JPMorgan European Investment Trust plc - Growth Shares

Overall Morningstar Rating™ (as at 31/01/15) ★★★★
Morningstar Category™ Europe ex UK Large-Cap Equity

January 2015

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
Board of director(s)	Andrew Murison, Stephen Russell, Ferdinand Verdonck, Stephen Goldman, Andrew Adcock, Josephine Dixon, Jutta af Rosenborg
Financial year end date	31 March
Company launch date	1929
Listing	London Stock Exchange
Dividends paid	April, October
Company Broker(s)	Winterflood Securities

Company statistics

(as at 28/02/15)

Total assets (as at 31/01/15)	GBP 247.7m
Share price	237.3p
Net asset value (NAV) [A]	260.0p
Discount(-)/Premium	
Current	-8.8%
12 month high	-4.4%
12 month low	-12.2%
12 month average	-8.3%
Total dividend for last financial year (per share)	6.7p
Dividend yield [B]	2.8%
Actual gearing (as at 28/02/15) [C]	2.3%
Potential gearing range	-10% to 20%

Company fees & expenses

Ongoing charges (comprises): [D]	0.86%
-Annual management	0.75% on gross assets
-Operating & administrative expenses	0.11%
Performance fee	No

Company codes

ISIN	GB00B18JK166
Sedol	B18JK16
Bloomberg	JETG LN
Reuters	JETx.L

Benchmark

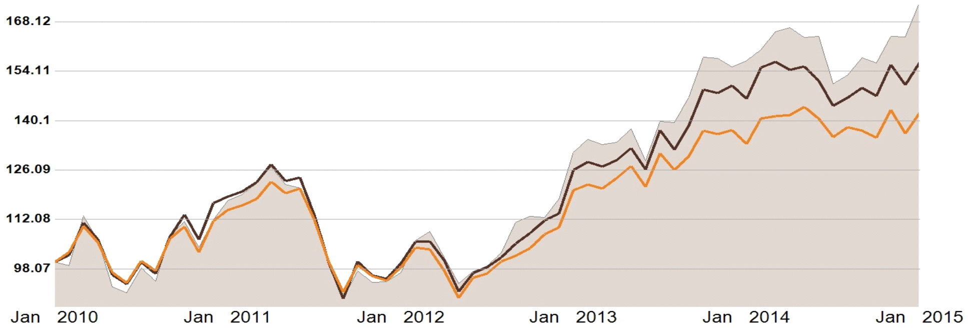
MSCI Europe ex UK

Performance [E F]

(as at 31/01/15)

Share Price ■ Net asset value [G] ■ Benchmark [F]

% based to 100



Cumulative performance [E F]

%	1 M	3 M	1 Y	3 Y	5 Y	10 Y
Share Price	6.0	11.0	10.6	79.0	73.7	145.9
Benchmark	4.3	5.2	6.6	44.6	42.3	108.6
Net asset value [G]	4.4	6.5	7.1	57.3	56.7	116.9

Quarterly Rolling 12M ending December 2014 [E F]

%	2013/14	2012/13	2011/12	2010/11	2009/10
Share Price	5.5	31.8	24.8	-15.7	4.7
Benchmark	-0.7	25.2	16.0	-15.1	5.1
Net asset value [G]	0.1	31.8	19.6	-18.4	10.5

Source: J.P. Morgan/Morningstar.
Performance data has been calculated on NAV to NAV basis, including ongoing charges and any applicable fees, with any income reinvested, in GBP. **Past performance is not a guide to the future.**
Please note Benchmark Indices do not include fees or operating expenses and are not available for actual investment.

Top 10 Holdings

(as at 31/01/15)

Holding	Sector	Weight
Novartis	Health Care	5.3%
Roche Holdings	Health Care	4.2%
Nestle	Consumer Staples	4.0%
Daimler	Comsumer Discretionary	3.0%
JPMorgan European Smaller Companies Trust	Funds	2.6%
BNP Paribas	Financials	2.4%
JPMorgan Europe Dynamic Small Cap A	Funds	2.3%
ING	Financials	2.2%
Total	Energy	1.9%
Assicurazioni Generali	Financials	1.9%

Statistical analysis review

(as at 31/01/15)

	3 years	5 years
Correlation	0.98	0.98
Annualised volatility	14.63%	18.60%
Tracking error	3.27%	3.71%
Information ratio	0.92	0.62

Market capitalisation

(as at 31/01/15)

	% of portfolio
> 100 bn	23.17%
10 bn <> 100 bn	48.95%
1 bn <> 10 bn	23.56%
< 1 bn	4.32%

The value of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. Please read the Explanatory Notes, Fund specific Risks and Important Information at the end of this document.

