

JPMorgan Chinese Investment Trust plc



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

March 2014

Investment objective

To provide long term capital growth by investment in 'Greater China' companies.

Company facts

Portfolio manager(s)	Howard Wang, Emerson Yip, Shumin Huang, William Tong
Board of director(s)	William Knight, Sir Andrew Burns KCMG, Irving Koo OBE, Kathryn Matthews, John Misselbrook
Financial year end date	30 September
Company launch date	1993
Listing	LSE
Dividends paid	December
Company Broker(s)	Winterflood Securities

Company statistics

(as at 31/03/14)

Total assets (as at 31/03/14)	GBP 139.6m
Share price	151.8p
Net asset value ^A	169.8p
Discount(-)/Premium	
Current	-10.6%
12 month high	-6.1%
12 month low	-16.4%
12 month average	-12.0%
Total dividend for last financial year	1.6p
Dividend yield ^B	1.1%
Actual gearing (as at 31/03/14) ^C	6.2%
Potential gearing range	Maximum 15%

Company fees & expenses

Annual mgt. fee ^D	1.00% on gross assets
Ongoing charges	1.41%
Performance fee	Yes

Company codes

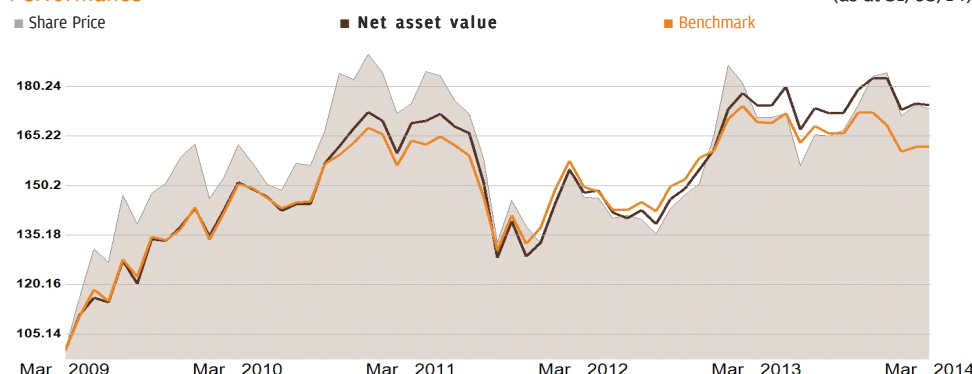
ISIN	GB0003435012
Sedol	0343501
Bloomberg	JMC LN
Reuters	JMC.L

Benchmark

MSCI Golden Dragon Index (£)

Performance^E

(as at 31/03/14)



Cumulative performance^E

%	1 M	3 M	1 Y	3 Y	5 Y	10 Y
Share Price	-0.6	-5.9	1.5	-0.9	73.6	152.7
Benchmark	0.0	-3.9	-4.5	-1.2	61.9	145.3
Net asset value	-0.4	-4.6	0.0	3.2	74.6	189.5

Quarterly Rolling 12M as at March 2014^E

%	2013/14	2012/13	2011/12	2010/11	2009/10
Share Price	1.5	16.5	-16.2	7.7	62.6
Benchmark	-4.5	13.1	-8.5	8.7	50.7
Net asset value	0.0	18.0	-12.5	11.9	51.1

Top 10 Holdings

(as at 28/02/14)

Holding	Sector	Weight
Tencent	Information Technology	7.0%
Taiwan Semiconductor	Information Technology	6.3%
AIA	Financials	4.3%
China Construction Bank H	Financials	4.1%
JF China New Generation Fund	Financials	3.8%
Galaxy Entertainment	Consumer Discretionary	2.6%
China Petroleum & Chemical H	Energy	2.5%
Hutchison Whampoa	Industrials	2.4%
Industrial & Commercial Bank of China H	Financials	2.3%
Ping An Insurance 'H'	Financials	2.2%

Statistical analysis review^F

(as at 31/03/14)

	3 years	5 years
Correlation	0.98	0.98
Annualised volatility	17.40%	17.76%
Tracking error	4.35%	3.95%
Information ratio	0.44	0.46

Market capitalisation

(as at 28/02/14)

	% of portfolio
> 100 bn	19.96%
10 bn <= 100 bn	48.94%
1 bn <= 10 bn	29.36%
< 1 bn	1.75%

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 Chinese Investment Trust plc



Howard Wang, managing director, is a regional investment manager and head of the Greater China team which forms part of the Pacific Regional Group (PRG) in Hong Kong. In his role as head of Greater China, he manages portfolios investing in the China, Taiwan and Hong Kong markets, while also leading and coordinating the investment process for the PRG's Greater China-dedicated portfolio managers in both Hong Kong and Taipei. He also serves as the primary advisor and liaison with the investment team at JPMAM's Shanghai-based joint venture China International Fund Management.



