



Half Year Report 2013

JPMorgan Mid Cap
Investment Trust plc

Half Year Report & Accounts for the six months ended 31st December 2013

J.P.Morgan
Asset Management

Features

Contents

About the Company

- 1 Half Year Performance
- 2 Chairman's Statement
- 4 Investment Managers' Report

Investment Review

- 5 List of Investments
- 7 Portfolio/Sector Analyses

Accounts

- 8 Income Statement
- 9 Reconciliation of Movements in Shareholders' Funds
- 10 Balance Sheet
- 11 Cash Flow Statement
- 12 Notes to the Accounts

Shareholder Information

- 14 Interim Management Report
- 15 Glossary of Terms and Definitions
- 17 Information about the Company

Objective

JPMorgan Mid Cap Investment Trust plc (the 'Company') aims to achieve capital growth from investment in medium-sized UK companies. The Company specialises in investment in FTSE 250 companies, using long and short term borrowings to increase returns to shareholders.

Investment Policies

- To focus on FTSE 250 stocks that deliver strong capital growth.
- To have significant exposure to the UK economy.
- To seek out both value stocks and growth stocks, including AIM stocks, to deliver strong performance throughout the market cycle.
- To use gearing to increase potential returns to shareholders.
- To invest no more than 15% of gross assets in other UK listed investment companies (including investment trusts).

Benchmark

The FTSE 250 Index (excluding investment trusts).

Capital Structure

- UK domiciled.
- Full listing on the London Stock Exchange.
- At 31st December 2013, the Company's issued share capital comprised 25,398,080 ordinary shares of 25p each including 1,400,900 shares held in Treasury.

Management Company

The Company employs J.P. Morgan Asset Management (UK) Limited ('JPMAM' or the 'Manager') to manage its assets. JPMAM is authorised and regulated by the Financial Conduct Authority ('FCA').

FCA regulation of 'non-mainstream pooled investments'

The Company currently conducts its affairs so that the shares issued by JPMorgan Mid Cap Investment Trust plc can be recommended by independent financial advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future.

The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Half Year Performance to 31st December 2013

Total returns (includes dividends reinvested)

+30.5%

Return to shareholders¹

+19.0%

Return on net assets²

+18.3%

Benchmark return^{1,3}

5.5p

Interim Dividend (2012: 5.5p)

Financial Data

	31st December 2013	30th June 2013	% change
Shareholders' funds (£'000)	201,519	172,142	+17.1
Number of shares in issue (excluding shares held in Treasury)	23,997,180	23,997,180	0.0
Net asset value per share	839.8p	717.3p	+17.1
Share price	783.5p	611.5p	+28.1
Share price discount to net asset value per share	6.7%	14.7%	

A glossary of terms and definitions is provided on page 15.

¹Source: Morningstar.

²Source: J.P. Morgan.

³The Company's benchmark is the FTSE 250 Index (excluding investment trusts).

Chairman's Statement

Performance

During the six months to 31st December 2013, the Company delivered a positive total return for shareholders of 30.5%. There were two contributors to this strong performance, firstly a total return on net assets per share of 19.0%, compared to the return of the FTSE 250 Index (excluding investment trusts) of 18.3%, and secondly, a dramatic narrowing of the Company's discount at which the ordinary shares trade to their net asset value per share. The re-rating of the Company is recognition for the continued improvement in the Company's performance since the new investment management team was put in place. A review of the Company's performance for the first six months and the outlook for the remainder of the year is provided in the Investment Manager's Report.

Revenue and Dividends

While the Company's mandate is to deliver strong capital growth, the Board is aware that income distribution is also very important to shareholders. Net revenue after taxation for the six months to 31st December 2013 was £2,607,000 (2012: £2,122,000) and earnings per share, calculated on the weighted average number of shares in issue, were 10.86p (2012: 8.84p). This improvement in the prior year's earnings at the half year stage reflects a greater contribution from special dividends compared to the first half last year; however as the portfolio currently stands a revenue estimate for the full year indicates that earnings will be marginally less than in 2013. Despite this the Company should be able to maintain last year's base dividend of 17.0p without having to draw on reserves. While special dividends continue to be paid by companies, as the Board has alluded to in the past, the payment of special dividends may not be a permanent feature of the investment portfolio.

