US\$238,896	NZ\$355,963	10 October 2018	(2,892)
US\$363,330	NZ\$543,237	10 October 2018	(3,164)
US\$526,780	EUR449,884	10 October 2018	(3,922)
US\$560,279	EUR476,600	10 October 2018	(6,371)
US\$650,657	EUR553,757	10 October 2018	(7,076)
US\$1,920,486	A\$2,643,793	10 October 2018	(7,436)
US\$1,109,692	NZ\$1,657,080	10 October 2018	(11,047)
US\$1,628,468	GBP1,237,417	10 October 2018	(14,253)
US\$2,229,575	A\$3,060,965	10 October 2018	(14,660)
US\$998,680	A\$1,358,271	10 October 2018	(15,834)
US\$3,140,471	A\$4,315,669	10 October 2018	(17,652)
US\$2,402,109	A\$3,294,543	10 October 2018	(18,176)
US\$1,672,110	A\$2,281,178	10 October 2018	(21,448)
US\$1,473,291	A\$2,005,156	10 October 2018	(22,359)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$1,765,607	A\$2,402,700	10 October 2018	(27,012)
US\$4,904,706	A\$6,665,842	10 October 2018	(81,298)
US\$61,134,715	S\$83,282,232	10 October 2018	(171,187)
US\$101,929,210	EUR86,866,477	10 October 2018	(972,405)
US\$181,195,070	NZ\$270,149,086	10 October 2018	(2,086,069)
US\$767,725,304	A\$1,044,545,540	10 October 2018	(11,891,329)
A\$3,718,918	US\$2,676,834	17 October 2018	(14,175)
A\$17,400,199	US\$12,524,462	17 October 2018	(66,323)
C\$1,058,991	US\$810,972	17 October 2018	(8,554)
C\$11,532,267	US\$8,884,362	17 October 2018	(40,160)
C\$26,705,747	US\$20,573,883	17 October 2018	(93,001)
EUR914,624	US\$1,061,633	17 October 2018	(1,983)
EUR621,665	US\$720,875	17 October 2018	(2,059)
EUR2,787,941	US\$3,239,914	17 October 2018	(2,183)
EUR2,952,387	US\$3,423,552	17 October 2018	(9,778)
GBP518,461	SFr659,303	17 October 2018	(661)
NKr8,384,429	US\$1,030,155	17 October 2018	(76)
NKr98,904,177	US\$12,030,291	17 October 2018	(122,488)
NKr125,633,241	US\$15,281,503	17 October 2018	(155,590)
S\$4,506,055	US\$3,291,369	17 October 2018	(7,595)
S\$5,602,645	US\$4,092,354	17 October 2018	(9,444)
S\$15,712,615	US\$11,477,004	17 October 2018	(26,485)
SFr5,112,336	US\$5,240,203	17 October 2018	(532)
SKr52,282,150	US\$5,811,670	17 October 2018	(74,369)
SKr196,558,905	US\$21,849,436	17 October 2018	(279,595)
US\$3,857,544	EUR3,316,914	17 October 2018	(305)
US\$1,585,036	SKr14,075,638	17 October 2018	(369)
US\$4,075,777	EUR3,503,333	17 October 2018	(1,750)
US\$4,101,785	EUR3,524,406	17 October 2018	(3,249)
US\$702,186	GBP533,300	17 October 2018	(6,278)
US\$652,473	EUR555,382	17 October 2018	(6,612)
US\$751,538	GBP568,344	17 October 2018	(9,900)
US\$925,082	EUR783,487	17 October 2018	(13,948)
US\$2,470,069	SKr21,668,796	17 October 2018	(30,512)
US\$5,261,109	GBP4,002,457	17 October 2018	(38,279)
US\$2,791,296	SFr2,676,361	17 October 2018	(47,653)
US\$4,936,291	EUR4,192,789	17 October 2018	(60,424)
US\$10,696,659	EUR9,140,593	17 October 2018	(66,983)
US\$4,234,359	GBP3,188,718	17 October 2018	(73,353)
US\$11,043,572	EUR9,428,145	17 October 2018	(79,486)
US\$9,678,597	GBP7,343,787	17 October 2018	(95,627)
US\$9,719,927	EUR8,252,914	17 October 2018	(122,466)
HK\$15,857,158	US\$2,026,854	18 October 2018	(60)
HK\$7,832,773	US\$998,906	18 October 2018	(2,305)
HK\$33,944,422	US\$4,328,282	18 October 2018	(10,606)
HK\$37,638,156	US\$4,799,730	18 October 2018	(11,303)
HK\$37,406,947	US\$4,769,398	18 October 2018	(12,081)
HK\$38,791,922	US\$4,946,088	18 October 2018	(12,423)
HK\$74,034,612	US\$9,439,638	18 October 2018	(23,710)
HK\$1,434,746,691	US\$182,932,028	18 October 2018	(462,024)
US\$2,570,481	HK\$20,076,663	18 October 2018	(4,215)
US\$8,846,722	HK\$69,096,666	18 October 2018	(14,555)
CNH332,844	US\$48,322	5 November 2018	(2)
CNH287,035	US\$41,666	5 November 2018	(7)
CNH312,531	US\$45,262	5 November 2018	(113)
CNH43,348,514	US\$6,293,355	5 November 2018	(258)
CNH9,162,271	US\$1,326,930	5 November 2018	(3,307)
US\$1,368	CNH9,394	5 November 2018	(4)
US\$1,491	CNH10,223	5 November 2018	(7)
US\$13,443	CNH92,444	5 November 2018	(21)
US\$74,243	CNH511,100	5 November 2018	(38)
US\$58,048	CNH399,500	5 November 2018	(46)
US\$1,784,614	CNH12,290,858	5 November 2018	(149)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$32,441	CNH222,301	5 November 2018	(166)
US\$3,531,945	CNH24,321,045	5 November 2018	(862)
US\$1,332,905	CNH9,173,200	5 November 2018	(1,083)
US\$2,397,777	CNH16,503,491	5 November 2018	(1,698)
US\$2,122,002	CNH14,597,675	5 November 2018	(2,623)
US\$1,659,861	CNH11,414,497	5 November 2018	(2,637)
US\$1,095,036	CNH7,520,734	5 November 2018	(3,134)
US\$6,610,037	CNH45,504,504	5 November 2018	(3,410)
US\$5,181,013	CNH35,656,782	5 November 2018	(4,142)
US\$1,817,159	CNH12,478,294	5 November 2018	(5,491)
US\$1,558,496	CNH10,689,022	5 November 2018	(6,608)
US\$1,711,872	CNH11,738,443	5 November 2018	(7,624)
US\$1,952,696	CNH13,380,837	5 November 2018	(9,999)
US\$2,825,586	CNH19,373,743	5 November 2018	(12,806)
US\$9,002,675	CNH61,846,756	5 November 2018	(23,412)
US\$799,532,897	CNH5,493,350,675	5 November 2018	(1,976,912)
A\$2,667	US\$1,930	13 November 2018	(0)
A\$24,531	US\$17,754	13 November 2018	(2)
A\$19,830	US\$14,320	13 November 2018	(33)
A\$754,351	US\$545,943	13 November 2018	(57)
A\$906,774	US\$654,833	13 November 2018	(1,491)
C\$640,440	US\$495,908	13 November 2018	(20)
C\$491,450	US\$380,448	13 November 2018	(108)
C\$515,033	US\$397,518	13 November 2018	(1,300)
C\$191,897	US\$147,004	13 November 2018	(1,592)
GBP1,762	US\$2,302	13 November 2018	(0)
GBP140,127	US\$183,067	13 November 2018	(23)
NZ\$352,432	US\$233,640	13 November 2018	(57)
S\$11,076	US\$8,113	13 November 2018	(1)
US\$1,417	S\$1,931	13 November 2018	(2)
US\$4,441	EUR3,752	13 November 2018	(67)
US\$384,619	NZ\$579,926	13 November 2018	(70)
US\$15,372	EUR13,122	13 November 2018	(79)
US\$26,337	GBP20,000	13 November 2018	(205)
US\$67,932	NZ\$102,129	13 November 2018	(210)
US\$42,070	NZ\$63,071	13 November 2018	(247)
US\$311,408	S\$424,759	13 November 2018	(251)
US\$64,774	NZ\$97,270	13 November 2018	(275)
US\$405,107	C\$522,766	13 November 2018	(301)
US\$70,916	GBP53,966	13 November 2018	(403)
US\$402,935	S\$549,484	13 November 2018	(412)
US\$54,396	NZ\$81,372	13 November 2018	(438)
US\$131,275	GBP100,000	13 November 2018	(613)
US\$55,939	EUR47,380	13 November 2018	(715)
US\$530,796	C\$684,446	13 November 2018	(792)
US\$100,605	GBP76,150	13 November 2018	(1,105)
US\$118,386	EUR100,402	13 November 2018	(1,362)
US\$969,186	A\$1,334,909	13 November 2018	(2,978)
US\$353,952	EUR300,077	13 November 2018	(4,197)
US\$2,051,979	C\$2,644,180	13 November 2018	(4,445)
US\$1,316,162	A\$1,811,066	13 November 2018	(5,310)
US\$328,181	GBP247,099	13 November 2018	(5,312)
US\$804,891	A\$1,104,220	13 November 2018	(5,654)
US\$1,176,396	NZ\$1,765,292	13 November 2018	(5,829)
US\$935,992	NZ\$1,401,996	13 November 2018	(6,327)
US\$1,344,590	A\$1,848,309	13 November 2018	(6,782)
US\$60,531,565	S\$82,618,444	13 November 2018	(9,658)
US\$798,904	EUR677,089	13 November 2018	(9,723)
US\$2,118,175	GBP1,607,976	13 November 2018	(17,160)
US\$5,079,663	A\$6,993,410	13 November 2018	(17,827)
US\$3,936,826	A\$5,403,912	13 November 2018	(25,465)
US\$177,330,522	NZ\$266,850,317	13 November 2018	(381,990)
US\$758,177,877	A\$1,046,461,192	13 November 2018	(749,007)



Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$96,815,393	EUR82,014,867	13 November 2018	(1,222,855)
US\$261,127,453	GBP198,222,254	13 November 2018	(2,126,098)
EUR303,415	US\$354,269	5 December 2018	(59)
EUR109,672	US\$127,818	5 December 2018	(257)
EUR1,532,355	US\$1,789,179	5 December 2018	(305)
EUR153,149	US\$178,530	5 December 2018	(317)
EUR312,621	US\$364,184	5 December 2018	(895)
EUR299,794	US\$349,179	5 December 2018	(920)
GBP3,586,125	EUR3,986,283	5 December 2018	(35,872)
US\$80,443	EUR68,734	5 December 2018	(174)
US\$132,892	EUR113,613	5 December 2018	(213)
US\$77,737	EUR66,325	5 December 2018	(282)
US\$114,490	GBP86,779	5 December 2018	(971)
US\$220,653	EUR187,719	5 December 2018	(1,428)
Total unrealized losses			(26,181,261)
Net unrealized losses			(2,887,313)

2017

## Open contracts:

A\$330,576	US\$262,554	3 October 2017	3,150
C\$516,103	US\$418,215	3 October 2017	5,564
GBP51,526	US\$69,497	3 October 2017	370
GBP132,929	US\$178,398	3 October 2017	60
NZ\$1,161,873	US\$844,276	3 October 2017	4,358
US\$979,990	GBP731,783	3 October 2017	1,770
US\$207,735	EUR177,028	3 October 2017	1,547
US\$185,005	S\$251,373	3 October 2017	100
US\$34,721	NZ\$48,162	3 October 2017	96
A\$357,051	US\$281,055	4 October 2017	877
C\$160,000	US\$129,352	4 October 2017	1,414
EUR108,000	US\$128,223	4 October 2017	534
US\$455,306	NZ\$631,234	4 October 2017	1,014
US\$237,655	EUR201,698	4 October 2017	812
US\$377,417	A\$481,779	4 October 2017	635
US\$127,133	EUR108,000	4 October 2017	555
US\$215,385	S\$292,699	4 October 2017	168
A\$583,811	US\$458,955	6 October 2017	897
C\$61,800	US\$49,583	6 October 2017	166
GBP20,000	US\$26,885	6 October 2017	49
GBP23,273	US\$31,228	6 October 2017	0
US\$698,350	C\$873,441	6 October 2017	67
A\$1,106,352	US\$868,089	10 October 2017	45
CNH4,001,271,582	US\$612,158,185	10 October 2017	10,454,162
CNH54,673,126	US\$8,364,491	10 October 2017	142,845
CNH44,829,103	US\$6,851,339	10 October 2017	110,019
CNH38,330,398	US\$5,849,531	10 October 2017	85,475
CNH20,551,772	US\$3,136,368	10 October 2017	45,829
CNH11,342,706	US\$1,738,370	10 October 2017	32,674
CNH5,980,321	US\$920,510	10 October 2017	21,200
CNH8,633,243	US\$1,319,370	10 October 2017	21,118
CNH8,131,601	US\$1,237,738	10 October 2017	14,922
CNH6,212,176	US\$948,812	10 October 2017	14,636
CNH5,797,218	US\$886,159	10 October 2017	14,384
CNH9,814,193	US\$1,485,049	10 October 2017	9,209
CNH3,930,101	US\$599,924	10 October 2017	8,922
CNH2,183,226	US\$333,178	10 October 2017	4,868
CNH4,865,444	US\$736,160	10 October 2017	4,503
CNH1,700,244	US\$259,852	10 October 2017	4,173

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
CNH2,302,352	US\$347,337	10 October 2017	1,113
CNH1,078,431	US\$163,238	10 October 2017	1,066
CNH292,620	US\$45,043	10 October 2017	1,040
CNH419,705	US\$64,141	10 October 2017	1,027
CNH242,419	US\$37,153	10 October 2017	698
CNH4,740,464	US\$713,477	10 October 2017	615
CNH213,234	US\$32,457	10 October 2017	391
CNH155,563	US\$23,779	10 October 2017	386
CNH153,699	US\$23,462	10 October 2017	349
CNH130,145	US\$19,910	10 October 2017	339
CNH2,788,914	US\$419,536	10 October 2017	144
CNH132,091	US\$19,985	10 October 2017	121
CNH171,349	US\$25,849	10 October 2017	81
CNH24,080	US\$3,676	10 October 2017	55
CNH34,836	US\$5,273	10 October 2017	34
CNH9,048	US\$1,393	10 October 2017	32
CNH8,444	US\$1,292	10 October 2017	22
CNH7,141	US\$1,094	10 October 2017	21
CNH7,818	US\$1,179	10 October 2017	4
CNH55,869	US\$8,404	10 October 2017	3
CNH7,308	US\$1,103	10 October 2017	3
US\$575,590,400	CNH3,867,890,361	10 October 2017	6,058,591
US\$7,662,439	CNH51,490,562	10 October 2017	80,654
US\$3,610,152	CNH24,203,995	10 October 2017	29,614
US\$2,267,599	CNH15,226,793	10 October 2017	22,188
US\$4,114,773	CNH27,501,651	10 October 2017	20,884
US\$3,460,428	CNH23,147,873	10 October 2017	20,516
US\$2,587,071	CNH17,336,194	10 October 2017	19,923
US\$2,025,918	CNH13,600,896	10 October 2017	19,368
US\$7,050,769	CNH47,000,000	10 October 2017	17,014
US\$2,442,195	CNH16,342,462	10 October 2017	15,362
US\$1,673,681	CNH11,212,987	10 October 2017	12,513
US\$2,946,440	CNH19,654,146	10 October 2017	9,119
US\$2,198,653	CNH14,679,743	10 October 2017	8,864
US\$1,874,389	CNH12,507,028	10 October 2017	6,398
US\$2,194,847	CNH14,611,531	10 October 2017	2,410
US\$238,867	CNH1,598,432	10 October 2017	1,503
US\$101,721	CNH681,488	10 October 2017	760
US\$48,016	CNH321,918	10 October 2017	394
US\$63,414	CNH423,137	10 October 2017	216
US\$40,448	CNH269,807	10 October 2017	125
US\$11,502	CNH77,237	10 October 2017	113
US\$7,914	CNH53,032	10 October 2017	61
US\$50,727	CNH337,700	10 October 2017	56
US\$3,104	CNH20,770	10 October 2017	19
US\$9,038	CNH60,162	10 October 2017	9
US\$126	CNH843	10 October 2017	1
A\$4,018,534	US\$3,221,417	24 October 2017	68,877
A\$2,487,789	US\$2,006,614	24 October 2017	54,944
A\$3,686,274	US\$2,940,242	24 October 2017	48,360
A\$4,035,643	US\$3,207,678	24 October 2017	41,716
A\$1,685,149	US\$1,357,964	24 October 2017	35,964
A\$2,395,413	US\$1,913,221	24 October 2017	34,020
A\$1,766,193	US\$1,418,989	24 October 2017	33,411
A\$2,003,201	US\$1,601,099	24 October 2017	29,587
A\$1,635,796	US\$1,312,646	24 October 2017	29,364
A\$2,193,799	US\$1,749,658	24 October 2017	28,623
A\$1,293,481	US\$1,038,782	24 October 2017	24,046
A\$1,441,218	US\$1,152,865	24 October 2017	22,229
A\$1,032,209	US\$825,626	24 October 2017	15,858
A\$839,768	US\$669,150	24 October 2017	10,352
A\$919,928	US\$729,657	24 October 2017	7,974
A\$813,592	US\$646,010	24 October 2017	7,747

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
A\$1,717,654	US\$1,350,179	24 October 2017	2,680
A\$497,179	US\$391,281	24 October 2017	1,244
A\$38,639	US\$30,800	24 October 2017	488
A\$18,705	US\$14,967	24 October 2017	293
A\$18,912	US\$15,127	24 October 2017	291
A\$13,668	US\$10,968	24 October 2017	245
A\$16,624	US\$13,279	24 October 2017	237
A\$10,368	US\$8,355	24 October 2017	221
A\$9,630	US\$7,736	24 October 2017	182
A\$14,473	US\$11,507	24 October 2017	153
A\$11,430	US\$9,115	24 October 2017	148
A\$6,403	US\$5,165	24 October 2017	142
A\$14,556	US\$11,561	24 October 2017	142
A\$7,395	US\$5,939	24 October 2017	137
A\$6,310	US\$5,067	24 October 2017	117
A\$8,883	US\$7,086	24 October 2017	117
A\$3,410	US\$2,748	24 October 2017	73
A\$5,384	US\$4,271	24 October 2017	47
A\$3,758	US\$2,988	24 October 2017	40
A\$297,214	US\$233,199	24 October 2017	34
A\$2,122	US\$1,696	24 October 2017	31
A\$1,613	US\$1,290	24 October 2017	25
A\$2,385	US\$1,892	24 October 2017	21
A\$1,369	US\$1,094	24 October 2017	20
A\$5,410	US\$4,252	24 October 2017	8
A\$2,592	US\$2,040	24 October 2017	6
C\$4,410,193	US\$3,631,390	24 October 2017	104,365
C\$2,700,866	US\$2,224,702	24 October 2017	64,701
C\$2,677,692	US\$2,179,752	24 October 2017	38,283
C\$1,630,329	US\$1,337,351	24 October 2017	33,505
C\$2,691,971	US\$2,182,149	24 October 2017	29,261
C\$1,103,136	US\$908,228	24 October 2017	26,001
C\$995,231	US\$814,952	24 October 2017	19,022
C\$1,535,786	US\$1,244,929	24 October 2017	16,693
C\$807,403	US\$659,204	24 October 2017	13,489
C\$624,591	US\$512,371	24 October 2017	12,858
C\$503,528	US\$413,737	24 October 2017	11,043
C\$415,735	US\$342,557	24 October 2017	10,076
C\$860,976	US\$697,663	24 October 2017	9,102
C\$482,345	US\$392,276	24 October 2017	6,524
C\$279,656	US\$228,778	24 October 2017	5,125
C\$524,684	US\$424,334	24 October 2017	4,722
C\$590,177	US\$473,563	24 October 2017	1,572
C\$143,443	US\$116,239	24 October 2017	1,521
C\$174,490	US\$140,880	24 October 2017	1,332
C\$21,500	US\$17,701	24 October 2017	507
C\$18,674	US\$15,319	24 October 2017	384
C\$11,957	US\$9,782	24 October 2017	219
C\$8,852	US\$7,294	24 October 2017	215
C\$8,218	US\$6,766	24 October 2017	194
C\$11,198	US\$9,143	24 October 2017	187
C\$6,826	US\$5,622	24 October 2017	162
C\$6,053	US\$4,956	24 October 2017	116
C\$7,487	US\$6,089	24 October 2017	101
C\$2,565	US\$2,104	24 October 2017	53
C\$3,729	US\$3,036	24 October 2017	53
C\$1,877	US\$1,546	24 October 2017	45
C\$6,586	US\$5,307	24 October 2017	40
C\$5,110	US\$4,126	24 October 2017	39
C\$1,585	US\$1,306	24 October 2017	38
C\$3,215	US\$2,605	24 October 2017	34
C\$1,513	US\$1,243	24 October 2017	33
C\$1,336	US\$1,096	24 October 2017	27

