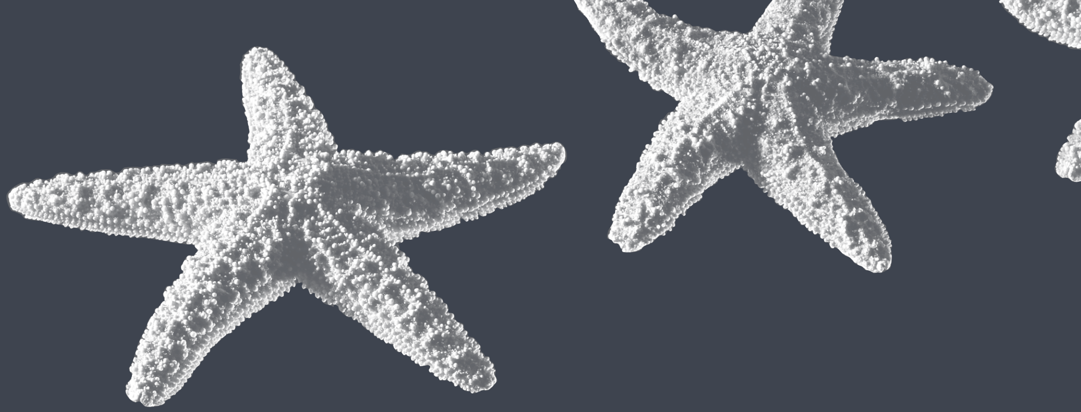
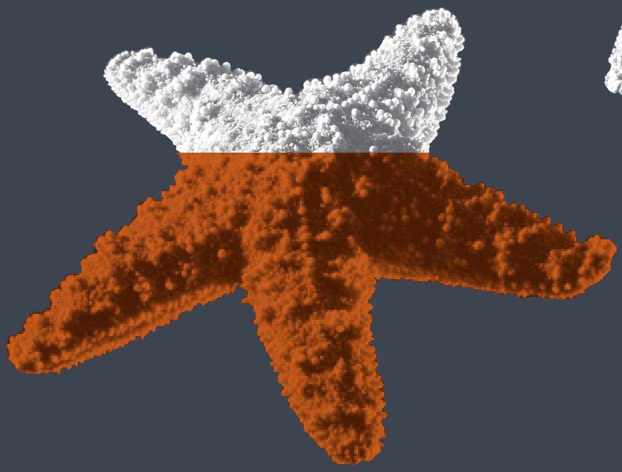




Annual Report 2013

JPMorgan European Investment Trust plc

Annual Report & Accounts year ended 31st March 2013

J.P.Morgan
Asset Management

Financial Results
Growth Share Class

+22.7%
Return to shareholders[1]
(2012: -11.1%)

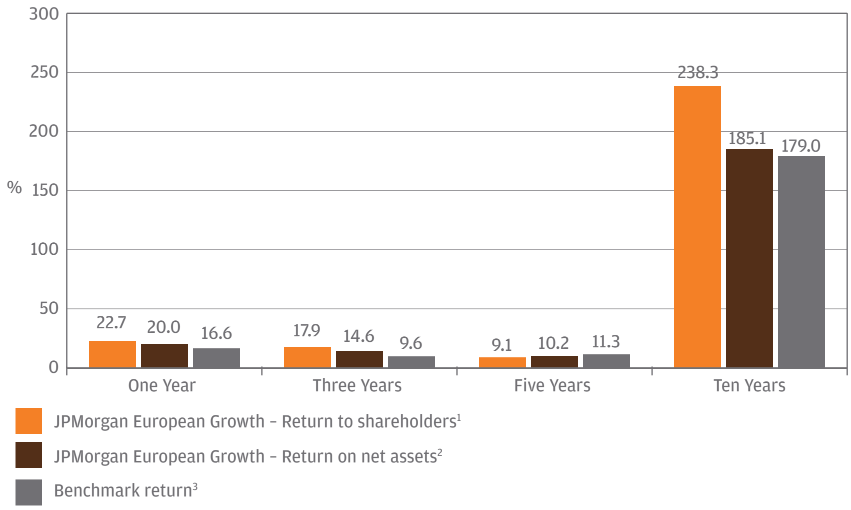
+20.0%
Return on net assets[2]
(2012: -13.6%)

+16.6%
Benchmark return[3]
(2012: -12.1%)

+5.95p
Ordinary Dividend
(2012: 6.75p)

Long Term Performance

for periods ended 31st March 2013



A glossary of terms and definitions is provided on page 83.

[1]Source: Morningstar.

[2]Source: J.P. Morgan.

[3]On 26th March 2013 the Growth portfolio's benchmark changed from FTSE All World Developed Europe (ex UK) Index to MSCI Europe ex UK Index (total return) in sterling terms. The return quoted above is a composite of the two indices designed to provide an accurate comparator to the Company's return on net assets for the year.

Financial Results
Income Share Class

+21.2%
Return to shareholders[1]
(2012: -6.3%)

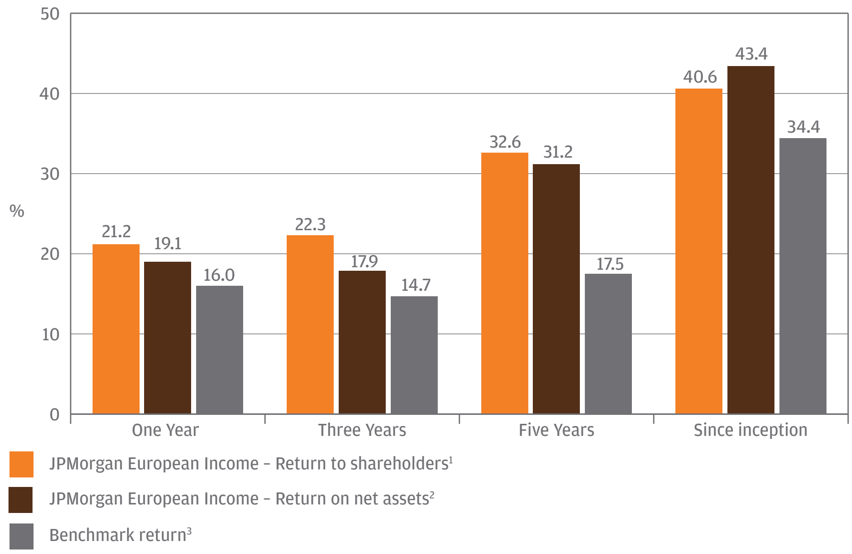
+19.1%
Return on net assets[2]
(2012: -7.4%)

+16.0%
Benchmark return[3]
(2012: -7.2%)

4.25p
Ordinary dividend
(2012: 4.20p)

Performance

for periods ended 31st March 2013



A glossary of terms and definitions is provided on page 83.

[1]Source: Morningstar.

[2]Source: J.P. Morgan.

[3]On 26th March 2013 the Income portfolio's benchmark changed from MSCI Europe Index (total return) in sterling terms to MSCI Europe ex UK Index (total return) in sterling terms. The return quoted above is a composite of the two indices designed to provide an accurate comparator to the Company's return on net assets for the year.

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Income Shares
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Objectives

Growth

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.

Income

To provide a growing income together with the potential for long-term capital growth from a diversified portfolio of investments in Continental European stockmarkets.

Investment Policies

Growth

- To invest in a diversified portfolio of investments in the stockmarkets of Continental Europe.
- To emphasise capital growth rather than income, with the likely result that the dividend will fluctuate.
- To manage liquidity and borrowings to increase returns to shareholders.
- To invest no more than 15% of the assets attributable to the Growth shares in other UK listed investment companies (including investment trusts).

Income

- To invest in a portfolio of investments that is diversified amongst countries, sectors and market capitalisations within the universe of Continental European companies.
- To provide a growing income together with the potential for long-term capital growth.
- To manage liquidity and borrowings to increase returns to shareholders.
- To invest no more than 15% of the assets attributable to the Income shares in other UK listed investment companies (including investment trusts).

Benchmarks

Growth

With effect from 26th March 2013, the portfolio benchmark was changed to the MSCI Europe ex UK Index (total return) in sterling terms, (2012: FTSE All World Developed Europe (ex UK) Index in sterling terms (total return)).

Income

With effect from 26th March 2013, the portfolio benchmark was changed to the MSCI Europe ex UK (total return) in sterling terms, (2012: MSCI Europe Index in sterling terms (total return)).

Capital Structure

At 31st March 2013, the Company's share capital comprised 95,318,652 Growth shares of 5p each and 61,719,532 Income shares of 2.5p each.

Management Company

The Company employs JPMorgan Asset Management (UK) Limited ('JPMAM' or the 'Manager') to manage its assets.

Chairman's Statement

Performance

The year to 31st March 2013 has been a positive one for both Growth and Income share classes. The Growth shares returned 20.0%, outperforming by 3.4% the benchmark index, which returned 16.6%. This was achieved net of all costs; at the portfolio level, before costs, the outperformance was 4.5%. The Income shares also performed strongly, returning 19.1%, net of all costs, versus 16.0% for the index, an outperformance of 3.1%; before deducting costs the outperformance was 4.1%.

When analysing the sources of outperformance, the managers measure against the benchmark the relative contributions of individual countries and market sectors (asset allocation) and movements in individual company securities (stock selection). They also measure the effect of relative currency movements against sterling and the impact of gearing. The attribution analyses on pages 10 and 11 show that stock selection was, by a large margin, the greatest contributor to performance in both portfolios, contributing 5.5% and 5.6% to the (gross) outperformance of the Growth and Income portfolios, respectively. Until the onset of the credit crisis, asset allocation (sectors and countries) played a lesser role than stock selection in determining our investment managers' decisions. Since then, exposure to banking and peripheral countries have been rigorously controlled; this year the combined impact of under-investment in peripheral countries (relative to the benchmark) has been positive, by 0.3% and 0.9% in the Growth and Income portfolios respectively. The currency effect was marginally positive in the Growth portfolio over the year, and marginally negative in Income.

Change of Investment Policy for the Income Portfolio and Benchmark Changes

On 1st March 2013 the Board sent a circular to shareholders proposing that the Income portfolio should only invest in Continental European securities, excluding the UK, as does the Growth portfolio. When the Income portfolio was launched, in 2006, it was necessary to include a UK component, in order to meet the yield target. This is no longer the case. Sustainable and rising dividends from European companies, which had been, on average, lower than in the UK, were now higher. By focusing the investment policies of both portfolios on Continental Europe, and aligning their benchmarks, investors gain a clearer focus on the Company. Its marketability should be improved.

At the General Meeting held on 26th March 2013, shareholders overwhelmingly approved the proposed change. Given this decision and that the Income portfolio then had some 40% of its assets invested in the UK, it was important that the switch should be handled expeditiously and efficiently. Using pre-planned, low-cost programme trades, the Managers adjusted the portfolio to reflect the new policy. With effect from the date of the General Meeting, both portfolios now use the MSCI Europe ex UK Index (total return) in sterling terms as their benchmark Index. However, for the year under review, a composite benchmark, designed to provide an accurate comparator to the returns on net assets has been used.

Chairman's Statement continued

Gearing

The positive messages emanating from the ECB also encouraged the managers to draw and invest €25.5 million of the €30 million bank facility for long periods of the year. They had to time its deployment carefully, picking their way through the continuing outbreaks of crisis from the eurozone. On balance they were successful. While the attribution analysis shows that these efforts had no net effect on the Growth portfolio, 1.1% was added to the outperformance of Income. At year-end gearing was at 5.4% in the Growth portfolio and 6.9% (net of outstanding trades) in the Income portfolio.

Stock market volatility means that timing the deployment of gearing is crucial, owing to the phenomenon of 'volatility drag': a fall in the market requires a larger percentage rise to recover the absolute decline; and mis-timed gearing enhances this asymmetry. The Board continues to believe that the allowed range of borrowing (10% cash to 20% geared) gives sufficient tactical freedom to the managers, and will continue to advise caution in light of market conditions.

Discount

The Board pursued its policy of buying back shares to prevent the discount of share price to net asset value widening to greater than 10%, with partial success. The discounts on both the Growth and Income share classes varied between 8.0% and 14.8% over the year, ending it at 9.7% and 8.4%, respectively. 4.7 million Growth and 2.9 million Income shares were bought back at a cost of £7.5 million and £2.4 million, respectively. The Board believes that buy-backs are not a satisfactory long-term solution to above-average discounts; they deplete assets and reduce long-term liquidity in the shares. Since the policy was initiated in 2006 the Company has bought back 43.2% of the Growth shares and 16.7% of the Income shares. However, they have also provided immediate liquidity and increased the overall net asset value per share. While shareholders tell us they value this benefit the current policy will be maintained.

Dividends

Dividend income is a subsidiary issue in the Growth portfolio and therefore dividend receipts from portfolio companies are not a criterion for stock selection. Over the year the Growth portfolio's income from dividend receipts fell by £1.8 million from £9.2 million to £7.4 million. Following this decline, the Board declared a dividends of 5.95p (2012: 6.75p), the maximum possible. On the year-end share price of 194.0p, this represents a yield of 3.1%.

In the Income portfolio dividend receipts held steady, so that the Board declared a modest increase in the dividends on the Income shares from 4.20p to 4.25p per share. At the year-end share price of 99.8p this represents a yield of 4.3%. Following the switch in investment mandate to focus exclusively on Continental European securities, the Board expects steady increases in dividends from this portfolio in future years.

Board of Directors

During the year, the Board carried out its customary evaluations of the Directors, the Chairman, the Board and its Committees. In accordance with corporate governance best practice, all the Directors retire by rotation at this year's Annual General Meeting and, being eligible, offer themselves for reappointment.

Following discussions over the year regarding succession, the Board has adopted a phased programme of renewal to refresh its membership. Andrew Adcock and Jo Dixon will join the Board on 1st October 2013. Both these appointees have excellent records of achievement in their respective careers, including investment trust experience. The Board is also seeking to appoint a Director with substantial experience of European markets and cultures in due course. The Board's policy is to bear in mind not proposing reappointment of Directors who have served for more than nine years. It does not automatically equate longevity of service with loss of independence but seeks to achieve a regularity of new appointments to keep the Board's thinking and approach refreshed.

Annual General Meeting

The AGM will take place at Holborn Bars, 138-142 Holborn, London EC1N 2NQ on Thursday, 18th July 2013 at 2.00 p.m. In addition to the formal proceedings there will, as usual, be a presentation by the investment managers, followed by tea when shareholders, who are always most welcome, can meet the Directors and investment managers for more informal discussion.

It would be helpful if shareholders seeking answers to detailed questions put them in writing beforehand, addressed to the Company Secretary at Finsbury Dials, 20 Finsbury Street, London EC2Y 9AQ. Alternatively, questions may be submitted via the Company's website (www.jpmorganeuropean.co.uk). All shareholders are able to lodge their proxy votes electronically; full details are set out in the form of proxy.

Outlook

2012 was the year in which it became clear that the long-term preservation of the Euro is of the highest priority to the European powers. With austerity programmes and banking constraints bearing down on consumers, it is understandable that uncertainty surrounds investment in European markets. Nonetheless, your Board remains optimistic about its strategy for extracting value from this uncertain outlook.

European markets rose by 16% over the financial year, so we have seen yet again the truth of the old adage that 'bull markets climb a wall of worry'. But it follows, too, that continuation of these worries is of itself no cause for the negativism.

Chairman's Statement continued

More importantly, Euro turmoil is not detracting from European companies' ability to compete successfully in world markets and create substantial and growing value. In fact, by lowering the Euro exchange rate the turmoil is adding to their success. Before the credit crisis the historic strength of the Euro forced Eurozone companies to compete more on quality than on price, and to keep tight control on costs. Thus, from luxury goods to foods and engineering components, Eurozone companies now lead the world. Their managers appreciate what the world wants to buy and continually move into higher growth markets. In 2013, European revenues of the Stoxx 600 index of leading European companies will be less than 50% of their total, while 35% will come from fast-growing Asia and 15% from the rest of the developing world. The consequence is that, while European growth is rarely stellar, stock market returns exceed growth by a wide margin. One example is Switzerland; growth for the last 24 years has averaged around 1.5% annually while the SMI Index has grown by nearly 7% in Swiss Franc terms, and nearly 9% in US Dollars. Your portfolios exploit this phenomenon.

Meanwhile, the doubts over Europe mean that company valuations are relatively depressed. At 1.5 times book value they are still near the bottom of their 30 year range. The p/e multiple on our benchmark MSCI index, at 13.7 times, is now at a 40% discount to the American market.

Since the Company's investment process specifically seeks quality growth companies at reasonable valuations, these factors bode well for the future. While the ride may be at times uncomfortable, your Board's confidence is firm that our shares remain a solid source of present and future value.

Andrew Murison
Chairman — 14th June 2013

Investment Managers' Report

Stephen Macklow-Smith

Alexander Fitzalan Howard

Michael Barakos

During the year under review the Growth portfolio returned 20.0%, outperforming its benchmark index, which returned 16.6%, by 3.4%. The discount narrowed during the year, meaning that the share price rose by 22.7%. Over the last three years both share price and NAV have out-performed, rising by 17.9% and 14.6% against a benchmark which rose by 9.6%. Over five years the NAV and share price have marginally under-performed, rising by 10.2% and 9.1% against a benchmark which rose by 11.3%, but this under-performance occurred almost entirely during 2008.

The Income portfolio also enjoyed a good year, with the NAV and share price rising by 19.1% and 21.2% respectively, against its benchmark which rose by 16.0%. Over three years the share price and NAV returns are 22.3% and 17.9% against a benchmark which rose 14.7%, and over five years the share price and NAV returns are 32.6% and 31.2% against a benchmark which is up 17.5%. At the end of the year under review the Board took the decision to change the benchmark of both the Growth and Income legs to the MSCI Europe ex UK (total return) in sterling terms, meaning that for the first time since we launched the Income leg, investors have a chance to invest in the Europe ex UK universe via two distinct investment strategies.

The year started with a reverse in European markets. Bond markets in Italy and Spain came under attack as slowing growth raised the possibility of a further deterioration in their debt position. In addition, the new Spanish government admitted that issues in the Spanish banking sector continued to overshadow the Spanish economy, with exposure to real estate and developers still problematic. Politics also exerted a negative effect, with a general election in Greece in early May returning no overall winner, but the extreme left bloc, Syriza, emerging as a surprise runner-up. Mr Sarkozy lost the Presidential election to Francois Hollande, with the Socialists also gaining an overall majority in the French Parliament.

The lack of a result in Greece triggered a second election. Campaigning was dominated by Syriza's promise to repudiate the previous Memorandum of Understanding with the Troika[1], and this led to speculation that a Syriza victory might result in a hasty Greek exit from the Euro. During the resultant rounds of diplomacy the Troika reaffirmed its opposition to any renegotiations, but at the same time a consensus coalesced around the leaders of France, Italy and Spain that the EU collectively needed to do more to foster growth. During the quarter the Euro fell further, by around 4% on a trade-weighted basis, and the Eurozone PMI continued to weaken.

This weaker growth picture was not confined to Europe, however. US jobs numbers disappointed, and continuing signs of a Chinese slowdown weighed on sentiment. Commodity prices, often viewed as a barometer of economic strength, fell, with the oil price particularly weak, falling by around 25%. Weaker growth forecasts had a negative effect on earnings forecasts, with analysts revising expectations lower once again. Reflecting this perception of slowing growth, bond yields also fell in the US and the UK. German bond yields also fell, although they gave back some of the fall when an EU summit appeared to open the way to greater Northern European support for the periphery.

[1]ECB, European Commission, & IMF

Investment Managers' Report continued

Growth performance attribution for the year to 31st March 2013

	%	%
Contributions to total returns		
Benchmark total return		16.6
Asset allocation	-1.1	
Stock selection	5.5	
Gearing/cash	0.0	
Currency	0.1	
Investment Manager contribution		4.5
Portfolio total return		21.1
Management fee/ other expenses	-0.7	
Performance fee	-0.9	
Share repurchases	0.5	
Other effects		-1.1
Net asset value total return		20.0
Share price total return		22.7

Source: Xamin/JPMAM/AIC/Morningstar.

All figures are on a total return basis.
Performance attribution analyses how the Growth portfolio achieved its recorded performance relative to its benchmark.

A glossary of terms and definitions is provided on page 83.

Around the end of May, markets started to rally, and in the event, this rally had legs. At the centre of it was a significant change in stance by the European Central Bank, preceded by an important interview given by Mr Draghi in July, in which he said that the Euro is 'irreversible' and that the ECB would do 'whatever it takes' to protect it, and that nothing was taboo. Investors interpreted this as meaning that the ECB would make use of the ultimate power of central banks – that their balance sheet is theoretically unlimited.

The EU summit in September delivered in a number of areas, with the Eurozone taking the first steps towards a banking union, with the ECB as regulator. There was also an attempt to break the link between sovereigns and banks by opening the possibility of the EU bail-out funds bailing out banks directly, rather than forcing the funding to go via the sovereign, in the process driving up the burden of government debt to GDP. The initial reaction to the summit was optimistic, with Italian and Spanish bonds significantly narrowing their spread against Bunds, and both the Euro and European stock markets rallying.

