



Half Year Report 2013

JPMorgan Claverhouse Investment Trust plc

Half Year Report & Accounts for the six months ended 30th June 2013

Features

Contents

About the Company

- 1 Half Year Performance
- 2 Chairman's Statement

Investment Review

- 5 Investment Managers' Report
- 7 Sector Analysis
- 8 List of Investments

Accounts

- 10 Income Statement
- 11 Reconciliation of Movements in Shareholders' Funds
- 12 Balance Sheet
- 13 Cash Flow Statement
- 14 Notes to the Accounts
- 16 Interim Management Report
- 17 Glossary of Terms and Definitions
- 21 Information about the Company

Objective

Capital and income growth from UK investments.

Investment Policies

- To invest in a portfolio consisting predominantly of leading UK companies.
- To use long-term gearing to increase potential returns to shareholders. The Company's gearing policy is to operate within a range of 5% net cash to 20% geared in normal market conditions.
- To invest no more than 15% of gross assets in other UK listed investment companies (including investment trusts).
- To invest no more than 15% of gross assets in any individual investment (including unit trusts and open ended investment companies).

Benchmark

The FTSE All-Share Index.

Capital Structure

At 30th June 2013, the Company's share capital comprised 56,765,653 ordinary shares of 25p each, including 2,041,674 shares held in Treasury.

Management Company

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

Half Year Performance

Total returns (includes dividends reinvested)

+21.7%

Return to shareholders^{1,3}

+15.2%

Return on net assets^{2,3}

+8.5%

Benchmark return⁴

Financial Data

	30th June 2013	31st December 2012	% change
Shareholders' funds (£'000)	306,016	271,871	+12.6
Number of shares in issue ⁵	54,723,979	54,723,979	0.0
Share price	518.0p	437.0p	+18.5
Net asset value per share with debt at par value	559.2p	496.8p	+12.6
Net asset value per share with debt at fair value ⁶	547.3p	480.7p	+13.9
Share price discount to net asset value per share with debt at par value ⁷	7.4%	10.7%	
Share price discount to net asset value per share with debt at fair value ⁶	5.4%	9.1%	
Gearing ⁸	13.3%	15.0%	

A glossary of terms and definitions is provided on page 17.

¹Source: Morningstar.

²Source: J.P. Morgan.

³These are total returns and assume that the 2012 fourth quarterly dividend of 8.35p and the 2013 first quarterly dividend of 4.50p were reinvested on the applicable ex-dividend dates.

⁴Source: FTSE/Datastream. The Company's benchmark is the FTSE All-Share Index.

⁵Excluding 2,041,674 (31st December 2012: 2,041,674) shares held in Treasury.

⁶Source: Bloomberg. The fair value of the £30m (2012: £30m) debenture issued by the Company has been calculated using discounted cash flow techniques and the yield from a similarly dated gilt plus a margin based on the 5 year average for the AA Barclays Sterling Corporate Bond spread.

⁷Source: Bloomberg. The discount is calculated using the net asset value at 30th June 2013, excluding current year income.

⁸Adjusted to reflect the open exposure in FTSE 100 IDX Index Future.

Chairman's Statement



I am pleased to be able to report another strong performance over the six months to 30th June 2013. Your Company's net asset value total return was +15.2% which was well ahead of the total return on our benchmark index, the FTSE All-Share, of +8.5%. The total return to shareholders was +21.7%, as the discount on the Company's shares narrowed over the period, from 10.7% to 7.4% with debt valued at par.

Shareholders will recall that, with effect from 1st March 2012, material changes were made in the process by which the Company's portfolio is managed. It is very pleasing that, in the 16 months since those changes were implemented, the Company has produced strong outperformance, with a net asset value total return of +21.9%, compared with the total return on the benchmark index of +13.8%.

A full 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 on pages 5 and 6.

Revenue and Dividends

Earnings per share for the six months to 30th June 2013 rose to 13.32p, compared to 9.51p earned in the same period in 2012.