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
C\$1,344	US\$1,089	24 October 2017	14
EUR547,674	US\$658,131	24 October 2017	9,958
EUR827,718	US\$989,025	24 October 2017	9,420
EUR452,642	US\$543,506	24 October 2017	7,804
EUR218,493	US\$262,942	24 October 2017	4,355
EUR394,391	US\$470,935	24 October 2017	4,173
EUR734,099	US\$872,490	24 October 2017	3,684
EUR518,285	US\$616,572	24 October 2017	3,182
EUR202,209	US\$242,293	24 October 2017	2,980
EUR211,293	US\$252,896	24 October 2017	2,831
EUR190,499	US\$228,159	24 October 2017	2,704
EUR157,093	US\$188,500	24 October 2017	2,581
EUR210,636	US\$251,684	24 October 2017	2,397
EUR150,735	US\$180,567	24 October 2017	2,172
EUR67,418	US\$81,201	24 October 2017	1,412
EUR3,254	US\$3,907	24 October 2017	56
EUR3,821	US\$4,573	24 October 2017	51
EUR2,568	US\$3,077	24 October 2017	38
EUR1,772	US\$2,123	24 October 2017	26
EUR1,079	US\$1,299	24 October 2017	22
EUR920	US\$1,106	24 October 2017	17
EUR1,252	US\$1,495	24 October 2017	13
EUR918	US\$1,100	24 October 2017	13
EUR1,502	US\$1,787	24 October 2017	9
GBP1,279,070	US\$1,741,023	24 October 2017	23,743
GBP652,767	US\$885,880	24 October 2017	9,475
GBP354,409	US\$479,797	24 October 2017	3,968
GBP278,730	US\$377,508	24 October 2017	3,285
GBP191,154	US\$259,588	24 October 2017	2,945
GBP182,930	US\$247,993	24 October 2017	2,391
GBP197,373	US\$266,440	24 October 2017	1,446
GBP74,269	US\$99,887	24 October 2017	174
GBP9,077	US\$12,318	24 October 2017	132
GBP280,640	US\$376,885	24 October 2017	98
GBP3,692	US\$5,025	24 October 2017	68
GBP2,416	US\$3,281	24 October 2017	37
GBP4,558	US\$6,153	24 October 2017	33
GBP1,357	US\$1,839	24 October 2017	18
GBP1,274	US\$1,724	24 October 2017	14
GBP813	US\$1,100	24 October 2017	9
NZ\$3,016,720	US\$2,189,946	24 October 2017	10,064
NZ\$2,527,523	US\$1,834,775	24 October 2017	8,386
NZ\$964,658	US\$705,244	24 October 2017	8,183
NZ\$345,890	US\$255,416	24 October 2017	5,476
NZ\$1,791,716	US\$1,298,607	24 October 2017	3,913
NZ\$484,867	US\$353,558	24 October 2017	3,193
NZ\$433,917	US\$314,817	24 October 2017	1,268
NZ\$503,866	US\$365,341	24 October 2017	1,247
NZ\$106,396	US\$78,024	24 October 2017	1,142
NZ\$166,012	US\$120,794	24 October 2017	833
NZ\$143,937	US\$104,554	24 October 2017	545
NZ\$60,877	US\$44,515	24 October 2017	525
NZ\$1,934,837	US\$1,398,435	24 October 2017	322
NZ\$4,048	US\$2,989	24 October 2017	64
NZ\$5,801	US\$4,242	24 October 2017	50
NZ\$6,899	US\$5,031	24 October 2017	46
NZ\$8,895	US\$6,472	24 October 2017	45
NZ\$6,386	US\$4,636	24 October 2017	21
NZ\$5,200	US\$3,773	24 October 2017	15
NZ\$1,647	US\$1,204	24 October 2017	14
NZ\$1,947	US\$1,420	24 October 2017	13
NZ\$3,968	US\$2,881	24 October 2017	13
NZ\$1,515	US\$1,108	24 October 2017	13

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
NZ\$3,739	US\$2,713	24 October 2017	11
NZ\$2,223	US\$1,615	24 October 2017	8
NZ\$1,515	US\$1,098	24 October 2017	4
NZ\$13,190	US\$9,533	24 October 2017	2
S\$487,301	US\$361,566	24 October 2017	2,623
S\$380,366	US\$282,375	24 October 2017	2,200
S\$501,487	US\$371,553	24 October 2017	2,161
S\$205,105	US\$152,707	24 October 2017	1,627
S\$256,324	US\$189,860	24 October 2017	1,053
S\$139,026	US\$103,342	24 October 2017	937
S\$325,542	US\$240,135	24 October 2017	343
S\$97,462	US\$72,109	24 October 2017	319
S\$24,206	US\$18,057	24 October 2017	227
S\$2,439	US\$1,812	24 October 2017	15
S\$1,981	US\$1,471	24 October 2017	12
S\$1,482	US\$1,101	24 October 2017	10
US\$288,771,102	GBP219,500,815	24 October 2017	5,926,496
US\$798,980	GBP612,302	24 October 2017	23,081
US\$1,047,220	GBP793,292	24 October 2017	17,840
US\$608,486	GBP463,435	24 October 2017	13,712
US\$438,373	GBP334,879	24 October 2017	11,228
US\$585,669	GBP443,661	24 October 2017	9,984
US\$221,720	GBP167,389	24 October 2017	3,014
US\$821,099	NZ\$1,139,948	24 October 2017	2,629
US\$321,753	NZ\$448,415	24 October 2017	2,273
US\$974,189	GBP727,054	24 October 2017	1,952
US\$345,210	GBP258,298	24 October 2017	1,580
US\$726,306	NZ\$1,006,815	24 October 2017	1,219
US\$621,288	A\$793,277	24 October 2017	1,038
US\$134,644	EUR114,600	24 October 2017	984
US\$294,938	NZ\$409,213	24 October 2017	759
US\$126,007	EUR106,931	24 October 2017	545
US\$169,182	NZ\$234,634	24 October 2017	365
US\$102,559	EUR86,935	24 October 2017	329
US\$691,742	NZ\$957,647	24 October 2017	254
US\$378,443	NZ\$523,997	24 October 2017	198
US\$221,345	S\$300,727	24 October 2017	169
US\$28,807	S\$39,115	24 October 2017	5
US\$2,691	EUR2,274	24 October 2017	0
US\$31,246	GBP23,273	24 October 2017	0
A\$23,262,238	US\$18,657,036	25 October 2017	407,810
C\$13,065,025	US\$10,761,406	25 October 2017	312,730
C\$8,116,623	US\$6,685,504	25 October 2017	194,283
DKr67,084,743	US\$10,790,194	25 October 2017	119,635
DKr60,237,907	US\$9,688,920	25 October 2017	107,424
DKr5,390,198	EUR724,444	25 October 2017	39
EUR215,033,160	US\$257,367,233	25 October 2017	2,875,488
EUR175,438,872	US\$209,977,926	25 October 2017	2,346,021
EUR20,475,985	US\$24,507,140	25 October 2017	273,811
EUR7,049,067	US\$8,472,647	25 October 2017	130,076
EUR9,226,084	US\$11,042,445	25 October 2017	123,374
EUR4,412,598	US\$5,278,799	25 October 2017	56,489
EUR3,602,326	US\$4,318,912	25 October 2017	55,559
EUR3,923,884	US\$4,696,388	25 October 2017	52,471
EUR3,259,082	US\$3,898,846	25 October 2017	41,722
EUR2,674,040	US\$3,200,023	25 October 2017	35,297
EUR1,464,271	US\$1,758,748	25 October 2017	25,783
EUR1,398,279	US\$1,662,350	25 October 2017	7,486
GBP153,133,982	US\$208,204,331	25 October 2017	2,606,647
GBP113,076,147	US\$153,740,817	25 October 2017	1,924,782
GBP12,084,299	US\$16,430,078	25 October 2017	205,699
GBP5,789,880	US\$7,872,048	25 October 2017	98,555
GBP3,572,327	US\$4,857,014	25 October 2017	60,808

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
GBP1,143,895	US\$1,549,984	25 October 2017	14,191
GBP4,335,084	US\$5,828,099	25 October 2017	7,816
Nkr97,491,790	US\$12,423,166	25 October 2017	169,912
SFr64,408,872	US\$67,223,872	25 October 2017	561,822
SFr16,142,573	US\$16,848,087	25 October 2017	140,808
SFr4,814,768	US\$5,029,894	25 October 2017	46,693
S\$6,062,073	US\$4,511,193	25 October 2017	45,906
S\$3,881,584	US\$2,888,545	25 October 2017	29,394
SKr212,821,293	US\$26,771,867	25 October 2017	666,832
SKr3,038,781	US\$382,264	25 October 2017	9,522
SKr12,024,948	US\$1,480,741	25 October 2017	5,740
SKr13,211,513	US\$1,624,327	25 October 2017	3,780
SKr1,491,053	US\$183,502	25 October 2017	607
US\$5,515,681,976	US\$50,035,910	25 October 2017	988,006
US\$1,976,293,410	US\$17,928,089	25 October 2017	354,007
US\$12,963,315	EUR10,993,462	25 October 2017	47,396
US\$2,628,198	GBP1,977,004	25 October 2017	26,110
US\$4,270,821	EUR3,623,576	25 October 2017	17,662
US\$4,069,228	SFr3,946,761	25 October 2017	15,577
US\$3,517,563	GBP2,625,474	25 October 2017	7,393
US\$4,932,084	EUR4,172,582	25 October 2017	6,160
US\$1,079,111	EUR913,299	25 October 2017	1,777
US\$267,699	GBP199,793	25 October 2017	543
CNH10,647,701	US\$1,622,137	8 November 2017	23,791
CNH11,107,876	US\$1,684,427	8 November 2017	17,004
CNH7,460,185	US\$1,135,772	8 November 2017	15,910
CNH6,395,018	US\$974,257	8 November 2017	14,289
CNH7,723,383	US\$1,172,222	8 November 2017	12,851
CNH6,063,894	US\$921,731	8 November 2017	11,469
CNH6,238,144	US\$946,405	8 November 2017	9,986
CNH3,976,041	US\$601,954	8 November 2017	5,104
CNH3,533,816	US\$535,179	8 November 2017	4,711
CNH2,191,461	US\$330,464	8 November 2017	1,500
CNH2,906,411	US\$436,800	8 November 2017	513
CNH285,901	US\$43,375	8 November 2017	458
CNH207,418	US\$31,577	8 November 2017	441
CNH173,727	US\$26,467	8 November 2017	388
CNH204,768	US\$31,125	8 November 2017	387
CNH188,878	US\$28,643	8 November 2017	290
CNH154,843	US\$23,501	8 November 2017	257
CNH163,740	US\$24,796	8 November 2017	217
CNH105,157	US\$15,920	8 November 2017	135
CNH114,411	US\$17,253	8 November 2017	78
CNH7,198	US\$1,097	8 November 2017	16
CNH11,487	US\$1,740	8 November 2017	15
CNH7,979	US\$1,203	8 November 2017	5
US\$583,940	CNH3,894,574	8 November 2017	683
Total unrealized gains			39,813,748
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EUR106,931	US\$125,866	3 October 2017	(548)
NZ\$448,415	US\$321,883	3 October 2017	(2,276)
US\$2,040	A\$2,592	3 October 2017	(6)
US\$4,125	C\$5,110	3 October 2017	(39)
US\$1,350,512	A\$1,717,654	3 October 2017	(2,669)
US\$424,257	C\$524,684	3 October 2017	(4,745)
EUR114,600	US\$134,499	4 October 2017	(992)
GBP727,054	US\$973,547	4 October 2017	(1,941)
NZ\$409,213	US\$295,052	4 October 2017	(769)
S\$300,727	US\$221,307	4 October 2017	(157)
US\$4,253	A\$5,410	4 October 2017	(8)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$99,823	GBP74,269	4 October 2017	(177)
US\$473,482	C\$590,177	4 October 2017	(1,567)
A\$793,277	US\$621,418	6 October 2017	(988)
EUR2,274	US\$2,688	6 October 2017	(0)
EUR86,935	US\$102,461	6 October 2017	(331)
NZ\$957,647	US\$691,990	6 October 2017	(293)
NZ\$234,634	US\$169,241	6 October 2017	(376)
S\$39,115	US\$28,803	6 October 2017	(3)
US\$233,246	A\$297,214	6 October 2017	(51)
CNH8,297	US\$1,246	10 October 2017	(2)
CNH137,726	US\$20,685	10 October 2017	(26)
CNH26,508	US\$3,947	10 October 2017	(39)
CNH57,730	US\$8,599	10 October 2017	(82)
CNH125,563	US\$18,741	10 October 2017	(141)
CNH164,268	US\$24,547	10 October 2017	(155)
CNH212,322	US\$31,768	10 October 2017	(161)
CNH199,321	US\$29,794	10 October 2017	(179)
CNH357,657	US\$53,565	10 October 2017	(218)
CNH161,250	US\$24,012	10 October 2017	(236)
CNH285,928	US\$42,734	10 October 2017	(264)
CNH307,965	US\$46,006	10 October 2017	(306)
CNH223,435	US\$33,280	10 October 2017	(320)
CNH336,190	US\$50,167	10 October 2017	(389)
CNH3,894,574	US\$585,065	10 October 2017	(594)
CNH1,577,265	US\$236,223	10 October 2017	(963)
CNH2,254,614	US\$337,845	10 October 2017	(1,200)
CNH7,536,844	US\$1,132,166	10 October 2017	(1,210)
CNH1,435,123	US\$214,459	10 October 2017	(1,352)
CNH3,360,032	US\$501,512	10 October 2017	(3,763)
CNH3,157,077	US\$470,234	10 October 2017	(4,522)
CNH6,460,199	US\$966,573	10 October 2017	(4,900)
CNH4,189,850	US\$623,924	10 October 2017	(6,138)
CNH16,987,872	US\$2,539,186	10 October 2017	(15,419)
CNH13,826,266	US\$2,063,055	10 October 2017	(16,114)
CNH21,686,756	US\$3,241,207	10 October 2017	(20,009)
CNH27,688,030	US\$4,136,209	10 October 2017	(27,467)
US\$1,549	CNH10,180	10 October 2017	(19)
US\$1,799	CNH11,767	10 October 2017	(29)
US\$87,799	CNH580,000	10 October 2017	(580)
US\$38,157	CNH248,916	10 October 2017	(725)
US\$76,319	CNH500,244	10 October 2017	(1,093)
US\$226,524	CNH1,497,154	10 October 2017	(1,385)
US\$183,143	CNH1,200,000	10 October 2017	(2,691)
US\$2,611,107	CNH17,307,568	10 October 2017	(8,430)
US\$1,459,793	CNH9,643,349	10 October 2017	(9,648)
US\$2,151,268	CNH14,218,274	10 October 2017	(13,155)
US\$2,202,092	CNH14,554,391	10 October 2017	(13,434)
US\$1,375,433	CNH9,035,812	10 October 2017	(16,651)
US\$1,948,119	CNH12,764,547	10 October 2017	(28,622)
US\$1,857,714	CNH12,153,190	10 October 2017	(30,152)
US\$2,157,032	CNH14,071,490	10 October 2017	(41,004)
US\$2,997,062	CNH19,612,786	10 October 2017	(47,747)
US\$2,334,378	CNH15,165,700	10 October 2017	(53,810)
US\$5,258,875	CNH34,462,434	10 October 2017	(76,509)
US\$5,518,574	CNH36,172,437	10 October 2017	(79,062)
A\$481,779	US\$377,331	24 October 2017	(624)
C\$873,441	US\$698,448	24 October 2017	(81)
EUR79,152	US\$93,275	24 October 2017	(402)
EUR108,000	US\$127,270	24 October 2017	(548)
EUR201,698	US\$237,909	24 October 2017	(801)
EUR177,028	US\$207,974	24 October 2017	(1,539)
GBP858	US\$1,139	24 October 2017	(13)
GBP3,283	US\$4,389	24 October 2017	(20)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
GBP3,076	US\$4,061	24 October 2017	(69)
GBP1,733	US\$2,249	24 October 2017	(78)
GBP9,581	US\$12,723	24 October 2017	(140)
GBP6,880	US\$9,081	24 October 2017	(155)
GBP5,632	US\$7,395	24 October 2017	(166)
GBP7,158	US\$9,370	24 October 2017	(240)
GBP731,783	US\$980,678	24 October 2017	(1,814)
GBP432,957	US\$578,635	24 October 2017	(2,653)
GBP269,751	US\$358,228	24 October 2017	(3,940)
GBP218,539	US\$288,507	24 October 2017	(4,904)
GBP302,551	US\$397,264	24 October 2017	(8,941)
GBP458,663	US\$605,488	24 October 2017	(10,313)
GBP837,808	US\$1,109,701	24 October 2017	(15,141)
GBP636,863	US\$831,022	24 October 2017	(24,029)
GBP730,595	US\$953,331	24 October 2017	(27,566)
GBP842,987	US\$1,103,513	24 October 2017	(28,281)
NZ\$9,954	US\$7,177	24 October 2017	(15)
NZ\$7,580	US\$5,460	24 October 2017	(18)
NZ\$48,162	US\$34,707	24 October 2017	(95)
NZ\$151,521	US\$109,308	24 October 2017	(181)
NZ\$36,706	US\$26,337	24 October 2017	(186)
NZ\$37,928	US\$27,195	24 October 2017	(212)
NZ\$631,234	US\$455,132	24 October 2017	(998)
NZ\$1,566,992	US\$1,128,667	24 October 2017	(3,642)
NZ\$1,147,985	US\$822,971	24 October 2017	(6,563)
S\$251,373	US\$185,040	24 October 2017	(120)
S\$292,699	US\$215,434	24 October 2017	(166)
US\$932	EUR775	24 October 2017	(14)
US\$867,957	A\$1,106,352	24 October 2017	(24)
US\$1,303	A\$1,623	24 October 2017	(29)
US\$1,684	A\$2,105	24 October 2017	(33)
US\$178,520	GBP132,929	24 October 2017	(49)
US\$26,901	GBP20,000	24 October 2017	(49)
US\$1,729	C\$2,099	24 October 2017	(51)
US\$49,589	C\$61,800	24 October 2017	(165)
US\$37,400	S\$50,489	24 October 2017	(210)
US\$36,616	GBP27,000	24 October 2017	(365)
US\$69,545	GBP51,526	24 October 2017	(365)
US\$35,539	GBP26,188	24 October 2017	(379)
US\$128,360	EUR108,000	24 October 2017	(541)
US\$140,566	S\$190,000	24 October 2017	(613)
US\$163,719	NZ\$225,663	24 October 2017	(655)
US\$74,394	S\$100,015	24 October 2017	(723)
US\$458,859	A\$583,811	24 October 2017	(859)
US\$280,987	A\$357,051	24 October 2017	(881)
US\$67,023	EUR55,818	24 October 2017	(962)
US\$88,972	EUR74,346	24 October 2017	(983)
US\$73,123	EUR60,939	24 October 2017	(1,000)
US\$90,273	GBP66,472	24 October 2017	(1,026)
US\$247,442	EUR208,000	24 October 2017	(1,273)
US\$378,895	NZ\$522,542	24 October 2017	(1,307)
US\$65,052	C\$79,681	24 October 2017	(1,327)
US\$55,066	C\$67,131	24 October 2017	(1,378)
US\$129,373	C\$160,000	24 October 2017	(1,413)
US\$499,289	NZ\$688,879	24 October 2017	(1,505)
US\$134,612	EUR112,339	24 October 2017	(1,657)
US\$429,491	NZ\$591,661	24 October 2017	(1,957)
US\$291,329	NZ\$400,429	24 October 2017	(1,980)
US\$262,932	S\$354,175	24 October 2017	(2,048)
US\$144,145	NZ\$196,572	24 October 2017	(2,103)
US\$258,694	EUR216,550	24 October 2017	(2,404)
US\$297,105	GBP219,460	24 October 2017	(2,456)
US\$117,376	NZ\$158,948	24 October 2017	(2,521)



Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$405,999	S\$547,457	24 October 2017	(2,745)
US\$341,908	GBP252,447	24 October 2017	(2,970)
US\$354,760	EUR297,123	24 October 2017	(3,111)
US\$292,690	S\$393,108	24 October 2017	(3,129)
US\$348,308	NZ\$477,665	24 October 2017	(3,149)
US\$262,488	A\$330,576	24 October 2017	(3,152)
US\$128,062	C\$155,447	24 October 2017	(3,744)
US\$162,102	A\$201,853	24 October 2017	(3,749)
US\$309,579	S\$415,065	24 October 2017	(3,844)
US\$336,458	NZ\$460,242	24 October 2017	(3,889)
US\$243,978	C\$300,000	24 October 2017	(4,054)
US\$520,462	S\$700,991	24 October 2017	(4,116)
US\$843,923	NZ\$1,161,873	24 October 2017	(4,355)
US\$255,634	EUR212,224	24 October 2017	(4,462)
US\$556,612	EUR466,504	24 October 2017	(4,500)
US\$400,877	C\$494,713	24 October 2017	(5,232)
US\$287,827	A\$359,889	24 October 2017	(5,495)
US\$418,282	C\$516,103	24 October 2017	(5,531)
US\$908,723	NZ\$1,248,279	24 October 2017	(6,720)
US\$322,310	C\$393,656	24 October 2017	(7,485)
US\$306,360	A\$379,849	24 October 2017	(8,370)
US\$771,882	A\$973,238	24 October 2017	(8,378)
US\$1,525,002	GBP1,128,943	24 October 2017	(9,277)
US\$564,869	A\$706,731	24 October 2017	(10,440)
US\$475,255	A\$592,272	24 October 2017	(10,620)
US\$735,276	A\$921,852	24 October 2017	(12,085)
US\$493,499	C\$601,618	24 October 2017	(12,357)
US\$955,103	C\$1,178,553	24 October 2017	(12,560)
US\$496,803	C\$604,656	24 October 2017	(13,230)
US\$1,170,512	NZ\$1,600,749	24 October 2017	(13,817)
US\$631,866	C\$772,386	24 October 2017	(14,151)
US\$874,288	C\$1,074,058	24 October 2017	(15,314)
US\$887,045	A\$1,110,573	24 October 2017	(15,803)
US\$722,106	A\$899,003	24 October 2017	(16,842)
US\$1,066,511	A\$1,337,420	24 October 2017	(17,308)
US\$1,362,602	GBP1,001,057	24 October 2017	(18,569)
US\$4,603,994	NZ\$6,342,711	24 October 2017	(20,759)
US\$1,431,948	A\$1,797,159	24 October 2017	(22,081)
US\$1,085,563	A\$1,354,390	24 October 2017	(23,048)
US\$876,572	C\$1,064,786	24 October 2017	(25,010)
US\$1,011,379	A\$1,255,152	24 October 2017	(26,717)
US\$1,470,711	C\$1,785,606	24 October 2017	(42,674)
US\$2,323,828	A\$2,905,002	24 October 2017	(44,862)
US\$1,760,146	C\$2,137,787	24 October 2017	(50,453)
US\$1,891,260	C\$2,297,158	24 October 2017	(54,110)
US\$4,113,497	A\$5,121,214	24 October 2017	(95,923)
US\$68,787,327	S\$91,916,309	24 October 2017	(1,082,047)
US\$188,473,604	NZ\$258,505,266	24 October 2017	(1,678,396)
US\$110,997,141	EUR91,904,832	24 October 2017	(2,225,326)
US\$365,909,807	C\$442,797,703	24 October 2017	(11,782,609)
US\$762,432,356	A\$941,994,383	24 October 2017	(23,442,244)
DKr35,265,889	US\$5,588,725	25 October 2017	(20,699)
EUR1,724,996	US\$2,037,018	25 October 2017	(4,514)
EUR1,807,188	US\$2,134,078	25 October 2017	(4,729)
EUR5,591,594	US\$6,593,787	25 October 2017	(23,865)
GBP1,997,685	US\$2,677,566	25 October 2017	(4,526)
GBP395,006	US\$522,833	25 October 2017	(7,502)
GBP2,542,211	US\$3,353,862	25 October 2017	(59,310)
HK\$31,013,257	US\$3,972,768	25 October 2017	(31)
HK\$230,562,232	US\$29,534,800	25 October 2017	(227)
US\$280,524	SKr2,281,201	25 October 2017	(707)
US\$2,709,540	NKr21,529,080	25 October 2017	(3,656)
US\$281,106	SKr2,248,632	25 October 2017	(5,279)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$3,340,841	EUR2,816,383	25 October 2017	(7,644)
US\$7,921,843	GBP5,893,523	25 October 2017	(9,193)
US\$1,142,696	GBP843,052	25 October 2017	(10,807)
US\$2,711,469	GBP1,995,005	25 October 2017	(32,952)
US\$3,567,697	GBP2,628,732	25 October 2017	(38,334)
US\$3,372,475	GBP2,481,988	25 October 2017	(40,130)
US\$4,205,660	GBP3,093,969	25 October 2017	(51,661)
US\$3,793,892	EUR3,161,005	25 October 2017	(52,784)
US\$9,467,090	GBP6,995,683	25 October 2017	(74,633)
US\$16,069,081	EUR13,495,999	25 October 2017	(96,461)
US\$20,072,691	GBP14,828,079	25 October 2017	(164,395)
CNH23,772	US\$3,565	8 November 2017	(4)
CNH60,162	US\$9,021	8 November 2017	(11)
US\$8,390	CNH55,869	8 November 2017	(4)
US\$9,042	CNH60,162	8 November 2017	(11)
US\$1,156	CNH7,593	8 November 2017	(16)
US\$15,140	CNH100,000	8 November 2017	(129)
US\$12,371	CNH81,510	8 November 2017	(135)
US\$418,825	CNH2,788,914	8 November 2017	(176)
US\$25,161	CNH165,823	8 November 2017	(269)
US\$711,959	CNH4,740,464	8 November 2017	(360)
US\$1,017,027	CNH6,766,947	8 November 2017	(1,230)
US\$259,432	CNH1,700,244	8 November 2017	(4,214)
US\$2,261,960	CNH15,000,719	8 November 2017	(10,197)
US\$1,229,297	CNH8,119,641	8 November 2017	(10,465)
US\$1,245,666	CNH8,207,583	8 November 2017	(13,641)
US\$947,382	CNH6,212,176	8 November 2017	(14,893)
US\$2,013,810	CNH13,279,704	8 November 2017	(20,414)
US\$2,005,932	CNH13,220,108	8 November 2017	(21,484)
US\$2,058,137	CNH13,540,452	8 November 2017	(25,611)
US\$3,416,239	CNH22,558,114	8 November 2017	(30,065)
US\$2,892,172	CNH18,997,210	8 November 2017	(40,555)
US\$2,811,004	CNH18,450,502	8 November 2017	(41,457)
US\$6,840,247	CNH44,829,103	8 November 2017	(111,112)
US\$8,352,977	CNH54,673,126	8 November 2017	(146,216)
US\$611,315,518	CNH4,001,271,582	8 November 2017	(10,700,838)
Total unrealized losses			(53,547,168)
Net unrealized losses			(13,733,420)

(b) Open futures contracts as at 30 September were as follows:

	No. of contracts long/(short)	Contract value US\$	Settlement date	Unrealized gains/(losses) US\$
<u>2018</u>				
Mini MSCI Emerging Markets Index Futures	(794)	(40,567,005)	December 2018	(1,106,085)
<u>2017</u>				
Euro Stoxx 50 (EUX) Futures	38	1,596,585	December 2017	9,883
FTSE 100 Index (LIF) Futures	16	1,562,197	December 2017	11,183
US 5 Years Note (CBT) Futures	(5,855)	(692,330,305)	December 2017	4,367,805
				4,388,871

### 13 Other income

The Fund did not receive any amount (2017: US\$1,405,639) from the Manager as compensation for valuation and/or other operational error(s).

