

JPMorgan European Investment Trust plc - Growth Shares

Overall Morningstar Rating™ (as at 31/03/14) ★★★★★

March 2014

Investment objective

Capital growth from Continental European investments and a rising share price over the longer term, by consistent outperformance of the benchmark and taking carefully controlled risks through an investment method that is clearly communicated to shareholders.

Company facts

Portfolio manager(s)	Stephen Macklow-Smith, Alexander Fitzalan Howard
	Andrew Murison, Stephen Russell, Robin Faber,
Board of director(s)	Ferdinand Verdonck, Stephen Goldman, Andrew Adcock, Josephine Dixon
Financial year end date	31 March
Company launch date	1929
Listing	LSE
Dividends paid	April, October
Company Broker(s)	Winterflood Securities

Company statistics

(as at 31/03/14)

Total assets (as at 31/03/14)	GBP 273.2m
Share price	233.0p
Net asset value ^A	256.6p
Discount(-)/Premium	
Current	-9.2%
12 month high	-6.0%
12 month low	-12.2%
12 month average	-9.9%
Total dividend for last financial year	5.95p
Dividend yield ^B	2.9%
Actual gearing (as at 31/03/14) ^C	7.8%
Potential gearing range	-10% to 20%

Company fees & expenses

Annual mgt. fee ^D	0.45% on gross assets
Ongoing charges	0.74%
Performance fee	Yes

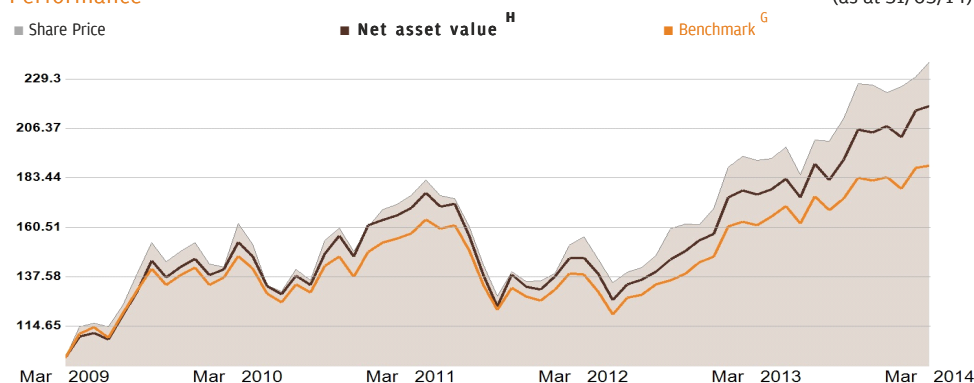
Company codes

ISIN	GB00B18JK166
Sedol	B18JK16
Bloomberg	JETG LN
Reuters	JETx.L

Benchmark

MSCI Europe ex UK

Performance^{E F G}



Cumulative performance^{E F G}

%	1 M	3 M	1 Y	3 Y	5 Y	10 Y
Share Price	3.2	6.5	24.1	35.3	137.6	183.1
Benchmark	0.5	2.8	17.0	19.9	89.1	139.2
Net asset value ^H	1.0	4.5	23.4	27.8	116.8	149.2

Quarterly Rolling 12M as at March 2014^{E F G}

%	2013/14	2012/13	2011/12	2010/11	2009/10
Share Price	24.1	22.7	-11.1	8.1	62.4
Benchmark	17.0	16.6	-12.1	6.9	47.4
Net asset value ^H	23.4	20.0	-13.6	10.4	53.7

Top 10 Holdings

(as at 28/02/14)

Holding	Sector	Weight
Roche Holdings	Health Care	4.7%
Novartis	Health Care	3.9%
JPMorgan European Smaller Companies	Funds	2.6%
BNP Paribas	Financials	2.6%
Total	Energy	2.5%
Nestle	Consumer Staples	2.3%
BASF	Materials	2.3%
JPMorgan Europe Dynamic Small Cap A	Funds	2.1%
Siemens	Industrials	1.9%
ENI	Energy	1.9%