In respect of the half year period, the Board has decided to maintain the interim dividend at 5.5p (2012: 5.5p) to be paid on 9th April 2014 to shareholders on the register at the close of business on 7th March 2014.

Loan Facilities and Gearing

The use of gearing over the period has continued to assist performance. The Board sets the overall gearing guidelines and reviews these at each meeting; changes in these guidelines between meetings may be undertaken after consultation with the Board. The Board has determined that in normal circumstances the Company's gearing range is (5%) net cash to 25% geared. At the time of writing the Company was 13% geared.

The Company has made use of two £15 million loan facilities with Scotiabank and a £5 million loan facility with ING Bank, with an average interest rate of 1.98% and varying maturity dates. Two of these facilities will expire by July 2014 and the Board is currently reviewing replacement terms.

Share Buybacks

During the period the Company's discount to net asset value reduced from 14.7% to 6.7% and accordingly the Company refrained from repurchasing any shares. The Board's objective remains to use the share repurchase authority to assist in managing any imbalance between supply and demand for the Company's shares, thereby reducing the volatility of the discount. The Company will only repurchase shares at a discount to their prevailing net asset value, and issue shares when they trade at a premium to their net asset value, so as not to prejudice existing shareholders.

Board of Directors

In line with the Board's current succession plan, Richard Huntingford was appointed as a Director on 1st December 2013. Richard brings a wealth of PLC experience to the Board having gained over 25 years of experience from a wide variety of executive, non-executive and advisory Board positions. He is a Chartered Accountant who previously spent 12 years at KPMG advising a broad range of companies at board level. John Emly will be retiring from the Board at the conclusion of the Company's 2014 Annual General Meeting.

Prospects

One should never be complacent in this new economic world as volatility seems to have become the norm and headwinds remain. However, the UK economy is continuing to recover along with many of its global partners and company balance sheets appear to have come out of the economic crisis for the better. In their report, our Investment Managers temper thoughts that the significant returns generated by the Company over the last 18 months can continue, but they are confident that the mid cap investment universe will continue to generate interesting opportunities with upside potential.

Andrew Barker
Chairman

20th February 2014

Investment Managers' Report

Performance and Market Background

The Company produced a total return on net assets of 19.0% over the first six months of the financial year. This compares to the Company's benchmark, the FTSE 250 Index (excluding investment trusts) which returned 18.3%. The Company's discount to its net asset value continued to narrow, resulting in a very strong return to shareholders of 30.5%. The Company also benefited from being geared throughout the half year.

Prior to the start of the Company's financial year, the stock market declined as investors digested the implications of the likelihood of tapering by the US Federal Reserve of its monthly bond purchase programme. Subsequently, the market rallied strongly through the six month period. The growing strength of the UK economy was an important contributor to the stock market rise, in particular in the mid and small companies arena. Over the period forecasts for UK GDP growth in 2014 rose from 1.9% to 2.4%.

Portfolio

The key contributors to performance, in terms of sectors, were Support Services (our position in Ashstead in particular), Fixed Line Telecommunications (holdings in Talk Talk and Cable & Wireless Communications) and our underweight position in Oil and Gas. The two main negative contributors were Life Insurance (the position in Partnership Assurance, now sold) and Financial Services. The latter was due to our large holding in International Personal Finance, which was hit by regulatory concerns in Poland. The position has since been significantly reduced.

While long-awaited mergers and acquisitions failed to materialise in the period, IPOs (or new issues) were a feature, and we participated in the float of Merlin Entertainments, amongst others. Whilst we remain overweight in housebuilders, we sold Persimmon after its promotion to the FTSE 100, and likewise Mondi, but we retain significant positions in Ashtead and easyJet, both of which were also promoted into the FTSE 100.