**Independent Auditor's Report**

To the Unitholders of JPMorgan Multi Income Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Multi Income Fund set out on pages 692 to 735, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 24 June 2011, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKASs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Multi Income Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 24 June 2011, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund	Net asset value per unit
30/9/18		
- AUD Hedged Class (mth)	A\$1,054,976,543	A\$10.20
- CAD Hedged Class (mth)	C\$441,718,348	C\$10.33
- EUR Hedged Class (mth)	EUR82,728,028	EUR10.07
- GBP Hedged Class (mth)	GBP196,861,070	GBP10.05
- HKD Class (mth)	HK\$11,772,743,948	HK\$11.06
- NZD Hedged Class (mth)	NZ\$268,132,201	NZ\$10.18
- RMB Hedged Class (acc)	CNY62,411,237	CNY13.45
- RMB Hedged Class (mth)	CNY5,553,335,228	CNY9.48
- SGD Hedged Class (mth)	S\$83,197,327	S\$9.96
- USD Class (mth)	US\$2,258,150,999	US\$11.02
- USD Class (acc)	US\$58,537,701	US\$14.28
30/9/17		
- AUD Hedged Class (mth)	A\$929,337,595	A\$10.43
- CAD Hedged Class (mth)	C\$432,710,608	C\$10.55
- EUR Hedged Class (mth)	EUR88,669,191	EUR10.28
- GBP Hedged Class (mth)	GBP217,354,944	GBP10.27
- HKD Class (mth)	HK\$10,310,572,592	HK\$11.28
- NZD Hedged Class (mth)	NZ\$261,135,965	NZ\$10.41
- RMB Hedged Class (acc)	CNY50,478,161	CNY12.87
- RMB Hedged Class (mth)	CNY4,127,629,777	CNY9.67
- SGD Hedged Class (mth)	S\$91,996,717	S\$10.19
- USD Class (mth)	US\$2,029,669,143	US\$11.26
- USD Class (acc)	US\$81,654,588	US\$13.91
30/9/16		
- AUD Hedged Class (mth)	A\$917,441,660	A\$10.13
- CAD Hedged Class (mth)	C\$424,174,194	C\$10.26
- EUR Hedged Class (mth)	EUR80,587,786	EUR9.98
- GBP Hedged Class (mth)	GBP180,591,593	GBP9.99
- HKD Class (mth)	HK\$6,043,322,096	HK\$10.87
- NZD Hedged Class (mth)	NZ\$240,166,581	NZ\$10.12
- RMB Hedged Class (acc)	CNY26,649,795	CNY11.53
- RMB Hedged Class (mth)	CNY2,880,240,219	CNY9.46
- SGD Hedged Class (mth)	S\$74,659,786	S\$9.89
- USD Class (mth)	US\$1,346,961,866	US\$10.94
- USD Class (acc)	US\$79,916,559	US\$12.86

## Performance Record - Unaudited (continued)

(Continued)

## Highest Offer/Lowest Bid Prices

Financial period ended	Highest offer	Lowest bid	Financial period ended	Highest offer	Lowest bid
30/9/18			30/9/14		
- AUD Hedged Class (mth)	A\$10.86	A\$10.09	- AUD Hedged Class (mth)	A\$11.70	A\$10.38
- CAD Hedged Class (mth)	C\$10.99	C\$10.22	- CAD Hedged Class (mth)	C\$11.75	C\$10.42
- EUR Hedged Class (mth)	EUR10.69	EUR9.96	- EUR Hedged Class (mth)	EUR11.27	EUR10.00
- GBP Hedged Class (mth)	GBP10.68	GBP9.94	- GBP Hedged Class (mth)	GBP11.32	GBP10.05
- HKD Class (mth)	HK\$11.76	HK\$10.98	- HKD Class (mth)	HK\$12.33	HK\$10.96
- NZD Hedged Class (mth)	NZ\$10.84	NZ\$10.08	- NZD Hedged Class (mth)	NZ\$11.68	NZ\$10.36
- RMB Hedged Class (acc)	CNY13.65	CNY12.90	- RMB Hedged Class (acc)	CNY11.07	CNY9.96
- RMB Hedged Class (mth)	CNY10.08	CNY9.38	- RMB Hedged Class (mth)	CNY10.90	CNY9.95
- SGD Hedged Class (mth)	S\$10.60	S\$9.86	- SGD Hedged Class (mth)	S\$11.31	S\$10.05
- USD Class (mth)	US\$11.73	US\$10.91	- USD Class (mth)	US\$12.41	US\$11.01
- USD Class (acc)	US\$14.66	US\$13.95	- USD Class (acc)	US\$13.15	US\$11.40
30/9/17			30/9/13		
- AUD Hedged Class (mth)	A\$10.69	A\$9.84	- AUD Hedged Class (mth)	A\$11.78	A\$10.16
- CAD Hedged Class (mth)	C\$10.83	C\$9.97	- CAD Hedged Class (mth)	C\$11.79	C\$10.19
- EUR Hedged Class (mth)	EUR10.53	EUR9.69	- EUR Hedged Class (mth)	EUR11.29	EUR9.78
- GBP Hedged Class (mth)	GBP10.55	GBP9.70	- GBP Hedged Class (mth)	GBP11.34	GBP9.82
- HKD Class (mth)	HK\$11.48	HK\$10.57	- HKD Class (mth)	HK\$12.35	HK\$10.70
- NZD Hedged Class (mth)	NZ\$10.69	NZ\$9.84	- NZD Hedged Class (mth)	NZ\$11.76	NZ\$10.15
- RMB Hedged Class (acc)	CNY12.86	CNY11.27	- SGD Hedged Class (mth)	S\$11.34	S\$9.82
- RMB Hedged Class (mth)	CNY9.99	CNY9.18	- USD Class (mth)	US\$12.41	US\$10.75
- SGD Hedged Class (mth)	S\$10.44	S\$9.60	- USD Class (acc)	US\$12.45	US\$10.63
- USD Class (mth)	US\$11.54	US\$10.63			
- USD Class (acc)	US\$13.91	US\$12.55	30/9/12 (Since inception)		
30/9/16			- AUD Hedged Class (mth)	A\$11.08	A\$10.00
- AUD Hedged Class (mth)	A\$10.85	A\$9.13	- CAD Hedged Class (mth)	C\$11.08	C\$10.00
- CAD Hedged Class (mth)	C\$10.95	C\$9.23	- EUR Hedged Class (mth)	EUR10.62	EUR10.00
- EUR Hedged Class (mth)	EUR10.60	EUR8.95	- GBP Hedged Class (mth)	GBP10.63	GBP10.00
- GBP Hedged Class (mth)	GBP10.62	GBP8.92	- HKD Class (mth)	HK\$11.61	HK\$9.52
- HKD Class (mth)	HK\$11.55	HK\$9.79	- NZD Hedged Class (mth)	NZ\$11.09	NZ\$10.00
- NZD Hedged Class (mth)	NZ\$10.82	NZ\$9.12	- SGD Hedged Class (mth)	S\$10.63	S\$10.00
- RMB Hedged Class (acc)	CNY12.17	CNY9.84	- USD Class (mth)	US\$11.67	US\$9.53
- RMB Hedged Class (mth)	CNY10.10	CNY8.49	- USD Class (acc)	US\$11.33	US\$9.80
- SGD Hedged Class (mth)	S\$10.52	S\$8.89			
- USD Class (mth)	US\$11.62	US\$9.80			
- USD Class (acc)	US\$13.61	US\$11.15			
30/9/15					
- AUD Hedged Class (mth)	A\$11.62	A\$9.86			
- CAD Hedged Class (mth)	C\$11.72	C\$9.94			
- EUR Hedged Class (mth)	EUR11.26	EUR9.58			
- GBP Hedged Class (mth)	GBP11.30	GBP9.60			
- HKD Class (mth)	HK\$12.31	HK\$10.45			
- NZD Hedged Class (mth)	NZ\$11.62	NZ\$9.85			
- RMB Hedged Class (acc)	CNY11.67	CNY9.97			
- RMB Hedged Class (mth)	CNY10.86	CNY9.16			
- SGD Hedged Class (mth)	S\$11.27	S\$9.55			
- USD Class (mth)	US\$12.38	US\$10.51			
- USD Class (acc)	US\$13.55	US\$11.72			

**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Sub-Managers**

J.P. Morgan Investment  
Management Inc.  
270 Park Avenue  
New York, NY 10017-2070  
United States of America

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

JPMorgan Asset Management  
(UK) Limited  
60 Victoria Embankment  
London  
EC4Y 0JP  
United Kingdom

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets
Listed/Quoted Investments (99.5%)				Shimano Inc	43,200	6,963,877	1.1
(I) Equities (99.7%)				Shin-Etsu Chemical	135,300	11,989,211	1.9
				Sony Corp	271,100	16,626,162	2.7
				Suzuki Motor	209,700	12,015,034	2.0
				Toyota Motor	310,500	19,395,145	3.2
				Tsumura & Co	190,300	6,567,557	1.1
Australia (8.3%)				Unicharm Corp	263,400	8,714,682	1.4
Aristocrat Leisure	488,363	10,049,418	1.6	Korea (2.1%)			
Australia & NZ Bkg Group-AU				NCsoft Corp	18,706	7,462,164	1.2
List	293,712	5,988,682	1.0	Samsung Electronics	122,603	5,134,018	0.9
CSL Ltd	142,018	20,665,485	3.4	Singapore (0.7%)			
Macquarie Group	156,762	14,296,105	2.3	Jardine Cycle & Carriage	180,900	4,235,365	0.7
China (18.7%)				Taiwan (8.1%)			
3SBio Inc	3,640,500	6,122,632	1.0	Delta Electronics	2,319,000	9,949,530	1.6
Alibaba Group Hldg ADR	51,186	8,433,405	1.4	Eclat Textile	734,971	9,098,976	1.5
Jiangsu Hengrui Medicine 'A'				Largan Precision	30,000	3,571,546	0.6
(CI)	673,100	6,216,635	1.0	Taiwan Semiconductor Mfg	2,711,000	23,307,159	3.8
Ping An Insurance (Group) 'H'	2,330,500	23,677,587	3.8	Voltronic Power Technology	234,551	4,117,490	0.6
Shenzhou Intl Grp	1,785,000	22,903,040	3.7	Vietnam (1.0%)			
Tencent Hldgs	697,100	28,793,048	4.7	Vietnam Dairy Products	433,280	2,550,181	0.4
Wuxi Biologics (Cayman)	763,500	7,722,913	1.3	Vietnam Dairy Products Await			
Yum China Holdings	159,953	5,615,950	0.9	Cert	86,656	510,036	0.1
Zhejiang Weixing New				Vinhomes JSC	694,400	3,155,349	0.5
Building'A'-C2	2,479,872	5,345,391	0.9			612,528,423	99.7
Hong Kong (7.3%)				(II) Derivatives (-0.2%)			
AIA Group	3,681,400	32,886,024	5.3	Forward foreign exchange			
Hong Kong Exchanges &				contracts (-0.2%)			
Clearing	426,100	12,197,779	2.0			(1,309,133)	(0.2)
India (4.6%)				Total Listed/Quoted Investments			
Castrol India	1,220,052	2,404,255	0.4			611,219,290	99.5
HDFC Bank	251,573	6,961,898	1.1	Other net assets			
HDFC Bank ADR	93,798	8,826,392	1.5			3,310,436	0.5
HDFC Standard Life Insurance	571,836	3,089,129	0.5	Net assets attributable to holders of			
IndusInd Bank	291,329	6,792,117	1.1	redeemable units at 30 September 2018			
Indonesia (4.2%)						614,529,726	100.0
Astra Intl	19,866,600	9,798,980	1.6	Total investments, at cost			
Bank Central Asia	9,833,400	15,936,423	2.6			522,637,461	
Japan (44.7%)							
Bandai Namco Hldgs	185,500	7,210,305	1.2				
Bridgestone Corp	280,500	10,601,633	1.7				
Daikin Industries	83,400	11,105,560	1.8				
FP Corp	58,300	3,546,710	0.6				
Hino Motors	881,300	9,652,130	1.6				
Hisamitsu Pharmaceutical	81,400	6,241,969	1.0				
Japan Exchange Group	837,500	14,599,199	2.4				
Kansai Paint Co	328,100	6,048,698	1.0				
Keyence Corp	43,500	25,268,565	4.1				
Komatsu Ltd	309,200	9,407,890	1.5				
M3 Inc	166,800	3,785,803	0.6				
Mercari Inc	150,700	4,981,983	0.8				
Nintendo Co	36,200	13,213,470	2.1				
Nitto Denko	147,400	11,051,269	1.8				
Ono Pharmaceutical	259,900	7,356,416	1.2				
Orix Corp	1,174,400	19,045,163	3.1				
Recruit Hldgs	446,300	14,899,587	2.4				
Renesas Electronics	755,800	4,724,374	0.8				
Ryohin Keikaku	32,600	9,700,929	1.6				



Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 (*Unaudited*)

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
Japan	44.7	40.8
China	18.7	16.7
Australia	8.3	10.2
Taiwan	8.1	6.1
Hong Kong	7.3	8.0
India	4.6	5.8
Indonesia	4.2	5.2
Korea	2.1	4.2
Vietnam	1.0	0.5
Singapore	0.7	0.9
<b>Derivatives</b>		
Forward foreign exchange contracts	(0.2)	(0.3)
<b>Total Listed/Quoted Investments</b>	99.5	98.1
<b>Other net assets</b>	0.5	1.9
<b>Net assets attributable to holders of redeemable units at 30 September</b>	100.0	100.0

**Statement of Financial Position**  
**As at 30 September 2018**

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	2,925,772	9,137,411
Amounts due from brokers	5,577,264	2,511,964
Amounts receivable on allotment	5,111,619	3,134,999
Derivatives [Note 4(i)(a)]	44,880	56,434
Investments [Note 4(i)(a)]	612,528,423	533,146,279
Dividend and other accounts receivable	1,976,536	1,499,858
<b>Total assets</b>	<b>628,164,494</b>	<b>549,486,945</b>
<b>Liabilities</b>		
Short-term bank loans - unsecured [Note 9]	6,061,355	-
Amounts due to brokers	2,571,335	4,106,382
Amounts payable on redemption	2,794,761	947,570
Derivatives [Note 4(i)(a)]	1,354,013	1,922,222
Other accounts payable	853,304	862,781
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>13,634,768</b>	<b>7,838,955</b>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<b>614,529,726</b>	<b>541,647,990</b>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

**Statement of Comprehensive Income**  
**For the year ended 30 September 2018**

	2018 US\$	2017 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 5]	28,047,904	83,203,372
Dividend income	12,056,911	7,510,684
Interest on deposits	44,164	27,745
Net foreign currency exchange losses	(581,744)	(41,566)
Other income [Note 13]	83,989	-
	<b>39,651,224</b>	<b>90,700,235</b>
<b>Expenses</b>		
Management fee [Note 7(e)]	9,607,253	6,107,352
Transaction costs	901,894	419,775
Safe custody and bank charges	318,590	182,078
Registrar's fee [Note 7(ii)]	254,892	205,414
Trustee's fee [Note 8]	178,758	120,243
Legal and professional expenses	67,907	110,454
Auditor's fee	38,700	22,700
Valuation fee [Note 7(e)]	16,170	16,800
Printing and publication expenses	6,754	8,183
Other operating expenses	7,476	8,790
	<b>11,398,394</b>	<b>7,201,789</b>
<b>Net operating profit</b>	<b>28,252,830</b>	<b>83,498,446</b>
<b>Finance costs</b>		
Interest expense	(20,287)	(1,954)
<b>Profit before taxation</b>	<b>28,232,543</b>	<b>83,496,492</b>
Taxation [Note 6]	(1,172,886)	(683,492)
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>27,059,657</b>	<b>82,813,000</b>

The notes on pages 745 to 760 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	541,647,990	364,509,295
Allotment of redeemable units [Note 3]	306,216,025	225,074,683
Redemption of redeemable units [Note 3]	(260,393,946)	(130,748,988)
<b>Net allotment</b>	45,822,079	94,325,695
	587,470,069	458,834,990
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	27,059,657	82,813,000
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	614,529,726	541,647,990

**Statement of Cash Flows**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(396,225,882)	(215,990,913)
Proceeds from disposal of investments and derivatives	339,727,317	128,562,176
Dividend received	11,571,485	7,280,255
Interest received	48,383	22,708
Trustee's fee paid	(177,826)	(117,058)
Registrar's fee paid	(257,094)	(195,101)
Transaction costs paid	(895,275)	(416,385)
Tax paid	(1,172,886)	(897,950)
Management fee paid	(9,549,477)	(5,913,373)
Others	(971,657)	(273,113)
<b>Net cash outflow from operating activities</b>	(57,902,912)	(87,938,754)
<b>Financing activities</b>		
Interest paid	(18,873)	(1,954)
Receipts on allotment of redeemable units	304,239,405	223,487,033
Payments on redemption of redeemable units	(258,546,755)	(130,409,188)
<b>Net cash inflow from financing activities</b>	45,673,777	93,075,891
<b>(Decrease)/increase in cash and cash equivalents</b>	(12,229,135)	5,137,137
Cash and cash equivalents at the beginning of the year	9,137,411	4,003,546
Exchange losses on cash and cash equivalents	(43,859)	(3,272)
<b>Cash and cash equivalents at the end of the year</b>	(3,135,583)	9,137,411
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	2,925,772	9,137,411
Short-term bank loans - unsecured	(6,061,355)	-
	(3,135,583)	9,137,411

The notes on pages 745 to 760 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Pacific Securities Fund (the "Fund") was established under a Trust Deed dated 7 April 1978, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to provide investors with long-term capital growth by investing primarily in the securities of companies in the Asia-Pacific region, including Japan, Australia and New Zealand.

Pursuant to the Supplemental Trust Deed dated 4 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Securities lending and borrowing**

Securities lenders' agreements are entered into with institutions of appropriate financial standing who engage in such arrangements acceptable to the Trustee and on arm's length commercial terms. Securities lent are included in the investment portfolio of the Fund. Relevant securities lending income entitled by the Fund is accounted for in the Statement of Comprehensive Income. Collateral received for the purpose of securities lent generally consist of non-cash collateral which are off-balance sheet transactions and are therefore not included in the financial statements.