We also heard in September that the Federal Reserve and the Bank of England were to expand their quantitative easing programmes, and the Fed announced that they would keep interest rates close to zero through to 2015. In the case of the Fed, the announcement on QE also spoke of its being theoretically unlimited in size, and that the intention was to bring unemployment down significantly. Central banks made it clear, therefore, that they would continue to apply huge monetary stimulus to the economy, and would gauge the success of their policies against real economic indicators.

At the start of September the ECB's new policy of Outright Monetary transactions was formalised, giving it the latitude to intervene at the short end of Euro zone sovereign bond markets if countries formally requested assistance, and subject to conditions. The effect was to drive a further contraction in yield spreads between the periphery and the core, and this contributed to modest further gains for equities. Eurozone economic growth remained close to zero, with the core showing modest growth, and the periphery still contracting. Despite this, there was evidence that the structural imbalances in the Eurozone were correcting, with the gap in unit labour costs narrowing, and trade and current account deficits also improving. The International Monetary Fund forecast a trade surplus in Spain in 2013, and in Greece and Portugal by 2017. Government deficits were shown to be falling more slowly, but the IMF estimated that cyclically adjusted primary deficits (a measure which excludes financing costs and the effects of deviations from trend growth) were now close to zero. In Spain, the cyclically adjusted primary deficit had dropped from 8.5% to 2.2% of GDP in three years.

Equity markets began 2013 in optimistic mood. The announcement of a last minute deal to postpone the US's fiscal cliff, coupled with continued modest positive surprises in economic releases saw European equities continue the rally that had started in June 2012. The advance was very much influenced, though, by continued strength in US equities. From a European perspective the news remained somewhat mixed. Earnings continued to see downwards revisions, and PMIs, despite looking ahead of expectation in January, fell back again in February and March.

In many ways the key event came at the end of the quarter, when the details of the Cyprus bail-out were announced. Cyprus's banking sector is very large as a proportion of its GDP, swollen by large deposits from foreign citizens. The Troika

Income performance attribution for the year to 31st March 2013

	%	%
Contributions to total returns		
Benchmark total return		16.0
Asset allocation	-2.4	
Stock selection	5.6	
Gearing/cash	1.1	
Currency	-0.2	
Investment Manager contribution		4.1
Portfolio total return		20.1
Management fee/ other expenses	-1.1	
Performance fee	-0.4	
Share repurchases	0.5	
Other effects		-1.0
Net asset value total return		19.1
Share price total return		21.2

Source: Xamin/JPMAM/AIC/Morningstar.

All figures are on a total return basis.
Performance attribution analyses how the Income portfolio achieved its recorded performance relative to its benchmark.

A glossary of terms and definitions is provided on page 83.

insisted that depositors in these banks meet at least part of the cost of the bail-out, but the initial proposal of the Cyprus government was to include small depositors as well (those with less than €100,000 which is the amount that the EU would like to see protected under deposit guarantee schemes). This proposal was vetoed by the Cypriot government, and after a tense week of negotiating the burden fell squarely on large depositors and senior bond-holders. The head of the Eurogroup of Finance Ministers, Mr Dijsselbloem, then rocked markets by saying that the Cyprus model could be used in other programmes, although both he and the European Commission later insisted that this was not to be taken at face value.

Markets maintained their poise through all of this political wrangling, and by the end of our financial year were up by around 16.0% both over one year and year to date. It was remarkable that news such as the Italian election and the Cyprus bail-out seemed to have lost their power to rock confidence, when as recently as March 2012 the future of the Euro seemed far from guaranteed. It was almost certainly Mr Draghi's undertaking to mobilise the ECB to do whatever it took to save the Euro that caused this transformation in sentiment.

As mentioned at the start of this report both the Growth and the Income legs out-performed. We have been active in our management of gearing through the year, reducing gearing ahead of the market fall in March to May 2012 before redeploying some of our facility around the time of Mr Draghi's speech. Given the uncertainties over the politics of the Euro and over growth world-wide we have not felt sufficiently confident to increase gearing significantly, but we are content to wait and bide our time. As the Chairman said in his report stock selection has been very positive in both legs, and given that we view our core competence as stock picking this is satisfactory.

The outlook is improving slowly. The great strength of quoted Europe is its export market share, especially in higher growth emerging markets. The transformation of emerging economies and the growth in the global middle class represents a first class opportunity for European companies who make the goods that the rest of the world wants to buy. The fact that Europe's political leaders have struggled to convince markets of the future security of the Euro has meant that valuations have been depressed by the addition of an extra risk premium, to compensate investors for concerns over the integrity of the Eurozone and of its banking system. The virtuous circle for which we hope is that, if global growth is recovering, Europe's export power will mean better earnings, feeding through to a greater willingness to invest and create jobs, which will also feed through to better revenues. Valuations have yet to become demanding, and European companies look especially attractive on a yield basis, which plays to the strengths of the investment process in our Income leg. There will no doubt be further bumps along the road, but we are increasingly optimistic that with the financial crisis now five years behind us, the issues of the past are being resolved, and we can look forward to the resumption of growth.

Stephen Macklow-Smith
Alexander Fitzalan Howard
Michael Barakos
Investment Managers

14th June 2013

GROWTH SHARES

Summary of Results – Growth

	2013	2012	% change
Total returns for the year ended 31st March			
Return to shareholders[1]	**+22.7%**	-11.1%	
Return on net assets[2]	**+20.0%**	-13.6%	
Benchmark return[3]	**+16.6%**	-12.1%	
Net asset value, share price and discount at 31st March			
Total net assets (£'000)	**205,238**	186,990	+9.8
Net asset value per share	**215.3p**	186.3p	+15.6
Share price	**194.0p**	164.0p	+18.3
Share price discount to net asset value[4]	**9.7%**	10.9%	
Shares in issue	**95,318,652**	100,351,487	
Revenue for the year ended 31st March			
Gross revenue return (£'000)	**7,452**	9,634	-22.6
Net revenue attributable to shareholders (£'000)	**5,846**	7,723	-24.3
Return per share	**6.00p**	7.28p	-17.6
Dividend per share:			
Ordinary dividends	**5.95p**	6.75p	-11.9
Gearing at 31st March[5]	**5.4%**	3.1%	
Ongoing Charges[6]	**0.87%**	0.74%	
Ongoing Charges including any performance fee payable[7]	**1.54%**	0.75%	

A glossary of terms and definitions is provided on page 83.

[1] Source: Morningstar.

[2] Source: J.P. Morgan.

[3] On 26th March 2013 the Growth portfolio's benchmark changed from FTSE All World Developed Europe (ex UK) Index to MSCI Europe ex UK Index (total return) in sterling terms. The return quoted above is a composite of the two indices designed to provide an accurate comparator to the Company's return on net assets for the year.

[4] Based on capital-only net asset value. Source: Bloomberg.

[5] Gearing represents the excess amount above shareholders' funds of total assets (Including net current assets/liabilities) less cash/cash equivalents, expressed as a percentage of the shareholders' funds. If the amount calculated is negative, this is shown as a 'net cash' position. The figure for 2012 has been restated to include net current assets.

[6] Management fee and all other operating expenses, excluding finance costs and any performance fee payable, expressed as a percentage of the average of the daily net assets during the year. (2012: Total Expense Ratio: Management fee and all other operating expenses excluding interest, expressed as a percentage of the average of the month end net assets during the year). The Ongoing Charges are calculated in accordance with guidance made by the Association of Investment Companies in May 2012.

[7] Management fee, any performance fee payable and all other operating expenses excluding finance costs, expressed as a percentage of the average of the daily net assets during the year. (2012: Total Expense Ratio including any performance fee payable: Management fee, any performance fee payable and all other operating expenses excluding finance costs, expressed as a percentage of the average of the month end net assets during the year).

Ten Year Financial Record[1]

As at 31st March	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total assets less current liabilities (£m)	375.4	453.1	508.0	633.3	454.1	420.0	272.3	315.7	249.9	187.7	**206.3**
Net asset value per share (p)[2]	98.3	137.3	161.5	219.7	248.8	238.8	142.1	207.2	222.9	186.3	**215.3**
Share price (p)[2]	77.1	113.7	140.0	203.2	233.8	219.0	116.5	183.8	193.0	164.0	**194.0**
Discount (%)	21.6	17.2	13.3	7.5	6.0	8.3	18.0	11.3	13.4	12.0	**9.9**
Gearing (%)[3]	1.4	17.4	11.1	0.5	5.1	17.0	5.7	3.6	8.1	3.1	**5.4**
Year ended 31st March											
Gross revenue return (£'000)	12,898	11,315	12,148	15,004	15,111	13,799	17,858	9,146	8,083	9,634	**7,452**
Revenue per share (p)[2]	0.99	0.14	0.53	3.98	5.71	5.07	9.54	4.79	4.93	7.28	**6.00**
Dividend per share (p)[2]	0.98	0.14	0.52	3.50	5.80	6.33	9.50[4]	4.85	4.90	6.75	**5.95**
Ongoing Charges (%)[5]	1.03	1.14	0.78	0.92	0.69	1.05	0.81	1.05	0.98	0.74	**0.87**
Rebased to 100 at 31st March 2003											
Return to shareholders[6]	100.0	149.0	183.7	267.6	321.8	310.2	176.7	286.9	310.3	275.7	**338.3**
Return on net assets[6]	100.0	140.8	166.4	227.2	262.6	258.8	161.9	248.7	274.8	236.7	**283.9**
Benchmark[7]	100.0	136.5	161.3	218.5	244.7	250.7	172.6	254.5	272.2	239.3	**279.0**

A glossary of terms and definitions is provided on page 83.

[1]The Growth shares were created following a capital reorganisation on 2nd August 2006 when ordinary shareholders elected to reclassify their shares into either Growth shares or Income shares. The financial record above for periods prior to that date is that of the ordinary shares because the Growth pool maintained materially the same economic exposure as if the reorganisation had not been implemented. The investment objective, investment policy, benchmark and management fee arrangements have remained the same as for the ordinary shares prior to the reorganisation.

[2]Adjusted for the one for five share subdivision on 2nd August 2006.

[3]Gearing represents the excess amount above shareholders' funds of total assets (including net current assets/liabilities) less cash/cash equivalents, expressed as a percentage of the shareholders' funds. If the amount calculated is negative, this is shown as a 'net cash' position. The figure for 2012 has been restated to include net current assets.

[4]Includes a special dividend of 2.5p.

[5]Management fee and all other operating expenses, excluding finance costs and any performance fee payable, expressed as a percentage of the average of the daily net assets during the year (2010 to 2012: Total Expense Ratio ('TER'): the average of the month end net assets; 2009 and prior years: the average of the opening and closing net assets).

[6]Source: Morningstar.

[7]On 26th March 2013 the Growth portfolio's benchmark changed from FTSE All World Developed Europe (ex UK) Index to MSCI Europe ex UK Index (total return) in sterling terms. The return quoted above is a composite of the two indices designed to provide an accurate comparator to the Company's return on net assets for the year..

Ten Largest Equity Investments

at 31st March

Company	Country	Description	2013 Valuation £'000	2013 %[1]	2012 Valuation £'000	2012 %[1]
Roche	Switzerland	Health Care	**10,163**	**4.7**	6,026	3.1
Novartis	Switzerland	Health Care	**8,667**	**4.0**	6,396	3.3
Nestlé	Switzerland	Consumer Goods	**8,218**	**3.8**	7,329	3.8
Total	France	Oil & Gas Producers	**6,780**	**3.1**	5,893	3.1
JPMorgan European Smaller Companies Trust	European Funds	Financials	**5,435**	**2.5**	4,953	2.6
BASF	Germany	Basic Materials	**5,087**	**2.3**	4,320	2.2
Anheuser-Busch InBev[2]	Belgium	Consumer Goods	**4,596**	**2.1**	2,261	1.2
ENI	Italy	Oil & Gas Producers	**4,493**	**2.1**	4,423	2.3
Zurich Financial Services	Switzerland	Financials	**4,404**	**2.0**	4,219	2.2
Credit Suisse[2]	Switzerland	Financials	**4,386**	**2.0**	344	0.2
Total[3]			**62,229**	**28.6**		

[1]Based on total investments of £217.4m (2012: £192.4m), which includes investment of any borrowings to gear the portfolio and excludes liquidity fund holdings and net current liabilities.

[2]Not included in ten largest equity investments at 31st March 2012.

[3]At 31st March 2012, the value of the ten largest equity investments amounted to £52.9m representing 27.5% of total investments of £192.4m.

Portfolio Analyses

Geographic

	31st March 2013 Portfolio %[1]	31st March 2013 Benchmark %[2]	31st March 2012 Portfolio %[1]	31st March 2012 Benchmark %[2]
Switzerland	**24.3**	**22.2**	15.6	19.5
Germany	**19.6**	**20.1**	19.3	19.6
France	**16.9**	**21.2**	18.4	23.2
Sweden	**8.2**	**7.7**	9.5	7.3
Netherlands	**5.0**	**6.4**	9.1	6.0
Spain	**4.8**	**6.5**	6.2	6.9
Italy	**4.4**	**4.7**	5.4	5.9
Denmark	**3.9**	**2.8**	3.4	2.9
Belgium	**3.8**	**2.8**	2.9	2.3
Norway	**1.7**	**2.0**	2.1	2.4
Ireland	**1.6**	**0.4**	–	0.4
Austria	**1.5**	**0.7**	0.5	0.8
Finland	**1.1**	**2.0**	3.9	2.0
Russia	**0.5**	**–**	0.7	–
United Kingdom	**0.5**	**–**	0.5	–
Turkey	**–**	**–**	0.1	–
Poland	**–**	**–**	0.1	–
Portugal	**–**	**0.4**	–	0.6
Greece	**–**	**0.1**	–	0.2
Fixed Interest	**2.2**	**–**	2.3	–
Total Portfolio	**100.0**	**100.0**	100.0	100.0

[1]Based on total investments of £217.4m (2012: £192.4m), which includes investment of any borrowings to gear the portfolio and excludes liquidity fund holdings and net current assets.

[2]With effect from 26th March 2013, the index was changed to the MSCI Europe ex UK Index (total return) in sterling terms (2012: FTSE All World Developed Europe (ex UK) Index in sterling terms (total return)).

Portfolio Analyses continued

Sector

	31st March 2013		31st March 2012	
	Portfolio %[1]	Benchmark %[2]	Portfolio %[1]	Benchmark %[2]
Financials	**26.7**	**19.8**	19.0	19.8
Consumer Goods	**15.9**	**20.2**	17.3	19.2
Industrials	**15.8**	**15.0**	15.0	15.0
Health Care	**12.9**	**13.5**	12.4	11.6
Oil & Gas Producers	**6.6**	**5.8**	8.5	7.1
Basic Materials	**5.5**	**8.6**	7.6	8.3
Consumer Services	**5.4**	**5.5**	5.5	5.1
Utilities	**3.8**	**3.7**	4.4	5.0
Technology	**3.2**	**4.0**	3.5	3.8
Telecommunications Services	**2.0**	**3.9**	4.5	5.1
Fixed Interest	**2.2**	**–**	2.3	–
Total Portfolio	**100.0**	**100.0**	100.0	100.0

[1]Based on total investments of £217.4m (2012: £192.4m), which includes investment of any borrowings to gear the portfolio and excludes liquidity fund holdings and net current assets.

[2]With effect from 26th March 2013, the index was changed to the MSCI Europe ex UK Index (total return) in sterling terms (2012: FTSE All World Developed Europe (ex UK) Index in sterling terms (total return)).

List of Investments

at 31st March 2013

Company	Valuation £'000
Switzerland	
Roche	10,163
Novartis	8,667
Nestlé	8,218
Zurich Financial Services	4,404
Credit Suisse	4,386
Swiss Re	3,454
Syngenta	1,900
Implenia	1,347
UBS	1,085
Transocean	1,042
Compagnie Financiere Richemont	835
Schweizerische National-Versicherungs-Gesellschaft	769
Valora	741
GAM	576
Adecco	489
PSP Swiss Property	355
Swatch	198
Burckhardt Compression	160
APG/SGA	120
ABB	110
Swiss Life	88
Total Switzerland	**49,107**
Germany	
BASF	5,087
Siemens	3,572
Deutsche Post	3,361
Freenet	3,245
Hannover Rueckversicherung	3,087
Volkswagen	2,940
Bayer	1,764
SAP	1,612
Deutsche Telekom	1,612
Aurubis	1,323
Duerr	1,268
Kabel Deutschland	1,261
BMW	1,120
Daimler	974
RWE	956
Münchener Rückversicherungs	794
Deutsche Beteiligungs	589
ProSiebenSat.1 Media	550
Balda	540
Bilfinger Berger	474
Continental	268
Deutsche Lufthansa	252
Suedzucker	161
Bijou Brigitte	157
Total Germany	**36,967**
France	
Total	6,780
BNP Paribas	3,290
Plastic Omnium	2,362
Sanofi-Aventis	2,354
Safran	2,206
Michelin	2,034
PPR	1,924
Thales	1,804
Vinci	1,684
Société Généralé	1,454
AXA	1,394
Lafarge	1,288
Credit Agricole	1,238
Teleperformance	1,222
Vivendi	1,137
Unibail-Rodamco	967
Eiffage	742
Valeo	686
Alstom	602
Derichebourg	456
Alten	298
Cegedim	200
Air France - KLM	171
Boiron	161
Exel Industries	139
Nexity	124
Wendel	62
Total France	**36,779**

List of Investments continued

Company	Valuation £'000
Sweden	
Skandinaviska Enskilda Banken	3,576
Svenska Handelsbanken	2,961
Swedbank	2,638
Nordea Bank	1,474
NCC	1,430
Saab	1,115
Electrolux	790
Svenska Cellulosa	757
Bilia	723
JM	616
Skanska	548
BillerudKorsnas	488
Ericsson	399
Bergman & Beving	280
Total Sweden	**17,795**
European Funds	
JPMorgan European Smaller Companies Trust	5,435
JPM Micro Cap	4,354
JPM Eastern European Fund	1,754
Total European Funds	**11,543**
Netherlands	
Philips Electronics	2,729
Ahold	2,473
Nutreco	1,626
European Aeronautic Defence and Space	1,189
Unilever	808
CSM	766
Heineken	742
BAM Groep	242
BE Semiconductor	227
Total Netherlands	**10,802**

Company	Valuation £'000
Spain	
Ferrovial	3,257
Gas Natural	2,942
Banco Bilbao Vizcaya Argentaria	1,919
Banco Santander	1,289
Iberdrola	568
Repsol	401
Amadeus IT	94
Total Spain	**10,470**
Italy	
ENI	4,493
ENEL	3,673
Azimut	1,013
Autostrada Torino-Milano	169
Reply	73
ERG	63
Total Italy	**9,484**
Denmark	
Novo-Nordisk	4,326
Coloplast	1,716
Royal Unibrew	1,065
Pandora	555
AP Moller-Maersk	360
DSV	298
Carlsberg	291
Total Denmark	**8,611**

Company	Valuation £'000
Belgium	
Anheuser-Busch InBev	4,596
Ageas	1,136
Belgacom	797
Delhaize Freres et Cie (Le Lion)	431
Kinepolis	426
Econocom	394
Barco	335
Compagnie Du Bois Sauvage	97
Total Belgium	**8,212**
Norway	
Telenor	2,032
Cermaq	662
Yara	547
Leroy Seafood	186
Marine Harvest	159
Statoil	61
Total Norway	**3,647**
Ireland	
Ryanair	1,931
Smurfit Kappa	1,395
FYFFES	170
Total Ireland	**3,496**
Austria	
OMV	1,355
Immofinanz	1,092
CA Immobilien Anlagen	603
RHI	122
Polytec	81
Total Austria	**3,253**

Company	Valuation £'000
Finland	
Nokia	702
UPM-Kymmene	695
Tieto	407
Sponda	250
Fiskars	235
Neste Oil	177
Total Finland	**2,466**
Liquidity Fund	
JPM Euro Liquidity Fund	3,044
Total Liquidity Fund	**3,044**
Fixed Interest	
Bundesrepublik Deutschland 4.00% 2037	4,765
Total Fixed Interest	**4,765**
Total Investments	**220,441**

Total investments comprises £212,632,000 in equity shares, £3,044,000 in a liquidity fund and £4,765,000 in a fixed interest security.

Income Statement

(unaudited)
for the year ended 31st March 2013

	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
Gains/(losses) on investments held at fair value through profit or loss	–	29,831	29,831	–	(44,037)	(44,037)
Net foreign currency losses	–	(78)	(78)	–	(64)	(64)
Income from investments	7,350	–	7,350	9,179	–	9,179
Other interest receivable and similar income	102	–	102	455	–	455
Gross return/(loss)	7,452	29,753	37,205	9,634	(44,101)	(34,467)
Management fee	(333)	(778)	(1,111)	(306)	(715)	(1,021)
Performance fee (charge)/writeback	–	(1,584)	(1,584)	–	879	879
Other administrative expenses	(473)	–	(473)	(521)	–	(521)
Net return/(loss) on ordinary activities before finance costs and taxation	6,646	27,391	34,037	8,807	(43,937)	(35,130)
Finance costs	(64)	(150)	(214)	(178)	(414)	(592)
Net return/(loss) on ordinary activities before taxation	6,582	27,241	33,823	8,629	(44,351)	(35,722)
Taxation	(736)	–	(736)	(906)	–	(906)
Net return/(loss) on ordinary activities after taxation	5,846	27,241	33,087	7,723	(44,351)	(36,628)
Return/(loss) per Growth share	6.00p	27.98p	33.98p	7.28p	(41.81)p	(34.53)p

All revenue and capital items in the above statement derive from continuing operations.