Outlook

The UK economy continues to strengthen at a rapid rate and it is encouraging to hear how upbeat the management of many of our companies are. Company balance sheets are strong and dividend flows remain robust. The stock market has, however, anticipated much of this good news and the valuation of mid cap equities can no longer be described as cheap. Compared to many of the alternatives though, mid cap equities continue to look attractive to us, providing growth potential in both earnings and dividends.

We enter 2014 with gearing in double digits as we continue to find a number of investments where we think the prospective return will exceed the related cost of borrowing. Returns may be more volatile as economies adjust to Fed tapering and interest rates normalising, although we believe this will also provide interesting investment opportunities. However, we would caution against expecting the returns on the Company's portfolio to be as handsome in the second half of our year as the first.

Georgina Brittain

William Meadon

Investment Managers

20th February 2014

List of Investments

at 31st December 2013

Company	Sector	Valuation £'000	% ¹
Ashtead ²	Industrials	9,114	4.0
Thomas Cook	Consumer Services	9,107	4.0
Taylor Wimpey	Consumer Goods	6,913	3.0
Barratt Developments	Consumer Goods	6,792	3.0
easyJet ²	Consumer Services	6,136	2.7
Howden Joinery	Industrials	5,851	2.6
Micro Focus International	Technology	5,822	2.6
TalkTalk Telecom	Telecommunications	5,692	2.5
Rightmove	Consumer Services	5,466	2.4
Berkeley	Consumer Goods	4,904	2.2
St James's Place	Financials	4,847	2.1
DS Smith	Industrials	4,382	1.9
Interserve	Industrials	4,361	1.9
Close Brothers	Financials	4,178	1.8
CSR	Technology	3,950	1.7
Dixons Retail	Consumer Services	3,946	1.7
Drax Group	Utilities	3,800	1.7
Cable & Wireless Communications	Telecommunications	3,769	1.7
Inmarsat	Telecommunications	3,629	1.6
Bellway	Consumer Goods	3,596	1.6
Bodycote	Industrials	3,512	1.5
International Personal Finance	Financials	3,323	1.5
Sports Direct International ²	Consumer Services	3,289	1.4
Capital & Counties Properties	Financials	3,193	1.4
Derwent London	Financials	3,112	1.4
Provident Financial	Financials	3,078	1.4
Greene King	Consumer Services	2,950	1.3
Dunelm	Consumer Services	2,925	1.3
Segro	Financials	2,888	1.3
Carphone Warehouse	Consumer Services	2,762	1.2
Senior	Industrials	2,759	1.2
Phoenix	Financials	2,749	1.2
Elementis	Basic Materials	2,743	1.2
Hays	Industrials	2,713	1.2
Berendsen	Industrials	2,643	1.2
Bank Of Georgia	Financials	2,629	1.2
Great Portland Estates	Financials	2,544	1.1
Regus	Industrials	2,490	1.1
Beazley	Financials	2,468	1.1
Afren	Oil & Gas	2,452	1.1
WH Smith	Consumer Services	2,400	1.1
TUI Travel ²	Consumer Services	2,350	1.0

List of Investments continued

Company	Sector	Valuation £'000	% ¹
Ophir Energy	Oil & Gas	2,327	1.0
Vesuvius	Industrials	2,318	1.0
Shaftesbury	Financials	2,281	1.0
Marston's	Consumer Services	2,280	1.0
Intermediate Capital	Financials	2,262	1.0
Restaurant Group	Consumer Services	2,250	1.0
Merlin Entertainments	Consumer Services	2,162	1.0
Go-Ahead	Consumer Services	2,022	0.9
Xaar	Industrials	2,016	0.9
Kier Group	Industrials	2,012	0.9
Greencore Group	Consumer Goods	1,976	0.9
Galliford Try	Industrials	1,929	0.9
Moneysupermarket.Com	Consumer Services	1,869	0.8
Crest Nicholson	Consumer Goods	1,862	0.8
Telecom Plus	Telecommunications	1,859	0.8
Brewin Dolphin	Financials	1,845	0.8
RPS Group	Industrials	1,762	0.8
Soco International	Oil & Gas	1,754	0.8
Grainger	Financials	1,750	0.8
Jardine Lloyd Thompson	Financials	1,731	0.8
Halfords	Consumer Services	1,606	0.7
Countrywide	Financials	1,605	0.7
Savills	Financials	1,536	0.7
Foxtons Group	Financials	1,528	0.7
Keller	Industrials	1,402	0.6
Unite	Financials	1,349	0.6
888	Consumer Services	1,310	0.6
Ocado Group	Consumer Services	1,167	0.5
Cobham	Industrials	1,152	0.5
Amerisur Resources ³	Oil & Gas	982	0.4
Ithaca Energy ³	Oil & Gas	847	0.4
JPMorgan Sterling Liquidity Fund	Liquidity Fund	3,670	1.6
Total		226,648	100.0