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(e) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(f) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(g) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(h) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(i) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(j) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**2018

	USD Class (acc) Units	PRC RMB Hedged Class (acc) Units	PRC USD Class (acc) Units
Number of units in issue:			
At the beginning of the year	1,188,468.390	33,758,227.920	2,651,078.960
Total allotments	207,924.336	59,297,645.780	4,579,116.230
Total redemptions	(258,729.095)	(47,035,191.740)	(2,556,186.760)
At the end of the year	<u>1,137,663.631</u>	<u>46,020,681.960</u>	<u>4,674,008.430</u>

US\$

CNY

US\$

Net assets attributable to  
holders of redeemable  
units

<u>433,488,471</u>	<u>749,147,056</u>	<u>72,080,750</u>
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Net assets attributable to  
holders of redeemable  
units (per unit)

<u>381.03</u>	<u>16.28</u>	<u>15.42</u>
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2017

	USD Class (acc) Units	PRC RMB Hedged Class (acc) Units	PRC USD Class (acc) Units
Number of units in issue:			
At the beginning of the year	1,209,035.986	2,163,662.870	293,689.240
Total allotments	282,301.911	44,241,601.620	2,981,750.230
Total redemptions	(302,869.507)	(12,647,036.570)	(624,360.510)
At the end of the year	<u>1,188,468.390</u>	<u>33,758,227.920</u>	<u>2,651,078.960</u>

US\$

CNY

US\$

Net assets attributable to  
holders of redeemable  
units

<u>426,405,096</u>	<u>509,883,600</u>	<u>38,534,641</u>
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Net assets attributable to  
holders of redeemable  
units (per unit)

<u>358.79</u>	<u>15.10</u>	<u>14.54</u>
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**4 Financial risk management****(i) Financial risk factors**

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

## (a) Market risk

## (i) Market price risk

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Beta of the Fund on a regular basis. Beta measures the statistical relationship between the return of the Fund and the relevant benchmark index chosen by the Investment Manager.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
Listed/Quoted Investments				
<u>Assets</u>				
Equities				
- Japan	274,713,321	44.7	220,813,065	40.8
- China	114,830,601	18.7	90,402,456	16.7
- Australia	50,999,690	8.3	55,020,635	10.2
- Taiwan	50,044,701	8.1	33,273,426	6.1
- Hong Kong	45,083,803	7.3	43,096,286	8.0
- India	28,073,791	4.6	31,548,078	5.8
- Indonesia	25,735,403	4.2	28,205,781	5.2
- Others	23,047,113	3.8	30,786,552	5.6
	<u>612,528,423</u>	<u>99.7</u>	<u>533,146,279</u>	<u>98.4</u>
Derivatives				
- Forward foreign exchange contracts	44,880	0.0	56,434	0.0
	<u>612,573,303</u>	<u>99.7</u>	<u>533,202,713</u>	<u>98.4</u>
<u>Liabilities</u>				
Derivatives				
- Forward foreign exchange contracts	(1,354,013)	(0.2)	(1,922,222)	(0.3)
	<u>611,219,290</u>	<u>99.5</u>	<u>531,280,491</u>	<u>98.1</u>

Also, refer to Note 11 for the exposures on derivative contracts

	Net asset value US\$	Relevant benchmark index for the Fund (Note*)	Beta (Note**)	% of reasonable possible change of the relevant benchmark index (Note***)	Estimated impact on net asset value (Note****) US\$
As at 30 September 2018	<u>614,529,726</u>	MSCI AC Asia Pacific Net	0.99	+5.0	<u>30,419,221</u>
As at 30 September 2017	<u>541,647,990</u>	MSCI AC Asia Pacific Net	1.01	+18.1	<u>99,018,669</u>

If the relevant benchmark index return was to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.



Note:

- \* Relevant benchmark index for the Fund represents the relevant market index used by the Investment Manager in monitoring the market price risk of the Fund.
- \*\* Beta measures the statistical relationship between the return of the Fund and the respective benchmark index over the maximum of past 36 months, or the number of months since portfolio inception. For funds launched within a period of less than 12 months, weekly returns of the Fund are used for calculating the Beta.
- \*\*\* % of reasonable possible change is based on the actual historical change in the benchmark index in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. For funds launched within a period of less than 12 months, actual historical change in the benchmark index since the commencement of operations will be used to calculate the % of reasonable possible change.
- \*\*\*\* Estimated impact on net asset value of the Fund is calculated by applying the relevant Beta against the net asset value of the Fund multiplied by the % of reasonable possible change of the relevant benchmark index, assuming all other variables that may impact the net asset value of the Fund are held constant.

## (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Cash at banks	2,925,772	9,137,411
Short-term bank loans - unsecured	(6,061,355)	-
Total interest sensitivity gap	<u>(3,135,583)</u>	<u>9,137,411</u>

Any cash and cash equivalents are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

## (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The Fund enters in some forward foreign exchange contracts to hedge some of its foreign currency exposures to maintain limited exposure to non-US\$ currencies. Refer to Note 11 for the outstanding forward foreign exchange contracts as at year end.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

Net currency exposures (Note*)	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
<u>2018</u>			
Australian Dollar	51,131,204	-7.8	(3,988,234)
Chinese Yuan (Offshore)	120,818,317	-3.3	(3,987,004)
Hong Kong Dollar	134,092,187	-0.2	(268,184)
Indian Rupee	18,342,208	-9.9	(1,815,879)
Indonesian Rupiah	25,735,404	-9.6	(2,470,599)
Japanese Yen	278,625,970	-0.9	(2,507,634)
Korean Won	13,708,977	+3.3	452,396
Singapore Dollar	4,267,850	-0.6	(25,607)
Taiwan Dollar	51,060,246	-0.7	(357,422)
Vietnamese Dong	6,512,874	-2.6	(169,335)
	<u>704,295,237</u>		<u>(15,137,502)</u>
<u>2017</u>			
Australian Dollar	55,484,005	+2.5	1,387,100
Chinese Yuan (Offshore)	81,350,049	+0.4	325,400
Hong Kong Dollar	109,502,653	-0.7	(766,519)
Indian Rupee	20,725,741	+1.9	393,789
Indonesian Rupiah	28,205,781	-3.1	(874,379)
Japanese Yen	222,887,012	-10.0	(22,288,701)
Korean Won	23,000,567	-3.8	(874,022)
Singapore Dollar	5,046,598	+0.4	20,186
Taiwan Dollar	33,292,908	+3.4	1,131,959
Vietnamese Dong	3,085,472	-1.9	(58,624)
	<u>582,580,786</u>		<u>(21,603,811)</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

## (b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	2,925,772	9,137,411
Amounts due from brokers	5,577,264	2,511,964
Amounts receivable on allotment	5,111,619	3,134,999
Derivatives issued by brokers	44,880	56,434
Dividend and other accounts receivable	1,976,536	1,499,858
	<u>15,636,071</u>	<u>16,340,666</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/brokers/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	2,867,969	5,484,484
S&P(A)/Moody's(A)/FITCH(A)	57,803	3,652,927
Derivatives issued by brokers		
S&P(AA)/Moody's(Aa)/FITCH(AA)	21,665	20,917
S&P(A)/Moody's(A)/FITCH(A)	19,831	35,517
S&P(BBB)/Moody's(Baa)/FITCH(BBB)	3,384	-
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	<u>612,528,423</u>	<u>533,146,279</u>

### (c) Liquidity risk

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018		2017	
	Less than 1 month US\$	1 to 12 months US\$	Less than 1 month US\$	1 to 12 months US\$
Short-term bank loans - unsecured	6,061,355	-	-	-
Amounts due to brokers	2,571,335	-	4,106,382	-
Amounts payable on redemption	2,794,761	-	947,570	-
Derivatives	1,344,174	9,839	1,922,222	-
Other accounts payable	853,304	-	862,781	-
Net assets attributable to holders of redeemable units	<u>614,529,726</u>	<u>-</u>	<u>541,647,990</u>	<u>-</u>
Total financial liabilities	<u>628,154,655</u>	<u>9,839</u>	<u>549,486,945</u>	<u>-</u>

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

**(d) Offsetting and amounts subject to master netting arrangements and similar agreements**

As at 30 September 2018 and 2017, the Fund was subject to master netting arrangements with certain derivative counterparties. All of the derivative assets and liabilities of the Fund were held with these counterparties and the collateral and margin deposits maintained by the Fund were for the purpose of providing collateral on derivative positions.

In the event of default, the Fund and its counterparties have the option to settle transactions on net basis. An event of default may include failure to pay or deliver, breach of agreement or bankruptcy.

The following tables summarize the Fund's financial assets and liabilities subject to offsetting, master netting arrangements and similar agreements as at 30 September by types of financial instruments.

	Gross amounts of recognized financial assets presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>2018</u>				
<u>Assets</u>				
Derivatives	26,768	(10,490)	-	16,278
Financial assets at fair value through profit and loss	26,768	(10,490)	-	16,278

	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>Liabilities</u>				
Derivatives	30,634	(10,490)	-	20,144
Financial liabilities at fair value through profit and loss	30,634	(10,490)	-	20,144

	Gross amounts of recognized financial assets presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>2017</u>				
<u>Assets</u>				
Derivatives	3,692	-	-	3,692
Financial assets at fair value through profit and loss	3,692	-	-	3,692

The amount of financial liabilities subject to offsetting, master netting arrangements and similar agreements as at 30 September 2017 was nil.

**(II) Capital risk management**

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

**(III) Fair value estimation**

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>2018</b>				
<u>Assets</u>				
Equities	612,528,423	-	-	612,528,423
Derivatives	-	44,880	-	44,880
Total financial assets at fair value through profit and loss	612,528,423	44,880	-	612,573,303
<u>Liabilities</u>				
Derivatives	-	1,354,013	-	1,354,013
Total financial liabilities at fair value through profit and loss	-	1,354,013	-	1,354,013
<b>2017</b>				
<u>Assets</u>				
Equities	528,219,288	4,926,991	-	533,146,279
Derivatives	-	56,434	-	56,434
Total financial assets at fair value through profit and loss	528,219,288	4,983,425	-	533,202,713
<u>Liabilities</u>				
Derivatives	-	1,922,222	-	1,922,222
Total financial liabilities at fair value through profit and loss	-	1,922,222	-	1,922,222

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

The table below summarizes the transfers between levels of the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September 2018.

	Level 1 US\$	Level 2 US\$	Level 3 US\$
Transfers between Levels 1 and 2:			
Financial assets at fair value through profit or loss			
<u>2018</u>			
Equities			
- India	6,961,898	(6,961,898)	-

#### India

Equities transferred from Level 2 to Level 1 were valued based on quoted market prices in active markets as at 30 September 2018, but were valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs as at 30 September 2017.

There were no transfers between levels for the year ended 30 September 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 5 Net gains on investments and derivatives

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	(15,848,407)	56,847,506
Realized gains on sale of investments and derivatives	43,896,311	26,355,866
	<u>28,047,904</u>	<u>83,203,372</u>

## 6 Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Overseas tax was withheld or paid on certain dividend income received and capital gains derived during the years ended 30 September 2018 and 2017.

## 7 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

- (a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments US\$	% of the Fund's total aggregate value of transactions	Commission paid US\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
J.P. Morgan India Private Limited	1,041,093	0.14	937	0.17	0.09
J.P. Morgan Securities (Asia Pacific) Limited	5,702,701	0.77	4,731	0.86	0.08
<u>2017</u>					
J.P. Morgan Securities Australia Limited	1,197,995	0.34	479	0.20	0.04
J.P. Morgan India Private Limited	3,553,893	1.02	1,777	0.73	0.05
J.P. Morgan Securities (Asia Pacific) Limited	9,581,751	2.75	3,994	1.65	0.04

- (b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	373,377	877,735
Amounts receivable	421	5,078
Amounts payable	(752,457)	(143,908)

During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$14,390 (2017: US\$12,611).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.
- (d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$10,890 (2017: US\$13,288).
- (e) Management fee of 1.5% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.
- The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.
- (f) The Fund has a securities lender's agreement with J.P. Morgan Securities plc, a Connected Person of the Manager. However, the Fund does not intend to carry out any securities lending transactions. The arrangement is mainly intended to allow the Fund to carry out securities borrowing transactions.
- (g) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- The retirement schemes of the employees of the Manager and its Connected Persons may subscribe to USD Class (acc) unit of the Fund.
- (h) Refer to Note 8 for fee paid to the Trustee.
- (i) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 8 Trustee's fee

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first US\$40 million, 0.04% per annum for the balance from US\$40 million to US\$70 million, and 0.025% per annum for the balance in excess of US\$70 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

**9 Borrowings**

During the years ended 30 September 2018 and 2017, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

**10 Soft dollar arrangements/Commission sharing arrangements**

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

**11 Derivatives**

Outstanding forward foreign exchange contracts as at 30 September were as follows:

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
<u>2018</u>			
Open contracts:			
CNH1,551,868	US\$226,611	9 October 2018	898
CNH919,884	US\$134,354	9 October 2018	561
US\$459,445	CNH3,161,801	9 October 2018	426
CNH11,801,010	US\$1,722,914	10 October 2018	6,628
CNH2,532,497	US\$371,255	10 October 2018	2,940
CNH5,675,319	US\$827,879	10 October 2018	2,486
CNH6,569,309	US\$957,825	10 October 2018	2,414
CNH1,054,834	US\$155,378	10 October 2018	1,968
CNH4,806,914	US\$700,895	10 October 2018	1,799
CNH991,106	US\$145,869	10 October 2018	1,727
CNH2,031,920	US\$297,222	10 October 2018	1,708
CNH2,595,959	US\$378,855	10 October 2018	1,310
CNH1,571,976	US\$229,721	10 October 2018	1,100
CNH1,695,073	US\$247,623	10 October 2018	1,099
CNH704,778	US\$103,571	10 October 2018	1,071
CNH1,293,930	US\$188,859	10 October 2018	676
CNH1,010,168	US\$147,536	10 October 2018	622
CNH429,628	US\$62,986	10 October 2018	503
CNH923,627	US\$134,689	10 October 2018	361
CNH1,334,814	US\$194,433	10 October 2018	305
CNH645,713	US\$94,155	10 October 2018	245
CNH502,898	US\$73,204	10 October 2018	65
CNH14,897	US\$2,194	10 October 2018	28
CNH8,097	US\$1,192	10 October 2018	14
CNH7,478	US\$1,101	10 October 2018	13
CNH7,576	US\$1,113	10 October 2018	12
CNH7,534	US\$1,102	10 October 2018	6
CNH7,534	US\$1,102	10 October 2018	6
CNH10,995	US\$1,605	10 October 2018	6
CNH15,909	US\$2,320	10 October 2018	6
CNH7,521	US\$1,098	10 October 2018	5
CNH7,521	US\$1,098	10 October 2018	5
CNH7,515	US\$1,098	10 October 2018	5
CNH21,737	US\$3,166	10 October 2018	5
CNH7,556	US\$1,104	10 October 2018	5
CNH7,500	US\$1,095	10 October 2018	4



Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
CNH7,500	US\$1,095	10 October 2018	4
CNH7,542	US\$1,100	10 October 2018	3
CNH8,704	US\$1,267	10 October 2018	1
CNH7,526	US\$1,095	10 October 2018	1
CNH7,552	US\$1,099	10 October 2018	0
CNH7,552	US\$1,099	10 October 2018	0
US\$1,802,163	CNH12,399,368	10 October 2018	1,145
US\$179,032	CNH1,234,755	10 October 2018	545
US\$53,708	CNH370,276	10 October 2018	143
US\$186,117	CNH1,280,413	10 October 2018	101
US\$233,946	CNH1,609,081	10 October 2018	72
US\$8,139	CNH56,018	10 October 2018	8
US\$1,409	CNH9,716	10 October 2018	4
US\$1,101	CNH7,570	11 October 2018	0
CNH4,153,868	US\$605,552	13 November 2018	2,721
CNH2,359,184	US\$343,879	13 November 2018	1,502
CNH1,772,088	US\$257,943	13 November 2018	768
CNH1,913,326	US\$277,907	13 November 2018	236
CNH4,589,522	US\$666,154	13 November 2018	99
CNH28,938	US\$4,219	13 November 2018	19
CNH19,045	US\$2,768	13 November 2018	4
CNH20,432	US\$2,969	13 November 2018	4
CNH7,550	US\$1,099	13 November 2018	3
US\$105,613,269	CNH727,776,810	13 November 2018	5,530
US\$1,797,456	CNH12,390,041	13 November 2018	653
US\$598,989	CNH4,128,852	13 November 2018	212
US\$91,108	CNH628,038	13 November 2018	36
US\$293,628	CNH2,023,502	13 November 2018	34
US\$2,438	CNH16,799	13 November 2018	0
Total unrealized gains			44,880
			-----
US\$2,773	CNH19,045	9 October 2018	(3)
CNH15,265	US\$2,219	10 October 2018	(1)
CNH7,974	US\$1,159	10 October 2018	(1)
CNH7,528	US\$1,092	10 October 2018	(3)
CNH7,528	US\$1,092	10 October 2018	(3)
CNH8,358	US\$1,212	10 October 2018	(4)
CNH1,704,528	US\$247,807	10 October 2018	(92)
CNH2,107,076	US\$306,272	10 October 2018	(171)
CNH1,019,234	US\$147,793	10 October 2018	(440)
CNH4,128,852	US\$599,933	10 October 2018	(548)
CNH2,061,603	US\$299,059	10 October 2018	(771)
CNH7,875,021	US\$1,144,170	10 October 2018	(1,137)
CNH12,390,041	US\$1,800,339	10 October 2018	(1,613)
CNH727,776,810	US\$105,757,533	10 October 2018	(87,055)
US\$840	CNH5,777	10 October 2018	(0)
US\$1,680	CNH11,537	10 October 2018	(3)
US\$1,889	CNH12,957	10 October 2018	(5)
US\$1,746	CNH11,964	10 October 2018	(6)
US\$1,316	CNH8,955	10 October 2018	(14)
US\$34,232	CNH235,016	10 October 2018	(52)
US\$102,860	CNH706,695	10 October 2018	(81)
US\$35,765	CNH244,509	10 October 2018	(205)
US\$59,837	CNH410,011	10 October 2018	(207)
US\$1,194,780	CNH8,213,663	10 October 2018	(222)
US\$88,392	CNH606,136	10 October 2018	(238)
US\$60,267	CNH412,667	10 October 2018	(251)
US\$50,217	CNH342,561	10 October 2018	(396)
US\$33,297	CNH226,059	10 October 2018	(420)
US\$162,629	CNH1,113,307	10 October 2018	(715)
US\$63,507	CNH431,534	10 October 2018	(747)

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$210,889	CNH1,444,698	10 October 2018	(779)
US\$304,942	CNH2,091,391	10 October 2018	(780)
US\$93,484	CNH636,133	10 October 2018	(968)
US\$219,783	CNH1,504,055	10 October 2018	(1,040)
US\$616,549	CNH4,208,468	10 October 2018	(4,489)
US\$1,298,517	CNH8,836,381	10 October 2018	(13,393)
US\$110,990,209	CNH754,720,106	10 October 2018	(1,227,197)
CNH628,038	US\$91,242	11 October 2018	(92)
CNH2,023,502	US\$294,219	12 October 2018	(32)
CNH7,570	US\$1,098	13 November 2018	(0)
CNH56,018	US\$8,127	13 November 2018	(3)
CNH1,514,004	US\$219,700	13 November 2018	(20)
CNH3,161,801	US\$458,744	13 November 2018	(113)
CNH2,494,661	US\$361,905	13 November 2018	(134)
US\$1,624	CNH11,159	13 November 2018	(5)
US\$65,722	CNH452,397	13 November 2018	(68)
US\$80,574	CNH553,549	13 November 2018	(241)
US\$134,103	CNH919,884	13 November 2018	(606)
US\$226,170	CNH1,551,868	13 November 2018	(957)
US\$1,070,533	CNH7,363,093	13 November 2018	(1,967)
US\$1,733,895	CNH11,908,219	13 November 2018	(5,725)
Total unrealized losses			(1,354,013)
			-----
Net unrealized losses			(1,309,133)
			=====

2017

## Open contracts:

US\$5,313	CNH35,369	11 October 2017	5
CNH3,094,164	US\$473,838	24 October 2017	8,935
CNH2,664,578	US\$406,874	24 October 2017	6,517
CNH2,296,510	US\$349,917	24 October 2017	4,862
CNH1,844,521	US\$281,732	24 October 2017	4,589
CNH1,252,021	US\$192,581	24 October 2017	4,462
CNH1,675,489	US\$256,123	24 October 2017	4,378
CNH5,166,336	US\$780,470	24 October 2017	4,219
CNH1,954,062	US\$296,201	24 October 2017	2,600
CNH995,764	US\$151,876	24 October 2017	2,261
CNH1,074,407	US\$163,445	24 October 2017	2,014
CNH1,241,236	US\$188,511	24 October 2017	2,013
CNH756,866	US\$115,398	24 October 2017	1,678
CNH1,200,160	US\$181,865	24 October 2017	1,539
CNH6,841,157	US\$1,029,398	24 October 2017	1,503
CNH810,434	US\$123,112	24 October 2017	1,342
CNH439,580	US\$67,027	24 October 2017	979
CNH973,984	US\$146,990	24 October 2017	647
CNH2,515,248	US\$378,373	24 October 2017	452
CNH28,895	US\$4,444	24 October 2017	103
CNH34,358	US\$5,248	24 October 2017	85
CNH31,482	US\$4,813	24 October 2017	82
CNH822,019	US\$123,590	24 October 2017	80
CNH59,626	US\$9,035	24 October 2017	77
CNH30,928	US\$4,712	24 October 2017	65
CNH28,105	US\$4,276	24 October 2017	53
CNH21,856	US\$3,333	24 October 2017	49
CNH25,745	US\$3,910	24 October 2017	42
CNH16,083	US\$2,456	24 October 2017	39
CNH21,591	US\$3,279	24 October 2017	35
CNH14,707	US\$2,243	24 October 2017	33

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
CNH14,939	US\$2,278	24 October 2017	33
CNH10,619	US\$1,626	24 October 2017	31
CNH18,845	US\$2,860	24 October 2017	29
CNH43,170	US\$6,515	24 October 2017	29
CNH10,326	US\$1,577	24 October 2017	26
CNH11,048	US\$1,685	24 October 2017	25
CNH7,141	US\$1,094	24 October 2017	21
CNH7,218	US\$1,103	24 October 2017	19
CNH10,490	US\$1,594	24 October 2017	17
CNH310,223	US\$46,628	24 October 2017	17
CNH7,198	US\$1,098	24 October 2017	16
CNH7,206	US\$1,094	24 October 2017	11
CNH7,226	US\$1,095	24 October 2017	9
CNH19,595	US\$2,946	24 October 2017	2
CNH20,664	US\$3,106	24 October 2017	1
US\$383,169	CNH2,552,907	24 October 2017	410
Total unrealized gains			56,434
US\$2,949	CNH19,595	10 October 2017	(3)
US\$46,667	CNH310,223	10 October 2017	(16)
US\$3,108	CNH20,664	12 October 2017	(1)
CNH35,369	US\$5,308	24 October 2017	(6)
CNH747,441	US\$112,169	24 October 2017	(135)
US\$1,550	CNH10,205	24 October 2017	(17)
US\$262,169	CNH1,744,203	24 October 2017	(100)
US\$550,710	CNH3,662,764	24 October 2017	(374)
US\$328,701	CNH2,184,977	24 October 2017	(405)
US\$346,507	CNH2,295,782	24 October 2017	(1,564)
US\$267,511	CNH1,765,094	24 October 2017	(2,306)
US\$456,322	CNH3,010,165	24 October 2017	(4,044)
US\$278,851	CNH1,828,043	24 October 2017	(4,190)
US\$395,226	CNH2,593,605	24 October 2017	(5,540)
US\$238,380	CNH1,549,568	24 October 2017	(5,562)
US\$455,642	CNH2,994,778	24 October 2017	(5,679)
US\$433,984	CNH2,845,946	24 October 2017	(6,384)
US\$670,376	CNH4,413,072	24 October 2017	(7,314)
US\$457,275	CNH2,994,236	24 October 2017	(7,395)
US\$782,933	CNH5,154,721	24 October 2017	(8,439)
US\$492,056	CNH3,218,374	24 October 2017	(8,501)
US\$486,136	CNH3,174,057	24 October 2017	(9,240)
US\$655,092	CNH4,295,962	24 October 2017	(9,629)
US\$1,029,433	CNH6,778,381	24 October 2017	(10,984)
US\$760,755	CNH4,984,549	24 October 2017	(11,833)
US\$15,560,277	CNH101,865,197	24 October 2017	(255,185)
US\$58,854,804	CNH381,356,178	24 October 2017	(1,557,376)
Total unrealized losses			(1,922,222)
Net unrealized losses			(1,865,788)

## 12 Distribution

No distribution was made during the year (2017: nil).