Emerson Yip, managing director, is an investment manager and Hong Kong specialist with the Greater China team, which forms part of the Pacific Regional Group in Hong Kong. He joined the firm in 2006 after eight years at Newbridge Capital where he was a director responsible for managing funds dedicated to private equity investment opportunities throughout Asia.



Shumin Huang, managing director, is an investment manager and China country specialist with the Greater China team which forms part of the Pacific Regional Group in Hong Kong. She joined the firm in 2006 after eight years at Goldman Sachs, where she was managing director and head of the Asia-Pacific Energy and Chemicals team. Shumin began her career in 1992 when she joined UBS Taiwan as a research analyst in steel and financials, and transferred to Hong Kong in 1996 as director and head of Asia-Pacific chemical research in 1996.

Sector breakdown⁶

(as at 28/02/14)

Sector	Company	Benchmark	Deviation
Financials	34.1%	35.7%	-1.6%
Information Technology	25.4%	22.1%	3.3%
Consumer Discretionary	10.2%	8.6%	1.6%
Industrials	7.4%	6.7%	0.7%
Energy	5.6%	6.7%	-1.1%
Utilities	3.8%	4.6%	-0.8%
Consumer Staples	3.1%	3.6%	-0.5%
Materials	2.2%	4.9%	-2.7%
Health Care	1.8%	0.8%	1.0%
Telecommunication Services	0.9%	6.3%	-5.4%
Cash	5.5%	0.0%	5.5%
Total	100.0%	100.0%	0.0%

Geographical breakdown⁶

(as at 28/02/14)

Country	Company	Benchmark	Deviation
Taiwan	24.2%	28.5%	-4.3%
China H Shares	21.9%	23.6%	-1.7%
Hong Kong	17.6%	24.3%	-6.7%
P Chip	12.7%	11.3%	1.4%
Red Chip	7.7%	11.9%	-4.2%
China A Shares	5.7%	0.0%	5.7%
China Others	2.4%	0.0%	2.4%
China B Shares	2.3%	0.4%	1.9%
Cash	5.5%	0.0%	5.5%
Total	100.0%	100.0%	0.0%

Manager's quarterly commentary

(as at 28/02/14)

Greater China equities rose alongside global stock markets in February. The MSCI Hong Kong was the strongest market, with notable strength in Macau gaming shares as gaming revenues recovered sharply from a Lunar New Year slowdown. The MSCI China rose under volatile trading conditions. Reports of Hangzhou property price cuts and a slowdown in property-related lending by one high profile bank were weighed against Sinopec's announcement that it was seeking investors for its valuable marketing and retail unit, a reminder of the government's commitment to state-owned enterprise reform. The MSCI Taiwan posted gains, with technology shares outperforming as news flow improved for Taiwanese suppliers and their principal customers. Financials shares lagged as the government proposed raising taxes on banks.

The trust's share price and net asset value outperformed its benchmark. Holdings in Macau gaming, Chinese internet and renewable energy ideas contributed positively and offset weakness in Chinese property names.

Market Outlook

We expect continued volatility as investors accustomed to high GDP growth prints from mainland China weigh the price of reform, allowing economic growth in non-productive sectors to slow while the costs of money and energy rise. Lower headline growth is a certainty, but in exchange for sustainability and quality of growth. We remain optimistic about this programme, including the commitment to environmental protection. We remain confident in the renewable theme in China and we have continued to add to positions in Taiwanese exporters. Trades have generally been at the expense of our Hong Kong holdings, where we are now underweight, with the notable exception of Macau gaming.

JPMorgan Chinese Investment Trust plc

Investment trust history and investment policies

JPMorgan Chinese Investment Trust plc was launched in October 1993, as The Fleming Chinese Investment Trust plc, by a public offer of shares which raised £60 million before expenses. The Company changed its name to JPMorgan Fleming Chinese Investment Trust in December 2001 and adopted its present name on 14th December 2005. In order to achieve the investment objective, the Company invests in a diversified portfolio and employs a Manager with a strong focus on research and company visits that enables it to identify what it believes to be the most attractive stocks in the region. Investment risks are managed by diversifying investment over a number of 'Greater China' companies. The number of investments in the Company will normally range between 40 and 90. The Company seeks to manage its risk relative to its benchmark index by limiting the active portfolio exposure to the various countries, sectors and stocks covered by the benchmark index and, in some cases, to specific stocks. The maximum permitted active exposure to each of the countries is 25% above or below the benchmark index weighting. Liquidity and borrowings are managed with the aim of increasing returns to shareholders. The Company does not invest more than 15% of its gross assets in other UK listed investment companies (including investment trusts), nor does it invest more than 10% of its gross assets in companies that themselves may invest more than 15% of their gross assets in UK listed investment companies. The Board's policy is to limit gearing to 115% without Board permission.

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 net asset values. 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)

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

^GNon-Benchmark are classified in the appropriate sector/region. Cash is net current assets and holdings used as cash substitutes if applicable. 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 of 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.