Balance Sheet

(unaudited)
at 31st March 2013

	2013 £'000	2012 £'000
Fixed assets		
Investments held at fair value through profit or loss	**217,397**	192,381
Investments in liquidity funds held at fair value through profit or loss	**3,044**	8,418
Total investments	**220,441**	200,799
Current assets		
Debtors	**607**	1,237
Cash and short term deposits	**977**	310
Derivative financial instruments	**4**	19
	1,588	1,566
Creditors: amounts falling due within one year	**(15,656)**	(14,615)
Derivative financial instruments	**(79)**	(71)
Net current liabilities	**(14,147)**	(13,120)
Total assets less current liabilities	**206,294**	187,679
Provisions for liabilities and charges	**(1,056)**	(689)
Net assets	**205,238**	186,990
Net asset value per Growth share	**215.3p**	186.3p

GROWTH SHARES

Summary of Results – Income

	2013	2012	% change
Total returns for the year ended 31st March			
Return to shareholders[1]	**+21.2%**	–6.3%	
Return on net assets[2]	**+19.1%**	–7.4%	
Benchmark return[3]	**+16.0%**	–7.2%	
Net asset value, share price and discount at 31st March			
Total net assets (£'000)	**68,111**	61,895	+10.0
Net asset value per share	**110.4p**	96.9p	+13.9
Share price	**99.8p**	86.5p	+15.4
Share price discount to net asset value[4]	**8.4%**	9.9%	
Shares in issue	**61,719,532**	63,849,822	
Revenue for the year ended 31st March			
Gross revenue return (£'000)	**3,255**	3,375	–3.6
Net revenue attributable to shareholders (£'000)	**2,695**	2,753	–2.1
Return per share	**4.29p**	4.56p	–5.9
Dividend per share:			
Ordinary dividends	**4.25p**	4.20p	+1.2
Gearing at 31st March[5]	**14.4%**	7.1%	
Ongoing Charges[6]	**1.06%**	1.12%	
Ongoing Charges including any performance fee payable[7]	**1.26%**	1.18%	

A glossary of terms and definitions is provided on page 83.

[1]Source: Morningstar.

[2]Source: J.P. Morgan.

[3]On 26th March 2013 the Income portfolio's benchmark changed from MSCI Europe Index (total return) in sterling terms to MSCI Europe ex UK Index (total return) in sterling terms. The return quoted above is a composite of the two indices designed to provide an accurate comparator to the Company's return on net assets for the year.

[4]Based on capital-only net asset value. Source: Bloomberg.

[5]Gearing represents the excess amount above shareholders' funds of total assets (including net current assets/liabilities) less cash/cash equivalents, expressed as a percentage of the shareholders' funds. If the amount calculated is negative, this is shown as a 'net cash' position. The figure for 2012 has been restated to include net current assets. Based on prior year methodology, the gearing would have been 6.9% (2012: 6.5%)).

[6]Management fee and all other operating expenses, excluding finance costs and any performance fee payable, expressed as a percentage of the average of the daily net assets during the year. (2012: Total Expense Ratio: Management fee and all other operating expenses excluding interest, expressed as a percentage of the average of the month end net assets during the year). The Ongoing Charges are calculated in accordance with guidance made by the Association of Investment Companies in May 2012.

[7]Management fee, any performance fee payable and all other operating expenses excluding finance costs, expressed as a percentage of the average of the daily net assets during the year. (2012: Total Expense Ratio including any performance fee payable: Management fee, any performance fee payable and all other operating expenses excluding finance costs expressed as a percentage of the average of the month end net assets during the year).

Financial Record Since Inception[1]

	2nd August 2006	31st March 2007	31st March 2008	31st March 2009	31st March 2010	31st March 2011	31st March 2012	31st March 2013
Total assets less current liabilities (£m)	94.2	90.8	87.3	41.0	76.9	63.5	61.9	**68.3**
Net asset value per share (p)	102.6	120.4	108.4	70.2	106.3	109.6	96.9	**110.4**
Share price (p)	99.3	112.5	98.0	60.3	94.5	97.3	86.5	**99.8**
Discount (%)	3.2	6.6	9.6	14.1	8.8	11.3	10.7	**9.6**
Gearing (%)[2]	N/A	2.7	6.1	4.3	5.3	10.0	7.1	**14.4**
Year ended 31st March								
Gross revenue return (£'000)	N/A	1,447	3,552	4,382	2,986	2,827	3,375	**3,255**
Revenue per share (p)	N/A	1.32	3.67	5.48	3.92	3.87	4.56	**4.29**
Dividend per share (p)	N/A	2.90	3.90	5.15[3]	4.00	4.00	4.20	**4.25**
Ongoing Charges (%)[4]	N/A	0.79	1.23	1.19	1.21	1.18	1.12	**1.06**
Rebased to 100 at 2nd August 2006								
Return to shareholders[5]	100.0	117.0	106.0	70.0	115.0	123.8	116.0	**140.6**
Return on net assets[5]	100.0	118.6	109.3	76.0	121.6	131.1	120.5	**143.4**
Benchmark[6]	100.0	115.7	114.4	79.5	117.2	124.9	115.9	**134.4**

A glossary of terms and definitions is provided on page 83.

[1]The Income shares were created following a capital reorganisation on 2nd August 2006.

[2]Gearing represents the excess amount above shareholders' funds of total assets (Including net current assets/liabilities) less cash/cash equivalents, expressed as a percentage of the shareholders' funds. If the amount calculated is negative, this is shown as a 'net cash' position. The figure for 2012 has been restated to include net current assets.

[3]Includes a special dividend of 1.15p.

[4]Management fee and all other operating expenses, excluding finance costs and any performance fee payable, expressed as a percentage of the average of the daily net assets during the year (2010 to 2012: Total Expense Ratio ('TER'): the average of the month end net assets; 2009 and prior years: the average of the opening and closing net assets).

[5]Source: Morningstar.

[6]On 26th March 2013 the Income portfolio's benchmark changed from MSCI Europe Index (total return) in sterling terms to MSCI Europe ex UK Index (total return) in sterling terms. The return quoted above is a composite of the two indices designed to provide an accurate comparator to the Company's return on net assets for the year.

Ten Largest Equity Investments

at 31st March

Company	Country	Description	2013 Valuation £'000	2013 %[1]	2012 Valuation £'000	2012 %[1]
Novartis[2]	Switzerland	Health Care	**2,749**	**3.8**	–	–
Roche	Switzerland	Health Care	**2,628**	**3.6**	1,354	2.1
Sanofi-Aventis[3]	France	Health Care	**1,982**	**2.7**	1,068	1.6
Total	France	Energy	**1,809**	**2.5**	1,251	1.9
Siemens[2]	Germany	Industrials	**1,624**	**2.2**	–	–
Banco Santander[2]	Spain	Financials	**1,324**	**1.8**	–	–
Unilever	UK	Consumer Staples	**1,228**	**1.7**	1,128	1.7
Allianz[3]	Germany	Financials	**1,199**	**1.7**	690	1.0
ENI[3]	Italy	Energy	**1,126**	**1.6**	720	1.1
BNP Paribas[2]	France	Financials	**1,048**	**1.4**	–	–
Total[4]			16,717	23.0		

[1]Based on total investments of £72.6m (2012: £65.9m), which includes investment of any borrowings to gear the portfolio and excludes liquidity fund holdings and net current liabilities.

[2]Not held in the portfolio at 31st March 2012.

[3]Not included in the ten largest equity investments at 31st March 2012.

[4]At 31st March 2012, the value of the ten largest equity investments amounted to £15.6m representing 23.7% of total investments of £65.9m.

Portfolio Analyses

Geographic

	31st March 2013 Portfolio %[1]	31st March 2013 Benchmark %[2]	31st March 2012 Portfolio %[1]	31st March 2012 Benchmark %[2]
France	**17.3**	**22.0**	7.7	14.3
Germany	**14.3**	**20.1**	8.9	13.3
Switzerland	**12.4**	**21.8**	7.3	13.3
Sweden	**11.9**	**7.8**	3.6	4.9
Italy	**8.7**	**4.6**	4.7	3.6
Spain	**8.4**	**6.5**	4.4	4.5
Finland	**6.3**	**1.8**	5.0	1.4
Norway	**5.6**	**2.1**	3.8	1.5
Netherlands	**5.0**	**5.9**	2.8	5.2
Belgium	**2.8**	**2.9**	1.6	1.6
United Kingdom	**2.2**	**–**	45.2	33.4
Denmark	**1.5**	**2.7**	0.4	1.7
Portugal	**1.0**	**0.4**	1.0	0.3
Austria	**0.8**	**0.6**	0.8	0.4
Ireland	**0.2**	**0.7**	0.7	0.5
Greece	**–**	**0.1**	0.4	0.1
Fixed Interest	**1.6**	**–**	1.7	–
Total Portfolio	**100.0**	**100.0**	100.0	100.0

[1]Based on total investments of £72.6m (2012: £65.9m), which includes investment of any borrowings to gear the portfolio and excludes liquidity fund holdings and net current liabilities.

[2]With effect from 26th March 2013, the index was changed to the MSCI Europe ex UK (total return) in sterling terms (2012: MSCI Europe Index in sterling terms (total return)).

INCOME SHARES

Portfolio Analyses continued

Sector

	31st March 2013		31st March 2012	
	Portfolio %[1]	Benchmark %[2]	Portfolio %[1]	Benchmark %[2]
Financials	**25.3**	**19.6**	23.7	19.1
Industrials	**14.5**	**13.7**	10.4	10.9
Consumer Staples	**14.2**	**14.3**	12.1	14.0
Health Care	**11.1**	**15.1**	7.4	11.3
Energy	**8.4**	**6.2**	12.1	11.8
Consumer Discretionary	**8.1**	**10.4**	10.7	8.8
Telecommunications Services	**5.8**	**4.6**	5.9	6.4
Utilities	**4.7**	**3.8**	7.1	4.7
Materials	**4.1**	**8.1**	6.6	9.9
Information Technology	**2.2**	**4.2**	2.3	3.1
Fixed Interest	**1.6**	**–**	1.7	–
Total Portfolio	**100.0**	**100.0**	100.0	100.0

[1]Based on total investments of £72.6m (2012: £65.9m), which includes investment of any borrowings to gear the portfolio and excludes liquidity fund holdings and net current liabilities.
[2]With effect from 26th March 2013, the index was changed to the MSCI Europe ex UK (total return) in sterling terms (2012: MSCI Europe Index in sterling terms (total return)).

List of Investments

at 31st March 2013

Company	Valuation £'000
France	
Sanofi-Aventis	1,982
Total	1,809
BNP Paribas	1,048
AXA	723
Vivendi	679
Unibail-Rodamco	590
Vinci	582
SCOR	334
Lagardere	330
Klepierre	326
Gecina	307
Natixis	307
Fonciere Des Regions	296
CNP Assurances	289
Euler Hermes	270
Rubis	265
Television Francaise	260
Rallye	258
Casino Guichard-Perrachon	249
Renault	244
SES	208
Bouygues	195
Eutelsat Communications	172
Eiffage	159
Rexel	157
Nexity	134
Valeo	125
Total Gabon	122
Bourbon	107
Alten	50
Total France	**12,577**

Company	Valuation £'000
Germany	
Siemens	1,624
Allianz	1,199
Daimler	1,003
BASF	863
Munich Re	772
Deutsche Telekom	707
Deutsche Post	581
Kabel Deutschland	374
Hannover Rueckversicherung	338
ProSiebenSat.1 Media	321
Hugo Boss	315
Drillisch	275
Freenet	273
Talanx	273
INDUS	200
Aurelius	179
Leg Immobilien	161
Telefonica Deutschland	156
Balda	146
Bilfinger Berger	109
Cewe Color	106
Alstria Office	104
Sixt	98
DIC	94
Deutsche Beteiligungs	82
Total Germany	**10,353**

List of Investments continued

Company	Valuation £'000
Switzerland	
Novartis	2,749
Roche	2,628
Zurich Financial Services	891
Swiss Re	701
Swisscom	434
Swiss Prime Site	339
Baloise	334
Banque Cantonale Vaudoise	294
Helvetia	265
Inficon	240
Vontobel	104
Total Switzerland	**8,979**
Sweden	
Nordea Bank	721
Ericsson	602
Swedbank	545
TeliaSonera	502
Skandinaviska Enskilda Banken	479
Svenska Handelsbanken	423
Skanska	372
Securitas	312
Husqvarna	308
Volvo	297
Tele2	284
Axfood	274
Fabege	274
JM	273
Castellum	270
Holmen	269
NCC	268
Intrum Justitia	268
Investor	259
Industrivarden	207
Hakon Investments	186

Company	Valuation £'000
Electrolux	169
Peab	152
Modern Times	150
Wihlborgs Fastigheter	141
Billerud	126
Trelleborg	123
Loomis	115
Klovern	85
Saab	83
Unibet	78
Bilia	46
Total Sweden	**8,661**
Italy	
ENI	1,126
Intesa Sanpaolo	507
Snam Rete Gas	381
Trasmissione Elettricita Rete Nazio	348
Atlantia	343
Enel	314
Pirelli	308
Azimut	268
Hera	266
Recordati	264
Mediolanum	264
A2A	259
Lottomatica	258
Banca Generali	255
ERG	254
SIAS	250
Autostrada Torino-Milano	185
Industria Macchine Automatiche	175
Marr	171
Beni Stabili	137
Total Italy	**6,333**

Company	Valuation £'000
Spain	
Banco Santander	1,324
Banco Bilbao Vizcaya Argentaria	965
Repsol	514
Ferrovial	356
Abertis Infraestructuras	351
Gas Natural	350
Red Electrica	342
Enagas	327
Mapfre	291
Zardoya	286
Bolsas y Mercados	265
Grupo Empresarial	165
Ebro Foods	130
Tecnicas Reunidas	116
Duro Felguera	115
Grupo Catalana Occidente	113
Indra Sistemas	105
Total Spain	**6,115**
Finland	
Sampo	508
UPM-Kymmene	355
Metso	344
Stora Enso	318
Orion	305
Pohjola Bank	296
Konecranes	267
YIT	262
Tieto	247
Sponda	238
Ramirent	204
PKC	173
Neste Oil	169
Huhtamaki	166
Tikkurila	151
Kesko	134
Kemira	130
Technopolis	106
Fiskars	85
Raisio	75
Cramo	45
Total Finland	**4,578**
Norway	
Statoil	676
Telenor	498
Yara International	394
Orkla	356
Gjensidige Forsikring	316
Fred Olsen Energy	269
Prosafe	260
Aker	251
Marine Harvest	166
SpareBank	147
Aker Solutions	144
TGS Nopec Geophysical	118
Kvaerner	94
Wilh. Wilhelmsen	81
Veidekke	69
Leroy Seafood	61
Austevoll Seafood	50
Stolt-Nielsen	50
Sparebanken	39
BW Offshore	22
Total Norway	**4,061**

List of Investments continued

Company	Valuation £'000
Netherlands	
Philips Electronics	436
Aegon	433
Wolters-Kluwer	366
Delta Lloyd	304
Ziggo	292
Ahold	276
Wereldhave	261
CSM	251
BinckBank	239
STMicroelectronics	200
Royal Boskalis Westminster	156
BAM	135
Eurocommercial	126
HAL Trust	118
Sligro Food	43
Total Netherlands	**3,636**
Belgium	
Ageas	391
GBL	359
Delhaize	225
Elia System Operator	224
Warehousing & Distribution	212
GIMV	183
EVS Broadcast Equipment	127
Cofinimmo	113
RTL	87
Befimmo	48
C.M.B.	39
Total Belgium	**2,008**
United Kingdom	
Unilever	1,228
Royal Dutch Shell	265
Atrium European Real Estate	52
William Hill	12
Total United Kingdom	**1,557**

Company	Valuation £'000
Denmark	
Tryg	296
Topdanmark	266
Royal Unibrew	247
Pandora	202
P/F Bakkafrost	107
Total Denmark	**1,118**
Portugal	
Energias de Portugal	348
Sonae	91
Sonaecom	84
ZON Multimedia	81
Portucel-Empresa Produtora de Pasta	58
Mota Engil	44
Total Portugal	**706**
Austria	
Immofinanz	303
Oesterreichische Post	275
Total Austria	**578**
Ireland	
F.B.D	161
Total Ireland	**161**
Fixed Interest	
Bundesrepublick Deutschland 4.00% 2037	1,191
Total Fixed Interest	**1,191**
Total Investments	**72,612**

Total investments comprises £71,421,000 in equity shares and £1,191,000 in a fixed interest security.

Income Statement

(unaudited)
for the year ended 31st March 2013

	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
Gains/(losses) on investments held at fair value through profit or loss	–	**8,933**	**8,933**	–	(7,122)	(7,122)
Net foreign currency (losses)/gains	–	**(441)**	**(441)**	–	325	325
Income from investments	**3,224**	–	**3,224**	3,295	–	3,295
Other interest receivable and similar income	**31**	–	**31**	80	–	80
Gross return/(loss)	**3,255**	**8,492**	**11,747**	3,375	(6,797)	(3,422)
Management fee	**(205)**	**(307)**	**(512)**	(210)	(316)	(526)
Performance fee (charge)/writeback	–	**(255)**	**(255)**	–	61	61
Other administrative expenses	**(137)**	–	**(137)**	(148)	–	(148)
Net return/(loss) on ordinary activities before finance costs and taxation	**2,913**	**7,930**	**10,843**	3,017	(7,052)	(4,035)
Finance costs	**(47)**	**(70)**	**(117)**	(95)	(143)	(238)
Net return/(loss) on ordinary activities before taxation	**2,866**	**7,860**	**10,726**	2,922	(7,195)	(4,273)
Taxation	**(171)**	–	**(171)**	(169)	–	(169)
Net return/(loss) on ordinary activities after taxation	**2,695**	**7,860**	**10,555**	2,753	(7,195)	(4,442)
Return/(loss) per Income share	**4.29p**	**12.51p**	**16.80p**	4.56p	(11.91)p	(7.35)p

All revenue and capital items in the above statement derive from continuing operations.

Balance Sheet

(unaudited)
at 31st March 2013

	2013 £'000	2012 £'000
Fixed assets		
Investments held at fair value through profit or loss	**72,612**	65,895
Investments in liquidity funds held at fair value through profit or loss	**–**	3,057
Total investments	**72,612**	68,952
Current assets		
Debtors	**29,704**	602
Cash and short term deposits	**–**	200
Derivative financial instruments	**218**	15
	29,922	817
Creditors: amounts falling due within one year	**(33,919)**	(7,837)
Derivative financial instruments	**(333)**	–
Net current liabilities	**(4,330)**	(7,020)
Total assets less current liabilities	**68,282**	61,932
Provision for liabilities and charges	**(171)**	(37)
Net assets	**68,111**	61,895
Net asset value per Income share	**110.4p**	96.9p

INCOME SHARES

Board of Directors

Andrew Murison
(Chairman of the Board and Nomination Committee)

A Director since 2002, Chairman since 2003.

Last reappointed to the Board: 2012.

Remuneration: £30,000.

Other directorships: Previously Senior Bursar of Peterhouse, University of Cambridge and currently a director of Maven Income and Growth VCT 3 plc and Hg Capital Trust plc. His qualifications for Board membership are long experience of financial, investment and strategic management.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 10,050 Growth Shares and 13,000 Income Shares.

Robin Faber
(Chairman of the Audit Committee)

A Director since 2000.

Last reappointed to the Board: 2012.

Remuneration: £24,000.

Other directorships: Finance director of The Ashfield Land Property Group and a director of a number of other companies. His qualifications for Board membership are as a qualified accountant with long experience of investment.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 10,000 Growth Shares.

Stephen Goldman

A Director since September 2008.

Last reappointed to the Board: 2012.

Remuneration: £20,000.

Other directorships: Has a wide experience of investing in European equities, having spent 12 years at NM Rothschild Asset Management, where he led the UK Equity Research team. Formerly Head of the UK Portfolio Management and the European Client Portfolio Management teams at JPMorgan and Head of Equities for the European Region at Credit Suisse Asset Management. He is a director of Cavendish Asset Management Limited.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 10,000 Growth Shares.

Board of Directors continued

Stephen Russell

A Director since 2005.

Last reappointed to the Board: 2012.

Remuneration: £20,000.

Other directorships: Spent eleven years at SLC Asset Management (now CSAM), most notably as Fund Manager of £5 billion of equities, before joining HSBC Investment Bank as Head of Europe & UK Equity Strategy. He is currently Investment Director at Ruffer LLP. His qualifications for Board membership are practical experience of investment in Europe and knowledge of both the institutional and private client markets.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 2,171 Growth Shares.

Ferdinand Verdonck (Belgian)

A Director since 1998.

Last reappointed to the Board: 2012.

Remuneration: £20,000.

Other directorships: Director of a number of Continental European companies and Virtus investment funds in the USA. Formerly Managing Director of the Almanij Group. His qualification for Board membership is many years' experience of European finance and industry.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 3,381 Growth Shares.

All Directors are members of the Audit and Nomination Committees and are considered independent of the Manager.

Directors' Report

The Directors present their report for the year ended 31st March 2013.

