



# Half Year Report 2014

JPMorgan Mid Cap  
Investment Trust plc

Half Year Report & Accounts for the six months ended 31st December 2014

# Features

## Contents

### About the Company

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

### Investments

- 6 List of Investments
- 8 Portfolio/Sector Analyses

### Accounts

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

### Shareholder Information

- 15 Interim Management Report
- 16 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).

The Company's shares are designed for private investors in the UK, including retail investors, professionally-advised private clients and institutional investors, who seek the potential for capital growth from investment in the UK market and who understand and are willing to accept the risks of exposure to equities. Private investors may wish to consider consulting an independent financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares in the Company. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

### Benchmark

The FTSE 250 Index (excluding investment trusts).

### Capital Structure

- UK domiciled.
- Full listing on the London Stock Exchange.
- As at 31st December 2014, 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 JPMorgan Funds Limited ('JPMF' or the 'Manager') as its Alternative Investment Fund Manager. JPMF delegates the management of the Company's portfolio to JPMorgan Asset Management ('JPMAM').

### FCA regulation of 'non-mainstream pooled investments'

The Company currently conducts its affairs so that the shares issued by the Company 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.

### AIC

The Company is a member of the Association of Investment Companies.

### Website

The Company's website, which can be found at [www.jpmmidcap.co.uk](http://www.jpmmidcap.co.uk), includes useful information on the Company, such as daily prices, factsheets and current and historic half year and annual reports.

# Half Year Performance to 31st December 2014

Total returns (includes dividends reinvested)

**+9.2%**

Return to shareholders<sup>1</sup>

**+9.6%**

Return on net assets<sup>2</sup>

**+3.2%**

Benchmark return<sup>1,3</sup>

**8.0p**

Interim Dividend (2013: 5.5p)

## Financial Data

	31st December 2014	30th June 2014	% change
Shareholders' funds (£'000)	<b>214,868</b>	199,089	+7.9
Number of shares in issue (excluding shares held in Treasury)	<b>23,997,180</b>	23,997,180	0.0
Net asset value per share	<b>895.4p</b>	829.6p	+7.9
Share price	<b>788.0p</b>	734.5p	+7.3
Share price discount to net asset value per share	<b>12.0%</b>	11.5%	
Gearing	<b>6.4%</b>	8.1%	
Ongoing charges ratio	<b>0.96%</b>	0.97%	

A glossary of terms and definitions is provided on page 16.

<sup>1</sup>Source: Morningstar.

<sup>2</sup>Source: J.P. Morgan.

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

# Chairman's Statement

## Performance

I am pleased to report that the Company has delivered another strong performance in the six months to 31st December 2014, following on from the excellent results posted over the previous two financial years. Although the UK Mid Cap market has cooled somewhat, the Company's total return on net assets was 9.6%, significantly ahead of the benchmark, the FTSE 250 Index (excluding investment trusts), which returned 3.2%. The return to shareholders amounted to 9.2%, reflecting a small widening of the Company's discount. 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 Managers' Report.

## Revenue and Dividends

Net revenue after taxation for the six months to 31st December 2014 was £3,225,000 (2013: £2,608,000) and earnings per share, calculated on the weighted average number of shares in issue, were 13.44p (2013: 10.86p). This improvement over the prior year's earnings at the half year stage reflects both an increase in base dividends paid by the underlying investments and the continued payment of special dividends. Furthermore, as the portfolio currently stands, a revenue estimate for the full year indicates that earnings will be more than in 2014. While special dividends continue to be paid by companies, as the Board has indicated 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 pay an interim dividend of 8.0p (2013: 5.5p) to be paid on 9th April 2015 to shareholders on the register at the close of business on 6th March 2015. The increase in the interim dividend is partly due to the additional income received for the period but also to the Board's desire to re-balance the two dividend payments. Consequently, shareholders should note that the 45% increase in the interim dividend does not signal a proportional increase in the final dividend.

## Loan Facilities and Gearing

The level of gearing within the portfolio has reduced from the levels employed by the Company in 2014. However, it has continued to assist performance. The Board has determined that in normal circumstances the Company's overall gearing range is (5%) net cash to 25% geared. Within this range, after due consideration at each Board meeting, the Board sets a narrower, short term gearing range for the ensuing period. Changes in these guidelines between meetings may be undertaken after consultation with the Board.