¹Based on total investments of £226.6m.

²FTSE 100 Index companies.

³AIM listed companies.

Portfolio Analysis

	31st December 2013 %	30th June 2013 %
FTSE 250 Index companies	88.4	88.1
FTSE 100 Index companies	9.2	7.6
Other investments	–	2.7
Liquidity fund	1.6	1.2
AIM listed companies	0.8	0.4
Total	100.0	100.0

Based on total investments of £226.6m (30th June 2013: £193.8m).

Sector Analysis

	31st December 2013			30th June 2013		
	Portfolio %	Benchmark %	Active Position %	Portfolio %	Benchmark %	Active Position %
Consumer Services	24.7	18.4	6.3	27.2	18.6	8.6
Financials	22.5	26.3	(3.8)	22.2	26.3	(4.1)
Industrials	22.2	24.7	(2.5)	18.3	24.5	(6.2)
Consumer Goods	11.5	8.0	3.5	11.7	7.6	4.1
Telecommunications	6.6	3.0	3.6	5.7	2.9	2.8
Technology	4.3	4.6	(0.3)	8.4	5.5	2.9
Oil & Gas	3.7	4.8	(1.1)	2.5	4.6	(2.1)
Utilities	1.7	2.1	(0.4)	–	2.1	(2.1)
Basic Materials	1.2	5.7	(4.5)	2.8	5.7	(2.9)
Health Care	–	2.4	(2.4)	–	2.2	(2.2)
Liquidity fund	1.6	–	1.6	1.2	–	1.2
	100.0	100.0		100.0	100.0	

Based on total investments of £226.6m (30th June 2013: £193.8m).

Income Statement

for the six months ended 31st December 2013

	(Unaudited) Six months ended 31st December 2013			(Unaudited) Six months ended 31st December 2012			(Audited) Year ended 30th June 2013		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss	–	30,432	30,432	–	21,837	21,837	–	55,654	55,654
Income from investments	3,146	–	3,146	2,394	–	2,394	5,597	–	5,597
Other interest receivable and similar income	10	–	10	17	–	17	57	–	57
Gross return	3,156	30,432	33,588	2,411	21,837	24,248	5,654	55,654	61,308
Management fee	(203)	(473)	(676)	(81)	(189)	(270)	(186)	(435)	(621)
Other administrative expenses	(260)	–	(260)	(168)	–	(168)	(333)	–	(333)
Net return on ordinary activities before finance costs and taxation	2,693	29,959	32,652	2,162	21,648	23,810	5,135	55,219	60,354
Finance costs	(82)	(190)	(272)	(36)	(84)	(120)	(100)	(233)	(333)
Net return on ordinary activities before taxation	2,611	29,769	32,380	2,126	21,564	23,690	5,035	54,986	60,021
Taxation	(4)	–	(4)	(4)	–	(4)	(5)	–	(5)
Net return on ordinary activities after taxation	2,607	29,769	32,376	2,122	21,564	23,686	5,030	54,986	60,016
Return per share (note 4)	10.86p	124.05p	134.91p	8.84p	89.83p	98.67p	20.95p	229.06p	250.01p

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

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.