As I wrote in the last annual report, the Board has resolved to re-balance dividend payments in order to reduce the disparity between the first three and the fourth quarterly dividends. The Directors have already declared two quarterly dividends of 4.50p each for the current financial year (2012: 3.50p each). This change will result in a reduction in the fourth quarter's dividend, although, taking the four quarters together, it is expected that the total dividends in respect of 2013 will at least equal those in respect of 2012. Indeed, it remains the Board's aim to increase the dividend each year, as the Company has done every year for the last 40 years and, taking a run of years together, we hope to deliver increases in dividends that will at least match the rate of inflation. For the last four years we have drawn down on the Company's substantial revenue reserve to deliver increases. However, we are encouraged that our revenue forecasts indicate that the payment of this year's dividend is likely to be covered by earnings.

Share Buy-backs and Discount

During the period under review the Company did not repurchase any shares for cancellation or into Treasury (2012: 10,000 shares) and neither has the Company repurchased any shares since the period end.

At 30th June the discount of the share price to net asset value per share, with debt at par value, was 7.4% and averaged 9.6% over the six months. The rate of interest payable on the £30 million 7% Debenture means that the fair value of that debt at present exceeds its nominal par value. This reduces the real discount by approximately 2% at the present time although this difference will gradually be eliminated over the years to 2020 when the Debenture will be repaid at par. Nevertheless, at 5.4% discount, your Company's shares are under-rated as compared with other comparable investment companies, many of which trade at nil discount or even a premium. Given the outstanding performance of Claverhouse's portfolio over the last 16 months there would seem scope for the present discount to narrow.

Gearing

Although the formal gearing range remains between 5% cash and 20% geared, the Board has agreed with the Investment Managers that gearing of 10% is considered as 'normal' and that they have day-to-day discretion to vary the level of gearing in a range of +/-7.5% around that normal level. During the half year, index futures were used for the first time as a tool to manage the level of exposure to the market and thus the level of gearing. Further details on the use of index futures are given in the Investment Managers' Report and in the accounts. The use of index futures obviates the need to sell stocks and has less of an effect on the Company's income account than would significant variations in the level of conventional debt. Futures may only be used for hedging for portfolio management purposes.

As at 30th June 2013 the Company's effective level of gearing was 13.3%. Gearing existed by way of a combination of the £30 million 7% 2020 Debenture and short term bank borrowings at a floating rate. In the light of the growth in the assets of the Company the bank borrowing facility has recently been increased from £30 million to £40 million.

The Alternative Investment Fund Managers Directive ('AIFMD')

The AIFMD represents new regulation for investment trust companies, all of which must comply no later than July 2014. Your Board is taking advice on this matter, but has agreed in principle to appoint JPMorgan as its Manager under the new regime. Directors' duties under the Companies Act and UKLA Listing Rules will remain but there will be new reporting requirements and it will be necessary to appoint a depositary to oversee the Company's custody and cash management operations. We will be in a position to give more information on this matter in the next annual report.

The Future

The UK stock market had a good twelve months to 30th June 2013. In those twelve months Claverhouse's share price rose from 405.5p to 518.0p or by 27.7% thanks to excellent performance in a rising market. Every investor in equities should appreciate that such rapid increases in markets are rare and more usually seen as markets turn the corner at the bottom of a cycle. On this occasion the increase has been delivered as a leg of a bull market that began in March 2009.

After four years it is reasonable to question whether equities are over-valued. By some historic standards they are not cheap. However, many companies are in rude good health and, relative to bonds, equities continue to look reasonably priced delivering both a yield and one that should grow in future years. In addition, as pointed out in the Managers' Report, many institutional investors have missed out on the strong market by being underweight in equities.

Whilst corporate balance sheets have improved, the same cannot be written about the finances of many governments in the developed world. In many cases they are extremely stretched despite very low interest rates which look likely to persist far longer than most people would have predicted when they were cut in 2009. In

Chairman's Statement continued

addition the risk of a sharp shock is always present. Despite relative calm since the summer of 2012, the fundamental flaws in the construct of the Euro have not been tackled. In the USA and the UK we have yet to see how and when Quantitative Easing will be unwound.

I wrote in March of the inevitability of some ebb and flow in performance. Your Company has enjoyed further months of flow thanks to the skills of our Investment Managers. Most shareholders in Claverhouse are long-term investors and, as such, it is my view they should keep faith with equities as stores of value, enjoy the dividend flow and not overly concern themselves with the inevitable day-to-day volatility of prices.