## 13 Other income

The Fund received US\$437 (2017: nil) from the Manager as compensation for valuation and/or other operational error(s).

**Independent Auditor's Report**

To the Unitholders of JPMorgan Pacific Securities Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Pacific Securities Fund set out on pages 743 to 760, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 7 April 1978, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Pacific Securities Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 7 April 1978, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund	Net asset value per unit
30/9/18 - USD Class (acc) - PRC RMB Hedged Class (acc) - PRC USD Class (acc)	US\$433,488,471 CNY749,147,056 US\$72,080,750	US\$381.03 CNY16.28 US\$15.42
30/9/17 - USD Class (acc) - PRC RMB Hedged Class (acc) - PRC USD Class (acc)	US\$426,405,096 CNY509,883,600 US\$38,534,641	US\$358.79 CNY15.10 US\$14.54
30/9/16 - USD Class (acc) - PRC RMB Hedged Class (acc) - PRC USD Class (acc)	US\$357,067,645 CNY26,155,520 US\$3,522,310	US\$295.33 CNY12.09 US\$11.99

**Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u>	<u>Lowest bid</u>
30/9/18 - USD Class (acc) - PRC RMB Hedged Class (acc) - PRC USD Class (acc)	US\$414.48 CNY17.55 US\$16.79	US\$361.95 CNY15.43 US\$14.83
30/9/17 - USD Class (acc) - PRC RMB Hedged Class (acc) - PRC USD Class (acc)	US\$365.78 CNY15.38 US\$14.82	US\$273.68 CNY11.21 US\$11.10
30/9/16 - USD Class (acc) - PRC RMB Hedged Class (acc) - PRC USD Class (acc)	US\$314.08 CNY12.43 US\$12.34	US\$223.72 CNY9.98 US\$9.98
30/9/15 - USD Class (acc)	US\$311.08	US\$232.62
30/9/14 - USD Class (acc)	US\$289.79	US\$242.41
30/9/13 - USD Class (acc)	US\$278.76	US\$210.53
30/9/12	US\$231.29	US\$172.92
30/9/11	US\$260.84	US\$177.54
30/9/10	US\$233.39	US\$185.55
30/9/09	US\$208.81	US\$112.19

**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

**UK Tax Information**

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 1 January 1984 to 30 September 2010.

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
Listed/Quoted Investments (98.6%)			Net assets attributable to holders of redeemable units at 30 September 2018		
(I) Equities and Warrants (98.6%)				164,488,411	100.0
Australia (3.1%)			Total investments, at cost		
Xero Ltd (AU Listing)	145,256	5,149,899	3.1	149,115,422	
China (33.3%)					
51Jobs Inc ADR	55,539	4,275,948	2.6		
Alibaba Group Hldg ADR	95,097	15,668,181	9.5		
Baidu Inc ADR	42,000	9,604,560	5.8		
Bilibili Inc ADR	73,698	993,449	0.6		
Hangzhou Hik 'A' U-Wt 12/11/18(UBS)	541,720	2,262,743	1.4		
HUYA Inc ADR	93,852	2,213,030	1.3		
iQIYI Inc ADR	57,679	1,561,371	1.0		
Tencent Hldgs	377,100	15,575,754	9.5		
Weibo Corp ADR	35,066	2,564,377	1.6		
Japan (34.8%)					
Disco Corp	2,400	401,884	0.2		
Keyence Corp	15,240	8,852,711	5.4		
Lasertec Corp	83,200	2,772,479	1.7		
Murata Manufacturing	51,400	7,903,341	4.8		
Nexon Co	362,100	4,734,063	2.9		
Nidec Corp	4,600	661,945	0.4		
Nintendo Co	5,300	1,934,569	1.2		
Obic Co	48,100	4,552,318	2.8		
Otsuka Corp	107,900	4,027,785	2.4		
Recruit Hldgs	128,500	4,289,933	2.6		
Shimadzu Corp	20,600	645,649	0.4		
Sony Corp	78,600	4,820,422	2.9		
Square Enix Hldgs	68,100	2,817,890	1.7		
TDK Corp	8,300	905,375	0.6		
Tokyo Electron	2,200	302,346	0.2		
Trend Micro	49,200	3,166,369	1.9		
ZOZO Inc	145,300	4,400,511	2.7		
Korea (15.8%)					
NCsoft Corp	11,050	4,408,046	2.7		
Samsung Electronics	382,029	15,997,517	9.7		
Samsung SDI	16,969	3,954,462	2.4		
SK Hynix	24,463	1,612,121	1.0		
Taiwan (11.6%)					
Largan Precision	26,000	3,095,339	1.9		
Taiwan Semiconductor Mfg	1,866,788	16,049,252	9.7		
		162,175,639	98.6		
(II) Derivatives (0.0%)					
Forward foreign exchange contracts (0.0%)				1,365	0.0
Total Listed/Quoted Investments				162,177,004	98.6
Other net assets				2,311,407	1.4



Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 (*Unaudited*)

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities and Warrants</b>		
Japan	34.8	31.0
China	33.3	24.7
Korea	15.8	20.1
Taiwan	11.6	20.2
Australia	3.1	-
<b>Derivatives</b>		
Forward foreign exchange contracts	0.0	-
<b>Total Listed/Quoted Investments</b>	98.6	96.0
<b>Other net assets</b>	1.4	4.0
<b>Net assets attributable to holders of redeemable units at 30 September</b>	100.0	100.0

**Statement of Financial Position**  
**As at 30 September 2018**

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	2,023,788	5,191,373
Amounts due from brokers	1,964,252	-
Amounts receivable on allotment	615,547	2,811,949
Derivatives [Note 4(l)(a)]	17,200	-
Investments [Note 4(l)(a)]	162,175,639	144,737,317
Dividend and other accounts receivable	153,166	147,660
<b>Total assets</b>	<b>166,949,592</b>	<b>152,888,299</b>
<b>Liabilities</b>		
Amounts due to brokers	1,189,875	763,373
Amounts payable on redemption	1,007,844	1,119,058
Derivatives [Note 4(l)(a)]	15,835	-
Other accounts payable	247,627	236,472
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>2,461,181</b>	<b>2,118,903</b>
<b>Net assets attributable to holders of redeemable units classified as financial liability/equity [Note 3]</b>	<b>164,488,411</b>	<b>150,769,396</b>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

**Statement of Comprehensive Income**  
**For the year ended 30 September 2018**

	2018 US\$	2017 US\$
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 5]	(13,370,283)	33,133,998
Dividend income	2,245,101	1,518,526
Interest on deposits	24,529	10,708
Net foreign currency exchange losses	(216,708)	(170,421)
Other income	22,848	5,840
	<b>(11,294,513)</b>	<b>34,498,651</b>
<b>Expenses</b>		
Management fee [Note 7(e)]	2,778,193	1,601,639
Transaction costs	543,644	346,793
Registrar's fee [Note 7(h)]	157,606	112,457
Trustee's fee [Note 8]	64,779	45,159
Safe custody and bank charges	52,827	41,572
Valuation fee [Note 7(e)]	16,870	17,080
Auditor's fee	14,000	13,800
Legal and professional expenses	8,920	5,833
Printing and publication expenses	3,964	1,271
Other operating expenses	7,055	8,686
	<b>3,647,858</b>	<b>2,194,290</b>
<b>Net operating (loss)/profit</b>	<b>(14,942,371)</b>	<b>32,304,361</b>
<b>Finance costs</b>		
Interest expense	(4,877)	(149)
<b>(Loss)/profit before taxation</b>	<b>(14,947,248)</b>	<b>32,304,212</b>
Taxation [Note 6]	(364,466)	(247,796)
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>(15,311,714)</b>	<b>32,056,416</b>

The notes on pages 769 to 782 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	150,769,396	88,356,282
	-----	-----
Allotment of redeemable units [Note 3]	273,572,005	134,860,059
Redemption of redeemable units [Note 3]	(244,541,276)	(104,503,361)
	-----	-----
<b>Net allotment</b>	29,030,729	30,356,698
	-----	-----
	179,800,125	118,712,980
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	(15,311,714)	32,056,416
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	164,488,411	150,769,396
	=====	=====

**Statement of Cash Flows**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(265,948,398)	(117,887,751)
Proceeds from disposal of investments and derivatives	233,596,392	90,343,558
Dividend received	2,238,452	1,488,256
Interest received	25,735	9,289
Trustee's fee paid	(64,593)	(44,037)
Registrar's fee paid	(164,907)	(99,957)
Tax paid	(364,466)	(247,796)
Transaction costs paid	(539,257)	(347,998)
Management fee paid	(2,763,999)	(1,531,317)
Others	(268,764)	(253,260)
	-----	-----
<b>Net cash outflow from operating activities</b>	(34,253,805)	(28,571,013)
	-----	-----
<b>Financing activities</b>		
Interest paid	(4,877)	(149)
Receipts on allotment of redeemable units	275,768,407	133,725,493
Payments on redemption of redeemable units	(244,652,490)	(103,676,565)
	-----	-----
<b>Net cash inflow from financing activities</b>	31,111,040	30,048,779
	-----	-----
<b>(Decrease)/increase in cash and cash equivalents</b>	(3,142,765)	1,477,766
Cash and cash equivalents at the beginning of the year	5,191,373	3,710,802
Exchange (losses)/gains on cash and cash equivalents	(24,820)	2,805
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	2,023,788	5,191,373
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	2,023,788	5,191,373
	=====	=====

The notes on pages 769 to 782 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Pacific Technology Fund (the "Fund") was established under a Trust Deed dated 14 August 1997, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to provide long-term capital growth through a portfolio consisting primarily of securities of technology companies in the Pacific region, including Japan.

With effect from 3 December 2018, the investment objective of the Fund was amended to clarify that securities of the technology companies that the Fund invests in include but are not limited to companies related to technology, media and telecommunication.

Due to re-allocation of resources from Taiwan to Hong Kong, the discretionary investment management of the Fund rests with JF Asset Management Limited, the current Investment Manager of the Fund. Therefore, the sub-delegation of the investment management role of the Fund to JPMorgan Asset Management (Taiwan) Limited was terminated with effect from 1 December 2017.

Pursuant to the Supplemental Trust Deed dated 4 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

#### *Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

#### *Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

#### *Transfers between levels of the fair value hierarchy*

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

### **(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

### **(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

### **(e) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(f) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(g) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(h) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(i) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(j) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund. Previously, units of the Fund are classified as equity in the Statement of Financial Position.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**2018

	AUD Hedged Class (acc) Units	HKD Class (acc) Units	SGD Hedged Class (acc) Units	USD Class (acc) Units
Number of units in issue:				
At the beginning of the year	-	-	-	2,196,557.759
Total allotments	27,162,841	33,186.765	211,274.808	3,736,010.051
Total redemptions	-	(1,024.185)	-	(3,373,900.714)
At the end of the year	<u>27,162,841</u>	<u>32,162.580</u>	<u>211,274.808</u>	<u>2,558,667.096</u>
	A\$	HK\$	S\$	US\$
Net assets attributable to holders of redeemable units	<u>257,026</u>	<u>303,927</u>	<u>1,996,274</u>	<u>162,802,572</u>
Net assets attributable to holders of redeemable units (per unit)	<u>9.46</u>	<u>9.45</u>	<u>9.45</u>	<u>63.63</u>

2017

	USD Class (acc) Units
Number of units in issue:	
At the beginning of the year	1,723,104.168
Total allotments	2,234,758.548
Total redemptions	(1,761,304.957)
At the end of the year	<u>2,196,557.759</u>
	US\$
Net assets attributable to holders of redeemable units	<u>150,769,396</u>
Net assets attributable to holders of redeemable units (per unit)	<u>68.64</u>

As at 30 September 2018, the Fund had US\$164,488,411 of puttable financial instruments, represented by the net assets attributable to the holders of redeemable units (or "net asset value" or "net assets" or "NAV"), classified as financial liabilities. As at 30 September 2017, the Fund's net assets attributable to the holders of redeemable units of US\$150,769,396 was classified as equity.

The Fund's policies for managing its obligations for the holders of redeemable units of the Fund are included in Note 4(II) capital risk management.

**4 Financial risk management****(i) Financial risk factors**

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

**(a) Market risk****(i) Market price risk**

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Beta of the Fund on a regular basis. Beta measures the statistical relationship between the return of the Fund and the relevant benchmark index chosen by the Investment Manager.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
Listed/Quoted Investments				
<u>Assets</u>				
Equities and Warrants				
- Japan	57,189,590	34.8	46,692,239	31.0
- China	54,719,413	33.3	37,272,539	24.7
- Korea	25,972,146	15.8	30,321,719	20.1
- Taiwan	19,144,591	11.6	30,450,820	20.2
- Others	5,149,899	3.1	-	-
	<u>162,175,639</u>	<u>98.6</u>	<u>144,737,317</u>	<u>96.0</u>
Derivatives				
- Forward foreign exchange contracts	17,200	0.0	-	-
	<u>162,192,839</u>	<u>98.6</u>	<u>144,737,317</u>	<u>96.0</u>
<u>Liabilities</u>				
Derivatives				
- Forward foreign exchange contracts	(15,835)	(0.0)	-	-
	<u>(15,835)</u>	<u>(0.0)</u>	<u>-</u>	<u>-</u>
Total Listed/Quoted Investments	<u>162,177,004</u>	<u>98.6</u>	<u>144,737,317</u>	<u>96.0</u>

Also, refer to Note 11 for the exposures on derivative contracts.



	Net asset value US\$	Relevant benchmark index for the Fund (Note*)	Beta (Note**)	% of reasonable possible change of the relevant benchmark index (Note***)	Estimated impact on net asset value (Note****) US\$
As at 30 September 2018	<u>164,488,411</u>	MSCI AC Pacific Information Technology Net	0.96	-1.3	<u>(2,052,815)</u>
As at 30 September 2017	<u>150,769,396</u>	MSCI AC Pacific Information Technology Net	0.93	+40.9	<u>57,348,155</u>

If the relevant benchmark index return was to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Relevant benchmark index for the Fund represents the relevant market index used by the Investment Manager in monitoring the market price risk of the Fund.

\*\* Beta measures the statistical relationship between the return of the Fund and the respective benchmark index over the maximum of past 36 months, or the number of months since portfolio inception. For funds launched within a period of less than 12 months, weekly returns of the Fund are used for calculating the Beta.

\*\*\* % of reasonable possible change is based on the actual historical change in the benchmark index in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. For funds launched within a period of less than 12 months, actual historical change in the benchmark index since the commencement of operations will be used to calculate the % of reasonable possible change.

\*\*\*\* Estimated impact on net asset value of the Fund is calculated by applying the relevant Beta against the net asset value of the Fund multiplied by the % of reasonable possible change of the relevant benchmark index, assuming all other variables that may impact the net asset value of the Fund are held constant.

## (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Cash at banks	<u>2,023,788</u>	<u>5,191,373</u>
Total interest sensitivity gap	<u>2,023,788</u>	<u>5,191,373</u>

Any cash and cash equivalents are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

## (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The Fund enters in some forward foreign exchange contracts to hedge some of its foreign currency exposures to maintain limited exposure to non-US\$ currencies. Refer to Note 11 for the outstanding forward foreign exchange contracts as at year end.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

Net currency exposures (Note*)	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
<u>2018</u>			
Australian Dollar	5,336,574	-7.8	(416,253)
Chinese Yuan (Offshore)	600,846	-3.3	(19,828)
Hong Kong Dollar	15,653,699	-0.2	(31,307)
Japanese Yen	57,506,017	-0.9	(517,554)
Korean Won	25,972,145	+3.3	857,081
Singapore Dollar	1,462,061	-0.6	(8,772)
Taiwan Dollar	19,505,981	-0.7	(136,542)
	<u>126,037,323</u>		<u>(273,175)</u>
<u>2017</u>			
Hong Kong Dollar	17,827,389	-0.7	(124,792)
Japanese Yen	46,854,690	-10.0	(4,685,469)
Korean Won	30,321,719	-3.8	(1,152,225)
Taiwan Dollar	29,627,556	+3.4	1,007,337
	<u>124,631,354</u>		<u>(4,955,149)</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

## (b) Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	2,023,788	5,191,373
Amounts due from brokers	1,964,252	-
Amounts receivable on allotment	615,547	2,811,949
Derivatives issued by brokers	17,200	-
Investments issued by brokers	2,262,743	-
Dividend and other accounts receivable	153,166	147,660
	<u>7,036,696</u>	<u>8,150,982</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/brokers/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	2,010,205	4,190,248
S&P(A)/Moody's(A)/FITCH(A)	13,583	1,001,125
Investments and derivatives issued by brokers		
S&P(AA)/Moody's(Aa)/FITCH(AA)	3,520	-
S&P(A)/Moody's(A)/FITCH(A)	2,276,423	-
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	<u>159,912,896</u>	<u>144,737,317</u>

### (c) Liquidity risk

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018		2017	
	Less than 1 month US\$	1 to 12 months US\$	Less than 1 month US\$	1 to 12 months US\$
Amounts due to brokers	1,189,875	-	763,373	-
Amounts payable on redemption	1,007,844	-	1,119,058	-
Derivatives	14,980	855	-	-
Other accounts payable	247,627	-	236,472	-
Net assets attributable to holders of redeemable units	<u>164,488,411</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total financial liabilities	<u>166,948,737</u>	<u>855</u>	<u>2,118,903</u>	<u>-</u>

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

#### (d) Offsetting and amounts subject to master netting arrangements and similar agreements

As at 30 September 2018 and 2017, the Fund was subject to master netting arrangements with certain derivative counterparties. All of the derivative assets and liabilities of the Fund were held with these counterparties and the collateral and margin deposits maintained by the Fund were for the purpose of providing collateral on derivative positions.

In the event of default, the Fund and its counterparties have the option to settle transactions on net basis. An event of default may include failure to pay or deliver, breach of agreement or bankruptcy.

The following tables summarize the Fund's financial assets and liabilities subject to offsetting, master netting arrangements and similar agreements as at 30 September by types of financial instruments.

	Gross amounts of recognized financial assets presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>2018</u>				
<u>Assets</u>				
Derivatives	16,928	(14,244)	-	2,684
Financial assets at fair value through profit and loss	16,928	(14,244)	-	2,684

	Gross amounts of recognized financial liabilities presented in the Statement of Financial Position US\$	Financial Instruments US\$	Related amounts subject to master netting arrangements and similar agreements net off against Collateral and margin deposits US\$	Net amount US\$
<u>Liabilities</u>				
Derivatives	15,437	(14,244)	-	1,193
Financial liabilities at fair value through profit and loss	15,437	(14,244)	-	1,193

#### 2017

There were no financial assets and financial liabilities subject to offsetting, master netting arrangements and similar agreements as at 30 September 2017.

#### (II) Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

**(III) Fair value estimation**

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<u>2018</u>				
<u>Assets</u>				
Equities and Warrants	159,912,896	2,262,743	-	162,175,639
Derivatives	-	17,200	-	17,200
Total financial assets at fair value through profit and loss	<u>159,912,896</u>	<u>2,279,943</u>	<u>-</u>	<u>162,192,839</u>
<u>Liabilities</u>				
Derivatives	-	15,835	-	15,835
Total financial liabilities at fair value through profit and loss	<u>-</u>	<u>15,835</u>	<u>-</u>	<u>15,835</u>
<u>2017</u>				
<u>Assets</u>				
Equities	143,439,888	1,297,429	-	144,737,317
Total financial assets at fair value through profit and loss	<u>143,439,888</u>	<u>1,297,429</u>	<u>-</u>	<u>144,737,317</u>

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the years ended 30 September 2018 and 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

**5 Net (losses)/gains on investments and derivatives**

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	(26,870,285)	21,660,813
Realized gains on sale of investments and derivatives	13,500,002	11,473,185
	<u>(13,370,283)</u>	<u>33,133,998</u>

**6 Taxation**

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Overseas tax was withheld or paid on certain dividend income received during the years ended 30 September 2018 and 2017.

**7 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons**

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

(a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments US\$	% of the Fund's total aggregate value of transactions	Commission paid US\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
J.P. Morgan Securities (Asia Pacific) Limited	5,327,589	1.06	3,024	1.20	0.06
J.P. Morgan Securities plc London	2,855,026	0.57	1,428	0.57	0.05
<u>2017</u>					
J.P. Morgan Securities (Asia Pacific) Limited	3,046,868	1.47	4,570	2.50	0.15
J.P. Morgan Securities plc London	1,163,896	0.56	1,328	0.73	0.11

(b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	446,629	2,911,212
Amounts receivable	264	1,471
Amounts payable	<u>(218,673)</u>	<u>(214,728)</u>

During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$4,716 (2017: US\$5,762).

(c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.

(d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$9,307 (2017: US\$9,064).

- (e) Management fee of 1.5% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.

The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.

- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (g) Refer to Note 8 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 8 Trustee's fee

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first US\$40 million, 0.04% per annum for the balance from US\$40 million to US\$70 million, and 0.025% per annum for the balance in excess of US\$70 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

## 9 Borrowings

During the years ended 30 September 2018 and 2017, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

## 10 Soft dollar arrangements/Commission sharing arrangements

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

## 11 Derivatives

Outstanding forward foreign exchange contracts as at 30 September were as follows:

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
<u>2018</u>			
Open contracts:			
A\$6,757	US\$4,904	3 October 2018	15
A\$2,494	US\$1,818	3 October 2018	14
A\$3,513	US\$2,554	3 October 2018	12
S\$98,500	US\$72,169	3 October 2018	76
US\$723,351	S\$991,092	3 October 2018	2,033
US\$71,573	S\$98,500	3 October 2018	520
US\$144,469	S\$198,000	3 October 2018	448
US\$35,638	S\$49,000	3 October 2018	225
US\$35,737	S\$49,000	3 October 2018	126
US\$35,376	S\$48,500	3 October 2018	121
US\$14,127	S\$19,400	3 October 2018	72
US\$9,574	S\$13,121	3 October 2018	30
US\$5,376	S\$7,372	3 October 2018	19
US\$6,521	S\$8,917	3 October 2018	6
US\$1,539	A\$2,132	3 October 2018	4

Contract to deliver	In exchange for	Settlement date	Unrealized gains/(losses) US\$
US\$1,296,439	S\$1,783,426	5 November 2018	9,710
US\$187,878	A\$263,847	5 November 2018	3,093
US\$35,783	S\$49,250	5 November 2018	287
US\$56,857	S\$77,900	5 November 2018	196
US\$26,204	S\$35,913	5 November 2018	98
US\$21,245	S\$29,100	5 November 2018	68
US\$3,768	A\$5,241	5 November 2018	25
US\$1,612	A\$2,230	5 November 2018	2
Total unrealized gains			17,200
			-----
A\$2,392	US\$1,729	3 October 2018	(2)
A\$3,018	US\$2,168	3 October 2018	(16)
A\$263,847	US\$187,838	3 October 2018	(3,082)
S\$14,349	US\$10,451	3 October 2018	(51)
S\$10,131	US\$7,344	3 October 2018	(71)
S\$14,869	US\$10,810	3 October 2018	(73)
S\$18,099	US\$13,150	3 October 2018	(96)
S\$27,692	US\$20,154	3 October 2018	(114)
S\$1,783,426	US\$1,295,695	3 October 2018	(9,601)
US\$1,034	A\$1,423	3 October 2018	(4)
US\$4,561	S\$6,217	3 October 2018	(11)
US\$13,946	S\$19,035	3 October 2018	(14)
US\$1,538	A\$2,092	3 October 2018	(24)
US\$2,715	A\$3,691	3 October 2018	(44)
US\$35,731	S\$48,750	3 October 2018	(50)
US\$5,088	A\$6,913	3 October 2018	(85)
US\$27,838	S\$37,886	3 October 2018	(109)
US\$57,577	S\$78,400	3 October 2018	(196)
US\$71,930	S\$98,000	3 October 2018	(204)
US\$71,481	S\$97,375	3 October 2018	(212)
US\$193,232	A\$265,770	3 October 2018	(921)
A\$1,942	US\$1,402	5 November 2018	(4)
A\$2,148	US\$1,544	5 November 2018	(11)
A\$3,422	US\$2,465	5 November 2018	(12)
A\$4,881	US\$3,518	5 November 2018	(15)
A\$1,624	US\$1,157	5 November 2018	(19)
A\$2,142	US\$1,521	5 November 2018	(29)
A\$4,487	US\$3,203	5 November 2018	(45)
S\$15,011	US\$10,981	5 November 2018	(13)
S\$15,270	US\$11,145	5 November 2018	(39)
S\$23,500	US\$17,163	5 November 2018	(48)
S\$10,591	US\$7,688	5 November 2018	(69)
S\$14,617	US\$10,622	5 November 2018	(83)
S\$32,277	US\$23,508	5 November 2018	(131)
S\$30,301	US\$22,010	5 November 2018	(182)
US\$882	A\$1,212	5 November 2018	(5)
US\$1,351	A\$1,860	5 November 2018	(5)
US\$6,599	S\$8,998	5 November 2018	(9)
US\$10,048	S\$13,705	5 November 2018	(11)
US\$11,911	S\$16,243	5 November 2018	(15)
US\$20,839	S\$28,429	5 November 2018	(18)
US\$2,820	A\$3,870	5 November 2018	(19)
US\$72,213	S\$98,500	5 November 2018	(73)
Total unrealized losses			(15,835)
			=====
Net unrealized gains			1,365
			=====

2017

Nil



## 12 Distribution

No distribution was made during the year (2017: nil).

**Independent Auditor's Report**

To the Unitholders of JPMorgan Pacific Technology Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Pacific Technology Fund set out on pages 767 to 782, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 14 August 1997, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Pacific Technology Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 14 August 1997, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund	Net asset value per unit
30/9/18 - AUD Hedged Class (acc) - HKD Class (acc) - SGD Hedged Class (acc) - USD Class (acc)	A\$257,026 HK\$303,927 S\$1,996,274 US\$162,802,572	A\$9.46 HK\$9.45 S\$9.45 US\$63.63
30/9/17 - USD Class (acc)	US\$150,769,396	US\$68.64
30/9/16 - USD Class (acc)	US\$88,356,282	US\$51.28

**Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u>	<u>Lowest bid</u>
30/9/18 - AUD Hedged Class (acc) - HKD Class (acc) - SGD Hedged Class (acc) - USD Class (acc)	A\$10.34 HK\$10.35 S\$10.34 US\$77.78	A\$9.15 HK\$9.17 S\$9.14 US\$61.53
30/9/17 - USD Class (acc)	US\$76.07	US\$50.44
30/9/16 - USD Class (acc)	US\$57.56	US\$38.44
30/9/15 - USD Class (acc)	US\$49.93	US\$36.66
30/9/14 - USD Class (acc)	US\$47.12	US\$38.48
30/9/13 - USD Class (acc)	US\$41.99	US\$33.20
30/9/12	US\$37.99	US\$29.14
30/9/11	US\$42.16	US\$28.96
30/9/10	US\$39.66	US\$31.01
30/9/09	US\$34.77	US\$18.49

**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

**UK Tax Information**

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 14 August 1997 to 30 September 2010.

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments (98.9%)</b>			<b>Total Listed/Quoted Investments</b>	74,217,843	98.9
<b>Equities (98.9%)</b>			<b>Other net assets</b>	840,364	1.1
<b>Philippines (98.9%)</b>			<b>Net assets attributable to holders of redeemable units at 30 September 2018</b>	75,058,207	100.0
<b>Banks (15.5%)</b>			<b>Total investments, at cost</b>	78,257,514	
Bank Of Philippine Islands	1,736,708	2,677,545			
BDO Unibank	2,283,262	5,062,646			
Metropolitan Bank & Trust	3,162,964	3,922,239			
<b>Communications (5.0%)</b>					
Globe Telecom	61,925	2,521,470			
PLDT Inc	50,495	1,261,674			
<b>Construction &amp; Related Products (1.7%)</b>					
Wilcon Depot	6,779,500	1,292,409			
<b>Diversified Industrials (1.2%)</b>					
Alliance Global Group	3,842,600	887,574			
<b>Financial Services (1.8%)</b>					
GT Capital Hldgs	89,446	1,357,500			
<b>Food, Beverages &amp; Tobacco (10.3%)</b>					
Jollibee Food	665,630	3,166,147			
Universal Robina	1,719,890	4,599,743			
<b>Holding Firms (30.4%)</b>					
Aboltiz Equity Ventures	2,075,450	1,882,233			
Ayala Corp	406,000	6,973,311			
DMCI Hldgs	7,923,800	1,668,940			
JG Summit Hldgs	3,625,470	3,620,102			
LT Group	10,491,000	2,796,047			
SM Investments	350,133	5,858,231			
<b>Hotel, Recreation &amp; Other Services (1.1%)</b>					
Shakey's Pizza Asia Ventures	3,661,800	813,282			
<b>Investment Trusts (2.3%)</b>					
Metro Pacific Inv	19,818,800	1,742,352			
<b>Manufacturing, Distribution &amp; Trading (3.1%)</b>					
Bloomberry Resorts	5,480,200	889,531			
Philippine Seven	750,000	1,413,104			
<b>Power &amp; Energy (4.8%)</b>					
Aboltiz Power	3,882,600	2,403,720			
Manila Electric	188,610	1,186,885			
<b>Property (19.5%)</b>					
Ayala Land	9,760,560	7,235,062			
Megaworld Corp	9,530,300	776,112			
SM Prime Hldgs	9,861,286	6,597,918			
<b>Transportation Services (2.2%)</b>					
Intl Container Terminal Services	925,610	1,612,066			

Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 (*Unaudited*)

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
<b>Philippines</b>		
Holding Firms	30.4	28.3
Property	19.5	20.3
Banks	15.5	17.6
Food, Beverages & Tobacco	10.3	9.3
Communications	5.0	4.4
Power & Energy	4.8	2.2
Manufacturing, Distribution & Trading	3.1	-
Investment Trusts	2.3	2.0
Transportation Services	2.2	2.5
Financial Services	1.8	1.6
Construction & Related Products	1.7	1.8
Diversified Industrials	1.2	2.0
Hotel, Recreation & Other Services	1.1	0.8
Others	-	2.1
Energy	-	0.2
<b>Total Listed/Quoted Investments</b>	<b>98.9</b>	<b>95.1</b>
<b>Other net assets</b>	<b>1.1</b>	<b>4.9</b>
<b>Net assets attributable to holders of redeemable units at 30 September</b>	<b>100.0</b>	<b>100.0</b>

**Statement of Financial Position  
As at 30 September 2018**

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	3,706,912	3,411,227
Amounts due from brokers	7,459,306	-
Amounts receivable on allotment	196,165	2,925,758
Investments [Note 4(l)(a)]	74,217,843	93,736,477
Dividend receivable	49,806	-
<b>Total assets</b>	<u>85,630,032</u>	<u>100,073,462</u>
<b>Liabilities</b>		
Amounts payable on redemption	10,424,281	1,317,708
Other accounts payable	147,544	179,929
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	<u>10,571,825</u>	<u>1,497,637</u>
<b>Net assets attributable to holders of redeemable units</b> [Note 3]	<u>75,058,207</u>	<u>98,575,825</u>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

**Statement of Comprehensive Income  
For the year ended 30 September 2018**

	2018 US\$	2017 US\$
<b>Income</b>		
Net (losses)/gains on investments and derivatives [Note 5]	(12,930,527)	7,052,473
Dividend income	1,158,519	1,835,449
Interest on deposits	19,323	11,889
Net foreign currency exchange losses	(180,325)	(201,407)
Other income [Note 12]	4	-
	<u>(11,933,006)</u>	<u>8,698,404</u>
<b>Expenses</b>		
Management fee [Note 7(e)]	1,277,663	1,519,694
Transaction costs	546,260	633,159
Registrar's fee [Note 7(h)]	145,653	190,346
Safe custody and bank charges	57,859	73,759
Trustee's fee [Note 8]	40,634	44,513
Valuation fee [Note 7(e)]	16,310	16,380
Legal and professional expenses	15,566	16,393
Auditor's fee	13,200	13,000
Printing and publication expenses	1,295	1,239
Other operating expenses	5,277	4,496
	<u>2,119,717</u>	<u>2,512,979</u>
<b>Net operating (loss)/profit</b>	<u>(14,052,723)</u>	<u>6,185,425</u>
<b>Finance costs</b>		
Interest expense	(92)	(431)
<b>(Loss)/profit before taxation</b>	<u>(14,052,815)</u>	<u>6,184,994</u>
Taxation [Note 6]	(173,778)	(275,317)
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>(14,226,593)</u>	<u>5,909,677</u>

The notes on pages 791 to 800 form part of these financial statements.



Statement of Changes in Net Assets Attributable to Holders  
of Redeemable Units  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	98,575,825	104,245,962
	-----	-----
Allotment of redeemable units [Note 3]	70,991,354	137,506,148
Redemption of redeemable units [Note 3]	(80,282,379)	(149,085,962)
	-----	-----
<b>Net redemption</b>	(9,291,025)	(11,579,814)
	-----	-----
	89,284,800	92,666,148
<b>(Decrease)/increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	(14,226,593)	5,909,677
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	75,058,207	98,575,825
	=====	=====

Statement of Cash Flows  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(51,273,294)	(60,912,397)
Proceeds from disposal of investments and derivatives	50,345,442	73,889,188
Dividend received	1,108,713	1,851,335
Interest received	19,323	12,023
Trustee's fee paid	(40,921)	(44,782)
Registrar's fee paid	(159,553)	(198,475)
Tax paid	(173,778)	(275,317)
Transaction costs paid	(488,737)	(644,542)
Management fee paid	(1,297,982)	(1,531,964)
Others	(125,243)	(275,927)
	-----	-----
<b>Net cash (outflow)/inflow from operating activities</b>	(2,086,030)	11,869,142
	-----	-----
<b>Financing activities</b>		
Interest paid	(92)	(431)
Receipts on allotment of redeemable units	73,720,947	136,840,842
Payments on redemption of redeemable units	(71,175,806)	(149,314,005)
	-----	-----
<b>Net cash inflow/(outflow) from financing activities</b>	2,545,049	(12,473,594)
	-----	-----
<b>Increase/(decrease) in cash and cash equivalents</b>	459,019	(604,452)
Cash and cash equivalents at the beginning of the year	3,411,227	4,067,389
Exchange losses on cash and cash equivalents	(163,334)	(51,710)
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	3,706,912	3,411,227
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	3,706,912	3,411,227
	=====	=====

The notes on pages 791 to 800 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Philippine Fund (the "Fund") was established under a Trust Deed dated 29 July 1974, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to provide long-term capital growth through investment primarily in the securities of companies based or operating in the Philippines.

Pursuant to the Supplemental Trust Deed dated 4 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(e) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(f) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(g) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(h) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(i) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(j) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

Units of the Fund are redeemable at the option of the holders of redeemable units and are classified as a financial liability in the Statement of Financial Position which represents the net assets attributable to holders of redeemable units (or "net asset value" or "net assets" or "NAV") and is carried at the redemption amount that would be payable at the Statement of Financial Position date if the holders of redeemable units exercised the right to redeem units of the Fund.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**2018

	USD Class (acc) Units	USD C Class (acc) Units
Number of units in issue:		
At the beginning of the year	755,289,558	377,566.000
Total allotments	462,844,611	1,249,454.000
Total redemptions	(528,373.739)	(1,338,907.000)
At the end of the year	<u>689,760.430</u>	<u>288,113.000</u>

US\$

US\$

Net assets attributable to holders of redeemable units	<u>72,037,349</u>	<u>3,020,858</u>
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Net assets attributable to holders of redeemable units (per unit)	<u>104.44</u>	<u>10.48</u>
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2017

	USD Class (acc) Units	USD C Class (acc) Units
Number of units in issue:		
At the beginning of the year	837,635,309	340,036.000
Total allotments	1,095,419,253	1,146,592.000
Total redemptions	(1,177,765.004)	(1,109,062.000)
At the end of the year	<u>755,289,558</u>	<u>377,566.000</u>

US\$

US\$

Net assets attributable to holders of redeemable units	<u>93,904,526</u>	<u>4,671,299</u>
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Net assets attributable to holders of redeemable units (per unit)	<u>124.33</u>	<u>12.37</u>
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**4 Financial risk management****(i) Financial risk factors**

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

## (a) Market risk

## (i) Market price risk

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Beta of the Fund on a regular basis. Beta measures the statistical relationship between the return of the Fund and the relevant benchmark index chosen by the Investment Manager.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
Listed/Quoted Investments	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
<u>Assets</u>				
<u>Equities</u>				
- Holding Firms	22,798,864	30.4	27,903,006	28.3
- Property	14,609,092	19.5	19,983,405	20.3
- Banks	11,662,430	15.5	17,342,078	17.6
- Food, Beverages & Tobacco	7,765,890	10.3	9,162,097	9.3
- Communications	3,783,144	5.0	4,302,530	4.4
- Others	13,598,423	18.2	15,043,361	15.2
Total Listed/Quoted Investments	74,217,843	98.9	93,736,477	95.1

  

	Net asset value US\$	Relevant benchmark index for the Fund (Note*)	Beta (Note**)	% of reasonable possible change of the relevant benchmark index (Note***)	Estimated impact on net asset value (Note****) US\$
As at 30 September 2018	75,058,207	MSCI Philippines Net	0.94	-15.6	(11,006,535)
As at 30 September 2017	98,575,825	MSCI Philippines Net	0.96	+2.1	1,987,289

If the relevant benchmark index return was to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Relevant benchmark index for the Fund represents the relevant market index used by the Investment Manager in monitoring the market price risk of the Fund.

\*\* Beta measures the statistical relationship between the return of the Fund and the respective benchmark index over the maximum of past 36 months, or the number of months since portfolio inception. For funds launched within a period of less than 12 months, weekly returns of the Fund are used for calculating the Beta.

\*\*\* % of reasonable possible change is based on the actual historical change in the benchmark index in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. For funds launched within a period of less than 12 months, actual historical change in the benchmark index since the commencement of operations will be used to calculate the % of reasonable possible change.

\*\*\*\* Estimated impact on net asset value of the Fund is calculated by applying the relevant Beta against the net asset value of the Fund multiplied by the % of reasonable possible change of the relevant benchmark index, assuming all other variables that may impact the net asset value of the Fund are held constant.

**(ii) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Cash at banks	3,706,912	3,411,227
Total interest sensitivity gap	3,706,912	3,411,227

Any cash and cash equivalents are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

**(iii) Currency risk**

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
Net currency exposures (Note*)			
<u>2018</u>			
Hong Kong Dollar	6,933	-0.2	(14)
Philippine Peso	84,295,163	-6.0	(5,057,710)
	<u>84,302,096</u>		<u>(5,057,724)</u>
<u>2017</u>			
Hong Kong Dollar	1,907	-0.7	(13)
Philippine Peso	94,824,349	-4.5	(4,267,096)
	<u>94,826,256</u>		<u>(4,267,109)</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

**(b) Credit risk**

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	3,706,912	3,411,227
Amounts due from brokers	7,459,306	-
Amounts receivable on allotment	196,165	2,925,758
Dividend receivable	49,806	-
	<u>11,412,189</u>	<u>6,336,985</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	2,997,386	2,210,428
S&P(A)/Moody's(A)/FITCH(A)	709,526	1,200,799
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	<u>74,217,843</u>	<u>93,736,477</u>

**(c) Liquidity risk**

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Amounts payable on redemption	10,424,281	1,317,708
Other accounts payable	147,544	179,929
Net assets attributable to holders of redeemable units	<u>75,058,207</u>	<u>98,575,825</u>
Total financial liabilities	<u>85,630,032</u>	<u>100,073,462</u>



The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

## (II) Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

## (III) Fair value estimation

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<u>2018</u>				
<u>Assets</u>				
Equities	74,217,843	-	-	74,217,843
Total financial assets at fair value through profit and loss	74,217,843	-	-	74,217,843
<u>2017</u>				
<u>Assets</u>				
Equities	93,736,477	-	-	93,736,477
Total financial assets at fair value through profit and loss	93,736,477	-	-	93,736,477

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the years ended 30 September 2018 and 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 5 Net (losses)/gains on investments and derivatives

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	(16,554,124)	3,349,628
Realized gains on sale of investments and derivatives	3,623,597	3,702,845
	<u>(12,930,527)</u>	<u>7,052,473</u>

## 6 Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Overseas tax was withheld or paid on certain dividend income received during the years ended 30 September 2018 and 2017.

## 7 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

(a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments US\$	% of the Fund's total aggregate value of transactions	Commission paid US\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
J.P. Morgan Securities (Asia Pacific) Limited	7,246,455	6.64	13,921	7.94	0.19
<u>2017</u>					
J.P. Morgan Securities (Asia Pacific) Limited	10,006,055	7.55	28,469	13.38	0.28

(b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	355,662	905,068
Amounts receivable	208,815	-
Amounts payable	<u>(124,072)</u>	<u>(159,658)</u>

During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$5,679 (2017: US\$5,137).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.
- (d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$3,053 (2017: US\$5,754).
- (e) Management fee for USD Class (acc) of 1.5% per annum and USD C Class (acc) of 0.75% per annum of the net asset value of each Class is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.  
  
The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.
- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (g) Refer to Note 8 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 8 Trustee's fee

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first US\$40 million, 0.04% per annum for the balance from US\$40 million to US\$70 million, and 0.025% per annum for the balance in excess of US\$70 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

## 9 Borrowings

During the years ended 30 September 2018 and 2017, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

## 10 Soft dollar arrangements/Commission sharing arrangements

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

## 11 Distribution

No distribution was made during the year (2017: nil).

## 12 Other income

The Fund received US\$4 (2017: nil) from the Manager as compensation for valuation and/or other operational error(s).

**Independent Auditor's Report**

To the Unitholders of JPMorgan Philippine Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Philippine Fund set out on pages 789 to 800, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 29 July 1974, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Philippine Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 29 July 1974, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund US\$	Net asset value per unit US\$
30/9/18 - USD Class (acc) - USD C Class (acc)	72,037,349 3,020,858	104.44 10.48
30/9/17 - USD Class (acc) - USD C Class (acc)	93,904,526 4,671,299	124.33 12.37
30/9/16 - USD Class (acc) - USD C Class (acc)	100,225,269 4,020,693	119.65 11.82

**Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u> US\$	<u>Lowest bid</u> US\$
30/9/18 - USD Class (acc) - USD C Class (acc)	136.63 13.63	102.85 10.31
30/9/17 - USD Class (acc) - USD C Class (acc)	127.64 12.63	100.22 9.92
30/9/16 - USD Class (acc) - USD C Class (acc)	137.53 13.58	93.69 9.22
30/9/15 - USD Class (acc) - USD C Class (acc)	136.45 13.35	104.44 10.24
30/9/14 - USD Class (acc) - USD C Class (acc)	122.49 11.93	89.82 8.71
30/9/13 - USD Class (acc)	132.71	86.74
30/9/12	90.90	54.99
30/9/11	72.64	53.71
30/9/10	64.34	33.85
30/9/09	35.89	17.48

**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Sub-Manager**

JPMorgan Asset Management  
(Singapore) Limited  
168 Robinson Road  
17/F, Capital Tower  
Singapore 068912

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

**UK Tax Information**

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 30 June 1987 to 30 September 2010.