Reconciliation of Movements in Shareholders' Funds

Six months ended 31st December 2013 (Unaudited)	Called up share capital £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30th June 2013	6,350	3,650	156,160	5,982	172,142
Net return on ordinary activities	–	–	29,769	2,607	32,376
Dividends appropriated in the period	–	–	–	(2,999)	(2,999)
At 31st December 2013	6,350	3,650	185,929	5,590	201,519

Six months ended 31st December 2012 (Unaudited)	Called up share capital £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30th June 2012	6,375	3,625	101,580	5,032	116,612
Repurchase and cancellation of the Company's own shares	(25)	25	(407)	–	(407)
Net return on ordinary activities	–	–	21,564	2,122	23,686
Dividends appropriated in the period	–	–	–	(2,760)	(2,760)
At 31st December 2012	6,350	3,650	122,737	4,394	137,131

Year ended 30th June 2013 (Audited)	Called up share capital £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30th June 2012	6,375	3,625	101,580	5,032	116,612
Repurchase and cancellation of the Company's own shares	(25)	25	(406)	–	(406)
Net return on ordinary activities	–	–	54,986	5,030	60,016
Dividends appropriated in the year	–	–	–	(4,080)	(4,080)
At 30th June 2013	6,350	3,650	156,160	5,982	172,142

Balance Sheet

at 31st December 2013

	(Unaudited) 31st December 2013 £'000	(Unaudited) 31st December 2012 £'000	(Audited) 30th June 2013 £'000
Fixed assets			
Equity investments held at fair value through profit or loss	222,978	151,726	191,399
Investments in liquidity funds held at fair value through profit or loss	3,670	–	2,400
Total investments	226,648	151,726	193,799
Current assets			
Debtors	2,452	393	2,835
Cash and short term deposits	253	90	572
Creditors: amounts falling due within one year	2,705 (13,334)	483 (78)	3,407 (5,064)
Net current (liabilities)/assets	(10,629)	405	(1,657)
Total assets less current liabilities	216,019	152,131	192,142
Creditors: amounts falling due after more than one year	(14,500)	(15,000)	(20,000)
Net assets	201,519	137,131	172,142
Capital and reserves			
Called up share capital	6,350	6,350	6,350
Capital redemption reserve	3,650	3,650	3,650
Capital reserves	185,929	122,737	156,160
Revenue reserve	5,590	4,394	5,982
Total equity shareholders' funds	201,519	137,131	172,142
Net asset value per share (note 5)	839.8p	571.4p	717.3p

Company registration number: 1047690.

Cash Flow Statement

for the six months ended 31st December 2013

	(Unaudited) Six months ended 31st December 2013 £'000	(Unaudited) Six months ended 31st December 2012 £'000	(Audited) Year ended 30th June 2013 £'000
Net cash inflow from operating activities (note 6)	2,217	2,129	4,578
Net cash outflow from returns on investments and servicing of finance	(260)	(135)	(325)
Tax recovered	–	1	1
Net cash outflow from capital expenditure and financial investment	(2,777)	(4,915)	(14,373)
Dividends paid	(2,999)	(2,760)	(4,080)
Net cash inflow from financing	3,500	5,593	14,594
(Decrease)/increase in cash for the period	(319)	(87)	395
Reconciliation of net cash flow to movement in net debt			
(Decrease)/increase in cash for the period	(319)	(87)	395
Net loans drawn down	(3,500)	(6,000)	(15,000)
Changes in net fund/(debt) arising from cash flows	(3,819)	(6,087)	(14,605)
Net debt at the beginning of the period	(23,428)	(8,823)	(8,823)
Net debt at the end of the period	(27,247)	(14,910)	(23,428)
Represented by:			
Cash and short term deposits	253	90	572
Debt falling due within one year	(13,000)	–	(4,000)
Debt falling due after more than one year	(14,500)	(15,000)	(20,000)
Net debt at the end of the period	(27,247)	(14,910)	(23,428)

Notes to the Accounts

for the six months ended 31st December 2013

1. Financial statements

The information contained within the financial statements in this half year report has not been audited or reviewed by the Company's auditors.