Michael Bunbury
Chairman

2nd August 2013

Investment Managers' Report



William Meadon

Market Review

The new year started as the previous one finished, with markets extending their gains. In fact, each of the first five months of 2013 delivered a positive return. Despite ongoing economic challenges, the FTSE All-Share index delivered a total return of +8.5% in the six months to 30th June 2013. Small and mid cap stocks were particularly strong, each returning over 13%.

The enthusiasm for equities can be explained by a powerful mix of continuing loose monetary policy, a gradually improving domestic and global economy together with some robust trading from many UK corporates. Moreover, the healthy, growing dividend stream flowing from equities also appealed to investors.

Whilst the retirement of Sir Mervyn King as Governor of the Bank of England at the end of June did not mark the end of the economic crisis, it did see him leave with the economy in better shape than it has been for many years and his farewell Mansion House speech certainly suggested that he thought that economically we are past the worst.



Sarah Emly

Portfolio Review

It has been an encouraging first half of the year. The total return on the net assets of your Company of +15.2% compared favourably with the benchmark return of +8.5%. Both underlying stock selection and the decision to be geared into the rising equity market contributed to this outperformance.

Once again, our best performing stock was easyJet, the low cost airliner that has taken advantage of the demise of many of its European competitors and is achieving excellent revenue and profits growth by appealing to both business customers and more traditional holidaymakers. Dixons, the electrical retailer, was another strong performer benefiting from having both a successful internet and high street presence ('clicks and bricks'), as well as the demise of one its main competitors Comet just before Christmas. ITV performed very well, delivering strong dividend growth and a special dividend. BT performed well on the back of some truly excellent figures and excitement over its new sports channel and broadband offering. Our long-held positions in house builders also delivered a strong performance, notably Barratt Developments and Taylor Wimpey, as they benefited from increased sales volumes, rising average selling prices and new measures from the government to boost the domestic housing market. By contrast, our holdings in Rio Tinto and BHP Billiton suffered from falling commodity prices and fears over slowing economic growth in China. Our holding in the high dividend yielding defensive, Imperial Tobacco, also underperformed the rising market.

Investment Managers' Report continued

The portfolio is now very focused, holding just 61 stocks. We like to keep turnover low to allow our investments plenty of time to fulfil our expectations of them. We added to our holding in ITV where profits and cash generation have improved to such an extent that a special dividend was paid to shareholders. Similarly, the rapidly improving prospects at Lloyds Banking Group gave us the confidence to add to our holding. New stocks included Ashtead, a leading rental equipment provider which has a strong presence in the US and is benefiting from the improving US construction and housing sector. We also started a new holding in Tui Travel, one of the UK's leading tour operators. It has an attractive dividend yield and continues to deliver excellent profits growth. We took profits on Rolls Royce on valuation grounds and sold De la Rue as the prospects for its banknote printing division had deteriorated.

Your Company had an average gross level of gearing over the period of 16.3%. The gross level of gearing from total borrowings at the period end was 18.5%. This was reduced to 13.3% through the short selling of FTSE 100 futures.

Market outlook

We remain positive on equities. The global economy, whilst still challenged, is undoubtedly improving, interest rates are low and will remain so for the foreseeable future and the benefits of strong corporate balance sheets are flowing into investors' coffers through a robust stream of dividends. Valuations of equities are not stretched: their yield is far superior to that of gilts and moreover – unlike gilts – they offer the prospect of dividend growth. At a time when income remains of paramount importance to many investors this is an appealing combination which we do not believe is yet correctly priced.

The exposure of many insurance companies and pension funds to domestic quoted equities remains at mystifyingly low levels. Individual investors with a medium term time horizon may want to be more adventurous. Whilst the day to day prices of equities may well be volatile over the second part of the year, a portfolio focused on strong, reasonably valued growing UK companies should prove a profitable investment.