Statistical analysis review^I

(as at 31/03/14)

	3 years	5 years
Correlation	0.99	0.99
Annualised volatility	19.15%	20.17%
Tracking error	3.66%	3.77%
Information ratio	0.70	0.82

Market capitalisation

(as at 28/02/14)

	% of portfolio
> 100 bn	25.47%
10 bn <= 100 bn	51.62%
1 bn <= 10 bn	17.43%
< 1 bn	5.48%

Please read the Explanatory Notes, Risks and Important Information at the end of this document.

For further information, please contact:

UK-based Investor Services Team 0800 731 111 (or +44 20 7742 9995 if calling from outside the UK)

Agent Services Line 0800 727 770

Our lines are open Monday to Friday, 9.00am to 5.30pm

www.jpmorgan.co.uk/investment-trusts

J.P.Morgan
Asset Management

JPMorgan European Investment Trust plc - Growth Shares



Stephen Macklow-Smith is a portfolio manager within the J.P. Morgan Asset Management European Equity Group, responsible for segregated portfolios, the European assets of UK pension funds and the JPMorgan European Investment Trust. An employee since 1997, Stephen was previously head of the European Team at HSBC Asset Management. Prior to this, he was a fund manager of European pension fund assets at Henderson Administration. Stephen obtained an M.A. in Classics and Modern Languages from Oxford University.



Alexander Fitzalan Howard, managing director, is a portfolio manager within the J.P. Morgan Asset Management European Equity Group managing both institutional and retail products. An employee since 1986, Alexander was previously an investment manager with the J.P. Morgan Asset Management North American Portfolios Group, most recently running the desk. Before this, Alexander was involved in the development of the Czechoslovakia Investment Corporation Inc., and responsible for the establishment of the first Czech domestic mutual funds managed by Investicni Banka and administered by Save & Prosper. Prior to this, he assisted in the fund management of the Save & Prosper financial sector unit trusts and was responsible for analytical coverage of the financial and media sectors. Alexander obtained a B.A. (Hons) in Modern History from Oxford University.

Sector breakdown ¹

(as at 28/02/14)

Sector	Company	Benchmark ⁶	Deviation
Financials	23.4%	23.0%	0.4%
Industrials	15.3%	13.8%	1.5%
Health Care	11.0%	14.4%	-3.4%
Consumer Discretionary	9.6%	11.0%	-1.4%
Consumer Staples	9.2%	11.6%	-2.4%
Energy	6.7%	5.6%	1.1%
Telecommunication Services	5.9%	4.8%	1.1%
Materials	5.7%	7.5%	-1.8%
Utilities	5.2%	3.9%	1.3%
Information Technology	2.8%	4.4%	-1.6%
JPMorgan European Smaller Comp	2.6%	0.0%	2.6%
JPMorgan Europe Dynamic Small	2.1%	0.0%	2.1%
JPMorgan Eastern Europe A	0.5%	0.0%	0.5%
Total	100.0%	100.0%	0.0%

Geographical breakdown ¹

(as at 28/02/14)

Country	Company	Benchmark ⁶	Deviation
Germany	19.8%	20.7%	-0.9%
France	19.5%	22.3%	-2.8%
Switzerland	18.1%	20.1%	-2.0%
Sweden	8.5%	7.2%	1.3%
Spain	5.9%	7.4%	-1.5%
Netherlands	5.1%	5.9%	-0.8%
Belgium	4.6%	2.6%	2.0%
Italy	4.0%	5.2%	-1.2%
Denmark	4.0%	3.0%	1.0%
JPMorgan European Smaller Comp	2.6%	0.0%	2.6%
Finland	2.2%	2.0%	0.2%
JPMorgan Europe Dynamic Small	2.1%	0.0%	2.1%
Others	3.6%	3.6%	0.0%
Total	100.0%	100.0%	0.0%

Manager's quarterly commentary

(as at 31/12/13)

European equities made gains in the fourth quarter, wrapping up a year of strong returns.