At the time of writing the Company was 7.8% geared. The Company has three loan facilities in place, all with varying maturities and totalling £55 million with an average interest rate of 1.47%.

### **Share Buybacks**

At the half year stage last year, I was able to report to shareholders that the Company's discount had narrowed significantly to 6.7%. Frustratingly, despite the Company's continuing good performance, the discount has remained stubbornly wide and finished the reporting period at 12%. The Board's objective remains to use the share repurchase authority only when deemed necessary 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. The Company did not repurchase or issue any shares over the reporting period.

### **Board of Directors**

Following the appointment of Richard Huntingford to the Board on 1st December 2013, John Emly retired from the Board on 28th October 2014, at the conclusion of the Company's 2014 Annual General Meeting. Mr Emly made an outstanding contribution to the Board during his 18 year tenure and we wish him well for the future.

### **Prospects**

We share our Investment Managers' optimism for the UK economy and corporate prospects. Interest rates should now stay lower for longer which should be some support for the stock market. We are encouraged that our Investment Managers continue to identify attractive investment opportunities in the mid cap sector. The results of individual companies and their ability to operate in a challenging environment are highly impressive. Our main concerns for the stock market are the uncertainty surrounding the General Election here, the West's conflict with Russia and the ongoing issues over Greek Eurozone membership, certain outcomes to which could lead to a marked change in investor sentiment.

**Andrew Barker**  
Chairman

19th February 2015

# Investment Managers' Report

## Performance and Market Background

Your Company enjoyed a good start to its financial year providing a total return on net assets of 9.6%. This was significantly ahead of the Company's benchmark, the FTSE 250 Index (excluding investment trusts), which returned 3.2%.

While the UK stock market was broadly flat in the period, with the FTSE 100 down marginally and the FTSE 250 (excluding investment trusts), or Mid Cap Index, up a little, these numbers hide significant volatility over the autumn. The Mid Cap Index, (and indeed the broad FTSE All Share Index), fell over 10% from September to mid October, mainly on concerns over the Scottish elections, and the Russia/Ukraine situation. The bounce back was equally dramatic with the Mid Cap Index rising into the year end by over 10%.

## Portfolio

The key contributors to performance, in terms of sectors, were support services (our positions in Ashtead and Howden Joinery in particular), oils and general retailers. We were underweight, i.e. under-represented, in oils, and this was positive for your Company as the oil price declined dramatically and share prices suffered accordingly. We have been overweight general retailers for some time, and a number of our holdings produced strong performance, including Dixons Carphone and Card Factory, an IPO that we bought earlier in the year.

During the six month period, a number of our investments were promoted into the FTSE 100. The money we raised from selling down and/or out of these companies was re-invested. A large proportion went into the real estate sector and into companies exposed to the UK consumer. As the likelihood of interest rate rises eased, we increased our positions in London-focused real estate companies, adding to our holdings in Great Portland and Shaftsbury, as well as buying a new position in Workspace. Within the retail sector we established new positions in Greggs (the baker) and JD Sports. We participated in one IPO during the period, SSP, which operates food outlets in travel hubs. In addition we benefited from the merger of Dixons and Carphone Warehouse (both existing holdings), and the proposed takeover of CSR.

## Outlook

The UK economy remains one of the fastest growing in the Western World, expanding at 2.6% in 2014, and forecast by the Bank of England to grow at 2.9% in 2015. Inflation is low and continues to fall due to the oil price collapse. This decline in inflation supports the case for keeping interest rates lower for longer – the market is now expecting the first rate rise in early 2016 and even this may prove premature. Unemployment continues to fall faster than all expectations, and (finally) UK take home pay has begun to increase in real terms, for the first time since 2009. In the last quarter of 2014 it rose 2% versus 2013, and should continue to rise and support consumer confidence as low inflation persists.

As the Eurozone remains the UK's principal trading partner, it is likely that the economic outlook for the UK will be further improved by the ECB's Euro 1.1 trillion stimulus plan and a suitable solution to the Greek crisis. While we expect the UK general election and the possibility of another coalition government to cause uncertainty and market volatility in the first half of 2015, it remains the fact that corporate fundamentals are healthy, as demonstrated by continuing growth in dividends. Business investment intentions are at record highs and we expect growth in corporate earnings will drive markets higher through the remainder of the year.