William Meadon

Sarah Emly

Investment Managers

2nd August 2013

Sector Analysis

	at 30th June 2013		at 31st December 2012	
	Portfolio % ¹	Benchmark %	Portfolio % ¹	Benchmark %
Financials ²	28.8	23.7	26.5	23.0
Consumer Services	13.9	10.2	10.2	9.7
Oil & Gas	12.2	15.3	13.1	16.0
Consumer Goods	12.1	14.2	13.2	13.8
Telecommunications	8.2	6.4	7.2	5.6
Basic Materials	6.7	7.5	10.3	10.5
Industrials	6.6	9.7	8.3	9.0
Health Care	6.3	7.6	6.3	7.0
Utilities	2.4	3.9	2.9	3.9
Technology	2.0	1.5	0.6	1.5
Net current assets ³	0.8	—	1.4	—
Total	100.0	100.0	100.0	100.0

¹Based on total assets less current liabilities of £365.8m (2012: £316.7m). The £30.0m (2012: £15.0m) drawn down on the Company's loan facility at 30th June 2013 has been treated as a long term liability for the purpose of this analysis.

²Includes the Company's investments in the JPMorgan UK Smaller Companies Fund and JPMorgan Smaller Companies Investment Trust plc of 1.3% and 2.4% of the portfolio respectively.

³Includes the Company's investment in the JPMorgan Sterling Liquidity Fund and FTSE 100 IDX Futures.

List of Investments

at 30th June 2013

Company	Sector	Valuation £'000	% ¹
Royal Dutch Shell	Oil & Gas	25,564	7.0
HSBC	Financials	25,551	7.0
Vodafone	Telecommunications	19,157	5.3
BP	Oil & Gas	19,073	5.2
GlaxoSmithKline	Health Care	13,401	3.7
British American Tobacco	Consumer Goods	12,321	3.4
Barclays	Financials	11,757	3.2
Prudential	Financials	10,934	3.0
BT	Telecommunications	10,745	3.0
Rio Tinto	Basic Materials	10,145	2.8
AstraZeneca	Health Care	9,515	2.6
Imperial Tobacco	Consumer Goods	9,032	2.5
Lloyds Banking Group	Financials	9,019	2.5
JPMorgan Smaller Companies Investment Trust	Financials	8,665	2.4
Legal & General	Financials	8,519	2.3
ITV	Consumer Services	7,148	2.0
Dixons Retail	Consumer Services	6,837	1.9
BHP Billiton	Basic Materials	6,499	1.8
Diageo	Consumer Goods	5,684	1.6
easyJet	Consumer Services	5,660	1.6
Bodycote International	Industrials	5,283	1.5
ARM Holdings	Technology	4,860	1.3
GlencoreXstrata	Basic Materials	4,706	1.3
JPMorgan UK Smaller Companies Fund	Financials	4,609	1.3
United Utilities	Utilities	4,570	1.3
Aberdeen Asset Management	Financials	4,318	1.2
Next	Consumer Services	4,282	1.2
Lancashire	Financials	4,035	1.1
Ashtead	Industrials	3,970	1.1
BAE Systems	Industrials	3,927	1.1
Restaurant Group	Consumer Services	3,882	1.1
Barratt Developments	Consumer Goods	3,776	1.0
Thomas Cook	Consumer Services	3,728	1.0
WPP	Consumer Services	3,703	1.0
Beazley	Financials	3,677	1.0
Taylor Wimpey	Consumer Goods	3,592	1.0
Rexam	Industrials	3,586	1.0
Compass	Consumer Services	3,500	1.0
Jupiter Fund Management	Financials	3,237	0.9

Company	Sector	Valuation £'000	% ¹
Smith (DS)	Industrials	3,111	0.9
Direct Line Insurance	Financials	3,062	0.8
GKN	Consumer Goods	2,843	0.8
Bellway	Consumer Goods	2,782	0.8
TUI Travel	Consumer Services	2,710	0.7
Interserve	Industrials	2,701	0.7
Berkeley	Consumer Goods	2,677	0.7
William Hill	Consumer Services	2,674	0.7
Micro Focus International	Technology	2,484	0.7
Sports Direct International	Consumer Services	2,372	0.7
Moneysupermarket.com	Consumer Services	2,347	0.6
Provident Financial	Financials	2,312	0.6
Severn Trent	Utilities	2,176	0.6
Drax	Utilities	2,170	0.6
St James's Place	Financials	2,156	0.6
WH Smith	Consumer Services	2,087	0.6
Capital & Counties Properties	Financials	2,023	0.6
Elementis	Basic Materials	1,914	0.5
Partnership Assurance Group	Financials	1,480	0.4
Tate & Lyle	Consumer Goods	1,451	0.4
Mondi	Basic Materials	1,409	0.4
John Menzies	Industrials	1,384	0.4
JPMorgan Sterling Liquidity Fund	Liquidity Funds	681	0.2
Total		363,473	100.0