Investment Portfolio  
As at 30 September 2018 *(Unaudited)*

(Continued)

Holding	Fair value US\$	% of net assets	Holding	Fair value US\$	% of net assets
<b>Listed/Quoted Investments</b> (96.1%)			<b>Property Development</b> (4.8%)		
<b>Equities and Warrants</b> (96.1%)			Central Pattana (F)	1,615,000	4,144,867 1.2
<b>Thailand</b> (96.1%)			Erawan Group (F)	26,091,600	6,535,002 1.8
<b>Banking</b> (20.6%)			Land & Houses (F)	18,080,600	6,429,403 1.8
Bangkok Bank NVDR	2,068,500	13,431,818 3.8	<b>Textiles, Clothing &amp; Footwear</b> (1.7%)		
Kasikornbank Public Co (F)	3,152,200	21,248,596 6.0	Sabina PCL (F)	6,372,000	6,009,462 1.7
Kasikornbank Public Co NVDR	1,977,500	13,207,792 3.7	<b>Transportation</b> (4.9%)		
Siam Commercial Bank (F)	5,427,300	25,005,186 7.1	Airports of Thailand (F)	8,618,400	17,455,325 4.9
<b>Building &amp; Furnishing Materials</b> (6.7%)			<b>Total Listed/Quoted Investments</b>		
Home Product Center (F)	18,145,500	8,865,148 2.5		340,467,228	96.1
Siam Cement (F)	1,076,500	14,845,980 4.2	<b>Other net assets</b>		
<b>Chemicals &amp; Plastics</b> (6.4%)				13,854,099	3.9
PTT Global Chemical (F)	9,000,000	22,611,317 6.4	<b>Net assets attributable to holders of redeemable units at 30 September 2018</b>		
<b>Communications</b> (8.0%)				354,321,327	100.0
Advanced Information (F)	1,759,100	10,933,182 3.1	<b>Total investments, at cost</b>		
Intouch Hldgs (F)	2,891,500	4,828,108 1.3		277,471,907	
Total Access Communication (F)	3,824,800	5,558,615 1.6			
VGI Global Media (F)	28,639,500	7,040,322 2.0			
VGI Global Media (F) Wts 31/12/22	6,450,540	119,676 0.0			
<b>Construction &amp; House</b> (0.9%)					
Banpu Public Co (F)	5,649,200	3,336,417 0.9			
<b>Electronic Components</b> (1.3%)					
KCE Electronics (F)	3,551,300	4,639,531 1.3			
<b>Energy</b> (22.1%)					
PTT Exploration & Production (F)	6,046,100	28,977,907 8.2			
PTT Public Co (F)	19,710,600	33,064,318 9.3			
Thai Oil (F)	5,877,700	16,084,615 4.6			
<b>Entertainment &amp; Recreation</b> (0.6%)					
Plan B Media NVDR	10,298,400	2,213,169 0.6			
<b>Finance &amp; Securities</b> (2.2%)					
Srisawad Corp (F)	5,272,200	7,865,914 2.2			
<b>Financial (Diversified)</b> (1.3%)					
Strategic Hospitality Freehold (F)	15,732,700	4,572,894 1.3			
<b>Food &amp; Beverages</b> (9.5%)					
CP ALL (F)	15,760,600	33,626,511 9.5			
<b>Health Care Services</b> (0.6%)					
Bumrungrad Hospital (F)	346,700	1,994,007 0.6			
<b>Hotel &amp; Travel Services</b> (4.5%)					
Minor Intl (F)	12,480,200	15,822,146 4.5			



Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 (*Unaudited*)

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities and Warrants</b>		
<b>Thailand</b>		
Energy	22.1	19.2
Banking	20.6	20.8
Food & Beverages	9.5	11.8
Communications	8.0	3.3
Building & Furnishing Materials	6.7	7.9
Chemicals & Plastics	6.4	3.0
Transportation	4.9	5.8
Property Development	4.8	8.1
Hotel & Travel Services	4.5	3.2
Finance & Securities	2.2	4.3
Textiles, Clothing & Footwear	1.7	-
Electronic Components	1.3	1.8
Financial (Diversified)	1.3	-
Construction & House	0.9	1.0
Entertainment & Recreation	0.6	-
Health Care Services	0.6	5.1
Commerce	-	1.6
Agribusiness	-	1.0
Chemicals	-	0.3
<b>Total Listed/Quoted Investments</b>	<b>96.1</b>	<b>98.2</b>
<b>Other net assets</b>	<b>3.9</b>	<b>1.8</b>
<b>Net assets attributable to holders of redeemable units at 30 September</b>	<b>100.0</b>	<b>100.0</b>

**Statement of Financial Position  
As at 30 September 2018**

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	13,269,844	6,314,981
Amounts due from brokers	2,646,547	1,917,498
Amounts receivable on allotment	1,100,314	1,690,006
Investments [Note 4(l)(a)]	340,467,228	331,973,275
Dividend and interest receivable	147,721	204,679
<b>Total assets</b>	<u>357,631,654</u>	<u>342,100,439</u>
<b>Liabilities</b>		
Amounts due to brokers	1,003,284	1,148,111
Amounts payable on redemption	1,800,355	2,281,885
Other accounts payable	506,688	502,684
<b>Total liabilities</b>	<u>3,310,327</u>	<u>3,932,680</u>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<u>354,321,327</u>	<u>338,167,759</u>
<b>Equity</b>	<u>354,321,327</u>	<u>338,167,759</u>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

**Statement of Comprehensive Income  
For the year ended 30 September 2018**

	2018 US\$	2017 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 5]	50,174,716	63,676,000
Dividend income	9,919,508	10,535,557
Interest on deposits	42,785	24,497
Net foreign currency exchange losses	(235,180)	(70,778)
Other income [Note 12]	8	-
	<u>59,901,837</u>	<u>74,165,276</u>
<b>Expenses</b>		
Management fee [Note 7(e)]	5,420,769	4,810,852
Transaction costs	585,842	463,478
Registrar's fee [Note 7(h)]	251,932	252,087
Safe custody and bank charges	160,203	152,211
Trustee's fee [Note 8]	108,848	98,677
Auditor's fee	20,600	20,400
Valuation fee [Note 7(e)]	16,170	16,450
Legal and professional expenses	7,476	13,703
Printing and publication expenses	3,007	3,158
Other operating expenses	7,150	8,697
	<u>6,581,997</u>	<u>5,839,713</u>
<b>Net operating profit</b>	53,319,840	68,325,563
<b>Finance costs</b>		
Interest expense	(63)	-
<b>Profit before taxation</b>	53,319,777	68,325,563
Taxation [Note 6]	(793,541)	(849,083)
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<u>52,526,236</u>	<u>67,476,480</u>

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	338,167,759	341,877,258
	-----	-----
Allotment of redeemable units [Note 3]	140,433,986	116,104,685
Redemption of redeemable units [Note 3]	(176,806,654)	(187,290,664)
	-----	-----
<b>Net redemption</b>	(36,372,668)	(71,185,979)
	-----	-----
	301,795,091	270,691,279
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	52,526,236	67,476,480
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	354,321,327	338,167,759
	=====	=====

**Statement of Cash Flows**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(259,068,886)	(184,314,489)
Proceeds from disposal of investments and derivatives	299,887,067	242,489,111
Dividend received	9,976,399	10,331,478
Interest received	42,852	24,212
Trustee's fee paid	(108,838)	(98,951)
Registrar's fee paid	(253,413)	(267,573)
Transaction costs paid	(598,536)	(451,954)
Tax paid	(793,541)	(849,083)
Management fee paid	(5,417,102)	(4,824,261)
Others	(677,391)	(308,050)
	-----	-----
<b>Net cash inflow from operating activities</b>	42,988,611	61,730,440
	-----	-----
<b>Financing activities</b>		
Interest paid	(63)	-
Receipts on allotment of redeemable units	141,023,678	116,406,983
Payments on redemption of redeemable units	(177,288,184)	(186,202,197)
	-----	-----
<b>Net cash outflow from financing activities</b>	(36,264,569)	(69,795,214)
	-----	-----
<b>Increase/(decrease) in cash and cash equivalents</b>	6,724,042	(8,064,774)
Cash and cash equivalents at the beginning of the year	6,314,981	14,358,452
Exchange gains on cash and cash equivalents	230,821	21,303
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	13,269,844	6,314,981
	=====	=====
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	13,269,844	6,314,981
	=====	=====

The notes on pages 809 to 818 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Thailand Fund (the "Fund") was established under a Trust Deed dated 20 July 1989, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to provide investors with long-term capital appreciation through a portfolio consisting primarily of securities of companies based or operating principally in Thailand.

Pursuant to the Supplemental Trust Deed dated 4 January 2013, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(e) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(f) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(g) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(h) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(i) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(j) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.

**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**2018

	USD Class (acc) Units
Number of units in issue:	
At the beginning of the year	1,963,670.338
Total allotments	727,381.141
Total redemptions	(919,881.032)
At the end of the year	<u>1,771,170.447</u>
	US\$
Net assets attributable to holders of redeemable units	<u>354,321,327</u>
Net assets attributable to holders of redeemable units (per unit)	<u>200.05</u>

2017

	USD Class (acc) Units
Number of units in issue:	
At the beginning of the year	2,450,956.330
Total allotments	773,357.078
Total redemptions	(1,260,643.070)
At the end of the year	<u>1,963,670.338</u>
	US\$
Net assets attributable to holders of redeemable units	<u>338,167,759</u>
Net assets attributable to holders of redeemable units (per unit)	<u>172.21</u>

As at 30 September 2018, the Fund had US\$354,321,327 (2017: US\$338,167,759) of puttable financial instruments, represented by the net assets attributable to the holders of redeemable units (or "net asset value" or "net assets" or "NAV"), classified as equity.

The Fund's policies for managing its obligations for the holders of redeemable units of the Fund are included in Note 4(II) capital risk management.

## 4 Financial risk management

### (I) Financial risk factors

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

#### (a) Market risk

##### (i) Market price risk

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

The Investment Manager monitors the Fund's market price sensitivity primarily through the Beta of the Fund on a regular basis. Beta measures the statistical relationship between the return of the Fund and the relevant benchmark index chosen by the Investment Manager.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
Listed/Quoted Investments	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
<u>Assets</u>				
Equities and Warrants				
- Energy	78,126,840	22.1	65,047,311	19.2
- Banking	72,893,392	20.6	70,295,849	20.8
- Food & Beverages	33,626,511	9.5	40,002,632	11.8
- Communications	28,479,903	8.0	11,164,621	3.3
- Building & Furnishing Materials	23,711,128	6.7	26,777,929	7.9
- Chemicals & Plastics	22,611,317	6.4	10,054,556	3.0
- Transportation	17,455,325	4.9	19,599,322	5.8
- Property Development	17,109,272	4.8	27,526,111	8.1
- Health Care Services	1,994,007	0.6	17,129,684	5.1
- Others	44,459,533	12.5	44,375,260	13.2
Total Listed/Quoted Investments	340,467,228	96.1	331,973,275	98.2

	Net asset value US\$	Relevant benchmark index for the Fund (Note*)	Beta (Note**)	% of reasonable possible change of the relevant benchmark index (Note***)	Estimated impact on net asset value (Note****) US\$
As at 30 September 2018	354,321,327	MSCI Thailand Net	0.79	+15.2	42,546,905
As at 30 September 2017	338,167,759	MSCI Thailand Net	0.82	+20.7	57,400,595

If the relevant benchmark index return was to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Relevant benchmark index for the Fund represents the relevant market index used by the Investment Manager in monitoring the market price risk of the Fund.

\*\* Beta measures the statistical relationship between the return of the Fund and the respective benchmark index over the maximum of past 36 months, or the number of months since portfolio inception. For funds launched within a period of less than 12 months, weekly returns of the Fund are used for calculating the Beta.

\*\*\* % of reasonable possible change is based on the actual historical change in the benchmark index in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns. For funds launched within a period of less than 12 months, actual historical change in the benchmark index since the commencement of operations will be used to calculate the % of reasonable possible change.

\*\*\*\* Estimated impact on net asset value of the Fund is calculated by applying the relevant Beta against the net asset value of the Fund multiplied by the % of reasonable possible change of the relevant benchmark index, assuming all other variables that may impact the net asset value of the Fund are held constant.

## (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.



The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Cash at banks	13,269,844	6,314,981
Total interest sensitivity gap	13,269,844	6,314,981

Any cash and cash equivalents are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

### (iii) Currency risk

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
Net currency exposures (Note*)			
<u>2018</u>			
Hong Kong Dollar	6,542	-0.2	(13)
Thai Baht	349,879,755	+3.1	10,846,272
	<u>349,886,297</u>		<u>10,846,259</u>
<u>2017</u>			
Hong Kong Dollar	1,220	-0.7	(9)
Thai Baht	333,514,777	+3.9	13,007,076
	<u>333,515,997</u>		<u>13,007,067</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

**(b) Credit risk**

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	13,269,844	6,314,981
Amounts due from brokers	2,646,547	1,917,498
Amounts receivable on allotment	1,100,314	1,690,006
Dividend and interest receivable	147,721	204,679
	<u>17,164,426</u>	<u>10,127,164</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	9,147,615	1,510,683
S&P(A)/Moody's(A)/FITCH(A)	4,122,229	4,804,298
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	<u>340,467,228</u>	<u>331,973,275</u>

**(c) Liquidity risk**

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Amounts due to brokers	1,003,284	1,148,111
Amounts payable on redemption	1,800,355	2,281,885
Other accounts payable	506,688	502,684
	<u>3,310,327</u>	<u>3,932,680</u>
Total financial liabilities		

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

## (II) Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

## (III) Fair value estimation

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<u>2018</u>				
<u>Assets</u>				
Equities and Warrants	340,467,228	-	-	340,467,228
Total financial assets at fair value through profit and loss	340,467,228	-	-	340,467,228
<u>2017</u>				
<u>Assets</u>				
Equities and Warrants	331,973,275	-	-	331,973,275
Total financial assets at fair value through profit and loss	331,973,275	-	-	331,973,275

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the years ended 30 September 2018 and 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 5 Net gains on investments and derivatives

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	708,843	30,981,829
Realized gains on sale of investments and derivatives	49,465,873	32,694,171
	<u>50,174,716</u>	<u>63,676,000</u>

## 6 Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Overseas tax was withheld or paid on certain dividend income received during the years ended 30 September 2018 and 2017.

## 7 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

(a) Investment transactions with the Manager and its Connected Persons are set out below:

Name of company	Aggregate value of purchases and sales of investments US\$	% of the Fund's total aggregate value of transactions	Commission paid US\$	% of the Fund's total commission paid in the year	Average commission rate %
<u>2018</u>					
J.P. Morgan Securities (Asia Pacific) Limited	57,060,390	10.20	51,644	9.86	0.09
<u>2017</u>					
J.P. Morgan Securities (Asia Pacific) Limited	60,851,643	14.24	100,643	24.39	0.17

(b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	1,281,792	468,472
Amounts receivable	533	600
Amounts payable	<u>(457,288)</u>	<u>(460,561)</u>

During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$7,984 (2017: US\$3,101).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.
- (d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$7,863 (2017: US\$7,466).
- (e) Management fee of 1.5% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.

The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.

- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (g) Refer to Note 8 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 8 Trustee's fee

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first US\$40 million, 0.04% per annum for the balance from US\$40 million to US\$70 million, and 0.025% per annum for the balance in excess of US\$70 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

## 9 Borrowings

During the year ended 30 September 2018, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms. The Fund has no bank borrowing during the year ended 30 September 2017.

## 10 Soft dollar arrangements/Commission sharing arrangements

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

## 11 Distribution

No distribution was made during the year (2017: nil).

## 12 Other income

The Fund received US\$8 (2017: nil) from the Manager as compensation for valuation and/or other operational error(s).

**Independent Auditor's Report**

To the Unitholders of JPMorgan Thailand Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Thailand Fund set out on pages 807 to 818, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 20 July 1989, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Thailand Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 20 July 1989, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund US\$	Net asset value per unit US\$
30/9/18 - USD Class (acc)	354,321,327	200.05
30/9/17 - USD Class (acc)	338,167,759	172.21
30/9/16 - USD Class (acc)	341,877,258	139.49

**Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u> US\$	<u>Lowest bid</u> US\$
30/9/18 - USD Class (acc)	210.58	173.11
30/9/17 - USD Class (acc)	186.04	137.35
30/9/16 - USD Class (acc)	151.93	107.92
30/9/15 - USD Class (acc)	149.58	106.15
30/9/14 - USD Class (acc)	147.26	105.63
30/9/13 - USD Class (acc)	156.18	107.32
30/9/12	114.58	69.72
30/9/11	101.96	73.42
30/9/10	85.55	47.12
30/9/09	55.11	23.29



**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Sub-Manager**

JPMorgan Asset Management  
(Singapore) Limited  
168 Robinson Road  
17/F, Capital Tower  
Singapore 068912

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

**UK Tax Information**

The Fund is transparent for UK income tax purposes and information has been provided to UK investors of the amount of their share of the underlying income, expenses and overseas tax suffered for all financial years from 1 October 2010. Although the Fund is an "offshore fund" for UK tax purposes, there is no need to formally apply for "reporting fund status" as the Fund is considered transparent by HMRC and does not invest more than 5% of its assets in other offshore funds which are not themselves reporting funds. Therefore it is known as a "special category transparent offshore fund" and considered out of scope of the requirements of the offshore fund regime. The principal effect of this is that for unitholders resident in the UK for taxation purposes, any gains accruing on the sale, redemption or other disposal of units during the period will be taxed in the UK as a capital gain and not as income. The Fund has previously been certified by HMRC in the UK as a "distributing fund" in respect of the period from 8 August 1989 to 30 September 2010.

**Investment Portfolio**  
**As at 30 September 2018 (Unaudited)**

(Continued)

	Holding	Fair value US\$	% of net assets		Holding	Fair value US\$	% of net assets		
Listed/Quoted Investments (97.9%)				Retailing (9.5%)					
Equities (97.9%)				Phu Nhuan Jewelry	175,310	792,850	0.2		
				Vincom Retail JSC	17,502,020	31,436,486	9.3		
Thailand (0.6%)				Telecommunications (7.3%)					
Financial (Diversified) (0.6%)				FPT Corp	6,685,860	13,269,973	3.9		
				Mobile World Investment	2,088,560	11,388,482	3.4		
Strategic Hospitality Freehold (F)	6,657,000	1,934,935	0.6	Transportation Equipment (1.4%)					
Vietnam (97.3%)				Airports Corp of Vietnam	1,338,400	4,945,668	1.4		
				Total Listed/Quoted Investments				332,707,925	97.9
Airlines (4.6%)				Other net assets					
Vietjet Aviation	2,403,836	15,611,666	4.6	7,078,435				2.1	
Banking (23.0%)				Net assets attributable to holders of redeemable units at 30 September 2018				339,786,360	100.0
Asia Commercial Bank	1,799,600	2,630,644	0.8	Total investments, at cost				285,828,783	
Asia Commercial Bank Await Cert	269,940	394,597	0.1						
JSC Bank for Foreign Trade	7,430,100	20,066,286	5.9						
Military Commercial JS Bk	25,334,930	25,087,851	7.4						
VietNam JS Comm Bk for Ind & Trade	6,403,770	7,562,913	2.2						
Vietnam Prosperity JSC Bank	13,375,187	15,366,198	4.5						
Vietnam Techno and Comm JS Bank	5,747,811	7,182,453	2.1						
Beverages & Tobacco (2.7%)									
Saigon Beer Alcohol Beverage	966,650	9,220,003	2.7						
Financial Services (13.1%)									
Ho Chi Minh City Securities	2,397,017	7,090,094	2.1						
Kinh Bac City Develop Share Hldg	2,211,890	1,204,201	0.4						
Masan Group	6,886,025	27,393,553	8.1						
Saigon Securities	1,694,440	2,433,340	0.7						
Viet Capital Securiites	2,249,830	6,249,661	1.8						
Food & House Products (8.3%)									
Vietnam Dairy Products	3,686,567	21,698,237	6.4						
Vietnam Dairy Products Await Cert	646,251	3,803,676	1.1						
Vietnam Engine and Agricultural Mac	1,858,300	2,716,452	0.8						
Information & Communication (1.8%)									
FPT Digital Retail	1,866,126	6,087,758	1.8						
Multi-Industry (10.0%)									
Hoa Phat Group	18,710,918	33,928,703	10.0						
Oils (3.9%)									
PetroVietnam Gas	658,700	3,267,028	0.9						
Vietnam National Petroleum	3,331,600	10,140,117	3.0						
Real Estate Management & Development (11.7%)									
Nam Long Investment	4,916,342	6,870,549	2.0						
No Va Land Investment Grp	1,386,863	3,953,548	1.2						
Vingroup Joint Stock	4,408,890	18,578,667	5.5						
Vinhomes JSC	2,289,030	10,401,336	3.0						

Statement of Movements in Portfolio Holdings  
For the year ended 30 September 2018 (*Unaudited*)

	% holdings of net assets	
	2018	2017
<b>Listed/Quoted Investments</b>		
<b>Equities</b>		
<b>Thailand</b>		
Financial (Diversified)	0.6	-
<b>Vietnam</b>		
Banking	23.0	16.8
Financial Services	13.1	6.9
Real Estate Management & Development	11.7	14.6
Multi-Industry	10.0	13.0
Retailing	9.5	-
Food & House Products	8.3	15.2
Telecommunications	7.3	7.5
Airlines	4.6	-
Oils	3.9	-
Beverages & Tobacco	2.7	7.5
Information & Communication	1.8	-
Transportation Equipment	1.4	-
Specialty Retail	-	5.8
Construction & House	-	4.6
Gas Utilities	-	2.7
Pharmaceuticals	-	2.7
Building Materials	-	0.5
<b>Total Listed/Quoted Investments</b>	<b>97.9</b>	<b>97.8</b>
<b>Other net assets</b>	<b>2.1</b>	<b>2.2</b>
<b>Net assets attributable to holders of redeemable units at 30 September</b>	<b>100.0</b>	<b>100.0</b>

**Statement of Financial Position**  
**As at 30 September 2018**

	2018 US\$	2017 US\$
<b>Assets</b>		
Cash at banks	8,816,273	4,475,311
Amounts due from brokers	2,346,655	446,827
Amounts receivable on allotment	1,610,209	476,487
Investments [Note 4(l)(a)]	332,707,925	174,702,044
Dividend and other accounts receivable	123,239	374,078
<b>Total assets</b>	<b>345,604,301</b>	<b>180,474,747</b>
<b>Liabilities</b>		
Amounts due to brokers	2,369,760	713,174
Amounts payable on redemption	2,975,227	790,813
Other accounts payable	472,954	284,448
<b>Total liabilities</b>	<b>5,817,941</b>	<b>1,788,435</b>
<b>Net assets attributable to holders of redeemable units [Note 3]</b>	<b>339,786,360</b>	<b>178,686,312</b>
<b>Equity</b>	<b>339,786,360</b>	<b>178,686,312</b>

Approved by the Trustee and the Manager on 22 January 2019

Signed By:

HSBC Institutional Trust Services (Asia) Limited, Trustee

JPMorgan Funds (Asia) Limited, Manager

**Statement of Comprehensive Income**  
**For the year ended 30 September 2018**

	2018 US\$	2017 US\$
<b>Income</b>		
Net gains on investments and derivatives [Note 5]	39,222,907	19,538,190
Dividend income	3,865,385	4,118,438
Interest on deposits	19,819	10,229
Net foreign currency exchange losses	(749,167)	(179,477)
Other income [Note 12]	23,837	-
	<b>42,382,781</b>	<b>23,487,380</b>
<b>Expenses</b>		
Management fee [Note 7(e)]	4,290,860	2,550,510
Transaction costs	1,356,151	535,624
Safe custody and bank charges	414,494	250,747
Registrar's fee [Note 7(h)]	134,441	95,249
Trustee's fee [Note 8]	90,006	60,983
Auditor's fee	16,600	16,500
Valuation fee [Note 7(e)]	16,590	16,800
Legal and professional expenses	8,102	9,017
Printing and publication expenses	3,145	2,339
Other operating expenses	5,896	6,579
	<b>6,336,285</b>	<b>3,544,348</b>
<b>Net operating profit</b>	<b>36,046,496</b>	<b>19,943,032</b>
<b>Finance costs</b>		
Interest expense	(54,605)	(3,470)
<b>Profit before taxation</b>	<b>35,991,891</b>	<b>19,939,562</b>
Taxation [Note 6]	(5,019)	-
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	<b>35,986,872</b>	<b>19,939,562</b>

The notes on pages 827 to 836 form part of these financial statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Net assets attributable to holders of redeemable units at the beginning of the year</b>	178,686,312	190,847,982
	-----	-----
Allotment of redeemable units [Note 3]	303,451,659	60,416,899
Redemption of redeemable units [Note 3]	(178,338,483)	(92,518,131)
	-----	-----
<b>Net allotment/(redemption)</b>	125,113,176	(32,101,232)
	-----	-----
	303,799,488	158,746,750
<b>Increase in net assets attributable to holders of redeemable units and total comprehensive income</b>	35,986,872	19,939,562
	-----	-----
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	<u>339,786,360</u>	<u>178,686,312</u>

**Statement of Cash Flows**  
For the year ended 30 September 2018

	2018 US\$	2017 US\$
<b>Operating activities</b>		
Purchase of investments and derivatives	(304,910,062)	(83,857,469)
Proceeds from disposal of investments and derivatives	185,874,824	113,701,906
Dividend received	4,115,859	3,821,266
Interest received	20,184	10,013
Tax paid	(5,019)	-
Trustee's fee paid	(87,332)	(61,394)
Registrar's fee paid	(129,620)	(98,659)
Transaction costs paid	(1,348,940)	(534,931)
Management fee paid	(4,127,453)	(2,572,130)
Others	(976,776)	(407,359)
	-----	-----
<b>Net cash (outflow)/inflow from operating activities</b>	(121,574,335)	30,001,243
	-----	-----
<b>Financing activities</b>		
Interest paid	(54,605)	(3,470)
Receipts on allotment of redeemable units	302,317,937	60,299,036
Payments on redemption of redeemable units	(176,154,069)	(92,827,000)
	-----	-----
<b>Net cash inflow/(outflow) from financing activities</b>	126,109,263	(32,531,434)
	-----	-----
<b>Increase/(decrease) in cash and cash equivalents</b>	4,534,928	(2,530,191)
Cash and cash equivalents at the beginning of the year	4,475,311	7,079,770
Exchange losses on cash and cash equivalents	(193,966)	(74,268)
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	<u>8,816,273</u>	<u>4,475,311</u>
	-----	-----
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash at banks	<u>8,816,273</u>	<u>4,475,311</u>

The notes on pages 827 to 836 form part of these financial statements.