**Georgina Brittain**

**Katen Patel**

Investment Managers

19th February 2015

# List of Investments

at 31st December 2014

Company	Sector	Valuation £'000	%
Ashtead <sup>1</sup>	Industrials	11,520	4.9
Howden Joinery	Industrials	9,168	3.9
Micro Focus International	Technology	7,835	3.4
Berkeley	Consumer Goods	5,853	2.5
Dixons Carphone <sup>1</sup>	Consumer Services	5,770	2.5
TalkTalk Telecom	Telecommunications	5,634	2.4
Bellway	Consumer Goods	5,437	2.3
CSR	Technology	5,136	2.2
Provident Financial	Financials	4,916	2.1
Interserve	Industrials	4,839	2.1
Close Brothers	Financials	4,557	2.0
Bank of Georgia	Financials	4,545	1.9
Hikma Pharmaceuticals	Health Care	4,540	1.9
WH Smith	Consumer Services	4,519	1.9
HellermannTyton Group	Industrials	4,294	1.8
Great Portland Estates	Financials	4,244	1.8
Greencore Group	Consumer Goods	3,892	1.7
Thomas Cook	Consumer Services	3,834	1.6
Inmarsat	Telecommunications	3,833	1.6
Investec	Financials	3,807	1.6
Derwent London	Financials	3,773	1.6
DS Smith	Industrials	3,769	1.6
Go-Ahead	Consumer Services	3,566	1.5
Phoenix	Financials	3,556	1.5
BTG	Health Care	3,496	1.5
Hays	Industrials	3,487	1.5
Card Factory	Consumer Services	3,482	1.5
Segro	Financials	3,388	1.5
Capital & Counties Properties	Financials	3,281	1.4
Halfords	Consumer Services	3,228	1.4
Croda International	Basic Materials	3,192	1.4
Berendsen	Industrials	3,135	1.3
Cable & Wireless Communications	Telecommunications	3,102	1.3
Shaftesbury	Financials	3,085	1.3
Intermediate Capital Group	Financials	2,989	1.3
Restaurant Group	Consumer Services	2,985	1.3
Elementis	Basic Materials	2,874	1.2
Rightmove	Consumer Services	2,651	1.1
Beazley	Financials	2,592	1.1
Brewin Dolphin	Financials	2,544	1.1
Wood Group (John)	Oil & Gas	2,416	1.0
Bodycote	Industrials	2,394	1.0



Company	Sector	Valuation £'000	%
Regus	Industrials	2,391	1.0
Senior	Industrials	2,362	1.0
easyJet <sup>1</sup>	Consumer Services	2,331	1.0
Galliford Try	Consumer Goods	2,122	0.9
Barratt Developments <sup>1</sup>	Consumer Goods	2,050	0.9
Taylor Wimpey <sup>1</sup>	Consumer Goods	2,035	0.9
Workspace Group	Financials	1,971	0.9
Plus 500 <sup>2</sup>	Financials	1,961	0.9
Greggs	Consumer Services	1,932	0.8
Pace	Technology	1,892	0.8
Greene King	Consumer Services	1,882	0.8
SSP Group	Consumer Services	1,804	0.8
Marston's	Consumer Services	1,784	0.8
Savills	Financials	1,716	0.7
Countrywide	Financials	1,703	0.7
Petra Diamonds	Basic Materials	1,690	0.7
Cobham	Industrials	1,636	0.7
Inchcape	Consumer Services	1,519	0.7
Northgate	Industrials	1,515	0.7
Telecom Plus	Telecommunications	1,507	0.7
Dunelm	Consumer Services	1,478	0.6
Soco International	Oil & Gas	1,470	0.6
International Personal Finance	Financials	1,345	0.6
JD Sports Fashion	Consumer Services	1,250	0.5
Home Retail Group	Consumer Services	1,244	0.5
Man Group	Financials	1,196	0.5
Brit	Financials	1,179	0.5
Poundland Group	Consumer Services	1,143	0.5
Keller	Industrials	963	0.4
B&M European Value Retail <sup>3</sup>	Consumer Services	840	0.4
Afren	Oil & Gas	821	0.4
Amerisur Resources <sup>2</sup>	Oil & Gas	444	0.2
Jardine Lloyd Thompson	Financials	357	0.2
JPMorgan Sterling Liquidity Fund	Liquidity Fund	8,385	3.6
Net current liabilities		(3,208)	(1.4)
<b>Total assets less current liabilities</b>		<b>233,868</b>	<b>100.0</b>

<sup>1</sup>FTSE 100 Index companies.