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 [H]

(as at 31/01/15)

Sector	Company	Benchmark [F]	Deviation
Financials	23.6%	21.6%	2.0%
Health Care	15.0%	15.7%	-0.7%
Consumer Discretionary	12.5%	11.6%	0.9%
Industrials	11.1%	13.0%	-1.9%
Consumer Staples	10.4%	12.9%	-2.5%
Telecommunication Services	5.6%	5.1%	0.5%
Materials	5.4%	7.4%	-2.0%
Utilities	5.4%	4.0%	1.4%
Energy	3.0%	4.2%	-1.2%
Information Technology	2.6%	4.5%	-1.9%
Jpmorgan European Smaller Companies	2.6%	0.0%	2.6%
JPMorgan Europe Dynamic Small	2.3%	0.0%	2.3%
JPMorgan Eastern Europe A	0.5%	0.0%	0.5%
Total	100.0%	100.0%	0.0%

Geographical breakdown [H]

(as at 31/01/15)

Country	Company	Benchmark [F]	Deviation
Germany	20.7%	20.6%	0.1%
France	18.1%	21.7%	-3.6%
Switzerland	17.9%	20.8%	-2.9%
Sweden	7.3%	7.0%	0.3%
Netherlands	6.7%	6.1%	0.6%
Italy	6.2%	5.0%	1.2%
Denmark	5.5%	3.4%	2.1%
Spain	5.0%	7.5%	-2.5%
Belgium	3.7%	3.0%	0.7%
Others	3.5%	4.9%	-1.4%
JPMorgan European Smaller Companies Trust	2.6%	0.0%	2.6%
JPMorgan Europe Dynamic Small	2.3%	0.0%	2.3%
JPMorgan Eastern Europe A	0.5%	0.0%	0.5%
Total	100.0%	100.0%	0.0%

Manager's commentary

(as at 31/01/15)

European markets enjoyed a strong start to the year. Equities were buoyed by improving economic news as well as the European Central Bank's (ECB's) unveiling of sovereign bond purchases, on top of its asset-backed security and covered bond purchase programme and its new targeted longer-term refinancing operations.

The trust's net asset value (NAV) and share price both outperformed the benchmark. The trust benefited from its underweight exposure to the banking sector, amid continued underperformance following the completion of the ECB's stress tests, with some banks still needing raise capital to meet new regulatory requirements. At the stock level, an underweight holding in Banco Santander boosted relative returns. The Spanish bank announced that it would be raising capital to address investor concerns about its financial cushion. Elsewhere in the sector, an overweight position in BNP-Paribas held back relative performance, as the French bank delivered worse-than-expected results and concerns remain about the adequacy of its capital buffers. However, several of the trust's holdings benefited from the weakness of the euro over the last 12 months. Among these was an overweight position in Daimler, the German car manufacturer, which is also an indirect beneficiary of the lower oil price. Daimler has been delivering good volume growth, particularly its trucks division. The trust's lack of exposure to Swatch, which took a hit from the Swiss National Bank's decision to remove the franc's peg against the euro, also added to relative returns. The watch and luxury movements manufacturer's cost base is predominantly in Swiss francs.

Market Outlook

While politics is likely to cause volatility in Europe, as long as corporate and economic fundamentals remain supportive, we would view weakness as a buying opportunity.

Any forecasts, figures, opinions, statements of financial market trends or investment techniques and strategies expressed are unless otherwise stated, J.P. Morgan Asset Management's own at the date of this document. They are considered to be reliable at the time of writing, may not necessarily be allinclusive and are not guaranteed as to accuracy. They may be subject to change without reference or notification to you.

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

[A]Capital only NAV with debt at par, diluted for treasury and/or subscription shares if applicable.

[B]Dividend 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

[C]Actual 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.

[D]Ongoing charges are the management fee and all other operating expenses, excluding interest charges on any borrowing and any performance fee payable expressed as a percentage of the average daily net assets during the year. All figures are for the previous financial year.

[E]Prior to 01/08/06 the performance record is of the predecessor company J.P.Morgan Fleming Continental European Investment Trust plc.

[F]On 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.

[G]Net asset value assumes that shares held in treasury (if any) have been re issued at the previous nights closing price.

[H]Based on total investments, which include investment of any borrowings to gear the portfolio and excludes liquidity fund holdings and net current assets.

See Glossary of terms for explanations.

Risk Information

The value of investments and the income from them may fall as well as rise and investors may not get back the full amount invested.

Investment trusts may borrow to finance further investment (gearing). The use of gearing will increase the volatility of movements in the Net Asset Value (NAV) per share. This means that a relatively small change, down or up, in the value of a trust's assets will result in a magnified fall or rise, in the same direction, of the investment trust's NAV per share. Exchange rate changes may cause the value of underlying overseas investments to go down as well as up. The trust may invest in smaller company shares, which can be more unpredictable and less liquid than shares of larger companies. Where permitted, a trust may invest in other investment trusts that utilise gearing (borrowing), which will exaggerate market movements both up and down.

Important Information

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Non-mainstream pooled Investment products Information (or status)

Shares and debentures (if any) in an Investment Trust are not subject to Financial Conduct Authority's (FCA) restrictions for marketing Non-mainstream Pooled Investment products, therefore Investment Trust products can be marketed to retail investors directly or via Independent Financial Advisers.

Glossary of terms

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: The ongoing charges represent the Company's management fee and all other operating expenses, excluding finance costs and any performance fee payable, expressed as a percentage of the average daily net assets during the year.

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.

For further information, please contact:
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Agent Services Line 0800 727 770
Our lines are open Monday to Friday, 9.00am to 5.30pm
www.jpmorgan.co.uk/investment-trusts