The figures and financial information for the year ended 30th June 2013 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting policies

The accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in January 2009.

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

The accounting policies applied to these interim accounts are consistent with those applied in the accounts for the year ended 30th June 2013.

3. Dividends

	(Unaudited) Six months ended 31st December 2013 £'000	(Unaudited) Six months ended 31st December 2012 £'000	(Audited) Year ended 30th June 2013 £'000
Final dividend in respect of the year ended 30th June 2013 of 11.5p (2012: 11.5p)	2,759	2,760	2,760
Special dividend in respect of the year ended 30th June 2013 of 1.0p (2012: nil)	240	—	—
Interim dividend in respect of the six months ended 31st December 2012 of 5.5p	—	—	1,320
	2,999	2,760	4,080

4. Return per share

	(Unaudited) Six months ended 31st December 2013 £'000	(Unaudited) Six months ended 31st December 2012 £'000	(Audited) Year ended 30th June 2013 £'000
Return per share is based on the following:			
Revenue return	2,607	2,122	5,030
Capital return	29,769	21,564	54,986
Total return	32,376	23,686	60,016
Weighted average number of shares in issue	23,997,180	24,005,513	25,005,536
Revenue return per share	10.86p	8.84p	20.95p
Capital return per share	124.05p	89.83p	229.06p
Total return per share	134.91p	98.67p	250.01p

5. Net asset value per share

Net asset value per share is calculated by dividing shareholders' funds by the number of shares in issue at 31st December 2013 of 23,997,180 (31st December 2012: 23,997,180 and 30th June 2013: 23,997,180), excluding shares held in Treasury.

6. Reconciliation of total return on ordinary activities before finance costs and taxation to net cash inflow from operating activities

	(Unaudited) Six months ended 31st December 2013 £'000	(Unaudited) Six months ended 31st December 2012 £'000	(Audited) Year ended 30th June 2013 £'000
Net return on ordinary activities before finance costs and taxation	32,652	23,810	60,354
Less capital return before finance costs and taxation	(29,959)	(21,648)	(55,219)
Scrip dividends received as income	—	(12)	(23)
Changes in net debtors and accrued income	37	197	(25)
Changes in accrued expenses	(36)	(24)	(17)
Tax on unfranked investment income	(4)	(5)	(41)
Management fee charged to capital	(473)	(189)	(435)
Net cash inflow from operating activities	2,217	2,129	4,578

Interim Management Report

The Company is required to make the following disclosures in its half year report.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company have not changed and fall into the following broad categories: investment and strategy; financial; accounting, legal and regulatory; corporate governance and shareholder relations and operational. Information on each of these areas is given in the Business Review within the Annual Report and Accounts for the year ended 30th June 2013.

Related Parties Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or the performance of the Company during the period.

Going Concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio and expenditure projections, that 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 there is sufficient evidence to continue to adopt the going concern basis in preparing the accounts.

Directors' Responsibilities

The Board of Directors confirms that, to the best of its knowledge:

- (i) the condensed set of financial statements contained within the half yearly financial report has been prepared in accordance with the Accounting Standards Board's Statement 'Half Yearly Financial Reports' and gives a true and fair view of the state of affairs of the Company and of the assets, liabilities, financial position and net return of the Company, as at 31st December 2013, as required by the UK Listing Authority Disclosure and Transparency Rules 4.2.4R; and
- (ii) the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure and Transparency Rules.

In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;

and the Directors confirm that they have done so.

For and on behalf of the Board

Andrew Barker
Chairman

20th February 2014

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 in the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

In accordance with industry practice, dividends payable which have been declared but which are unpaid at the balance sheet date are deducted from the NAV when calculating the total return on net assets.

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, in 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.

Share Price Discount/Premium to Net Asset Value

If the share price of an investment trust is lower than the net asset value ('NAV') per share, the 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.