Business Review

Business of the Company
The Company carries on business as an investment trust and was approved by HM Revenue & Customs as an investment trust in accordance with Section 1158 of the Corporation Tax Act 2010 for the year ended 31st March 2012. In the opinion of the Directors, the Company has subsequently conducted its affairs so that it should continue to qualify as an investment trust under HM Revenue & Customs' qualification criteria.

Approval for the year ended 31st March 2013 is subject to review should there be any subsequent enquiry under Corporation Tax Self Assessment.

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006. The Company is not a close company for taxation purposes.

A review of the Company's activities and prospects is given in the Chairman's Statement on pages 5 to 8 and in the Investment Managers' Report on pages 9 to 11.

Investment Objectives, Policies and Risk Management
JPMAM is responsible for management of the Company's assets. On a day-to-day basis the assets are managed by three investment managers based in London, supported by a 40 strong European equity team. The Board seeks to manage the Company's risk by imposing various investment restrictions and guidelines.

Growth Portfolio

Investment Objective
The investment objective of the Growth portfolio is to provide capital growth and a rising share price over the longer term from Continental European investments by consistent out-performance of the benchmark and taking carefully controlled risks through an investment method that is clearly communicated to shareholders.

Investment Policies
- To invest in a diversified portfolio of investments in the stockmarkets of Continental Europe.
- To emphasise capital growth rather than income, with the likely result that the level of dividends will fluctuate.
- To manage liquidity and borrowings to increase returns to shareholders.

Investment Restrictions and Guidelines
- The portfolio will not invest more than 15% of the assets in any one individual stock at the time of acquisition.
- The portfolio will be no more than 20% geared in normal market conditions.
- The portfolio does not normally invest in unquoted investments and to do so requires prior Board approval.
- The portfolio does not normally enter into derivative transactions and to do so requires prior Board approval. However, the Investment Manager has authority to carry out currency hedging transactions in order to mitigate currency risk relative to the benchmark index.
- In accordance with the Listing Rules of the UK Listing Authority, the portfolio will not invest more than 15% of its gross assets in other UK listed investment companies and will not invest more than 10% of its gross assets in companies that themselves may invest more than 15% of gross assets in UK listed investment companies.

Income Portfolio

Investment Objective
The investment objective of the Income portfolio is to provide a growing income together with the potential for long term capital growth by investing in a portfolio of investments that is diversified amongst countries, sectors and market capitalisations within the universe of Continental European companies.

Investment Policies
- To invest in a diversified portfolio of investments in Continental European stockmarkets.
- To provide a growing income together with the potential for long-term capital growth.
- To manage liquidity and borrowings to increase returns to shareholders.

Investment Restrictions and Guidelines
- The portfolio will not invest more than 6% of the assets in any one individual stock at the time of acquisition.
- The portfolio will be no more than 20% geared in normal market conditions.
- The portfolio does not normally invest in unquoted investments and to do so requires prior Board approval.
- The portfolio does not normally enter into derivative transactions and to do so requires prior Board approval. However, the Investment Manager has authority to carry out

Directors' Report continued

currency hedging transactions in order to mitigate currency risk relative to the benchmark index.

- In accordance with the Listing Rules of the UK Listing Authority, the portfolio will not invest more than 15% of its gross assets in other UK listed investment companies and will not invest more than 10% of its gross assets in companies that themselves may invest more than 15% of gross assets in UK listed investment companies.

The Board has set no minimum or maximum limits on the number of investments in the Company's portfolios. To gain the appropriate exposure, the Investment Managers are permitted to invest in pooled funds.

Compliance with the Board's investment restrictions and guidelines is monitored continuously by the Manager and is reported to the Board on a monthly basis.

Performance

Growth:
In the year to 31st March 2013, the Growth portfolio produced a return to shareholders of +22.7% and a return on net assets of +20.0%. This compares with the return on the benchmark index of +16.6%. As at 31st March 2013, the value of the Company's Growth portfolio was £220.4 million.

Income:
In the year to 31st March 2013, the Income portfolio produced a return to shareholders of +21.2% and a return on net assets of +19.1%. This compares with the return on the benchmark index of +16.0%. As at 31st March 2013, the value of the Company's Income portfolio was £72.6 million.

The Investment Managers' Report on pages 9 to 11 includes a review of developments during the year as well as information on investment activity within the Company's portfolios.

Total Return, Revenue and Dividends

Company:
Gross total return for the year amounted to £49.0 million (2012: £37.9 million loss) and net total return after deducting finance costs, management expenses, performance fee, other administrative expenses and taxation amounted to £43.6 million (2012: £41.1 million loss). Distributable income for the year amounted to £8.5 million (2012: £10.5 million).

Growth:
Gross total return for the year amounted to £37.2 million (2012: £34.5 million loss) and net total return after deducting finance costs, management expenses, other administrative expenses and taxation amounted to £33.1 million (2012: £36.6 million loss). Distributable income for the year totalled £5.8 million (2012: £7.7 million). Dividends totalling 5.95 pence (2012: 6.75 pence) per Growth share were declared in respect of the year under review. Those distributions cost £5.7 million and the revenue reserve after allowing for those dividends amounts to £1.0 million.

Income:
Gross total return for the year amounted to £11.7 million (2012: £3.4 million loss) and net total return after deducting interest, management expenses, performance fee, other administrative expenses and taxation amounted to £10.6 million (2012: £4.4 million loss). Distributable income for the year totalled £2.7 million (2012: £2.8 million). Dividends totalling 4.25 pence (2012: 4.20 pence) per Income share were paid in respect of the year under review. Those distributions cost £2.7 million and the revenue reserve after allowing for those dividends amounts to £0.5 million.

Key Performance Indicators ('KPIs')

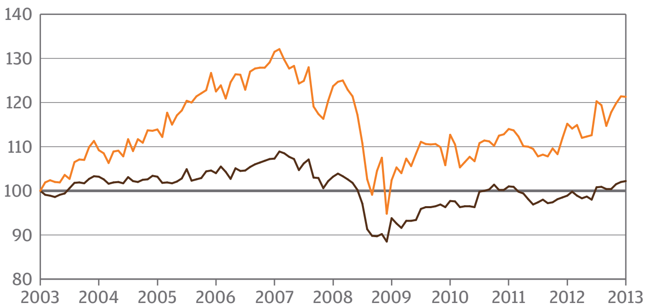
The Board uses a number of financial KPIs to monitor and assess the performance of the Company. The principal KPIs are:

- **Performance against the benchmark index:**
  This is the most important KPI by which performance is judged.

Growth:

Performance Relative to Benchmark Index

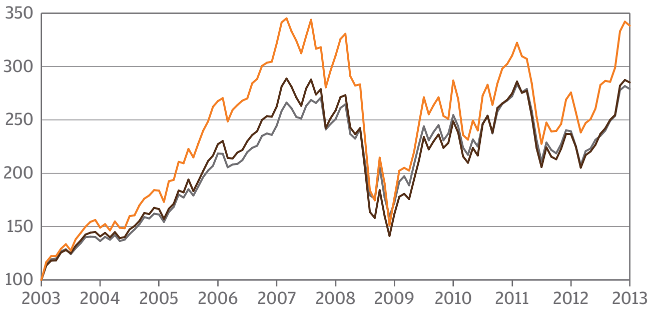
Figures have been rebased to 100 at 31st March 2003



Source: Morningstar/FTSE.
JPMorgan European Growth – share price total return.
JPMorgan European Growth – net asset value per share total return.
The benchmark is represented by the grey horizontal line. (see page 2 note 3)

Ten Year Performance

Figures have been rebased to 100 at 31st March 2003

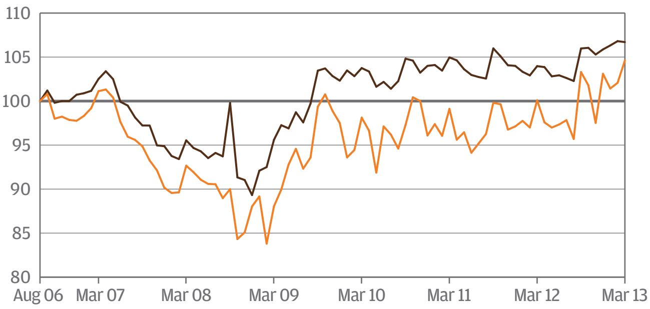


Source: Morningstar/FTSE.
JPMorgan European Growth – share price total return.
JPMorgan European Growth – net asset value per share total return.
Benchmark. (see page 2 note 3)

Income:

Performance Relative to Benchmark Index Since Inception

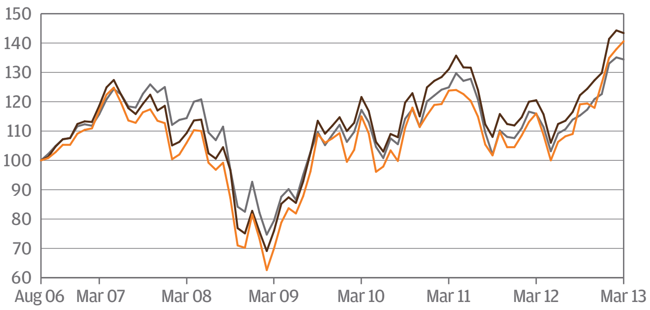
Figures have been rebased to 100 at inception



Source: Morningstar/FTSE.
JPMorgan European Income – share price total return.
JPMorgan European Income – net asset value per share total return.
The benchmark index is represented by the grey horizontal line. (see page 3 note 3)

Performance Since Inception

Figures have been rebased to 100 at inception



Source: Morningstar/FTSE.
JPMorgan European Income – share price total return.
JPMorgan European Income – net asset value per share total return.
Benchmark. (see page 3 note 3)

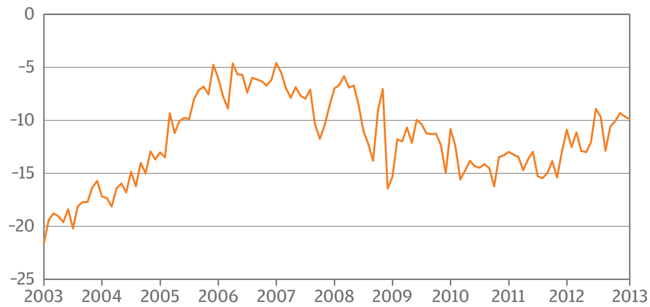
- **Performance against the Company's peers**
  The principal objective of the Growth portfolio is to achieve capital growth by consistent outperformance of the benchmark. The principal objective of the Income portfolio is to provide a growing income together with the potential for long-term capital growth. However, the Board also monitors the performance of both portfolios relative to a broad range of competitor funds.

- **Performance attribution**
  The purpose of performance attribution analysis is to assess how each portfolio achieved its performance relative to its benchmark index, i.e. to understand the impact on each portfolio's relative performance of the various components such as asset allocation and stock selection. Details of the attribution analyses for the year ended 31st March 2013 are given in the Investment Managers' Report on pages 9 to 11.

- **Discount to net asset value ('NAV')**
  The Board has for several years operated a share repurchase programme that seeks to address imbalances in supply and demand for the Company's shares within the market and thereby seek to manage the volatility and absolute level of the discount to NAV at which the Company's shares trade. In the year to 31st March 2013, the discount on the Growth shares (using month end data, with debt valued at par) ranged between 8.9% and 13.0% and the discount on the Income shares (using month end data, with debt valued at par) ranged between 9.0% and 13.1%.

Growth:

Discount History

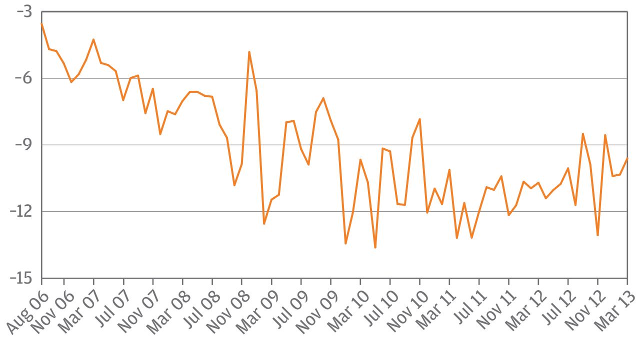


Source: Datastream.
JPMorgan European Growth – discount.

Directors' Report continued

Income:

Discount History



Source: Datastream

JPMorgan European Income – discount

- **Ongoing Charges**
  The ongoing charges represent the Company's management fee and all other operating expenses, excluding finance costs and performance fee payable, expressed as a percentage of the average of the daily net assets during the year. The methodology for calculating the ongoing charges has been changed. In previous years, the total expense ratio, ('TER') was calculated, which represented the Company's management fee and all other operating expenses excluding finance costs and performance fee payable, expressed as a percentage of the average month end net assets during the year. The Growth Portfolio ongoing charges for the year ended 31st March 2013 was 0.87% (2012: TER 0.74%). The Income Portfolio ongoing charges for the year ended 31st March 2013 was 1.06% (2012: TER 1.12%). The Growth ongoing charges including any performance fee payable for the year ended 31st March 2013 was 1.54% (2012: TER 0.75%). The Income ongoing charges including any performance fee payable for the year ended 31st March 2013 was 1.26% (2012: TER 1.18%). Each year the Board reviews an analysis which shows a comparison of the Company's ongoing charges and its main expenses with those of its peers.

Share Capital
The Company has authority both to repurchase shares in the market (for cancellation or to be held in Treasury) and to issue new shares for cash at a premium to net asset value.

During the year, the Company repurchased a total of 4,654,785 Growth shares in the market for cancellation for a total consideration of £7,453,000 and a total of 2,850,231 Income shares in the market for cancellation for a total consideration of £2,419,000.

During the year no shares were repurchased into or sold from Treasury. No Growth shares or Income shares were held in, or cancelled from, Treasury during the year.

Since the year end, a further 211,276 Growth shares and 80,675 Income shares have been repurchased for cancellation.

No new shares were issued during the year, or since the year end.

Resolutions to renew the authorities to allot new shares and to repurchase shares for cancellation will be put to shareholders at the forthcoming AGM. The full text of the resolutions is set out in the Notice of Meeting on pages 80 and 81.

Conversions
The Company's capital structure gives shareholders the opportunity, twice each year, to convert part or all of their shareholdings into shares of the Company's other share class without such conversions being treated, under current law, as a disposal for UK capital gains tax purposes. More details are given on page 79.

During the year, conversions took place on 15th September 2012 and 15th March 2013. The net result of those conversions was a decrease in the Growth issued share capital of 378,050 shares, and an increase in the Income issued share capital of 719,941 shares.

Principal Risks
With the assistance of the Manager, the Board has drawn up a risk matrix, which identifies the key risks to the Company. These key risks fall broadly under the following categories:

- Investment and Strategy: An inappropriate investment strategy, for example asset allocation or the level of gearing, may lead to under-performance against the Company's benchmark index and peer companies, resulting in the Company's shares trading on a wider discount. The Board manages these risks by an investment process designed to identify stocks with the best prospects and by diversification of investments through its investment restrictions and guidelines which are monitored and reported to the Board. JPMAM provides the Directors with timely and accurate management information, including performance data and attribution analyses, revenue estimates, liquidity reports and shareholder analyses. The Board monitors the implementation and results of the investment process with the Investment

Managers, who attend all Board meetings, and reviews data which show statistical measures of the Company's risk profile. The Investment Manager employs the Company's gearing within a strategic range set by the Board. The Board holds a separate meeting devoted to strategy each year.

- Market: Market risk arises from uncertainty about the future prices of the Company's investments. It represents the potential loss the Company might suffer through holding investments in the face of negative market movements. The Board considers asset allocation, stock selection and levels of gearing on a regular basis and has set investment restrictions and guidelines which are monitored and reported on by JPMAM. The Board monitors the implementation and results of the investment process with the Manager.
- Accounting, Legal and Regulatory: In order to continue to qualify as an investment trust, the Company must comply with Section 1158 ('Section 1158') of the Corporation Tax Act 2010. Details of the Company's approval are given under 'Business of the Company' above. Were the Company to breach Section 1158, it might lose investment trust status and, as a consequence, gains within the Company's portfolio could be subject to Capital Gains Tax. The Section 1158 qualification criteria are continually monitored by JPMAM and the results reported to the Board each month. The Company must also comply with the provisions of The Companies Act and, since its shares are listed on the London Stock Exchange, the UKLA Listing Rules and Disclosure and Transparency Rules ('DTRs'). A breach of the Companies Act could result in the Company and/or the Directors being fined or the subject of criminal proceedings. Breach of the UKLA Listing Rules or DTRs could result in the Company's shares being suspended from listing which in turn would breach Section 1158. The Board relies on the services of its Company Secretary, JPMAM, and its professional advisers to ensure compliance with the Companies Act and The UKLA Listing Rules and DTRs.
- Corporate Governance and Shareholder Relations: Details of the Company's compliance with Corporate Governance best practice, including information on relations with shareholders, are set out in the Corporate Governance report on pages 43 to 46.
- Operational: Disruption to, or failure of, JPMAM's accounting, dealing or payments systems or the custodian's records could prevent accurate reporting and monitoring of the Company's financial position. Details of how the Board monitors the services provided by JPMAM and its associates and the key elements designed to provide effective internal control are included within the Internal Control section of the Corporate Governance report on page 45.
- Financial: The financial risks faced by the Company include market risk (which comprises currency risk, interest rate risk and other price risk), liquidity risk and credit risk. Further details are disclosed in note 22 on pages 71 to 77.

Future Developments

Clearly the future development of the Company is much dependent upon the success of the Company's investment strategy for the two portfolios in the light of economic and equity market developments. The Investment Managers discuss the outlook in their report on pages 9 to 11.

Management of the Company

The Manager and Secretary is JPMorgan Asset Management (UK) Limited. JPMAM is employed under a contract terminable on one year's notice, without penalty. If the Company wishes to terminate the contract on shorter notice, the balance of remuneration is payable by way of compensation.

JPMAM is a wholly owned subsidiary of JPMorgan Chase Bank which, through other subsidiaries, also provides banking, dealing and custodian services to the Company.

The Board has evaluated the performance of the Manager and confirms that it is satisfied that the continuing appointment of the Manager is in the interests of shareholders as a whole. In arriving at this view, the Board considered the investment strategy and process of the Manager and the support that the Company receives from JPMAM.

Management and Performance Fees

Growth Share Class

The management fee is charged at the rate of 0.45% per annum on total assets less current liabilities and is calculated and paid monthly in arrears. If the Company invests in funds managed or advised by JPMAM or any of its associated

Directors' Report continued

companies, those investments are excluded from the calculation and therefore attract no fee.

If the NAV return exceeds the benchmark return plus 0.5%, the base management fee in any one year rises to 0.6% for that year. In the event of this, a performance fee is also payable and is calculated at 20% of the excess of the NAV total return over the benchmark total return plus a hurdle of 0.5%. Any performance fee earned is spread evenly over three years, with a cap of 1% of total gross assets in any one year. Any unpaid performance fee is carried forward until paid in full (or offset against subsequent under-performance). Any under-performance is offset at the first opportunity and must be fully offset before any performance fee can be paid.

In the year to 31st March 2013, the Growth portfolio's NAV total return outperformed its benchmark by 3.4% and this gives rise to a performance fee charge for the year of £1,584,000. Under the terms of the performance fee agreement a balance of £1,217,000, relating to current and prior years' outperformance, falls due for payment in the current year.

This amount, together with the £1,584,000 positive performance fee for the year, when added to the positive amount brought forward of £689,000 gives a balance carried forward of £1,056,000, which will be carried forward to be paid in future years or offset against future underperformance.

Income Share Class

The management fee is charged at the rate of 0.75% per annum on total assets less current liabilities and is calculated and paid monthly in arrears. If the Company invests in funds managed or advised by JPMAM or any of its associated companies, those investments are excluded from the calculation and therefore attract no fee.

If NAV performance exceeds the benchmark performance plus 0.5%, a performance fee is also payable and is calculated at 15% of the excess of the NAV total return over the benchmark total return plus the 0.5% hurdle. Any performance fee earned is spread evenly over three years, with a cap of 0.75% of total gross assets in any one year. Any unpaid performance fee is carried forward until paid in full (or offset against subsequent under-performance). Any under-performance is offset at the first opportunity and must be fully offset before any performance fee can be paid.

In the year to 31st March 2013, the Income portfolio's NAV total return outperformed its benchmark by 3.1% and this gives rise to a performance fee charge for the year of £255,000. Under the terms of the performance fee agreement a balance of £121,000, relating to current and prior years' outperformance, falls due for payment in the current year. This amount, together with the £255,000 positive performance fee for the year, when added to the positive amount brought forward of £37,000 gives a balance carried forward of £171,000 which will be carried forward to be paid in future years or offset against future underperformance.

Going Concern

The Directors believe that, having considered the Company's investment objectives (see page 35), risk management policies (see pages 71 to 77), liquidity risk (see note 22(b) on page 76), capital management policies and procedures (see page 78), nature of the portfolios and expenditure projections, the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. For these reasons, they consider that there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

Payment Policy

It is the Company's policy to obtain the best terms for all business and therefore there are no standard payment terms. In general the Company agrees with its suppliers the terms on which business will take place and it is the Company's policy to abide by those terms. As at 31st March 2013, the Company had no outstanding trade creditors (2012: nil).