The trust's net asset value outperformed the benchmark over the quarter, while the share price performed in line. Positive contributors to relative performance included stock selection in automobiles & parts, and stock selection and underweight holdings in industrial engineering and personal goods. Detractors from relative returns included stock selection in food & drug retailers and insurance. The biggest positive contributor to relative performance was an overweight position in French auto parts supplier Valeo, which continued to outperform in the fourth quarter as strong organic growth drove earnings upgrades. Not holding LVMH also boosted relative performance, as shares in the luxury goods group were adversely affected by negative sales trends in China. Among detractors from relative returns was an overweight position in Delhaize, as the operator of supermarkets and other retailers announced third-quarter profits that fell short of expectations. Underweight exposure to ING also held back relative performance, as the Dutch lender reported better-than-expected results for the quarter, which indicated that it had made progress in improving asset quality. However, relative returns benefited from an overweight position in German mobile service provider Freenet, which faced improving industry conditions and its third-quarter results indicated that it had regained pricing power.

Market Outlook

There are grounds for optimism that European economies will accelerate in 2014, and this stronger backdrop has the potential to translate into earnings growth for regional companies.

JPMorgan European Investment Trust plc - Growth Shares

Investment trust history and investment policies

JPMorgan European Investment Trust plc was formed in 1929 as The London and Holyrood Trust Limited and was a general investment trust until 1982 when the name was changed to The Fleming Universal Investment Trust. Under this name the portfolio became more internationally invested until November 1988, when the Board decided to concentrate on Continental European investments. In 1992 shareholders approved a formal adoption of this specialisation. The Company adopted its current structure and name in August 2006.

The Company has two share classes, each with distinct investment policies, objectives and underlying asset pools. Each share class is listed separately and traded on the London Stock Exchange. This capital structure means that shareholders may benefit from greater investment flexibility in a tax-efficient manner.

Capital growth from Continental European investments, by consistent out-performance of the benchmark and a rising share price over the longer term by taking carefully controlled risks through an investment method that is clearly communicated to shareholders.

Explanatory Notes, Risks and Important Information

Notes

^ACapital only NAV with debt at par, diluted for treasury and/or subscription shares if applicable.

^BDividend yields are based on mid market prices and the estimated dividend(s) payable in respect of the current financial year. This will include declared and prospective dividends. Source Morningstar

^CActual gearing: Represents the excess amount above shareholders' funds of total assets less cash/cash equivalents, expressed as a percentage of shareholders funds. If the amount calculated is negative, this represents a net cash position.

^DManagement fee charged on total gross assets. An additional performance fee may be payable. For details see the company's latest Annual Report & Accounts.

^ETotal return – using capital only NAVs with net dividend (if any) reinvested, in sterling, unless otherwise stated. Source: J.P. Morgan/Morningstar (www.morningstar.co.uk)

^FPrior to 01/08/06 the performance record is of the predecessor company J.P.Morgan Fleming Continental European Investment Trust plc.

^GOn 26/03/13 the benchmark for the Trust was changed from FTSE All World Developed Europe (ex UK) Index to MSCI Europe ex UK Index.

^HNet asset value assumes that shares held in treasury (if any) have been re issued at the previous nights closing price.

^IAll figures are calculated on an ex-post basis. Source: J.P. Morgan

^JBased on total investments, which include investment of any borrowings to gear the portfolio and excludes liquidity fund holdings and net current assets.

Benchmark Source: MSCI. Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

All price information is indicative only. Nothing herein is to be construed as a solicitation or an offer to buy or sell any financial products. The interactive factsheets are based on information obtained from sources believed to be reliable but are not guaranteed as being accurate, nor are they a complete statement of these securities. See Glossary of terms for explanations.