¹Based on total assets less current liabilities of £363.5m. The £30.0m drawn down on the Company's loan facility at 30th June 2013 has been treated as a long term liability for purpose of this analysis.

Income Statement

for the six months ended 30th June 2013

	(Unaudited) Six months ended 30th June 2013			(Unaudited) Six months ended 30th June 2012			(Audited) Year ended 31st December 2012		
	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	–	35,185	35,185	–	2,905	2,905	–	25,990	25,990
Net foreign currency gains	–	–	–	–	3	3	–	3	3
Income from investments	8,311	–	8,311	6,178	–	6,178	11,733	–	11,733
Other interest receivable and similar income	12	–	12	24	–	24	50	–	50
Gross return	8,323	35,185	43,508	6,202	2,908	9,110	11,783	25,993	37,776
Management fee	(251)	(466)	(717)	(210)	(390)	(600)	(422)	(785)	(1,207)
Other administrative expenses	(335)	–	(335)	(348)	–	(348)	(700)	–	(700)
Net return on ordinary activities before finance costs and taxation	7,737	34,719	42,456	5,644	2,518	8,162	10,661	25,208	35,869
Finance costs	(449)	(835)	(1,284)	(424)	(788)	(1,212)	(832)	(1,546)	(2,378)
Net return on ordinary activities before taxation	7,288	33,884	41,172	5,220	1,730	6,950	9,829	23,662	33,491
Taxation	1	–	1	(16)	–	(16)	(8)	–	(8)
Net return on ordinary activities after taxation	7,289	33,884	41,173	5,204	1,730	6,934	9,821	23,662	33,483
Return per share (note 4)	13.32p	61.92p	75.24p	9.51p	3.16p	12.67p	17.95p	43.24p	61.19p

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 30th June 2013 (Unaudited)	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31st December 2012	14,192	149,641	6,680	88,493	12,865	271,871
Net return on ordinary activities	–	–	–	33,884	7,289	41,173
Dividends paid in the period	–	–	–	–	(7,028)	(7,028)
At 30th June 2013	14,192	149,641	6,680	122,377	13,126	306,016

Six months ended 30th June 2012 (Unaudited)	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31st December 2011	14,192	149,641	6,680	64,874	13,031	248,418
Repurchase of shares into Treasury	–	–	–	(43)	–	(43)
Net return on ordinary activities	–	–	–	1,730	5,204	6,934
Dividends paid in the period	–	–	–	–	(6,156)	(6,156)
At 30th June 2012	14,192	149,641	6,680	66,561	12,079	249,153

Year ended 31st December 2012 (Audited)	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31st December 2011	14,192	149,641	6,680	64,874	13,031	248,418
Repurchase of shares into Treasury	–	–	–	(43)	–	(43)
Net return on ordinary activities	–	–	–	23,662	9,821	33,483
Dividends paid in the year	–	–	–	–	(9,987)	(9,987)
At 31st December 2012	14,192	149,641	6,680	88,493	12,865	271,871