Directors

The Directors of the Company who held office at the end of the year, together with their beneficial interests in the Company's Growth shares, are given below:

Directors	31st March 2013	1st April 2012
Robin Faber	**10,000**	10,000
Stephen Goldman	**10,000**	10,000
Andrew Murison	**10,050**	10,050
Stephen Russell	**2,171**	2,171
Ferdinand Verdonck	**3,381**	3,247

Mr Murison also had a beneficial interest in 13,000 Income shares at the end of the year.

There were no changes to the Board of Directors during the year and up to the date of signing the accounts.

In accordance with corporate governance best practice, all Directors will retire by rotation at the forthcoming Annual General Meeting and being eligible, will offer themselves for reappointment. The Nomination Committee, having considered their qualifications, performance and contribution to the Board and its committees, confirms that each Director continues to be effective and demonstrates commitment to the role and the Board recommends to shareholders that they be reappointed.

Director Indemnification and Insurance

As permitted by the Company's Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity, as defined by Section 234 of the Companies Act 2006. The indemnities were in place during the year and as at the date of this report.

An insurance policy is maintained by the Company which indemnifies the Directors of the Company against certain liabilities arising in the conduct of their duties. There is no cover against fraudulent or dishonest actions.

Disclosure of information to Auditors

In the case of each of the persons who are Directors of the Company at the time when this report was approved:

(a) so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act) of which the Company's auditors are unaware, and

(b) each of the Directors has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information (as defined) and to establish that the Company's Auditors are aware of that information.

The above confirmation is given and should be interpreted in accordance with the provision of Section 418 of the Companies Act 2006.

Section 992 Companies Act 2006

The following disclosures are made in accordance with Section 992 Companies Act 2006.

Capital Structure
The Company's capital structure is summarised on page 4 of this report.

Voting Rights in the Company's shares
Details of the voting rights in the Company's shares as at the date of this report are given in note 16 to the Notice of AGM on page 82.

Notifiable Interests in the Company's Voting Rights
At the financial year end, the following had declared a notifiable interest in the Company's voting rights:

Shareholders	% of Total Voting Rights
1607 Capital Partners LLC	21.3
Chase Nominees[1]	15.4
Tattersall Advisory Group Inc	3.9

[1]Held on behalf of JPMAM Investment Account, ISA and SIPP participants. Non-beneficial.

The percentage of total voting rights is calculated by reference to the share voting numbers which as at 31st March 2013 were as follows:

Growth shares:	2.153
Income shares:	1.104

Directors' Report continued

The rules concerning the appointment and replacement of Directors, amendment of the Articles of Association and powers to issue or buy back the Company's shares are contained in the Articles of Association of the Company and the Companies Act 2006.

There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; no agreements which the Company is party to that affects its control following a takeover bid; and no agreements between the Company and its Directors concerning compensation for loss of office.

Environmental Matters, Social and Community Issues

Information on environmental matters, social and community issues is set out on page 46. The Company has no employees.

Independent Auditor

Ernst & Young LLP have expressed their willingness to continue in office as auditor and a resolution to re-appoint them and authorise the Directors to determine their remuneration for the ensuing year will be put to shareholders at the AGM.

Annual General Meeting

NOTE: THIS SECTION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor or other financial adviser authorised under the Financial Services and Markets Act 2000.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting:

(i) Authority to allot new shares and to disapply statutory pre-emption rights (resolutions 9 and 10)

The Directors will seek renewal of the authority at the AGM to issue up to 4,755,360 new Growth shares and 3,081,940 new Income shares for cash up to an aggregate nominal amount of £237,768 and £77,048 respectively such amount being equivalent to 5% of the present issued share capital of each share class as at the last practicable date before the publication of this document. The full text of the resolutions is set out in the Notice of Meeting on page 80. This authority will expire at the conclusion of the AGM of the Company in 2014 unless renewed at a prior general meeting.

It is advantageous for the Company to be able to issue new shares to participants purchasing shares through the JPMorgan savings products and also to other investors when the Directors consider that it is in the best interests of shareholders to do so. As such issues are only made at prices greater than the net asset value (the 'NAV'), they increase the NAV per share and spread the Company's administrative expenses, other than the management fee, over a greater number of shares. The issue proceeds are available for investment in line with the Company's investment policies.

(ii) Authority to repurchase the Company's Shares (resolution 11)

The authority to repurchase up to 14.99% of the Company's issued share capital, granted by shareholders at the 2012 AGM, will expire on 18th January 2014 unless renewed at the forthcoming AGM. The Directors consider that the renewal of the authority is in the interests of shareholders as a whole as the repurchase of shares at a discount to NAV enhances the NAV of the remaining shares. The Board will therefore seek shareholder approval at the AGM to renew this authority, which will last until 17th January 2015 or until the whole of the 14.99% has been acquired, whichever is the earlier. The full text of the resolution is set out in the Notice of Meeting on pages 80 and 81. Repurchases will be made at the discretion of the Board, and will only be made in the market at prices below the prevailing NAV per share, thereby enhancing the NAV of the remaining shares, as and when market conditions are appropriate.

(iii) Authority to make off-market purchases (resolution 12)

This resolution gives the Company authority to buy its deferred shares arising on conversion of any of the Growth or Income shares into the other class of shares. This resolution follows the requirements of Section 694 of the Companies Act 2006. The Deferred shares are repurchased for nominal consideration (as they have no economic value) in order to keep the balance sheet manageable. By law the Company can only purchase these shares off-market if such purchase is pursuant to a contract in the form approved at a general meeting of the Company.

Recommendation

The Board considers that resolutions 9 to 12 are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings which amount in aggregate to approximately 0.01% of the voting rights of the Company.

Corporate Governance

Compliance

The Company is committed to high standards of corporate governance. This statement, together with the Statement of Directors' Responsibilities on page 49, indicates how the Company has applied the principles of good governance of the Financial Reporting Council UK Corporate Governance Code (the 'UK Corporate Governance Code') and the AIC's Code of Corporate Governance, (the 'AIC Code'), which complements the UK Corporate Governance Code and provides a framework of best practice for investment trusts.

The Board is responsible for ensuring the appropriate level of corporate governance and considers that the Company has complied with the best practice provisions of the UK Corporate Governance Code, insofar as they are relevant to the Company's business, and the AIC Code throughout the year under review.

Role of the Board

A management agreement between the Company and JPMAM sets out the matters over which the Manager has authority. This includes management of the Company's assets and the provision of accounting, company secretarial, administrative, and some marketing services. All other matters are reserved for the approval of the Board. A formal schedule of matters reserved to the Board for decision has been approved. This includes determination and monitoring of the Company's investment objectives and policy and its future strategic direction, gearing policy, management of the capital structure, appointment and removal of third party service providers, review of key investment and financial data and the Company's corporate governance and risk control arrangements.

The Board meets at least quarterly during the year and additional meetings are arranged as necessary. Full and timely information is provided to the Board to enable it to function effectively and to allow Directors to discharge their responsibilities.

There is an agreed procedure for Directors to take independent professional advice if necessary and at the Company's expense. This is in addition to the access that every Director has to the advice and services of the Company Secretary, JPMAM, which is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Board Composition

The Board, chaired by Andrew Murison, consists of five non-executive Directors, all of whom are regarded by the Board as independent of the Company's Manager, including the Chairman. The Directors have a breadth of investment knowledge, business and financial skills and experience relevant to the Company's business and brief biographical details of each Director are set out on pages 33 and 34.

A review of Board composition and balance is included as part of the annual performance evaluation of the Board, details of which may be found below. The Board has considered whether a senior independent director should be appointed and has concluded that, as the Board comprises entirely of non-executive directors, this is unnecessary at present. However, the Chairman of the Audit Committee leads the evaluation of the performance of the Chairman and is available to shareholders if they have concerns that cannot be resolved through discussion with the Chairman.

Tenure

Directors are initially appointed until the following Annual General Meeting when, under the Company's Articles of Association, it is required that they be reappointed by shareholders. Thereafter, Directors are subject to annual reappointment by shareholders. The Board does not believe that length of service in itself necessarily disqualifies a Director from seeking reappointment but, when making a recommendation, the Board will take into account the ongoing requirements of the UK Corporate Governance Code, including the need to refresh the Board and its Committees. The Board has adopted corporate governance best practice and all Directors must seek annual reappointment.

The terms and conditions of Directors' appointments are set out in formal letters of appointment, copies of which are available for inspection on request at the Company's registered office and at the AGM.

Induction and Training

On appointment, the Manager and Company Secretary provide all Directors with induction training. Thereafter, regular briefings are provided on changes in law and regulatory requirements that affect the Company and the Directors. Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trust companies. Regular reviews of the Directors'

Directors' Report continued

training needs are carried out by the Chairman by means of the evaluation process described below.

Meetings and Committees

The Board delegates certain responsibilities and functions to committees. Details of membership of committees are shown with the Directors' profiles on pages 33 and 34.

The table below details the number of Board and Committee meetings attended by each Director. During the year there were five full Board meetings, including a private meeting of the Directors to evaluate the Manager and a separate meeting devoted to strategy. There were also two Audit Committee meetings and one meeting of the Nomination Committee during the year.

Directors	Board meetings attended	Audit Committee meetings attended	Nomination Committee meetings attended
Andrew Murison	5	2	1
Robin Faber	5	2	1
Stephen Goldman	5	2	1
Stephen Russell	4	2	1
Ferdinand Verdonck	5	2	1

Board Committees

Nomination Committee

The Nomination Committee, chaired by Andrew Murison, consists of all of the Directors and meets at least annually to ensure that the Board has an appropriate balance of skills and experience to carry out its fiduciary duties and to select and propose suitable candidates for appointment when necessary. The appointment process takes account of the benefits of diversity, including gender. A variety of sources, including the use of external search consultants, may be used to ensure that a wide range of candidates is considered.

The Committee conducts an annual performance evaluation of the Board, its committees and individual Directors to ensure that all Directors have devoted sufficient time and contributed adequately to the work of the Board and its Committees. The evaluation of the Board considers the balance of experience, skills, independence, corporate knowledge, its diversity, including gender, and how it works together. Questionnaires, drawn up by the Board, with the assistance of JPMAM and a firm of independent consultants, are completed by each Director. The responses are collated and then discussed by the Committee. The evaluation of individual Directors is led by the Chairman. The Audit Committee Chairman leads the evaluation of the Chairman's performance.

The Committee also reviews Directors' fees and makes recommendations to the Board as and when required.

Audit Committee

The Audit Committee, chaired by Robin Faber, meets at least twice each year. The members of the Audit Committee consider that they have the requisite skills and experience to fulfil the responsibilities of the Committee.

The Committee reviews the actions and judgements of the Manager in relation to the half year and annual accounts and the Company's compliance with the UK Corporate Governance Code. It reviews the terms of the management agreement and examines the effectiveness of the Company's risk management and internal control systems, receives information from the Managers' Compliance department and reviews the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external auditors; in the Directors' opinion, the auditors are considered independent. Representatives of the Company's auditors attend the Audit Committee meeting at which the draft annual report and accounts are considered.

The Directors' statement on the Company's system of risk management and internal control is set out below.

Both the Nomination Committee and the Audit Committee have written terms of reference which define clearly their respective responsibilities, copies of which are available for inspection at the Company's website, on request at the Company's registered office and at the Company's Annual General Meeting.

Relations with Shareholders

The Board regularly monitors the shareholder profile of the Company. It aims to provide shareholders with a full understanding of the Company's activities and performance and reports formally to shareholders quarterly each year by way of the annual report and accounts, the half year financial report and two interim management statements. This is supplemented by the daily publication, through the London Stock Exchange, of the net asset value of the Company's shares.

All shareholders are encouraged to attend the Company's Annual General Meeting at which the Directors and representatives of the Managers are available in person to meet with shareholders and answer their questions. In addition, a presentation is given by the Investment Managers who review the Company's performance. During the year the Company's brokers, the Investment Managers and JPMAM hold regular discussions with larger shareholders. The Directors are made fully aware of their views. The Chairman and Directors make themselves available as and when required to address shareholder queries. The Directors may be contacted through the Company Secretary whose details are shown on page 87.

The Company's Annual Report and Accounts is published in time to give shareholders at least 20 working days' notice of the Annual General Meeting. Shareholders wishing to raise questions in advance of the meeting are encouraged to submit questions via the Company's website or write to the Company Secretary at the address shown on page 87. Details of the proxy voting position on each resolution will be published on the Company's website shortly after the Annual General Meeting.

Risk Management and Internal Control

The UK Corporate Governance Code requires the Directors, at least annually, to review the effectiveness of the Company's system of risk management and internal control and to report to shareholders that they have done so. This encompasses a review of all controls; business, financial, operational, compliance and risk management.

The Directors are responsible for the Company's system of risk management and internal control which is designed to safeguard the Company's assets, maintain proper accounting records and ensure that financial information used within the business, or published, is reliable. However, such a system can only be designed to manage rather than eliminate the risk of failure to achieve business objectives and therefore can only provide reasonable, but not absolute, assurance against fraud, material mis-statement or loss.

Since investment management, custody of assets and all administrative services are provided to the Company by JPMAM and its associates, the Company's system of risk management and internal control mainly comprises monitoring the services provided by JPMAM and its associates, including the operating controls established by them, to ensure they meet the Company's business objectives. The Company does not have an internal audit function of its own, but relies on the internal audit department of JPMAM. The key elements designed to provide effective risk management and internal control are as follows:

Financial Reporting – Regular and comprehensive review by the Board of key investment and financial data, including management accounts, revenue projections, analysis of transactions and performance comparisons.

Management Agreement – Appointment of a manager and custodian regulated by the Financial Conduct Authority ('FCA'), whose responsibilities are clearly defined in a written agreement.

Management Systems – The Manager's system of risk management and internal control includes organisational agreements which clearly define the lines of responsibility, delegated authority, control procedures and systems. These are monitored by JPMAM's Compliance department which regularly monitors compliance with FCA rules.

Investment Strategy – Authorisation and monitoring of the Company's investment strategy and exposure limits by the Board.

The Board, either directly or through the Audit Committee, keeps under review the effectiveness of the Company's system of risk management and internal control by monitoring the operation of the key operating controls of the Managers and its associates as follows:

- the Board, through the Audit Committee, reviews the terms of the management agreement and receives regular reports from JPMAM's Compliance department;
- the Board reviews the report on the internal controls and the operations of its custodian, JPMorgan Chase Bank, which is itself independently reviewed; and
- every six months the Directors review an independent report on the risk management and internal controls and the operations of JPMAM.

By the means of the procedures set out above, the Board confirms that it has reviewed the effectiveness of the Company's system of risk management and internal control for the year ended 31st March 2013 and to the date of approval of this Annual Report and Accounts.

Corporate Governance and Voting Policy

The Company delegates responsibility for voting to JPMAM. The following is a summary of JPMAM's policy statements on corporate governance, voting policy and social and environmental issues, which has been reviewed and noted by the Board.

Directors' Report continued

Corporate Governance
JPMAM believes that corporate governance is integral to our investment process. As part of our commitment to delivering superior investment performance to our clients, we expect and encourage the companies in which we invest to demonstrate the highest standards of corporate governance and best business practice. We examine the share structure and voting structure of the companies in which we invest, as well as the board balance, oversight functions and remuneration policy. These analyses then form the basis of our proxy voting and engagement activity.

Proxy Voting
JPMAM manages the voting rights of the shares entrusted to it as it would manage any other asset. It is the policy of JPMAM to vote in a prudent and diligent manner, based exclusively on our reasonable judgement of what will best serve the financial interests of our clients. So far as is practicable, we will vote at all of the meetings called by companies in which we are invested.

Stewardship/Engagement
JPMAM recognises its wider stewardship responsibilities to its clients as a major asset owner. To this end, we support the introduction of the FRC Stewardship Code, which sets out the responsibilities of institutional shareholders in respect of investee companies. Under the Code, managers should:

- *publicly disclose their policy on how they will discharge their stewardship responsibilities to their clients;*
- *disclose their policy on managing conflicts of interest;*
- *monitor their investee companies;*
- *establish clear guidelines on how they escalate engagement;*
- *be willing to act collectively with other investors where appropriate;*
- *have a clear policy on proxy voting and disclose their voting record; and*
- *report to clients.*

JPMAM endorses the Stewardship Code for its UK investments and supports the principles as best practice elsewhere. We believe that regular contact with the companies in which we invest is central to our investment process and we also recognise the importance of being an 'active' owner on behalf of our clients.

Social & Environmental
JPMAM believes that companies should act in a socially responsible manner. Although our priority at all times is the best economic interests of our clients, we recognise that, increasingly, non-financial issues such as social and environmental factors have the potential to impact the share price, as well as the reputation of companies. Specialists within JPMAM's environmental, social and governance ('ESG') team are tasked with assessing how companies deal with and report on social and environmental risks and issues specific to their industry.

JPMAM is also a signatory to the United Nations Principles of Responsible Investment, which commits participants to six principles, with the aim of incorporating ESG criteria into their processes when making stock selection decisions and promoting ESG disclosure. Our detailed approach to how we implement the principles is available on request. JPMAM is also a signatory to Carbon Disclosure Project. JPMorgan Chase is a signatory to the Equator Principles on managing social and environmental risk in project finance.

JPMAM's Voting Policy and Corporate Governance Guidelines are available on request from the Company Secretary or can be downloaded from JPMAM's website: http://www.jpmorganassetmanagement.co.uk/Institutional/CommentaryAndAnalysis/CorporateGovernance, which also sets out its approach to the seven principles of the FRC Stewardship Code, its policy relating to conflicts of interest and its detailed voting record.

By order of the Board
Andrew Norman, for and on behalf of
JPMorgan Asset Management (UK) Limited,
Company Secretary
14th June 2013

Directors' Remuneration Report

The Board has prepared this report in accordance with the requirements of Section 421 of the Companies Act 2006. An ordinary resolution to approve this report will be put to the members at the forthcoming Annual General Meeting.

The law requires the Company's auditors to audit certain of the disclosures provided. Where disclosures have been audited they are indicated as such. The auditor's opinion is included in their report on page 50.

Directors' Remuneration[1]

Directors' Name	2013 £	2012 £
Robin Faber	**24,000**	24,000
Stephen Goldman	**20,000**	20,000
Andrew Murison	**30,000**	30,000
Stephen Russell	**20,000**	20,000
Ferdinand Verdonck	**20,000**	20,000
Total	**114,000**	114,000

[1]Audited information.

In the year under review, Directors' fees were paid at the following rates: Chairman £30,000 per annum; Audit Committee Chairman £24,000 per annum; and the other Directors £20,000 per annum.

No amounts were payable to third parties for making available the services of Directors (2012: nil).

The Board's policy for this and subsequent years is that Directors' fees should properly reflect the time spent by the Directors on the Company's business and should be at a level to ensure that candidates of a high calibre are recruited to the Board. The Chairman of the Board and the Chairman of the Audit Committee are paid higher fees than the other Directors, reflecting the greater time commitment involved in fulfilling those roles.

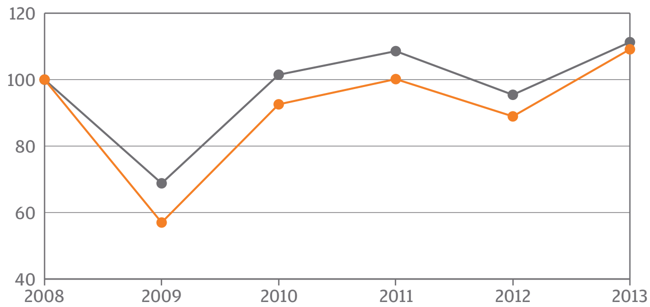
As all of the Directors are non-executive, the Board has not established a Remuneration Committee. Instead, the Nomination Committee reviews fees on a regular basis and makes recommendations to the Board as and when appropriate. Reviews are based on information provided by the Manager, JPMorgan Asset Management (UK) Limited and industry research carried out by third parties on the level of fees paid to the directors of the Company's peers and within the investment trust industry generally. The Directors' fees are not performance-related. In aggregate, fees must not exceed £175,000 per annum. Any increase in the maximum aggregate amount requires both Board and shareholder approval. The terms and conditions of Directors' appointments are set out in formal letters of appointment. Details of the Board's policy on tenure are set out on page 43.

The Company does not operate any type of incentive or pension scheme and therefore no Directors receive bonus payments or pension contributions from the Company or hold options to acquire shares in the Company. Directors are not paid compensation for loss of office. No other payments are made to Directors, other than the reimbursement of reasonable out-of-pocket expenses incurred in connection with attending the Company's business.

Graphs showing each portfolio's share price total return compared with the relevant benchmark are shown below.