The company currently conducts its affairs so that the shares issued by the company can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Important Information

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

For up-to-date information and performance data please contact your J.P. Morgan Asset Management representative. Telephone lines are recorded and may be monitored for security and training purposes.

You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. The level of tax benefits and liabilities will depend on individual circumstances and may change in the future. An investor's capital in a bank or building society is secure whereas in stock market linked investment it is exposed to a degree of risk.

The JPM investment trust may utilise gearing techniques (leverage) which will exaggerate market movements both down and up which could mean sudden and large falls in market value. For further details please refer to the individual trust's annual report and accounts. Some investment trusts may have warrants in issue, which if exercised may have an effect on the Net Asset Value.

The investment objective of a trust may allow some flexibility in terms in portfolio composition. Exchange rate changes may cause the value of underlying overseas investments to go down as well as up. Investments in emerging markets may involve a higher element of risk due to political and economic instability and underdeveloped markets and systems. Trusts which invest in smaller companies may involve a higher degree of risk as small cap markets tend to be much more volatile than their larger capitalisation counterparts. Where a trust invests in non investment grade bonds an increase in the risk to capital will arise. Where permitted, a trust may invest in other investment trusts that utilise gearing (leverage) which will exaggerate market movements both up and down.

JPMorgan Asset Management Marketing Limited is authorised and regulated by the Financial Conduct Authority. Registered in England No. 28853. Registered Office: 25 Bank Street, Canary Wharf, London E14 5JP.

Glossary

Annual volatility: Volatility is one measure used to assess the risk of a portfolio as it helps to describe the likely range of returns achieved by the fund. In statistical terms it is the standard deviation of the return distribution. Greater volatility of monthly Net Asset Value returns means that there is a wider range of likely returns in the future, or greater uncertainty regarding the fund return. Most investors would equate this greater uncertainty with greater risk. Gearing will have an impact on the volatility of an investment trust.

Benchmark comparison: Comparison of the Company's performance is made with the benchmark. The benchmark is a recognised index of stocks which should not be taken as wholly representative of the Company's investment universe. The Company's investment strategy does not follow or track this index and therefore there may be a degree of divergence between its performance and that of the Company.

Cash: Net current assets and includes investment in liquidity funds & treasury stocks (if held) and drawn revolving credit facilities (if any) with an original maturity of less than 1 year.

Correlation: Correlation describes the way in which Net Asset Value has moved relative to the benchmark. Correlation coefficients range between +1.0 for assets which consistently move in the same direction, and -1.0 for assets which consistently move in the opposite direction. Assets with a correlation of zero are unrelated. Portfolios combining assets with low correlations provide diversification or risk reduction benefits, potentially without decreasing total portfolio return.

Actual gearing: Total portfolio less liquidity stocks, divided by net assets plus income cash and any effects of performance fees and revenue reserve accruals where applicable.

Gearing range: Indication of the maximum and minimum percentage by which the Company may be geared.

Information ratio: This is the difference between the annualised average fund return and the annualised average benchmark return (calculated geometrically) divided by the annualised tracking error. The higher the ratio, the better, as it shows that the risk taken by the fund manager relative to the benchmark has been rewarded. Gearing will have an impact on the information ratio.

Sector/Geographical breakdowns: These are expressed as a percentage of total portfolio and cash. Investments in liquidity funds will be shown as cash.

Top 10 holdings: These are expressed as a percentage of total portfolio and cash. Investments in liquidity funds / treasury stocks will not be shown in the top 10 holdings.

Ongoing charges: Management fees and all other operating expenses, excluding interest payments and commissions which are treated as a separate capital item, expressed as a percentage of the average of the opening and closing net assets. This calculation is based on the financial year end data and will be updated annually.

Tracking error: Tracking error measures the standard deviation of relative returns, i.e. the Net Asset Value return less the benchmark return. Tracking error is often used as a measure of risk taken against the fund's benchmark with a larger tracking error indicating that greater risks were taken relative to the benchmark in achieving the return of the fund. Gearing will increase a tracking error.