Balance Sheet

at 30th June 2013

	(Unaudited) 30th June 2013 £'000	(Unaudited) 30th June 2012 £'000	(Audited) 31st December 2012 £'000
Fixed assets			
Investments held at fair value through profit or loss	362,792	267,189	312,336
Investments in liquidity funds held at fair value through profit or loss	681	24,571	3,921
Total investments	363,473	291,760	316,257
Current assets			
Debtors	2,133	1,267	1,009
Cash and short term deposits	1,154	1,521	99
	3,287	2,788	1,108
Creditors:			
Amounts falling due within one year ¹	(30,749)	(15,624)	(15,710)
Unrealised financial liability: derivative financial instruments (note 7)	(197)	—	—
Net current liabilities	(27,659)	(12,836)	(14,602)
Total assets less current liabilities	335,814	278,924	301,655
Creditors:			
Amounts falling due after more than one year	(29,798)	(29,771)	(29,784)
Net assets	306,016	249,153	271,871
Capital and reserves			
Called up share capital	14,192	14,192	14,192
Share premium	149,641	149,641	149,641
Capital redemption reserve	6,680	6,680	6,680
Capital reserves	122,377	66,561	88,493
Revenue reserve	13,126	12,079	12,865
Shareholders' funds	306,016	249,153	271,871
Net asset value per share (note 5)	559.2p	455.3p	496.8p

¹At 30th June 2013, the Company had drawn down £30m on its loan facility with ING Bank.

Cash Flow Statement

for the six months ended 30th June 2013

	(Unaudited) Six months ended 30th June 2013 £'000	(Unaudited) Six months ended 30th June 2012 £'000	(Audited) Year ended 31st December 2012 £'000
Net cash inflow from operating activities (note 6)	6,408	5,339	10,259
Net cash outflow from returns on investments and servicing of finance	(1,208)	(1,149)	(2,343)
Tax recovered	13	2	2
Net cash outflow from capital expenditure and financial investment	(12,130)	(11,680)	(12,997)
Dividends paid	(7,028)	(6,156)	(9,987)
Net cash inflow from financing	15,000	14,903	14,903
Increase/(decrease) in cash for the period	1,055	1,259	(163)
Reconciliation of net cash flow to movement in net debt			
Net cash movement	1,055	1,259	(163)
Net loans drawn down in the period	(15,000)	(15,000)	(15,000)
Exchange movements	—	—	3
Other movements	(14)	(11)	(27)
Movement in net debt in the period	(13,959)	(13,752)	(15,187)
Net debt at the beginning of the period	(44,685)	(29,498)	(29,498)
Net debt at the end of the period	(58,644)	(43,250)	(44,685)
Represented by:			
Cash and short term deposits	1,154	1,521	99
Bank loans falling due within one year	(30,000)	(15,000)	(15,000)
Debenture falling due after more than five years	(29,798)	(29,771)	(29,784)
Net debt at the end of the period	(58,644)	(43,250)	(44,685)

Notes to the Accounts

for the six months ended 30th June 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 31st December 2012 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 ('UK GAAP') 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 half year accounts are consistent with those applied in the accounts for the year ended 31st December 2012.

3. Dividends

	(Unaudited) Six months ended 30th June 2013 £'000	(Unaudited) Six months ended 30th June 2012 £'000	(Audited) Year ended 31st December 2012 £'000
Unclaimed dividends refunded to the Company	(4)	—	—
2012 fourth quarterly dividend of 8.35p (2011: 7.75p) paid in March	4,569	4,242	4,242
First quarterly dividend of 4.5p (2012: 3.5p) paid in June	2,463	1,915	1,915
Second quarterly dividend of 3.5p paid in September	n/a	n/a	1,915
Third quarterly dividend of 3.5p paid in December	n/a	n/a	1,915
Total dividends paid in the period	7,028	6,157	9,987

A second quarterly dividend of 4.5p (2012: 3.5p) per share, amounting to £2,463,000 (2012: £1,915,000), has been declared payable in respect of the year ending 31st December 2013. It will be paid on 2nd September 2013 to shareholders on the register at the close of business on 9th August 2013.

4. Return per share

	(Unaudited) Six months ended 30th June 2013 £'000	(Unaudited) Six months ended 30th June 2012 £'000	(Audited) Year ended 31st December 2012 £'000
Return per share is based on the following:			
Revenue return	7,289	5,204	9,821
Capital return	33,884	1,730	23,662
Total return	41,173	6,934	33,483
Weighted average number of shares in issue	54,723,979	54,724,144	54,724,061
Revenue return per share	13.32p	9.51p	17.95p
Capital return per share	61.92p	3.16p	43.24p
Total return per share	75.24p	12.67p	61.19p