Growth:

Five Year Share Price and Benchmark Total Return to 31st March 2013



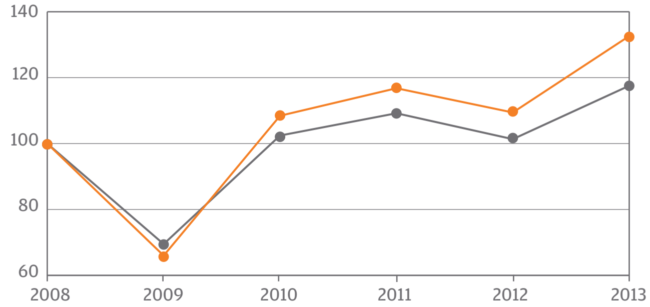
Source: Morningstar/FTSE/MSCI.
Share price total return.
Benchmark total return. (see note 3 on page 2)

THE COMPANY

Directors' Remuneration Report continued

Income:

Five Year Share Price and Benchmark Total Return to 31st March 2013



Source: Morningstar/MSCI.
Share price total return.
Benchmark total return. (see note 3 on page 3)

By order of the Board
Andrew Norman, for and on behalf of
JPMorgan Asset Management (UK) Limited,
Secretary
14th June 2013

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and accounts in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The accounts are published on the www.jpmeuropean.co.uk website, which is maintained by the Company's Manager, JPMorgan Asset Management (UK) Limited. The maintenance and integrity of the website maintained by JPMAM is, so far as it relates to the Company, the responsibility of JPMAM. The work carried out by the auditors does not involve consideration of the maintenance and integrity of this website and, accordingly, the auditors accept no responsibility for any changes that have occurred to the accounts since they were initially presented on the website. The accounts are prepared in accordance with UK legislation, which may differ from legislation in other jurisdictions.

Under applicable law and regulations the Directors are also responsible for preparing a Directors' Report and Directors' Remuneration Report that comply with that law and those regulations.

Each of the Directors, whose names and functions are listed in the Directors' Report confirm that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), give a true and fair view of the assets, liabilities, financial position and return or loss of the Company; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board
Andrew Murison
Chairman
14th June 2013

Independent Auditor's Report

Independent Auditor's Report to the members of JPMorgan European Investment Trust plc

We have audited the financial statements of JPMorgan European Investment Trust plc (the 'Company') for the year ended 31st March 2013 which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 49, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31st March 2013 and of its net return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 40, in relation to going concern;
- the part of the Corporate Governance Statement on pages 43 to 46 relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to the shareholders by the Board on Directors' remuneration.

Julian Young (Senior statutory auditor)
for and on behalf of
Ernst & Young LLP, Statutory Auditor
London
14th June 2013

Income Statement

for the year ended 31st March 2013

	Notes	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
Gains/(losses) on investments and derivatives held at fair value through profit or loss	2	–	38,764	38,764	–	(51,159)	(51,159)
Net foreign currency (losses)/gains		–	(519)	(519)	–	261	261
Income from investments	3	10,574	–	10,574	12,474	–	12,474
Other interest receivable and similar income	3	133	–	133	535	–	535
Gross return/(loss)		10,707	38,245	48,952	13,009	(50,898)	(37,889)
Management fee	4	(538)	(1,085)	(1,623)	(516)	(1,031)	(1,547)
Performance fee (charge)/writeback	4	–	(1,839)	(1,839)	–	940	940
Other administrative expenses	5	(610)	–	(610)	(669)	–	(669)
Net return/(loss) on ordinary activities before finance costs and taxation		9,559	35,321	44,880	11,824	(50,989)	(39,165)
Finance costs	6	(111)	(220)	(331)	(273)	(557)	(830)
Net return/(loss) on ordinary activities before taxation		9,448	35,101	44,549	11,551	(51,546)	(39,995)
Taxation	7	(907)	–	(907)	(1,075)	–	(1,075)
Net return/(loss) on ordinary activities after taxation		8,541	35,101	43,642	10,476	(51,546)	(41,070)
Return/(loss) per share:							
Growth share	9	6.00p	27.98p	33.98p	7.28p	(41.81)p	(34.53)p
Income share	9	4.29p	12.51p	16.80p	4.56p	(11.91)p	(7.35)p

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year.

The 'Total' column of this statement is the profit and loss account of the Company and the 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies. The total column represents all the information that is required to be disclosed in a Statement of Total Recognised Gains and Losses ('STRGL'). For this reason, a STRGL has not been presented.

The notes on pages 55 to 78 form an integral part of these accounts.

Reconciliation of Movements in Shareholders' Funds

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves £'000	Other reserve £'000	Revenue reserve £'000	Total £'000
At 31st March 2011	7,001	28,030	11,903	262,001	(61)	2,632	**311,506**
Repurchase and cancellation of the Company's own shares	(383)	–	383	(12,653)	–	–	**(12,653)**
Share conversions during the year	–	7,598	198	(7,796)	–	–	**–**
Net (loss)/return on ordinary activities	–	–	–	(51,546)	–	10,476	**(41,070)**
Cash flow hedge allocated to finance costs during the year	–	–	–	–	61	–	**61**
Dividends appropriated in the year	–	–	–	–	–	(8,959)	**(8,959)**
At 31st March 2012	6,618	35,628	12,484	190,006	–	4,149	**248,885**
Repurchase and cancellation of the Company's own shares	(304)	–	304	(9,872)	–	–	**(9,872)**
Share conversions during the year	–	2,293	48	(2,341)	–	–	**–**
Net return on ordinary activities	–	–	–	35,101	–	8,541	**43,642**
Dividends appropriated in the year	–	–	–	–	–	(9,306)	**(9,306)**
At 31st March 2013	6,314	37,921	12,836	212,894	–	3,384	**273,349**

The notes on pages 55 to 78 form an integral part of these accounts.

THE COMPANY

Balance Sheet

at 31st March 2013

	Notes	2013 Growth (unaudited) £'000	2013 Income (unaudited) £'000	2013 Total £'000	2012 Total £'000
Fixed assets					
Investments held at fair value through profit or loss		217,397	72,612	290,009	258,276
Investments in liquidity funds held at fair value through profit or loss		3,044	–	3,044	11,475
Total investments	10	220,441	72,612	293,053	269,751
Current assets					
Debtors	11	607	29,704	30,311	1,839
Cash and short term deposits	11	977	–	977	510
Derivative financial instruments - forward foreign currency contracts held at fair value through profit or loss		4	218	222	34
		1,588	29,922	31,510	2,383
Creditors: amounts falling due within one year	12	(15,656)	(33,919)	(49,575)	(22,452)
Derivative financial instruments - forward foreign currency contracts held at fair value through profit or loss		(79)	(333)	(412)	(71)
Net current liabilities		(14,147)	(4,330)	(18,477)	(20,140)
Total assets less current liabilities		206,294	68,282	274,576	249,611
Provisions for liabilities and charges	13	(1,056)	(171)	(1,227)	(726)
Net assets		205,238	68,111	273,349	248,885
Capital and reserves					
Called up share capital	14	4,797	1,517	6,314	6,618
Share premium	15	9,454	28,467	37,921	35,628
Capital redemption reserve	15	11,737	1,099	12,836	12,484
Capital reserves	15	177,180	35,714	212,894	190,006
Revenue reserve	15	2,070	1,314	3,384	4,149
Total equity shareholders' funds		205,238	68,111	273,349	248,885
Net asset values:	16				
Net asset value per Growth share				215.3p	186.3p
Net asset value per Income share				110.4p	96.9p

The accounts on pages 51 to 78 were approved and authorised for issue by the Directors on 14th June 2013 and are signed on their behalf by:

Andrew Murison
Chairman

The notes on pages 55 to 78 form an integral part of these accounts.

JPMorgan European Investment Trust plc
Registration number: 237958

THE COMPANY

Cash Flow Statement
for the year ended 31st March 2013

	Notes	2013 £'000	2012 £'000
Net cash inflow from operating activities	17	**7,326**	6,599
Returns on investments and servicing of finance			
Interest paid		**(383)**	(761)
Taxation recovered		**404**	624
Capital expenditure and financial investment			
Purchases of investments		**(297,052)**	(293,452)
Sales of investments		**308,205**	331,662
Settlement of futures contracts		**8**	–
Other capital charges		**(80)**	(84)
Net cash inflow from capital expenditure and financial investment		**11,081**	38,126
Dividends paid		**(9,306)**	(8,959)
Net cash inflow before financing		**9,122**	35,629
Financing			
Drawdown of short term loan		**–**	22,508
Repayment of floating rate note		**–**	(88,499)
Repurchase and cancellation of the Company's own shares		**(10,531)**	(11,896)
Net cash outflow from financing		**(10,531)**	(77,887)
Decrease in cash in the year	18	**(1,409)**	(42,258)

The notes on pages 55 to 78 form an integral part of these accounts.

Notes to the Accounts

for the year ended 31st March 2013

1. Accounting policies

(a) Basis of accounting

The accounts are prepared in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ('UK GAAP') and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the Association of Investment Companies ('AIC') in January 2009.

The accounts have been prepared on a going concern basis.

All of the Company's operations are of a continuing nature.

The policies applied in these accounts are consistent with those applied in the preceding year.

(b) Valuation of investments

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis in accordance with the documented investment strategy and information is provided internally on that basis to the Company's Board of Directors. Accordingly, upon initial recognition, the investments are designated by the Company as 'held at fair value through profit or loss'. They are included initially at fair value which is taken to be their cost, excluding expenses incidental to purchase which are written off to capital at the time of acquisition. Subsequently the investments are valued at fair value, which are quoted bid prices for stocks traded in active markets.

All purchases and sales are accounted for on a trade date basis.

(c) Accounting for reserves

Gains and losses on sales of investments including the related foreign exchange gains and losses, realised gains and losses on foreign currency contracts and loans, any performance fee realised, management fee and finance costs allocated to capital and any other capital charges, are included in the Income Statement and dealt with in capital reserves within 'Gains and losses on sales of investments'. Increases and decreases in the valuation of investments held at the year end, including the related foreign exchange gains and losses, are included in the Income Statement and dealt with in capital reserves within 'Holding gains and losses on investments'. Unrealised gains and losses on foreign currency contracts or foreign currency loans and any performance fee provision, are included in the Income Statement and dealt with in capital reserves within 'Unrealised reserve'.

(d) Income

Dividends receivable are included in revenue on an ex-dividend basis except where, in the opinion of the Board, the dividend is capital in nature, in which case it is included in capital.

UK dividends are included net of tax credits. Overseas dividends are included gross of any withholding tax.

Where the Company has elected to receive scrip dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital.

Stock lending income and interest receivable are included in revenue on an accruals basis.

(e) Expenses

All expenses are accounted for on an accruals basis.

Expenses charged to the Company that are common to both share classes are allocated between those classes in the same proportion as the net assets of each share class at the month end immediately preceding the date on which the cost is recognised.

Expenses charged to the Company in relation to a specific share class are charged directly to that share class, with the other share class incurring no charge. Losses of one share class are not borne by the other.

Notes to the Accounts continued

1. Accounting policies continued

(e) Expenses continued

Shareholders converting some or all of their shares into shares of the other class will bear the costs of the conversion up to a maximum of 2% of the value of the shares being converted. Any costs in excess of this cap will be borne by all the shareholders of the Company.

Expenses are allocated wholly to revenue with the following exceptions:

- any performance fee payable to the Manager is allocated 100% to capital in both pools.
- the management fee of the Growth pool of assets is allocated 30% to revenue and 70% to capital in line with the Board's expected split of revenue and capital return from the Growth investment portfolio.
- the management fee of the Income pool of assets is allocated 40% to revenue and 60% to capital in line with the Board's expected split of revenue and capital return from the Income investment portfolio.
- expenses incidental to the purchase of an investment are charged to capital. These expenses are commonly referred to as transaction costs and comprise mainly brokerage commission.

(f) Finance costs

Finance costs, including any premium payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis using the effective interest method.

- Finance costs on the Growth pool of assets are allocated 30% to revenue and 70% to capital in line with the Board's expected split of revenue and capital return from the Growth investment portfolio.
- Finance costs on the Income pool of assets are allocated 40% to revenue and 60% to capital in line with the Board's expected split of revenue and capital return from the Income investment portfolio.

(g) Financial instruments

Cash and short term deposits comprises cash and demand deposits which are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value. Other debtors and creditors do not carry any interest, are short term in nature and are accordingly stated at cost as reduced by appropriate allowances for estimated irrecoverable amounts.

Interest bearing bank loans and overdrafts are recognised at amortised cost and are initially recorded at the proceeds received net of direct issue costs.

Derivative financial instruments, including short term forward currency contracts are valued at fair value, and are included in current assets or current liabilities in the Balance Sheet.

(h) Taxation

Tax expense represents the sum of tax currently payable and deferred tax. Any tax payable is based on taxable profit for the period. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

For the Company, any allocation of tax relief to capital is based on the marginal basis, such that tax allowable capital expenses are offset against taxable income.

As an investment trust which has received approval under the appropriate tax regulations, the Company is not liable for taxation on capital gains.

Deferred tax is accounted for in accordance with FRS 19: 'Deferred Tax'.

Deferred tax is provided on all timing differences that have originated but not reversed by the balance sheet date. Deferred tax liabilities are recognised for all taxable timing differences but deferred tax assets are only recognised to the extent that it is probable that taxable profits will be available against which those timing differences can be utilised.

Deferred tax is measured at the tax rate which is expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates that have been enacted or substantively enacted at the balance sheet date and is measured on an undiscounted basis.

Tax is computed for each pool separately. A pool which generates taxable revenues in excess of tax deductible expenses may benefit from the excess of tax deductible expenses in the other pool. In this instance compensation amounting to half the tax savings in the taxable pool will be transferred to the non taxable pool.

Tax relief is allocated to expenses charged to capital on the 'marginal basis'. On this basis, if taxable income is capable of being entirely offset by revenue expenses, then no tax relief is transferred to capital.

(i) Foreign currency

In accordance with FRS 23: 'The effects of changes in Foreign Currency Exchange Rates', the Company is required to nominate a functional currency, being the currency in which the Company predominantly operates. The Board, having regard to the currency of the Company's share capital and the predominant currency in which its shareholders operate, has determined that sterling is the functional currency. Sterling is also the currency in which the accounts are presented.

Transactions denominated in foreign currencies are converted at actual exchange rates as at the date of the transaction. Assets and liabilities denominated in foreign currencies at the year end are translated at the rates of exchange prevailing at the year end.

(j) Dividends payable

In accordance with FRS 21: 'Events after the Balance Sheet Date', final dividends are included in the accounts in the year in which they are approved by shareholders.

(k) Value Added Tax ('VAT')

Expenses are disclosed inclusive of the related irrecoverable VAT. Recoverable VAT is calculated using the partial exemption method based on the proportion of zero rated supplies to total supplies.

(l) Share capital transactions

Share capital transactions arising from conversions are accounted for on the first working day following the half yearly conversion dates. Deferred shares, which have no economic value, are allotted as part of the conversion process to ensure that the conversions do not result in a reduction in the par value of the Company's share capital.

The cost of repurchasing Growth and Income shares for cancellation, including the related stamp duty and transaction costs, is charged to capital reserves and dealt with in the Reconciliation of Movements in Shareholders' Funds. Share transactions are accounted for on a trade date basis. The nominal value of share capital repurchased and cancelled is transferred out of 'Called up share capital' and into 'Capital redemption reserve'.

Notes to the Accounts continued

	2013 £'000	2012 £'000
2. Gains/(losses) on investments held at fair value through profit or loss		
Gains/(losses) on sales of investments held at fair value through profit or loss based on historical cost	**11,283**	(9,133)
Amounts recognised in investment holding gains and losses in the previous year in respect of investments sold during the year	**(9,008)**	(39,794)
Gains/(losses) on sales of investments based on the carrying value at the previous balance sheet date	**2,275**	(48,927)
Realised gain on close out of future	**8**	–
Net movement in investment holding gains and losses	**36,552**	(2,154)
Other capital charges	**(71)**	(78)
Total capital gains/(losses) on investments and derivatives held at fair value through profit or loss	**38,764**	(51,159)

	2013 £'000	2012 £'000
3. Income		
Income from investments		
Dividends from investments listed overseas	**8,867**	10,360
Dividends from investments listed in the UK	**1,342**	1,264
Scrip dividends from investments listed overseas	**173**	556
Overseas fixed interest income	**166**	169
Dividends from liquidity funds	**13**	97
Property income distribution	**13**	28
	10,574	12,474
Other interest receivable and similar income		
Stock lending fees	**132**	478
Deposit interest	**1**	57
	133	535
Total income	**10,707**	13,009

	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
4. Management and performance fee						
Management fee	**538**	**1,085**	**1,623**	516	1,031	1,547
Performance fee charge/(writeback)	**–**	**1,839**	**1,839**	–	(940)	(940)
	538	**2,924**	**3,462**	516	91	607

Details of the management and performance fee are given in the Directors' Report on pages 39 and 40.

	2013 £'000	2012 £'000
5. Other administrative expenses		
Administration expenses	**361**	390
Directors' fees[1]	**114**	114
Savings scheme costs[2]	**96**	128
Auditors' remuneration for audit services[3]	**30**	28
Auditors' remuneration for all other services[4]	**9**	9
	610	669

[1]Full disclosure is given in the Directors' Remuneration Report on pages 47 and 48.

[2]These fees were paid to JPMAM for the marketing and administration of savings scheme products.

[3]Includes £5,000 (2012: £4,000) irrecoverable VAT.

[4]Includes the costs of half yearly conversion opportunities and £2,000 (2012 : £2,000) irrecoverable VAT.

	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
6. Finance costs						
Interest on bank loans and overdrafts	**111**	**220**	**331**	254	515	769
Amortisation of cash flow hedge	**–**	**–**	**–**	19	42	61
	111	**220**	**331**	273	557	830

Notes to the Accounts continued

7. Taxation

(a) Analysis of tax charge in the year

	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
UK corporation tax at 24% (2012: 26%)	–	–	–	–	–	–
Overseas withholding tax	907	–	907	1,075	–	1,075
Current tax charge for the year	907	–	907	1,075	–	1,075

(b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (2012: lower) than the Company's applicable rate of corporation tax for the year of 24% (2012: 26%). The factors affecting the current tax charge for the year are as follows:

	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
Net return/(loss) on ordinary activities before taxation	9,448	35,101	44,549	11,551	(51,546)	(39,995)
Net return/(loss) on ordinary activities before taxation multiplied by the Company's applicable rate of corporation tax of 24% (2012: 26%)	2,268	8,424	10,692	3,003	(13,402)	(10,399)
Effect of:						
Non taxable UK dividend income	(322)	–	(322)	(329)	–	(329)
Non taxable overseas dividends	(2,074)	–	(2,074)	(2,593)	–	(2,593)
Non taxable scrip dividends	(42)	–	(42)	(145)	–	(145)
Non taxable capital (gains)/losses	–	(9,179)	(9,179)	–	13,234	13,234
Excess expenses over taxable income	170	755	925	64	168	232
Overseas withholding tax	907	–	907	1,075	–	1,075
	907	–	907	1,075	–	1,075

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £4,322,000 (2012: £3,586,000) based on a prospective corporation tax rate of 23% (2012: 24%). The reduction in the standard rate of corporation tax was substantively enacted on 12th July 2012 and is effective from 1st April 2013. The deferred tax asset has arisen due to the cumulative excess of deductible expenses over taxable income. Given the composition of the Company's portfolio, it is not likely that this asset will be utilised in the foreseeable future and therefore no asset has been recognised in the accounts.

Given the Company's status as an investment trust company, and the intention to continue meeting the conditions required to obtain approval, the Company has not provided deferred tax on any capital gains or losses arising on the revaluation or disposal of investments.

8. Dividends

(a) Dividends paid and declared

	2013 £'000	2012 £'000
Dividends paid		
Unclaimed Growth dividends refunded to the Company	–	(1)
Growth 2012 final dividend of 1.95p (2011: 1.1p)	**1,981**	1,235
Growth interim dividend of 4.8p (2012: 4.8p)	**4,679**	5,236
Income 2012 final dividend of 1.2p (2011: 1.4p)	**756**	787
Income interim dividend of 3.0p (2012: 3.0p)	**1,890**	1,702
Total dividends paid in the year	**9,306**	8,959
Dividends declared		
Growth final dividend of 1.15p (2012: 1.95p)	**1,099**	1,978
Income final dividend of 1.25p (2012: 1.2p)	**768**	755
Total dividends payable[1]	**1,867**	2,733

[1]In accordance with the accounting policy of the Company, these dividends will be reflected in the accounts for the following year.

(b) Dividend for the purposes of Section 1158 of the Corporation Tax Act 2010 ('Section 1158')

The requirements of Section 1158 are considered on the basis of dividends declared in respect of the financial year, as follows:

	2013 £'000	2012 £'000
Growth interim dividend of 4.8p (2012: 4.8p)	**4,679**	5,236
Growth final dividend of 1.15p (2012: 1.95p)	**1,099**	1,978
Income interim dividend of 3.0p (2012: 3.0p)	**1,890**	1,702
Income final dividend of 1.25p (2012: 1.2p)	**768**	755
Total[1]	**8,436**	9,671

[1]The revenue available for distribution by way of dividend for the year is £8,541,000 (2012: £10,476,000).