<sup>2</sup>AIM listed companies.

<sup>3</sup>Recent IPO not included within an index as at 31st December 2014.

# Portfolio Analysis

	31st December 2014 % <sup>1</sup>	30th June 2014 % <sup>1</sup>
FTSE 250 Index companies	86.1	90.3
FTSE 100 Index companies	10.2	6.3
Liquidity fund	3.6	4.7
AIM listed companies	1.1	1.1
Other investments	0.4	1.6
Net current liabilities	(1.4)	(4.0)
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup>Based on total assets less current liabilities of £233.9m (30th June 2014: £214.1m).

# Sector Analysis

	31st December 2014			30th June 2014		
	Portfolio % <sup>1</sup>	Benchmark %	Active Position %	Portfolio % <sup>1</sup>	Benchmark %	Active Position %
Financials	25.1	24.8	0.3	25.1	24.9	0.2
Industrials	22.0	26.0	(4.0)	22.4	25.2	(2.8)
Consumer Services	20.2	20.6	(0.4)	22.3	19.6	2.7
Consumer Goods	9.2	6.8	2.4	7.4	7.8	(0.4)
Technology	6.4	3.3	3.1	5.5	3.5	2.0
Telecommunications	6.0	2.8	3.2	6.7	2.8	3.9
Health Care	3.4	4.2	(0.8)	1.5	2.8	(1.3)
Basic Materials	3.3	5.0	(1.7)	1.2	5.0	(3.8)
Oil & Gas	2.2	4.4	(2.2)	7.2	6.3	0.9
Utilities	—	2.1	(2.1)	—	2.1	(2.1)
Liquidity fund	3.6	—	3.6	4.7	—	4.7
Net current liabilities	(1.4)	—	(1.4)	(4.0)	—	(4.0)
	<b>100.0</b>	<b>100.0</b>		<b>100.0</b>	<b>100.0</b>	

<sup>1</sup>Based on assets less current liabilities of £233.9m (30th June 2014: £214.1m).

# Income Statement

for the six months ended 31st December 2014

	(Unaudited) Six months ended 31st December 2014			(Unaudited) Six months ended 31st December 2013			(Audited) Year ended 30th June 2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Gains on investments held at fair value through profit or loss</b>	–	16,180	16,180	–	30,432	30,432	–	27,495	27,495
Net foreign currency losses	–	(1)	(1)	–	–	–	–	–	–
Income from investments	3,760	–	3,760	3,146	–	3,146	6,274	–	6,274
Other interest receivable and similar income	10	–	10	10	–	10	30	–	30
<b>Gross return</b>	<b>3,770</b>	<b>16,179</b>	<b>19,949</b>	<b>3,156</b>	<b>30,432</b>	<b>33,588</b>	<b>6,304</b>	<b>27,495</b>	<b>33,799</b>
Management fee	(210)	(489)	(699)	(203)	(473)	(676)	(432)	(1,008)	(1,440)
Other administrative expenses	(264)	–	(264)	(260)	–	(260)	(480)	–	(480)
<b>Net return on ordinary activities before finance costs and taxation</b>	<b>3,296</b>	<b>15,690</b>	<b>18,986</b>	<b>2,693</b>	<b>29,959</b>	<b>32,652</b>	<b>5,392</b>	<b>26,487</b>	<b>31,879</b>
Finance costs	(58)	(136)	(194)	(81)	(190)	(271)	(180)	(420)	(600)
<b>Net return on ordinary activities before taxation</b>	<b>3,238</b>	<b>15,554</b>	<b>18,792</b>	<b>2,612</b>	<b>29,769</b>	<b>32,381</b>	<b>5,212</b>	<b>26,067</b>	<b>31,279</b>
Taxation	(13)	–	(13)	(4)	–	(4)	(12)	–	(12)
<b>Net return on ordinary activities after taxation</b>	<b>3,225</b>	<b>15,554</b>	<b>18,779</b>	<b>2,608</b>	<b>29,769</b>	<b>32,377</b>	<b>5,200</b>	<b>26,067</b>	<b>31,267</b>
<b>Return per share</b> (note 4)	<b>13.44p</b>	<b>64.82p</b>	<b>78.26p</b>	<b>10.86p</b>	<b>124.05p</b>	<b>134.91p</b>	<b>21.67p</b>	<b>108.62p</b>	<b>130.29p</b>