**Notes to the Financial Statements****1 The Fund**

JPMorgan Vietnam Opportunities Fund (the "Fund") was established under a Trust Deed dated 15 August 2006, as amended (the "Trust Deed") and is governed by the laws of Hong Kong. The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC").

The investment objective of the Fund is to provide investors with long-term capital growth by investing primarily in securities of companies either (i) domiciled or listed on a stock exchange in Vietnam, or (ii) with actual or prospective operations, assets or investments, direct or indirect, in Vietnam in an aggregate amount of not less than either US\$50 million or 10 percent of the gross assets of the investing company, or (iii) which may have the majority of their business elsewhere, whilst they have an interest in Vietnam.

Pursuant to the Supplemental Trust Deed dated 31 August 2012, the Manager may decide to issue separate classes (each a "Class") whose assets will be commonly invested but where a specific fee structure, currency or distribution policy may be applied. Each Class may have a different charging structure with the result that the net asset value attributable to each Class may differ.

All unitholders' rights with regard to the convening, voting or otherwise acting at any meeting of unitholders are the same.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of financial statements**

The financial statements of the Fund have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the Manager and the Trustee (the "Management") to exercise their judgment in the process of applying the Fund's accounting policies.

*Standards, amendments and interpretations adopted by the Fund*

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in Hong Kong Accounting Standard ("HKAS") 39, "Financial instruments: recognition and measurement", that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The adoption of HKFRS 9 has been applied retrospectively and did not result in a change to the classification or measurement of financial instruments, in either the current or prior period.

There are no other standards, interpretations or amendments to existing standards that are not effective that would be expected to have a material impact on the Fund.

**(b) Investments and derivatives***Classification*

The Fund classifies its investments and derivatives based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

*Recognition, derecognition and measurement*

Purchases and sales of investments and derivatives are accounted for on the trade date basis. Investments and derivatives are initially recognized at fair value and are subsequently re-measured at fair value. Realized and unrealized gains and losses on investments and derivatives are recognized in the Statement of Comprehensive Income. Investments and derivatives are derecognized when the rights to receive cash flows from the investments and derivatives have expired or the Fund has transferred substantially all risks and rewards of ownership.

*Fair value estimation*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on last traded prices. When trading in the securities of an investee company is suspended, the investment is valued at the Manager's estimate of its fair value.

Debt securities are fair valued based on quoted prices inclusive of accrued interest.

Investments in collective investment schemes are stated at fair value based on the net asset value per unit of the respective funds as determined by the administrators of the relevant funds or stated at last traded prices if the collective investment schemes are listed or traded on an exchange.

Open future and swap contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the contract prices are recognized in the Statement of Comprehensive Income.

Open option contracts are valued at last traded prices for both long and short positions at the valuation date. The differences between the last traded prices and the premium amounts/contract prices are recognized in the Statement of Comprehensive Income.

Forward foreign exchange contracts are valued at the forward rates ruling at the valuation date. The differences between the forward rates and the contract rates are recognized in the Statement of Comprehensive Income.

*Transfers between levels of the fair value hierarchy*

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

**(c) Securities borrowing**

The Fund may enter into securities borrowing arrangements for short sale purposes. Short positions represent obligations to deliver securities sold but not yet purchased, and are accounted for as investments and valued at their fair value. Securities borrowed during the year are off-balance sheet transactions and are therefore not included in the investment portfolio of the Fund. Collateral placed for the purpose of securities borrowed generally consist of cash collateral and are included in the Statement of Financial Position separately.

**(d) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**(e) Income and expense**

Dividend income is recognized on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense and is accounted for in the Statement of Comprehensive Income.

Interest income on investments is accounted for as part of net gains/losses on investments and derivatives in the Statement of Comprehensive Income.

Interest income on cash at banks and short-term deposits is accounted for in the Statement of Comprehensive Income on an effective interest basis.

Expenses are accounted for in the Statement of Comprehensive Income on an accrual basis.

**(f) Foreign currency translation***Functional and presentation currency*

The Fund has adopted United States dollar as its functional and presentation currency.

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within "Net foreign currency exchange gains/losses". Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net gains/losses on investments and derivatives".

**(g) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash at banks and bank deposits with maturity of three months or less from the date of placing the deposits, net of certain short-term bank loans which the Fund usually undertakes as overnight bank borrowings.

**(h) Margin deposits**

Margin deposits with brokers for trading of derivatives are stated at amortized cost using the effective interest method.

**(i) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for investments and derivatives sold and payables for investments and derivatives purchased that have been contracted for but not yet settled by the end of the year.

These amounts are recognized initially at fair value and subsequently measured at amortized cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization and default in payments are all considered indicators that a loss allowance may be required.

**(j) Proceeds and payments on allotment and redemption of units**

The net asset value per unit is computed for each dealing day. The price at which units are allotted or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day in accordance with the provisions of the Trust Deed which may be different from the accounting policies stated in the financial statements.



**3 Number of units in issue and net assets attributable to holders of redeemable units (per unit)**2018

	USD Class (acc) Units
Number of units in issue:	
At the beginning of the year	11,979,422.582
Total allotments	15,890,265.248
Total redemptions	(9,496,384.367)
At the end of the year	<u>18,373,303.463</u>

US\$

Net assets attributable to holders of redeemable units	<u>339,786,360</u>
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Net assets attributable to holders of redeemable units (per unit)	<u>18.49</u>
---	--------------

2017

	USD Class (acc) Units
Number of units in issue:	
At the beginning of the year	14,482,591.386
Total allotments	4,577,235.443
Total redemptions	(7,080,404.247)
At the end of the year	<u>11,979,422.582</u>

US\$

Net assets attributable to holders of redeemable units	<u>178,686,312</u>
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Net assets attributable to holders of redeemable units (per unit)	<u>14.92</u>
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As at 30 September 2018, the Fund had US\$339,786,360 (2017: US\$178,686,312) of puttable financial instruments, represented by the net assets attributable to the holders of redeemable units (or "net asset value" or "net assets" or "NAV"), classified as equity.

The Fund's policies for managing its obligations for the holders of redeemable units of the Fund are included in Note 4(II) capital risk management.

**4 Financial risk management****(i) Financial risk factors**

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

**(a) Market risk****(i) Market price risk**

The Fund's investments and derivatives are subject to the market price risk inherent in all investments and derivatives i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through (i) deliberate stocks selection, and (ii) diversification of the investment portfolio in accordance with specific investment restrictions and guidelines.

As at 30 September, the fair value of investments and derivatives and its estimated market sensitivity were as follows:

	2018		2017	
	Fair value of investments US\$	% of net assets	Fair value of investments US\$	% of net assets
Listed/Quoted Investments				
<u>Assets</u>				
Equities				
- Banking	78,290,942	23.0	29,957,265	16.8
- Financial Services	44,370,849	13.1	12,344,096	6.9
- Real Estate Management & Development	39,804,100	11.7	26,142,372	14.6
- Multi-Industry	33,928,703	10.0	23,175,174	13.0
- Retailing	32,229,336	9.5	-	-
- Food & House Products	28,218,365	8.3	27,107,536	15.2
- Telecommunications	24,658,455	7.3	13,375,669	7.5
- Beverages & Tobacco	9,220,003	2.7	13,396,010	7.5
- Specialty Retail	-	-	10,370,666	5.8
- Others	41,987,172	12.3	18,833,256	10.5
Total Listed/Quoted Investments	332,707,925	97.9	174,702,044	97.8

The Investment Manager monitors the Fund's market price sensitivity primarily through the Fund's volatility, which helps to describe the likely range of the Fund's return, on a regular basis. In statistical terms, it is the standard deviation of the return distribution. Greater volatility of monthly fund returns means that there is a wider range of likely returns in the future, or greater uncertainty regarding the fund returns. Most investors would equate this greater uncertainty with greater risk.

The table below summarizes the volatility of the Fund expressed in annual terms and the estimated impact on the net asset value.

	2018	2017
Annual volatility (Note*)	17.15%	14.45%

If the above volatility were to be applied to the Fund's net asset value as of 30 September 2018 of US\$339,786,360 (2017: US\$178,686,312) and assuming that the Fund's returns are normally distributed with its mean return equals to nil and with one standard deviation away from the mean return (i.e. a probability of 68%), the estimated reasonable possible change in the Fund's net asset value would be between US\$281,512,999 and US\$398,059,721; or within +/- US\$58,273,361 (2017: between US\$152,866,140 and US\$204,506,484; or within +/- US\$25,820,172) over a twelve-month period based on the Fund's historical annual volatility percentage as a result of the market price fluctuation, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Volatility is calculated based on the monthly Fund's returns over the maximum of past 36 months or the number of months since portfolio inception. For funds launched within a period of less than 12 months, volatility is calculated based on the weekly Fund's returns since the Fund's launch. Volatility is expressed in annual volatility by applying the square root of time adjustment. Volatility may not cover stressed market events, nor represent the Investment Manager's forecast of the Fund's range of future returns.

**(ii) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument or future cash flow will fluctuate due to changes in market interest rates.

The table below summarizes the Fund's financial assets and liabilities as at 30 September which expose it to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates, categorized by remaining maturity dates.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Cash at banks	8,816,273	4,475,311
Total interest sensitivity gap	8,816,273	4,475,311

Any cash and cash equivalents are placed/borrowed at short-term market interest rates and the Investment Manager considers that the Fund is not subject to significant amount of risk due to the stable and low fluctuation in the prevailing levels of market interest rates.

**(iii) Currency risk**

The Fund holds assets and liabilities denominated in a number of currencies. HKFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not currency risk. However, the Investment Manager monitors the exposure to currency risk on all foreign currency denominated assets and liabilities including both monetary and non-monetary assets and liabilities.

The table below summarizes the Fund's exposure to currency risk as at 30 September together with the percentage of reasonable possible change in foreign currencies and the estimated impact on net asset value of the Fund.

	US\$ equivalent	% of reasonable possible change against US\$ (Note**)	Estimated impact on net asset value US\$
Net currency exposures (Note*)			
<b>2018</b>			
Hong Kong Dollar	2,385	-0.2	(5)
Thai Baht	1,934,935	+3.1	59,983
Vietnamese Dong	338,207,660	-2.6	(8,793,399)
	<u>340,144,980</u>		<u>(8,733,421)</u>
<b>2017</b>			
Hong Kong Dollar	603	-0.7	(4)
Vietnamese Dong	178,734,549	-1.9	(3,395,956)
	<u>178,735,152</u>		<u>(3,395,960)</u>

If the foreign currency fluctuations were to move in the opposite direction, this would result in an opposite movement in the net asset value of the Fund by the same amount, assuming all other variables that may impact the net asset value of the Fund are held constant.

Note:

\* Net currency exposures on assets and liabilities include both monetary and non-monetary assets and liabilities.

\*\* % of reasonable possible change is based on the actual historical change in the respective currencies against the functional currency of the Fund in the past 12 months and does not include remote or "worst case" scenarios or "stress tests" nor represent the Investment Manager's forecast of the Fund's future returns.

**(b) Credit risk**

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due.

The Manager monitors credit risk with reference to a number of factors including history of default and the credit rating of counterparties. The Manager considers the credit risk of other receivables such as amounts receivable on allotment, amounts due from brokers or dividend receivables, to be insignificant as the Fund has no default history on such receivables in the past 5 years. Overall, the Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the Fund's counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses.

As at 30 September, the Fund's maximum exposure to credit risk before any credit enhancements was as follows:

	2018 US\$	2017 US\$
Cash at banks	8,816,273	4,475,311
Amounts due from brokers	2,346,655	446,827
Amounts receivable on allotment	1,610,209	476,487
Dividend and other accounts receivable	123,239	374,078
	<u>12,896,376</u>	<u>5,772,703</u>

All transactions in listed/quoted investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Fund's custodian bank has received payment. For a purchase, payment is made once the investments have been received by the Fund's custodian bank. The trade will fail if either party fails to meet the obligation.

The table below summarizes the credit rating of the banks/custodian which the Fund has placed the financial assets as at 30 September.

	2018 Exposure to counterparties US\$	2017 Exposure to counterparties US\$
Bank balances		
S&P(AA)/Moody's(Aa)/FITCH(AA)	7,614,165	4,474,879
S&P(A)/Moody's(A)/FITCH(A)	1,202,108	432
Investment balances with custodian		
S&P(AA)/Moody's(Aa)/FITCH(AA)	<u>332,707,925</u>	<u>174,702,044</u>

**(c) Liquidity risk**

The Fund is exposed to daily redemption of units, the majority of its assets in investments are traded in an active market which can be readily disposed of. The Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.

The Fund has the ability to enter into borrowing arrangements subject to the investment restrictions and guidelines.

The table below summarizes the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at 30 September to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2018 Less than 1 month US\$	2017 Less than 1 month US\$
Amounts due to brokers	2,369,760	713,174
Amounts payable on redemption	2,975,227	790,813
Other accounts payable	472,954	284,448
	<u>5,817,941</u>	<u>1,788,435</u>
Total financial liabilities		

The Investment Manager manages the Fund's liquidity risk by investing in investments that the Investment Manager expects to liquidate normally within 1 month and making short-term bank borrowing to meet the total financial liabilities.

## (II) Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units which is subject to allotments and redemptions of redeemable units. The Fund's objective for capital management is to provide returns and long-term capital growth for unitholders.

In order to maintain the capital structure, the Management performs the following:

- Monitor allotment and redemption activities relative to the liquid assets.
- To protect the interest of unitholders and in exceptional circumstances, the Manager may also limit the total number of units redeemed for the Fund on any dealing day to 10% or more of the units in issue on any dealing day.
- Monitor fund investment guidelines and restrictions, in accordance with the constitutional documents, to maintain sufficient liquidity through diversification.

## (III) Fair value estimation

As at 30 September 2018 and 2017, the Management considers that the carrying values of assets and liabilities were reasonable approximations of their fair value.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below summarizes the Fund's investments and derivatives (by class) within the fair value hierarchy measured at fair value as at 30 September:

Listed/Quoted Investments	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<u>2018</u>				
<u>Assets</u>				
Equities	332,707,925	-	-	332,707,925
Total financial assets at fair value through profit and loss	332,707,925	-	-	332,707,925
<u>2017</u>				
<u>Assets</u>				
Equities	174,702,044	-	-	174,702,044
Total financial assets at fair value through profit and loss	174,702,044	-	-	174,702,044

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer/broker quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

There were no transfers between levels for the years ended 30 September 2018 and 2017.

For assets and liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value as at 30 September 2018 and 2017.

## 5 Net gains on investments and derivatives

	2018 US\$	2017 US\$
Change in unrealized gains/losses in value of investments and derivatives	3,852,415	5,815,427
Realized gains on sale of investments and derivatives	35,370,492	13,722,763
	<u>39,222,907</u>	<u>19,538,190</u>

## 6 Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Inland Revenue Ordinance.

Overseas tax was withheld or paid on certain dividend income received during the year ended 30 September 2018. No overseas tax was withheld or paid during the year ended 30 September 2017.

## 7 Transactions with the Trustee and its affiliates and the Manager and its Connected Persons

The following is a summary of significant related party transactions entered into during the year between the Fund and the Trustee and its affiliates and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the SFC. All such transactions were entered into in the ordinary course of business and were on normal commercial terms.

- (a) Investment transactions with the Manager and its Connected Persons are set out below:

There were no investment transactions with the Manager and its Connected Persons during the year (2017: nil).

- (b) Balances with the Manager and its Connected Persons as at year end:

	2018 US\$	2017 US\$
Cash at banks	109,649	365,518
Amounts receivable	-	365
Amounts payable	<u>(405,168)</u>	<u>(235,611)</u>

During the year, the interest income on cash at banks held with Connected Persons of the Manager was US\$5,797 (2017: US\$3,304).

- (c) The Fund may utilize the brokerage, custodian, agency and banking services of the Trustee and its affiliates and the Manager and its Connected Persons. The Fund may receive interest on deposits and incur interest expense, transaction costs, safe custody and bank charges from these services which were entered in the ordinary course of business and were on normal commercial terms.
- (d) During the year, the income accruing to the Manager relating to allotments and redemptions in the Fund, net of commission paid to agents, amounted to US\$46,579 (2017: US\$20,265).
- (e) Management fee of 1.5% per annum of the net asset value of the Fund is paid to JPMorgan Funds (Asia) Limited. Management fee is accrued on each dealing day and is payable monthly in arrears.

The Manager also receives a valuation fee of US\$40 per valuation if the Fund's net asset value is larger than US\$5 million but smaller than US\$20 million, or US\$70 per valuation if the Fund's net asset value is larger than US\$20 million.

- (f) The Fund allows the Manager and its Connected Persons to subscribe for, and redeem, units of the Fund. All such transactions are entered into in the ordinary course of business and are on normal commercial terms.
- (g) Refer to Note 8 for fee paid to the Trustee.
- (h) JPMorgan Funds (Asia) Limited, the registrar agent and Manager, receives a registrar's fee which varies depending on the number of unitholders in the Fund and the number of transactions which occur. The range agreed with the Trustee is between 0.015% and 0.5% per annum of the Fund's net asset value. The registrar's fee is payable quarterly in arrears.

## 8 Trustee's fee

Trustee's fee of 0.06% per annum of the net asset value of the Fund for the first US\$40 million, 0.04% per annum for the balance from US\$40 million to US\$70 million, and 0.025% per annum for the balance in excess of US\$70 million is paid to the Trustee. Trustee's fee is accrued on each dealing day and is payable monthly in arrears.

## 9 Borrowings

During the year ended 30 September 2018, the Fund has unsecured short-term bank borrowing with different financial institutions, one of which is The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. During the year ended 30 September 2017, the Fund has unsecured short-term bank borrowing with The Hongkong and Shanghai Banking Corporation Limited, an affiliate of the Trustee. All bank borrowings have a duration of less than 7 days. All such transactions are entered into in the ordinary course of business and on normal commercial terms.

## 10 Soft dollar arrangements/Commission sharing arrangements

The Investment Manager has entered into soft dollar arrangements/commission sharing arrangements with brokers under which certain goods and services used to support investment decision making are received by the Investment Manager. The Investment Manager does not make direct payment for these services but transacts an agreed amount of business with the brokers on behalf of the Fund. Commission is paid from the Fund on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis and investment-related publications.

## 11 Distribution

No distribution was made during the year (2017: nil).

## 12 Other income

The Fund received US\$376 (2017: nil) from the Manager as compensation for valuation and/or other operational error(s).

**Independent Auditor's Report**

To the Unitholders of JPMorgan Vietnam Opportunities Fund (the "Fund")

**Report on the Audit of the Financial Statements****Opinion**

What we have audited

The financial statements of JPMorgan Vietnam Opportunities Fund set out on pages 825 to 836, which comprise:

- the Statement of Financial Position as at 30 September 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 September 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management for the Financial Statements**

The Management of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In addition, the Management of the Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 15 August 2006, as amended ("Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.



**Independent Auditor's Report (continued)**

To the Unitholders of JPMorgan Vietnam Opportunities Fund (the "Fund")

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the SFC Code.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 22 January 2019

**Statement of Responsibilities of the Manager and the Trustee****Manager's Responsibilities**

The Manager of the Fund is required by the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustee's Responsibilities**

The Trustee of the Fund is required to:

- ensure that the Fund in all material respects is managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Fund and rights attaching thereto (as far as reasonably practicable); and
- report to the unitholders for each annual accounting period should the Manager not manage the Fund in accordance with the Trust Deed.

**Report of the Trustee to the Unitholders**

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 15 August 2006, as amended, for the year ended 30 September 2018.

HSBC Institutional Trust Services (Asia) Limited, Trustee

22 January 2019

**Performance Record - Unaudited****Net Asset Values**

At financial period ended	Net asset value of the Fund US\$	Net asset value per unit US\$
30/9/18 -USD Class (acc)	339,786,360	18.49
30/9/17 -USD Class (acc)	178,686,312	14.92
30/9/16 -USD Class (acc)	190,847,982	13.18

**Highest Offer/Lowest Bid Prices**

<u>Financial period ended</u>	<u>Highest offer</u> US\$	<u>Lowest bid</u> US\$
30/9/18 -USD Class (acc)	22.53	14.79
30/9/17 -USD Class (acc)	14.92	11.68
30/9/16 -USD Class (acc)	13.89	9.63
30/9/15 -USD Class (acc)	12.72	9.83
30/9/14 -USD Class (acc)	12.75	9.52
30/9/13 -USD Class (acc)	10.19	7.11
30/9/12 -Class A	8.23	5.83
30/9/11 -Class A	7.92	6.19
30/9/10 -Class A	8.81	6.09
30/9/09 -Class A	8.51	3.84

**Management and Administration****Manager and Service Provider**

JPMorgan Funds (Asia) Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Directors of the Manager**

as at 22 January 2019  
Edwin Tsun Kay CHAN  
Kheng Leong CHEAH  
Qionghui WANG

**Investment Manager**

JF Asset Management Limited  
21/F, Chater House  
8 Connaught Road Central  
Hong Kong

**Trustee**

HSBC Institutional Trust Services  
(Asia) Limited  
1 Queen's Road Central  
Hong Kong

**Sub-Manager**

JPMorgan Asset Management  
(Singapore) Limited  
168 Robinson Road  
17/F, Capital Tower  
Singapore 068912

**Registrar**

HSBC Trustee (Cayman) Limited  
P.O. Box 484  
HSBC House  
68 West Bay Road  
Grand Cayman KY1-1106  
Cayman Islands

**Auditor**

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
1 Des Voeux Road Central  
Hong Kong

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