Notes to the Accounts continued

	2013 £'000	2012 £'000
9. Return/(loss) per share		
Growth share		
Return/(loss) per share is based on the following:		
Revenue return	**5,847**	7,723
Capital return/(loss)	**27,241**	(44,351)
Total return/(loss)	**33,088**	(36,628)
Weighted average number of shares in issue	**97,372,672**	106,082,351
Revenue return per share	**6.00p**	7.28p
Capital return/(loss) per share	**27.98p**	(41.81)p
Total return/(loss) per share	**33.98p**	(34.53)p
Income share		
Return/(loss) per share is based on the following:		
Revenue return	**2,694**	2,753
Capital return/(loss)	**7,860**	(7,195)
Total return/(loss)	**10,554**	(4,442)
Weighted average number of shares in issue	**62,833,778**	60,428,209
Revenue return per share	**4.29p**	4.56p
Capital return/(loss) per share	**12.51p**	(11.91)p
Total return/(loss) per share	**16.80p**	(7.35)p

10. Investments

	2013 £'000	2012 £'000
Investments listed on a recognised investment exchange	**290,009**	258,276
Investments in liquidity funds	**3,044**	11,475
	293,053	269,751

	Listed in UK £'000	Listed overseas £'000	Total £'000
Opening book cost	26,009	217,449	**243,458**
Opening investment holding gains	7,145	19,148	**26,293**
Opening valuation	33,154	236,597	**269,751**
Movement in the year:			
Purchases at cost	8,009	313,360	**321,369**
Sales – proceeds	(38,266)	(298,628)	**(336,894)**
Gains/(losses) on sales based on the carrying value at the previous balance sheet date	2,873	(598)	**2,275**
Net movement in investment holding gains and losses	1,168	35,384	**36,552**
	6,938	286,115	**293,053**
Closing book cost	1,811	237,405	**239,216**
Closing investment holding gains	5,127	48,710	**53,837**
Total investments held at fair value through profit or loss	6,938	286,115	**293,053**

During the year, prior year investment holding gains amounting to £9,008,000 were transferred to 'Gains and losses on sales of investments', as disclosed in note 15.

Transaction costs on purchases during the year amounted to £669,000 (2012: £397,000) and on sales during the year amounted to £445,000 (2012: £225,000). These costs comprise mainly brokerage commission.

Notes to the Accounts continued

	2013 £'000	2012 £'000
11. Current assets		
Debtors		
Securities sold awaiting settlement	**29,335**	646
Dividends and interest receivable	**503**	814
Other debtors	**473**	379
	30,311	1,839

The Directors consider that the carrying amount of debtors approximates to their fair value.

Cash and short term deposits

Cash and short term deposits comprises bank balances and short term deposits. The carrying amount of these balances represents their fair value. Cash balances in excess of a predetermined amount are placed on short term deposit at market rates of interest.

	2013 £'000	2012 £'000
12. Creditors: amounts falling due within one year		
Securities purchased awaiting settlement	**24,211**	67
Repurchases of the Company's own shares awaiting settlement	**98**	757
Bank loan	**21,564**	21,253
Bank overdraft	**1,931**	–
Other creditors and accruals	**433**	193
Performance fee	**1,338**	182
	49,575	22,452

The Directors consider that the carrying amount of creditors falling due within one year approximates to their fair value.

The bank loan is unsecured and comprises Euro 25.5 million drawn down on the Company's Euro 30 million 364 day Committed Revolving Credit Facility with Scotiabank, which expires on 29th August 2013. Further details of the facility are given in note 22(a)(ii) on page 73.

	2013 £'000	2012 £'000
13. Provisions for liabilities and charges		
Performance fee provision brought forward at the beginning of the year	**726**	1,848
Performance fee charge/(writeback)	**1,839**	(940)
Amount realised in the year	**(1,338)**	(182)
Performance fee provision carried forward at the end of the year	**1,227**	726

Details of the performance fee are given in the Directors' Report on pages 39 and 40.

14. Called up share capital

Issued and fully paid share capital:

	2013 £'000	2012 £'000
Growth shares		
Opening balance of 100,351,487 (2012: 111,362,372) shares	**5,046**	5,577
Repurchase of 4,654,785 (2012: 6,648,529) shares for cancellation	**(233)**	(332)
Net conversion decrease of 378,050 (2012: decrease of 4,362,356) shares	**(16)**	(199)
Closing balance[1]	**4,797**	5,046

[1]Represented by 95,318,652 (2012: 100,351,487) shares.

During the year, the Company made market purchases of 4,654,785 Growth shares, with a nominal value of £233,000, for cancellation, representing 4.6% of the Growth shares outstanding at the beginning of the year. The consideration paid for these shares amounted £7,453,000 and the reason for the purchases was to seek to manage the volatility and absolute level of the share price discount to net asset value per share.

	2013 £'000	2012 £'000
Income shares		
Opening balance of 63,849,822 (2012: 57,677,786) shares	**1,572**	1,424
Repurchase of 2,850,231 (2012: 2,045,715) shares for cancellation	**(71)**	(51)
Net conversion increase of 719,941 (2012: increase of 8,217,751) shares	**16**	199
Closing balance[1]	**1,517**	1,572

[1]Represented by 61,719,532 (2012: 63,849,822) shares.

Notes to the Accounts continued

14. Called up share capital continued

During the year, the Company made market purchases of 2,850,231 Income shares, with a nominal value of £71,000, for cancellation, representing 4.5% of the Income shares outstanding at the beginning of the year. The consideration paid for these shares amounted £2,419,000 and the reason for the purchases was to seek to manage the volatility and absolute level of the share price discount to net asset value per share.

Deferred Shares

The Company's Articles allow for Deferred shares to be allotted as part of the bi-annual share conversion to ensure that the conversion does not result in a reduction of the par value of the Company's issued share capital (in contravention of the Companies Act). The Deferred shares do not confer any rights to the shareholder to receive capital or dividends and will be repurchased by the Company from time to time for a nominal sum. The issue and repurchase of these Deferred shares has no effect on the net asset value attributable to the holders of Growth or Income shares. The shares have no voting rights and no rights on a winding up or entitlement to dividends.

	2013 £'000	2012 £'000
Deferred Growth shares		
2012 Opening balance of 82,012 shares of 0.0046p each (2011: 120,402 shares of 0.099p each)	–	–
2012 Issue of 82,012 shares of 0.046p each	–	208
2012 Repurchase of 82,012 shares of 0.046p each for cancellation	–	(208)
2012 Repurchase of 38,735 shares of 0.048p each for cancellation	(2)	–
2012 Issue of 38,735 shares of 0.0048p each	2	–
2013 Issue of 687,061 shares at 0.09p each	62	–
2013 Closing balance of 687,061 shares of 0.09p each (2012: 82,012 shares of 0.0046p)	**62**	–
Deferred Income shares		
2012 Opening balance of 628,590 shares of 0.022p each (2011: 56,083,818 shares of 0.048p each)	–	27
2012 Repurchase of 56,083,818 shares of 0.048p each for cancellation	–	(27)
2012 Issue of 113,850,842 shares of 0.29p each	–	11
2012 Repurchase of 113,850,842 shares of 0.29p each for cancellation	–	(11)
2012 Repurchase of 82,012 shares of 0.069p each for cancellation	(18)	–
2012 Issue of 82,012 shares of 0.046p each	18	–
2013 Issue of 60,767,782 shares of 0.0712p each	43	–
2013 Closing balance of 60,767,782 shares of 0.0712p each (2012: 628,590 shares of 0.022p each)	**43**	–

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15. Reserves

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves: Gains and losses on sales of investments £'000	Capital reserves: Holding gains and losses on investments £'000	Unrealised reserve £'000	Revenue reserve £'000	Total £'000
Opening balance	6,618	35,628	12,484	163,242	26,293	471	4,149	248,885
Gains on sales of investments based on the carrying value at the previous balance sheet date	–	–	–	2,275	–	–	–	2,275
Net movement in investment holding gains and losses	–	–	–	–	36,552	–	–	36,552
Unrealised losses on foreign currency contracts	–	–	–	–	–	(190)	–	(190)
Transfer on disposal of investments	–	–	–	9,008	(9,008)	–	–	–
Unrealised gains on foreign currency contracts now realised	–	–	–	(37)	–	37	–	–
Net foreign currency exchange losses on cash and short term deposits held during the year	–	–	–	(18)	–	–	–	(18)
Realised gains on close out of futures	–	–	–	8	–	–	–	8
Unrealised foreign currency losses on loans	–	–	–	–	–	(311)	–	(311)
Performance fee charge	–	–	–	–	–	(1,839)	–	(1,839)
Performance fee realised	–	–	–	(1,338)	–	1,338	–	–
Repurchase and cancellation of the Company's own shares	(304)	–	304	(9,872)	–	–	–	(9,872)
Share conversions during the year	–	2,293	48	(2,341)	–	–	–	–
Management fee and finance costs charged to capital	–	–	–	(1,305)	–	–	–	(1,305)
Other capital charges	–	–	–	(71)	–	–	–	(71)
Dividends appropriated in the year	–	–	–	–	–	–	(9,306)	(9,306)
Retained revenue for the year	–	–	–	–	–	–	8,541	8,541
Closing balance	**6,314**	**37,921**	**12,836**	**159,551**	**53,837**	**(494)**	**3,384**	**273,349**

16. Net asset values

Net asset value per Growth share is calculated by dividing Growth shareholders' funds of £205,238,000 (2012: £186,990,000) by the 95,318,652 Growth shares in issue at the year end (2012: 100,351,487 shares).

Net asset value per Income share is calculated by dividing Income shareholders' funds of £68,111,000 (2012: £61,895,000) by the 61,719,532 Income shares in issue at the year end (2012: 63,849,822 shares).

Notes to the Accounts continued

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	2013 £'000	2012 £'000
17. Reconciliation of net return/(loss) on ordinary activities before finance costs and taxation to net cash inflow from operating activities		
Total return/(loss) before finance costs and taxation	**44,880**	(39,165)
Less capital (return)/loss before finance costs and taxation	**(35,321)**	50,989
Increase/(decrease) in accrued income	**311**	(342)
Decrease in prepayments	**12**	3
Increase/(decrease) in accrued expenses	**103**	(439)
Management fee charged to capital	**(890)**	(1,031)
Overseas withholding tax	**(1,417)**	(1,698)
Scrip dividends included in income	**(173)**	(556)
Effective interest rate adjustment on bonds	**3**	3
Performance fee paid	**(182)**	(1,165)
Net cash inflow from operating activities	**7,326**	6,599

	At 31st March 2012 £'000	Cash flow £'000	Exchange movement £'000	At 31st March 2013 £'000
18. Analysis of changes in net debt				
Cash and short term deposits	510	(1,409)	(55)	**(954)**
Bank loan	(21,253)	–	(311)	**(21,564)**
Net debt	(20,743)	(1,409)	(366)	**(22,518)**

19. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2012: none).

20. Transactions with the Manager

Details of the management contract are set out in the Directors' Report on page 39. The total management fee payable to JPMorgan Asset Management (UK) Limited ('JPMAM') for the year was £1,623,000 (2012: £1,547,000), of which £278,000 (2012: £nil) was outstanding at the year end .

Details of the performance fee arrangements are set out in the Directors' Report on pages 39 and 40. The performance fee payable to JPMorgan Asset Management (UK) Limited ('JPMAM') for the year amounted to £1,338,000 (2012: £182,000) of which £1,338,000 (2012: £182,000) was outstanding at the year end.

During the year £96,000 (2012: £128,000) was payable to JPMAM for the marketing and administration of savings products, of which £7,000 (2012: £nil) was outstanding at the year end.

Included in administration expenses in note 5 on page 59 are safe custody fees amounting to £52,000 (2012: £49,000) payable to JPMorgan Chase & Co., of which £19,000 (2012: £13,000) was outstanding at the year end.

JPMAM may carry out some of its dealing transactions through group subsidiaries. These transactions are carried out at arm's length. The commission payable in the year in respect of these transactions was £3,000 (2012: £67,000) of which £nil (2012: £nil) was outstanding at the year end.

Handling charges on dealing transactions amounting to £71,000 (2012: £78,000) were payable to JPMorgan Chase & Co. during the year of which £16,000 (2012: £25,000) was outstanding at the year end.

The Company holds investments in funds managed by JPMAM. At 31st March 2013 these were valued at £11.5 million (2012: £21.7 million) and represented 3.9% (2012: 8.0%) of the Company's investment portfolio. During the year the Company made £nil purchases of such investments (2012: £49.3 million) and sales with a total value of £0.3 million (2012: £61.4 million). Income amounting to £0.2 million (2012: £0.4 million) was receivable from these investments during the year of which £nil (2012: £2,000) was outstanding at the year end.

The Company earned £132,000 (2012: £478,000) from stock lending transactions during the year. Commissions amounting to £28,000 (2012: £102,000) were receivable by JPMAM during the year in respect of these transactions of which £nil (2012: £nil) was outstanding at the year end.

At the year end, a bank overdraft of £954,000 (2012: bank balance £0.5 million) was held with JPMorgan Chase & Co. A net amount of interest of £1,000 (2012: £57,000) was receivable by the Company during the year from JPMorgan Chase & Co. of which £nil (2012: £nil) was outstanding at the year end.

Notes to the Accounts continued

21. Disclosures regarding financial instruments measured at fair value

The Company's financial instruments that are held at fair value comprise its investment portfolio and derivative financial instruments comprising forward foreign currency contracts.

The investments are categorised into a hierarchy consisting of the following three levels:

Level 1 – valued using quoted prices in active markets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted market prices included within Level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset. Details of the valuation techniques used by the Company are given in note 1(b) on page 55.

The following table sets out the fair value measurements using the above hierarchy at 31st March:

	2013			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial instruments held at fair value through profit or loss				
Equity investments	**284,053**	**–**	**–**	**284,053**
Investments in liquidity funds	**3,044**	**–**	**–**	**3,044**
Fixed interest investment	**5,956**	**–**	**–**	**5,956**
Derivative financial instruments – forward foreign currency contracts	**–**	**(190)**	**–**	**(190)**
Total	**293,053**	**(190)**	**–**	**292,863**

	2012			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial instruments held at fair value through profit or loss				
Equity investments	252,702	–	–	252,702
Investments in liquidity funds	11,475	–	–	11,475
Fixed interest investment	5,574	–	–	5,574
Derivative financial instruments – forward foreign currency contracts	–	(37)	–	(37)
Total	269,751	(37)	–	269,714

There were no transfers between Levels 1, 2 or 3 during the year (2012: nil).

22. Financial instruments' exposure to risk and risk management policies

As an investment trust, the Company invests in equities and other securities for the long term so as to secure its investment objective stated on the 'Features' page for each share class. In pursuing this objective, the Company is exposed to a variety of risks that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends. These risks include market risk (comprising currency risk, interest rate risk and market price risk), liquidity risk and credit risk. The Directors' policy for managing these risks is set out below. The Company Secretary, in close cooperation with the Board and the Manager, coordinates the Company's risk management strategy.

The objectives, policies and processes for managing the risks and the methods used to measure the risks that are set out below, have not changed from those applying in the comparative year.

The Company's financial instruments may comprise the following:

- investments in Continental European equity shares, collective investment funds with Continental European exposure, fixed interest securities and liquidity funds which are all held in accordance with the Company's investment objective;
- short term debtors, creditors and cash arising directly from its operations;
- short term forward currency contracts for the purpose of managing exposure to fluctuations in the value of short term liabilities; and
- a Euro denominated bank loan, the purpose of which is to finance the Company's operations.

(a) Market risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and other price risk. Information to enable an evaluation of the nature and extent of these three elements of market price risk is given in parts (i) to (iii) of this note, together with sensitivity analyses where appropriate. The Board reviews and agrees policies for managing these risks and these policies have remained unchanged from those applying in the comparative year. The Manager assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

(i) Currency risk

The majority of the Company's assets, liabilities and income are denominated in currencies other than sterling which is the Company's functional currency and the currency in which it reports. As a result, movements in exchange rates may affect the sterling value of those items.

Management of currency risk

The Manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board, which meets on at least four occasions each year. The Manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed. Foreign currency borrowing is used to limit the Company's exposure to anticipated changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments. This borrowing is limited to currencies and amounts commensurate with the asset exposure to those currencies. Income denominated in foreign currencies is converted to sterling on receipt. The Company may use short term forward currency contracts to manage working capital requirements.

Notes to the Accounts continued

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22. Financial instruments' exposure to risk and risk management policies continued

(a) Market risk continued

(i) Currency risk continued

Foreign currency exposure

The fair value or amortised cost of the Company's monetary items that have foreign currency exposure at 31st March are shown below. Where the Company's equity investments (which are not monetary items) are priced in foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

	2013 Euro £'m	2013 Other £'m	2013 Total £'m	2012 Euro £'m	2012 Other £'m	2012 Total £'m
Investments held at fair value through profit or loss that are monetary items	**3.0**	**–**	**3.0**	11.5	–	11.5
Current assets less current liabilities excluding the foreign currency bank loan and floating rate note	**13.8**	**(7.9)**	**5.9**	(1.1)	2.4	1.3
Foreign currency bank loan and floating rate note	**(21.6)**	**–**	**(21.6)**	(21.3)	–	(21.3)
Foreign currency exposure on net monetary items	**(4.8)**	**(7.9)**	**(12.7)**	(10.9)	2.4	(8.5)
Investments held at fair value through profit or loss that are equities	**181.1**	**102.0**	**283.1**	156.6	57.2	213.8
Total net foreign currency exposure	**176.3**	**94.1**	**270.4**	145.7	59.6	205.3

In the opinion of the Directors, the above year end amounts are broadly representative of the exposure to foreign currency risk during the year.

Foreign currency sensitivity

The following tables illustrate the sensitivity of the return after taxation for the year and net assets with regard to the Company's monetary financial assets and financial liabilities and movement in exchange rates.

The sensitivity analysis is based on the Company's overseas income and monetary foreign currency financial instruments held at each balance sheet date and assumes a 10% (2012: 10%) appreciation or depreciation of sterling against the Euro and the other currencies to which the Company is exposed, which is considered to be a reasonable illustration based on the volatility of exchange rates during the year.

If sterling had weakened this would have had the following effect:

	2013 £'m	2012 £'m
Income statement return after taxation:		
Revenue return	**0.9**	1.1
Capital return	**(1.3)**	(0.9)
Total return after taxation	**(0.4)**	(0.2)
Net assets	**(0.4)**	(0.2)

Conversely, if sterling had strengthened this would have had the following effect:

	2013 £'m	2012 £'m
Income statement return after taxation:		
Revenue return	**(0.9)**	(1.1)
Capital return	**1.3**	0.9
Total return after taxation	**0.4**	(0.2)
Net assets	**0.4**	(0.2)

In the opinion of the Directors, the above sensitivity analysis is broadly representative of the whole year.

(ii) Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits, the fair value of fixed interest rate securities and the interest payable on variable rate cash borrowings.

Management of interest rate risk

Liquidity and borrowings are managed with the aim of increasing returns to shareholders. The Company's gearing policy is to operate within a range of 10% net cash to 20% geared in normal market conditions.

Interest rate exposure

The exposure of financial assets and financial liabilities to floating rates, giving cash flow interest rate risk when rates are re-set, is as follows:

	2013 £'000	2012 £'000
Exposure to floating interest rates:		
Cash and short term deposits	**(954)**	510
Investments in liquidity funds	**3,044**	11,475
Bank loan	**(21,564)**	(21,253)
Total exposure	**(19,474)**	(9,268)

Interest receivable on cash balances is at a margin below LIBOR (2012: same).

The target interest earned on the liquidity funds is the 7 day Euro London Interbank Bid Rate.

At the balance sheet date, the Company held an investment in a fixed interest security, Bundesrepublik Deutschland 4% 2037, valued at £5,956,000 (2012: £5,574,000). The fair value of this investment may fluctuate when interest rates are re-set, but the amounts cannot be quantified. The Company has a Euro 30 million 364 day Committed Revolving Credit Facility with Scotiabank, which expires on 29th August 2013, at a margin of 1% over LIBOR.

Notes to the Accounts continued

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22. Financial instruments' exposure to risk and risk management policies continued

(a) Market risk continued

(ii) Interest rate risk continued

Interest rate exposure continued

The above year end exposures are not representative of the exposure to interest rates during the year as the cash balances and investments in liquidity funds and loan balances have fluctuated. The maximum and minimum exposures during the year, arising from cash balances and liquidity funds, were as follows:

	2013 £'000	2012 £'000
Maximum credit exposure to floating interest rates	**(19,474)**	67,694
Minimum credit exposure to floating interest rates	**(1,747)**	(330)

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 1% (2012: 1%) increase or decrease in interest rates in regards to the Company's monetary financial assets and financial liabilities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's total exposure of financial assets and financial liabilities to floating rates at the balance sheet date, with all other variables held constant.

	2013		2012	
	1% Increase in rate £'000	1% Decrease in rate £'000	1% Increase in rate £'000	1% Decrease in rate £'000
Income statement – return after taxation:				
Revenue return	**(51)**	**51**	49	(49)
Capital return	**(143)**	**143**	(142)	142
Total return after taxation for the year	**(194)**	**194**	(93)	93
Net assets	**(194)**	**194**	(93)	93

In the opinion of the Directors, the above sensitivity analysis may not be representative of the Company's future exposure to interest rate changes due to fluctuations in cash balances and investments in liquidity funds.

(iii) Other price risk

Other price risk includes changes in market prices, other than those arising from interest rate risk or currency risk, which may affect the value of equity investments and other assets or liabilities held by the Company.

Management of market price risk
The Board meets on at least four occasions each year to consider the asset allocation of the portfolio and the risk associated with particular industry sectors. The investment management team has responsibility for monitoring the portfolio, which is selected in accordance with the Company's investment objectives and seeks to ensure that individual stocks meet an acceptable risk/reward profile.