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 2014 (Unaudited)	Called up share capital £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
<b>At 30th June 2014</b>	6,350	3,650	182,227	6,862	<b>199,089</b>
Net return on ordinary activities	—	—	15,554	3,225	<b>18,779</b>
Dividends appropriated in the period	—	—	—	(3,000)	<b>(3,000)</b>
<b>At 31st December 2014</b>	6,350	3,650	197,781	7,087	<b>214,868</b>

  

Six months ended 31st December 2013 (Unaudited)	Called up share capital £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
<b>At 30th June 2013</b>	6,350	3,650	156,160	5,982	<b>172,142</b>
Net return on ordinary activities	—	—	29,769	2,608	<b>32,377</b>
Dividends appropriated in the period	—	—	—	(3,000)	<b>(3,000)</b>
<b>At 31st December 2013</b>	6,350	3,650	185,929	5,590	<b>201,519</b>

  

Year ended 30th June 2014 (Audited)	Called up share capital £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
<b>At 30th June 2013</b>	6,350	3,650	156,160	5,982	<b>172,142</b>
Net return on ordinary activities	—	—	26,067	5,200	<b>31,267</b>
Dividends appropriated in the year	—	—	—	(4,320)	<b>(4,320)</b>
<b>At 30th June 2014</b>	6,350	3,650	182,227	6,862	<b>199,089</b>

# Balance Sheet

at 31st December 2014

	(Unaudited) 31st December 2014 £'000	(Unaudited) 31st December 2013 £'000	(Audited) 30th June 2014 £'000
<b>Fixed assets</b>			
Equity investments held at fair value through profit or loss	228,691	222,978	212,570
Investments in liquidity funds held at fair value through profit or loss	8,385	3,670	10,000
Total investments	237,076	226,648	222,570
<b>Current assets</b>			
Debtors	1,164	2,452	4,992
Cash and short term deposits	888	253	1,362
	2,052	2,705	6,354
<b>Creditors:</b> amounts falling due within one year	(5,260)	(13,334)	(14,835)
<b>Net current liabilities</b>	(3,208)	(10,629)	(8,481)
<b>Total assets less current liabilities</b>	233,868	216,019	214,089
<b>Creditors:</b> amounts falling due after more than one year	(19,000)	(14,500)	(15,000)
<b>Net assets</b>	214,868	201,519	199,089
<b>Capital and reserves</b>			
Called up share capital	6,350	6,350	6,350
Capital redemption reserve	3,650	3,650	3,650
Capital reserves	197,781	185,929	182,227
Revenue reserve	7,087	5,590	6,862
<b>Total equity shareholders' funds</b>	214,868	201,519	199,089
<b>Net asset value per share</b> (note 5)	895.4p	839.8p	829.6p

Company registration number: 1047690.

# Cash Flow Statement

for the six months ended 31st December 2014

	(Unaudited) Six months ended 31st December 2014 £'000	(Unaudited) Six months ended 31st December 2013 £'000	(Audited) Year ended 30th June 2014 £'000
<b>Net cash inflow from operating activities</b> (note 6)	<b>2,600</b>	2,218	4,387
Net cash outflow from returns on investments and servicing of finance	(236)	(260)	(575)
Tax recovered	–	–	3
Net cash inflow/(outflow) from capital expenditure and financial investment	4,663	(2,777)	(2,205)
Dividends paid	(3,000)	(3,000)	(4,320)
Net cash (outflow)/inflow from financing	(4,500)	3,500	3,500
<b>(Decrease)/increase in cash for the period</b>	<b>(473)</b>	(319)	790
<b>Reconciliation of net cash flow to movement in net debt</b>			
(Decrease)/increase in cash for the period	(473)	(319)	790
Net loans repaid/(drawn down)	4,500	(3,500)	(3,500)
Exchange movements	(1)	–	–
Changes in net fund/(debt) arising from cash flows	4,026	(3,819)	(2,710)
Net debt at the beginning of the period	(26,138)	(23,428)	(23,428)
<b>Net debt at the end of the period</b>	<b>(22,112)</b>	(27,247)	(26,138)
<b>Represented by:</b>			
Cash and short term deposits	888	253	1,362
Debt falling due within one year	(4,000)	(13,000)	(12,500)
Debt falling due after more than one year	(19,000)	(14,500)	(15,000)
<b>Net debt at the end of the period</b>	<b>(22,112)</b>	(27,247)	(26,138)