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 30th June 2013 of 54,723,979 (30th June 2012: 54,723,979 and 31st December 2012: 54,723,979), 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 30th June 2013 £'000	(Unaudited) Six months ended 30th June 2012 £'000	(Audited) Year ended 31st December 2012 £'000
Total return on ordinary activities before finance costs and taxation	42,456	8,162	35,869
Less capital return before finance costs and taxation	(34,719)	(2,518)	(25,208)
(Increase)/decrease in net debtors and accrued income	(857)	141	476
Overseas withholding tax and UK income tax	—	(4)	(4)
Scrip dividends received as income	(6)	(52)	(89)
Management fee charged to capital	(466)	(390)	(785)
Net cash inflow from operating activities	6,408	5,339	10,259

7. Derivative financial instruments

	(Unaudited) Six months ended 30th June 2013 £'000	(Unaudited) Six months ended 30th June 2012 £'000	(Audited) Year ended 31st December 2012 £'000
Futures contract	(197)	—	—
This represents FTSE 100 index futures at a contract cost of £15,823,000 and a market value of £16,020,000 giving an unrealised liability of £197,000			

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 fall into the following broad categories: investment and strategy; market; accounting, legal and regulatory; corporate governance and shareholder relations; operational and financial. Information on each of these areas is given in the Business Review within the Annual Report and Accounts for the year ended 31st December 2012.

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.

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 year financial report has been prepared in accordance with the Accounting Standards Board's Statement 'Half Year Financial Reports'; 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.

For and on behalf of the Board.

Sir Michael Bunbury
Chairman

2nd August 2013

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, in 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, without transaction costs, 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 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 follow or '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.

Share Price Discount/Premium to Net Asset Value ('NAV') per Share

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. The opposite of a discount is a premium. It is more common for the shares of an investment trust to trade at a discount than at a premium.

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 December
Final results announced	March
Half year end	30th June
Half year results announced	August
Interim Management Statements announced	April and October
Quarterly interim dividends on ordinary shares paid	First business day of June, September, December, March
7% Debenture Stock 2020 interest paid	30th September, 30th March
Annual General Meeting	April

History

The Company was launched as Claverhouse Investment Trust Limited in 1963 with assets of £5 million and managed by Robert Fleming & Co. The Company took its name from Viscount Claverhouse ('Bonnie Dundee') who was killed at the Battle of Killiecrankie in 1689 whilst leading a rebellion against William and Mary. The name was chosen to commemorate the Company's link with Dundee, where Flemings originated in 1873. The Company changed its name to The Fleming Claverhouse Investment Trust plc in 1983, to JPMorgan Fleming Claverhouse Investment Trust plc in 2003 and adopted its present name in 2007.

Directors

Sir Michael Bunbury Bt., KCVO, DL (Chairman)
Virginia Holmes
Humphrey van der Klugt
John Scott
Andrew Sutch

Company Numbers

Company registration number: 754577
London Stock Exchange Sedol number: 0342218
ISIN: GB0003422184
Bloomberg code: JCH LN
Reuters code: JCH. L

Market Information

The Company's net asset value ('NAV') is published daily, via the London Stock Exchange. The Company's ordinary shares are listed on the London Stock Exchange and are quoted daily in the Financial Times, The Times, The Daily Telegraph, The Independent and on the JPMorgan Internet site at www.jpmlclaverhouse.co.uk, where the ordinary share price is updated every fifteen minutes during trading hours.

Website

www.jpmlclaverhouse.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

Taxation

For capital gains tax purposes, the base cost of the Company's shares at 31st March 1982 was 32.125p. This figure has been adjusted for the subdivision of each 50 pence share into two 25 pence shares on 4th March 1986 and the capitalisation issue on 25th March 1993 whereby shareholders were issued with one extra share for each share they held.

Manager and Company Secretary

JPMorgan 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 Jonathan Latter.

Custodian

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

Registrars

Equiniti
Reference 1079
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone number: 0871 384 2318
Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrars quoting reference 1079. Registered shareholders can obtain further details on individual holdings on the internet by visiting www.shareview.co.uk

Auditor

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

Brokers

JPMorgan Cazenove
25 Bank Street
Canary Wharf
London E14 5JP

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.jpmlclaverhouse.co.uk