Gearing/Net Cash

Gearing represents the excess amount above shareholders' funds of total assets expressed as a percentage of the shareholders' funds. Total assets include total investments and net current assets/liabilities less cash/cash equivalents and excluding bank loans of less than one year. If the amount calculated is negative, this is shown as a 'net cash' position.

Active Position

The active position shows the difference between the Company's holding of an individual stock or sector versus that stock or sector in the benchmark. A positive number indicates an active decision by the investment manager to own more of (i.e. be overweight) that stock or sector versus the benchmark and a negative number indicates, a decision to hold less of (i.e. be underweight) that stock or sector versus the benchmark.

Financial Conduct Authority

Beware of share fraud

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment. While high profits are promised, if you buy or sell shares in this way you will probably lose your money.

How to avoid share fraud

- 1 Keep in mind that firms authorised by the FCA are unlikely to contact you out of the blue with an offer to buy or sell shares.
- 2 Do not get into a conversation, note the name of the person and firm contacting you and then end the call.
- 3 Check the Financial Services Register from www.fca.org.uk to see if the person and firm contacting you is authorised by the FCA.
- 4 Beware of fraudsters claiming to be from an authorised firm, copying its website or giving you false contact details.
- 5 Use the firm's contact details listed on the Register if you want to call it back.
- 6 Call the FCA on **0800 111 6768** if the firm does not have contact details on the Register or you are told they are out of date.
- 7 Search the list of unauthorised firms to avoid at www.fca.org.uk/scams.
- 8 Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme.
- 9 Think about getting independent financial and professional advice before you hand over any money.
- 10 **Remember:** if it sounds too good to be true, it probably is!

Report a scam

If you are approached by fraudsters please tell the FCA using the share fraud reporting form at www.fca.org.uk/scams, where you can find out more about investment scams.

You can also call the FCA Consumer Helpline on **0800 111 6768**.

If you have already paid money to share fraudsters you should contact Action Fraud on **0300 123 2040**.

5,000 people contact the Financial Conduct Authority about share fraud each year, with victims losing an average of £20,000



In association with:
icsa.
Registrars
Group

Information about the Company

Financial Calendar

Financial year end	30th June
Interim results announced	February
Final results announced	October
Half yearly dividends on ordinary shares paid	November, April
Annual General Meeting	November

History

JPMorgan Mid Cap Investment Trust plc was launched in 1972 as Crossfriars Trust Limited. The Company changed its name to The Fleming Enterprise Investment Trust plc in 1982. It adopted its current investment policy of concentrating on FTSE 250 companies in 1993. The Company changed its name to The Fleming Mid Cap Investment Trust plc in October 1998, JPMorgan Fleming Mid Cap Investment Trust plc in October 2001 and adopted its present name on 9th November 2005.

Directors

Andrew Barker (Chairman)
John Emly
Michael Hughes
Richard Huntingford
Margaret Littlejohns
Gordon McQueen

Company Numbers

Company registration number: 1047690
London Stock Exchange Sedol number: 0235761
Bloomberg code: JMF LN
Reuters code: JMF L

Market Information

The Company's net asset value ('NAV') per share is published daily via the London Stock Exchange.

The Company's shares are listed on the London Stock Exchange. The market price is shown daily in The Daily Telegraph, Financial Times, The Scotsman, The Times, The Guardian, on BBC Ceefax and on the Company's website at www.jpmmidcap.co.uk, where the share price is updated every 15 minutes during trading hours.

Website

www.jpmmidcap.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.jpmmorganwealthmanagerplus.co.uk

Manager and Company Secretary

J.P. Morgan Asset Management (UK) Limited

Company's Registered Office

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

For company secretarial and administrative matters please contact Alison Vincent.

Custodian

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

Registrars

Equiniti Limited
Reference 1082
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone number: 0871 384 2030

Notifications of changes of address and enquiries regarding certificates or dividend cheques should be made in writing to the Registrar quoting reference 1082.

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

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London SE1 2RT

Brokers

Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT

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.



The Association of
Investment Companies

A member of the AIC

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.jpmmidcap.co.uk