# Notes to the Accounts

for the six months ended 31st December 2014

## 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 2014 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 2014.

## 3. Dividends paid

	(Unaudited) Six months ended 31st December 2014 £'000	(Unaudited) Six months ended 31st December 2013 £'000	(Audited) Year ended 30th June 2014 £'000
2014 Final dividend of 12.5p (2013: 11.5p)	3,000	2,760	2,760
2013 Special dividend of 1.0p	—	240	240
2014 Interim dividend of 5.5p	—	—	1,320
	3,000	3,000	4,320

## 4. Return per share

	(Unaudited) Six months ended 31st December 2014 £'000	(Unaudited) Six months ended 31st December 2013 £'000	(Audited) Year ended 30th June 2014 £'000
Return per share is based on the following:			
Revenue return	3,225	2,608	5,200
Capital return	15,554	29,769	26,067
<b>Total return</b>	<b>18,779</b>	<b>32,377</b>	<b>31,267</b>
Weighted average number of shares in issue (excluding shares held in Treasury)	23,997,180	23,997,180	23,997,180
Revenue return per share	13.44p	10.86p	21.67p
Capital return per share	64.82p	124.05p	108.62p
<b>Total return per share</b>	<b>78.26p</b>	<b>134.91p</b>	<b>130.29p</b>

# Notes to the Accounts continued

for the six months ended 31st December 2014

## 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 2014 of 23,997,180 (31st December 2013: 23,997,180 and 30th June 2014: 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 2014 £'000	(Unaudited) Six months ended 31st December 2013 £'000	(Audited) Year ended 30th June 2014 £'000
Net return on ordinary activities before finance costs and taxation	18,986	32,652	31,879
Less capital return before finance costs and taxation	(15,690)	(29,959)	(26,487)
Scrip dividends received as income	(58)	—	(25)
Changes in net debtors and accrued income	(101)	38	85
Changes in accrued expenses	(30)	(36)	(2)
Tax on unfranked investment income	(18)	(4)	(55)
Management fee charged to capital	(489)	(473)	(1,008)
<b>Net cash inflow from operating activities</b>	<b>2,600</b>	<b>2,218</b>	<b>4,387</b>



# 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 2014.

## 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 2014, 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

19th February 2015

# 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.

## Ongoing Charges Ratio

The ongoing charges ratio represents the Company's management fee and all other operating expenses excluding finance costs payable, expressed as a percentage of the average of the daily net assets during the period. The figure as at 31st December 2014 is an estimated annualised figure.

## 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](http://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](http://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](http://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**



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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)  
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') is published daily via the London Stock Exchange. The Company's shares are listed on the London Stock Exchange and the price is noted daily in the Financial Times, The Times, The Daily Telegraph, The Scotsman and on the J.P. Morgan website at [www.jpmmidcap.co.uk](http://www.jpmmidcap.co.uk), where the share price is updated every fifteen minutes during trading hours.

## Website

[www.jpmmidcap.co.uk](http://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](http://www.jpmmorganwealthmanagerplus.co.uk)

## Manager and Company Secretary

JPMorgan Funds Limited

## Company's Registered Office

60 Victoria Embankment  
London EC4Y 0JP  
Telephone number: 020 7742 4000

For company secretarial and administrative matters please contact Alison Vincent.

## Depository

BNY Mellon Trust & Depository (UK) Limited  
BNY Mellon Centre  
160 Queen Victoria Street  
London EC4V 4LA

The Depository employs JPMorgan Chase Bank, N.A. as the Company's custodian.

## 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](http://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](http://www.jpmmidcap.co.uk)