Market price risk exposure
The Company's total exposure to other changes in market prices at 31st March comprises its holdings in equity investments as follows:

	2013 £'000	2012 £'000
Investments held at fair value through profit or loss	**290,009**	252,702

The above data is broadly representative of the exposure to other price risk during the year.

Concentration of exposure to market price risk
A list of the Company's investments is given on pages 17 to 19 and pages 27 to 30. This shows that the majority of the investment portfolio's value is in European equities but there is no concentration of exposure to any one European country. It should also be noted that an investment may not be entirely exposed to the economic conditions in its country of domicile or of listing.

Market price risk sensitivity
The following table illustrates the sensitivity of the return after taxation and net assets to an increase or decrease of 10% (2012: 10%) in the fair value of equity investments. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's investments and adjusting for change in the management fee, but with all other variables held constant.

	2013		2012	
	10% Increase in fair value £'000	10% Decrease in fair value £'000	10% Increase in fair value £'000	10% Decrease in fair value £'000
Income statement – return after taxation:				
Revenue return	**(61)**	**61**	(44)	44
Capital return	**28,877**	**(28,877)**	25,183	(25,183)
Total return after taxation for the year and net assets	**28,816**	**(28,816)**	25,139	(25,139)

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Notes to the Accounts continued

22. Financial instruments' exposure to risk and risk management policies continued

(b) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management of the risk

Liquidity risk is not significant as the Company's assets comprise readily realisable securities, the liquidity of which in normal markets is frequently tested by the Manager and which can be sold to meet funding requirements if necessary. Short term flexibility is achieved through the use of overdraft facilities.

The Board's policy is for the Company to remain fully invested in normal market conditions and that short term borrowings be used to manage short term liabilities and working capital requirements.

Contractual maturities of financial liabilities at the year end, based on the earliest date on which payment can be required are as follows:

	2013			2012		
	Three months or less £'000	More than one year £'000	Total £'000	Three months or less £'000	More than one year £'000	Total £'000
Creditors: amounts falling due within one year						
Securities purchased awaiting settlement	**24,211**	**–**	**24,211**	67	–	67
Repurchases of the Company's own shares awaiting settlement	**98**	**–**	**98**	757	–	757
Bank loan, including interest	**21,628**	**–**	**21,628**	21,367	–	21,367
Bank overdraft	**1,931**	**–**	**1,931**	–	–	–
Other creditors and accruals	**410**	**–**	**410**	120	–	120
Performance fee	**1,338**	**–**	**1,338**	182	–	182
Derivative financial instruments	**412**	**–**	**412**	71	–	71
Creditors: amounts falling due after more than one year						
Performance fee	**–**	**1,227**	**1,227**	–	726	726
	50,028	**1,227**	**51,255**	22,564	726	23,290

(c) Credit risk

Credit risk is the risk that the counterparty to a transaction fails to discharge its obligations under that transaction which could result in loss to the Company.

Management of credit risk

Portfolio dealing

The Company invests in markets that operate DVP (Delivery Versus Payment) settlement. The process of DVP mitigates the risk of losing the principal of a trade during the settlement process. The Manager continuously monitors dealing activity to ensure best execution, a process that involves measuring various indicators including the quality of trade settlement and incidence of failed trades. Counterparty lists are maintained and adjusted accordingly.

Cash
Counterparties are subject to daily credit analysis by the Manager and trades can only be placed with counterparties that have a minimum credit rating of A1/P1 (2012: A1/P1) from Standard & Poor's and Moody's respectively.

Exposure to JPMorgan Chase
JPMorgan Chase is the custodian of the Company's assets. The custody agreement grants a general lien over the securities credited to the securities account. The Company's assets are segregated from JPMorgan Chase's own trading assets and are therefore protected from creditors in the event that JPMorgan Chase were to cease trading.

Credit risk exposure
The following amounts, shown in the Balance Sheet, represent the maximum exposure to credit risk at the current and comparative year end.

	2013		2012	
	Balance sheet £'000	Maximum exposure £'000	Balance sheet £'000	Maximum exposure £'000
Fixed assets				
- investments held at fair value through profit or loss	**290,009**	**–**	258,276	–
- investments in liquidity funds held at fair value through profit or loss	**3,044**	**–**	11,475	–
Current assets				
Debtors - securities sold awaiting settlement, dividends and interest receivable and other debtors	**30,311**	**30,311**	1,839	1,839
Cash and short term deposits	**977**	**977**	510	510
Derivative financial instruments	**222**	**222**	34	34
	324,563	**31,510**	272,134	2,383

Cash and short term deposits comprises balances held at banks that have a minimum credit rating of A1/P1 (2012: A1/P1) from Standard & Poor's and Moody's respectively.

The aggregate value of securities on loan at 31st March 2013 amounted to £3,485,000 (2012: £14,070,000) and the maximum value of stock on loan during the year amounted to £18,009,000 (2012: £14,070,000). Collateral is obtained by JPMorgan Asset Management and is called in on a daily basis to a value of 102% of the value of the securities on loan if that collateral is denominated in the same currency as the securities on loan and 105% if it is denominated in a different currency.

(d) Fair values of financial assets and financial liabilities
All financial assets and liabilities are either included in the balance sheet at fair value or the carrying amount in the balance sheet is a reasonable approximation of fair value.

Notes to the Accounts continued

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23. Capital management policies and procedures

The Company's debt and capital structure comprises the following:

	2013 £'000	2012 £'000
Debt		
Bank loan	**21,564**	21,253
Total debt	**21,564**	21,253
Equity		
Equity share capital	**6,314**	6,618
Reserves	**267,035**	242,267
Total equity	**273,349**	248,885
Total debt and equity	**294,913**	270,138

The Company's capital management objectives are to ensure that it will continue as a going concern and to maximise the income and capital return to its Income and Growth share classes through an appropriate level of gearing.

The Board's gearing policy is to operate within a range of 10% net cash to 20% geared in normal market conditions. Gearing for this purpose is defined as Total Assets (including Net Current Assets/Liabilities) less cash/cash equivalents and excluding bank loans, expressed as a percentage of net assets.

	2013 £'000	2012 £'000
Investments held at fair value excluding liquidity fund holdings	**290,009**	258,276
Current assets excluding cash	**30,311**	1,839
Current liabilities excluding bank loans	**(26,080)**	(1,199)
Total assets	**294,240**	258,916
Net assets	**273,349**	248,885
Gearing/(net cash)	**7.6%**	4.0%

The Board, with the assistance of the Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the Manager's views on the market;
- the need to buy back equity shares, either for cancellation or to hold in Treasury, which takes into account the share price discount or premium; and
- the opportunity for issues of new shares, including sale of shares from Treasury.

Capital Structure and Conversion between Share Classes

Capital Structure

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.

- **Growth Shares**
  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.

- **Income Shares**
  To provide a growing income together with the potential for long-term capital growth by investing in a portfolio of investments that is diversified amongst countries, sectors and market capitalisations within the universe of Continental European companies.

Conversion Opportunities

Shareholders in either of the two share classes are able to convert some or all of their shares into shares of the other class without such conversion being treated, under current law, as a disposal for UK capital gains tax purposes.

The conversion mechanism allows shareholders to alter their investment profile to match their changing investment needs in a tax-efficient manner.

Conversion dates arise every six months on 15th September and 15th March (if such a date is not a business day, then the conversion date will move to the next business day).

The Company, or its Manager, makes no administrative charge for any of the above conversions.

Conversion between the share classes

Those who hold shares through the JPM Investment Trust Share Plan/PEP/ISA or Pension Account must submit a conversion instruction form which can be found at www.jpmeuropean.co.uk Instructions for CREST holders can also be found at this address. Those who hold shares in certificated form on the main register must complete the conversion notice printed on the reverse of their certificate.

Instructions must be received in the month of August for September conversions and in the month of February for March conversions.

The number of shares that will arise upon conversion will be determined on the basis of the relative net asset values of each share class.

More details concerning conversion dates and conversion instruction forms can be found on the Company's web site: www.jpmeuropean.co.uk.

Notice of Annual General Meeting

Notice is hereby given that the eighty fourth Annual General Meeting of JPMorgan European Investment Trust plc will be held at Holborn Bars, 138-142 Holborn, London EC1N 2NQ on Thursday, 18th July 2013 at 2.00 p.m. for the following purposes:

1. To receive the Directors' Report, the Annual Accounts and the Auditors' Report for the year ended 31st March 2013.
2. To approve the Directors' Remuneration Report for the year ended 31st March 2013.
3. To reappoint Robin Faber a Director of the Company.
4. To reappoint Stephen Goldman a Director of the Company.
5. To reappoint Andrew Murison a Director of the Company.
6. To reappoint Stephen Russell a Director of the Company.
7. To reappoint Ferdinand Verdonck a Director of the Company.
8. To reappoint Ernst & Young LLP as auditor to the Company and to authorise the Directors to determine their remuneration for the ensuing year.

Special Business

To consider the following resolutions:

Authority to allot new shares – Ordinary Resolution

9. THAT the Directors of the Company be and they are hereby generally and unconditionally authorised, (in substitution of any authorities previously granted to the Directors), pursuant to and in accordance with Section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ('Rights') up to an aggregate nominal amount of £314,816, representing approximately 5% of the issued share capital of the Growth and Income share classes of the Company as at the date of the passing of this resolution, provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2014 unless renewed at a general meeting prior to such time, save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted or Rights to be granted after such expiry and so that the Directors of the Company may allot shares and grant Rights in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

Authority to disapply pre-emption rights on allotment of relevant securities – Special Resolution

10. THAT subject to the passing of Resolution 9 set out above, the Directors of the Company be and they are hereby empowered pursuant to Sections 570 and 573 of the Act to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 9 as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

    (a) the allotment of equity securities in the Company by way of rights issue, open offer or otherwise to holders of Growth shares and Income shares where the equity securities respectively attributable to the interests of all Growth shares and Income shares are proportionate to the respective numbers of Growth shares and Income shares held by them subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or local or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange or any territory or otherwise howsoever; and/or

    (b) the allotment (otherwise than pursuant to sub paragraph (a) above) of equity securities up to an aggregate nominal value of approximately £314,816 (being approximately 5% of the total issued share capital as at 14th June 2013) at a price not less than the net asset value per share; and shall expire upon the expiry of the general authority conferred by Resolution 9 above, save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired.

Authority to Repurchase the Company's Shares – Special Resolution

11. THAT the Company be generally and, subject as hereinafter appears, unconditionally authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693 of the Act) of its issued Growth shares and Income shares (both being classes of ordinary shares in the capital of the Company)

    PROVIDED ALWAYS THAT

    (i) the maximum number of Growth and Income shares hereby authorised to be purchased shall be 14,256,595 or 9,239,664 respectively, or, if different, that number of Growth and Income shares which is equal to 14.99% of the issued share capital of the relevant share class as at the date of the passing of this Resolution;

(ii) the minimum price which may be paid for any Growth or Income share shall be 5p or 2.5p respectively;

(iii) the maximum price which may be paid for any ordinary share shall be an amount equal to: (a) 105% of the average of the middle market quotations for a Growth or Income share taken from and calculated by reference to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is purchased; or (b) the price of the last independent trade; or (c) the highest current independent bid;

(iv) any purchase of Growth or Income shares will be made in the market for cash at prices below the prevailing net asset value per Growth or Income share (as determined by the Directors) at the date following not more than seven days before the date of purchase:

(v) the authority hereby conferred shall expire on 17th January 2015 unless the authority is renewed at the Company's Annual General Meeting in 2014 or at any other general meeting prior to such time; and

(vi) the Company may make a contract to purchase Growth or Income shares under the authority hereby conferred prior to the expiry of such authority and may make a purchase of shares pursuant to any such contract notwithstanding such expiry.

Authority to make off-market purchases – Special Resolution

12. THAT the proposed Contingent Purchase contract between Winterflood Securities Limited and JPMorgan European Investment Trust plc to enable the Company to make off-market purchases of its own securities pursuant to Section 694 of the Act in the form produced at the meeting and initialled by the Chairman, be and is hereby approved and the Company be and is hereby authorised to enter into and perform such contract, but so that the approval and authority conferred by this resolution shall expire on the day immediately preceding the date which is 18 months after the passing of this resolution or, if earlier, the next Annual General Meeting of the Company.

By order of the Board
Andrew Norman, for and on behalf of
JPMorgan Asset Management (UK) Limited,
Company Secretary.
14th June 2013

Notes

These notes should be read in conjunction with the notes on the reverse of the proxy form.

1. A member entitled to attend and vote at the Meeting may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the Meeting. A member can appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.
2. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Your proxy could be the Chairman, another Director of the Company or another person who has agreed to attend to represent you. Details of how to appoint the Chairman or another person(s) as your proxy or proxies using the proxy form are set out in the notes to the proxy form. If a voting box on the proxy form is left blank, the proxy or proxies will exercise his/their discretion both as to how to vote and whether he/they abstain(s) from voting. Your proxy must attend the Meeting for your vote to count. Appointing a proxy or proxies does not preclude you from attending the Meeting and voting in person. If you attend the Meeting in person, your proxy appointment will automatically be terminated.
3. Any instrument appointing a proxy, to be valid, must be lodged in accordance with the instructions given on the proxy form.
4. You may change your proxy instructions by returning a new proxy appointment. The deadline for receipt of proxy appointments also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same Meeting, the one which is last received (regardless of its date or the date of its signature) shall be treated as replacing and revoking the other or others as regards that share; if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.
5. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members as at 6.00 p.m. two business days prior to the Meeting (the 'specified time'). If the Meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original Meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Meeting. If, however, the Meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members as at 6.00 p.m. two business days prior to the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in that notice. Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote at the Meeting or adjourned Meeting.
6. Entry to the Meeting will be restricted to shareholders and their proxy or proxies, with guests admitted only by prior arrangement.
7. A corporation, which is a shareholder, may appoint an individual(s) to act as its representative(s) and to vote in person at the Meeting (see instructions given on the proxy form). In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the

Notice of Annual General Meeting continued

Company, provided that they do not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.

Representatives should bring to the Meeting evidence of their appointment, including any authority under which it is signed.

8. Members that satisfy the thresholds in Section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to: (a) the audit of the Company's accounts (including the Auditors' report and the conduct of the audit) that are to be laid before the AGM; or (b) any circumstances connected with Auditors of the Company ceasing to hold office since the previous AGM, which the members propose to raise at the Meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's Auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required to publish on its website pursuant to this right.
9. Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the Meeting except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the Meeting or if it would involve the disclosure of confidential information.
10. Under Sections 338 and 338A of the 2006 Act, members meeting the threshold requirements in those sections have the right to require the Company: (i) to give, to members of the Company entitled to receive notice of the Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Meeting; and/or (ii) to include in the business to be dealt with at the Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Meeting. A resolution may properly be moved, or a matter properly included in the business unless: (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than the date that is six clear weeks before the Meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
11. A copy of this notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under Section 146 of the Companies Act 2006 (a 'Nominated Person'). The rights to appoint a proxy can not be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the Meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
12. In accordance with Section 311A of the Companies Act 2006, the contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM, the total voting rights members are entitled to exercise at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.jpmeuropean.co.uk.
13. The register of interests of the Directors and connected persons in the share capital of the Company and the Directors' letters of appointment are available for inspection at the Company's registered office during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted). It will also be available for inspection at the Annual General Meeting. No Director has any contract of service with the Company.
14. You may not use any electronic address provided in this Notice of Meeting to communicate with the Company for any purposes other than those expressly stated.
15. As an alternative to completing a hard copy Form of Proxy/Voting Direction Form, you can appoint a proxy or proxies electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder Reference Number (this is the series of numbers printed under your name on the Form of Proxy/Voting Direction Form). Alternatively, if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk. Full instructions are given on both websites.
16. As at 12th June 2013 (being the latest business day prior to the publication of this Notice), the Company's issued share capital consists of 95,107,376 Growth shares and 61,638,857 Income shares. Voting rights are calculated by reference to the share voting numbers which, as at 31st March 2013, were 2.153 (Growth) and 1.104 (Income). Therefore the total voting rights in the Company are 272,815,496.

Electronic appointment – CREST members

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. See further instructions on the proxy form.

Glossary of Terms and Definitions

Return to Shareholders

Total return to the investor, on a mid-market price to mid-market price basis, assuming that all dividends received were reinvested, without transaction costs, into the shares of the Company at the time the shares were quoted ex-dividend.

Return on Net Assets

Total return on net asset value ('NAV') per share, on a bid value to bid value basis, assuming that all dividends paid out by the Company were reinvested into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

Benchmark Return

Total return on the benchmark, on a mid-market value to mid-market value basis, assuming that all dividends received were reinvested, without transaction costs, into the shares of the underlying companies at the time the shares were quoted ex-dividend.

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 'track' this index and consequently, there may be some divergence between the Company's performance and that of the benchmark.

Gearing/Net Cash

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

Ongoing Charges

The ongoing charges represent the Company's management fee and all other operating expenses, excluding finance costs and performance fee payable, expressed as a percentage of the average of the daily net assets during the year. The method of calculating the ongoing charges has been changed. In previous years, the total expense ratio ('TER') was calculated, which represented the Company's management fee and other operating expenses excluding finance costs and performance fee payable, expressed as a percentage of the average month end net assets during the year.

Share Price Discount/Premium to Net Asset Value

If the share price of an investment trust is lower than the NAV per share, the Company's shares are said to be trading at a discount. The discount is shown as a percentage of the NAV per share. The opposite of a discount is a premium. It is more common for an investment trust's shares to trade at a discount than at a premium.

Performance Attribution

Analysis of how the Company achieved its recorded performance relative to its benchmark.

Performance Attribution Definitions:

Asset Allocation
Measures the impact of allocating assets differently to those in the benchmark, via the portfolio's weighting in different countries, sectors or asset types.

Stock Selection
Measures the effect of investing in securities to a greater or lesser extent than their weighting in the benchmark, or of investing in securities which are not included in the benchmark.

Gearing/Cash
Measures the impact on returns of borrowings or cash balances on the Company's relative performance.

Currency

Measures the effect of currency exposure differences between the Company's portfolio and its benchmark.

Management Fee/Other Expenses

The payment of management fees and other expenses reduces the level of total assets, and therefore has a negative effect on relative performance.

Performance Fee

Measures the effect of a performance fee charge or writeback.

Share Repurchases

Measures the effect on relative performance of repurchasing and cancelling the Company's own shares at a price which is less than the net asset value per share.

Notes

Notes

Warning to shareholders – Boiler Room Scams

In recent years, many companies have become aware that their shareholders have been targeted by unauthorised overseas-based brokers selling what turn out to be non-existent or high risk shares, or expressing a wish to buy their shares. If you receive unsolicited investment advice or requests:

- Make sure you get the correct name of the person or organisation
- Check that they are properly authorised by the FCA before getting involved by visiting **www.fca.org.uk/consumers**
- Report the matter to the FCA by calling **0800 111 6768**
- If the calls persist, hang up.

More detailed information on this can be found on the Money Advice Service website **www.moneyadviceservice.org.uk**

Information about the Company

Financial Calendar

Financial year end	31st March
Final results announced	June
Half year end	September
Half year results announced	November
Interim Management Statements announced	July/January
Dividends payable – Growth and Income	April and October
Annual General Meeting	July

History

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.

Company Numbers

Company registration number: 237958
London Stock Exchange Sedol numbers:
Growth: B18JK16
Income: B17XWW4

ISIN numbers:
Growth: GB00B18JK166
Income: GB00B17XWW44

Bloomberg Codes:
Growth: JETG LN
Income: JETI LN

Market Information

The Company's net asset value per share is published daily, via The London Stock Exchange. The Company's shares are listed on the London Stock Exchange. The market prices are shown daily in the Financial Times, The Times, the Daily Telegraph, The Scotsman, The Independent and on the Company website at www.jpmeuropean.co.uk, where the share prices are updated every fifteen minutes during trading hours.

Website

www.jpmeuropean.co.uk

Share Transactions

The Company's shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf. They may also be purchased and held through the J.P. Morgan Investment Account, J.P. Morgan ISA and J.P. Morgan SIPP. These products are all available on the online wealth manager service, J.P. Morgan WealthManager+ available at www.jpmorganwealthmanagerplus.co.uk

Manager and Company Secretary

JPMorgan Asset Management (UK) Limited

aic
The Association of Investment Companies
A member of the AIC

Company's Registered Office

Finsbury Dials
20 Finsbury Street
London EC2Y 9AQ
Telephone number: 020 7742 4000

Please contact Andrew Norman for company secretarial and administrative matters.

Custodian

JPMorgan Chase Bank, N.A.
25 Bank Street
Canary Wharf
London E14 5JP

Registrars

Equiniti Limited
Reference 1080
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone number: 0871 384 2319

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrars quoting reference 1080.

Registered shareholders can obtain further details on their holdings on the internet by visiting www.shareview.co.uk.

Savings Product Administrators

For queries on the J.P. Morgan Investment Account, J.P. Morgan ISA and J.P. Morgan SIPP, see contact details on the back cover of this report.

Independent Auditor

Ernst & Young LLP
Statutory Auditor
1 More London Place
London SE1 2AF

Brokers

Winterflood Securities Limited
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2GA
Telephone 020 7621 0004

J.P. Morgan Helpline
Freephone 0800 20 40 20 or +44 (0)20 7742 9995

Your telephone call may be recorded for your security

www.jpmeuropean.co.uk