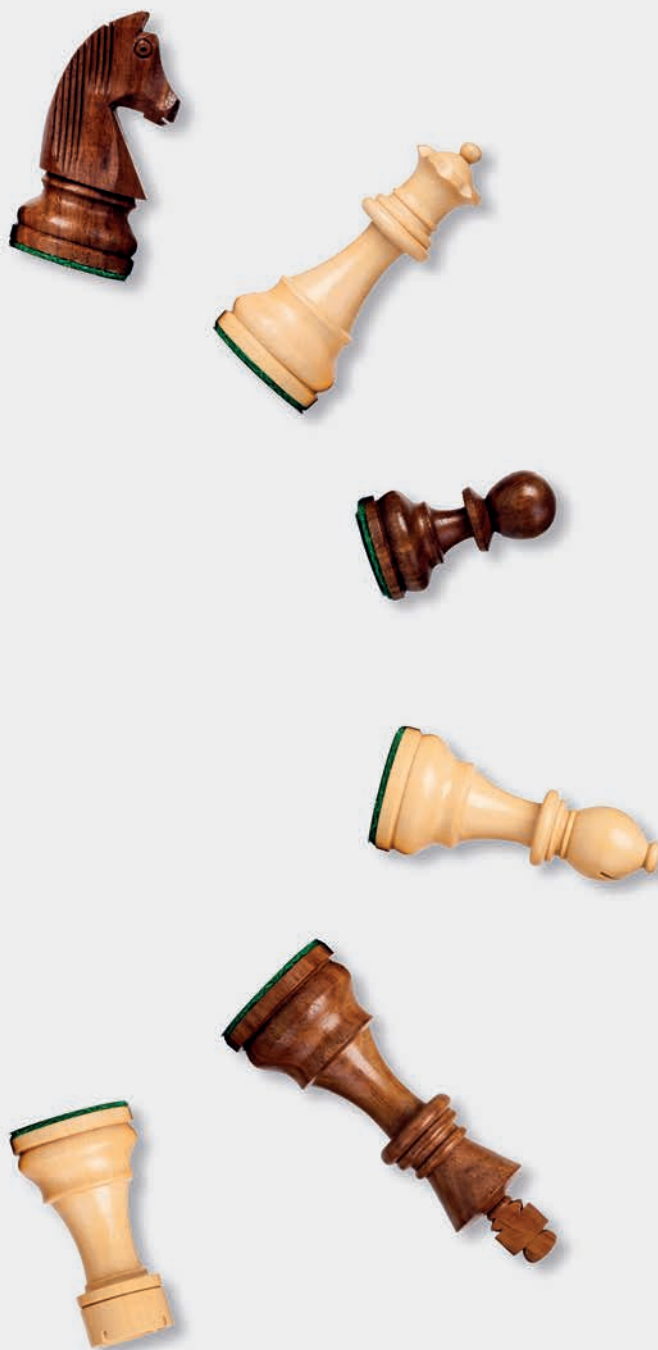


# JPMorgan Elect plc

Half Year Report and Financial Statements for the six months ended 28th February 2021

- Managed Growth shares
- Managed Income shares
- Managed Cash shares



## KEY FEATURES

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### Your Company

JPMorgan Elect plc (the 'Company') has three share classes, each with distinct investment policies, objectives and underlying investment portfolios. Each share class is listed separately and traded on the London Stock Exchange. The Company's capital structure means that shareholders may benefit from greater investment flexibility in a tax-efficient manner.

#### Objectives

##### Managed Growth

- Long term capital growth from investing in a range of investment trusts and open-ended funds managed principally by JPMorgan Asset Management.

##### Managed Income

- A growing income return with potential for long-term capital growth by investing primarily in UK equities.

##### Managed Cash

- To achieve a return in excess of sterling money markets by investing primarily in GBP denominated short-term debt securities. Based on its return characteristics and the costs incurred in transacting in its shares, an investment in Managed Cash should only be considered by existing holders of Managed Growth and/or Managed Income shares who wish to switch into Managed Cash on the designated quarterly conversion dates. Further details are given on page 43.

#### Gearing

The Managed Income share class has the ability to use short-term gearing to increase potential returns to shareholders. Its policy is to operate within a gearing range of 85% to 112.5% invested.

#### Investment Policies, Restrictions and Guidelines

More information on investment policies, risk management, restrictions and guidelines is given in the Business Review on pages 32 and 33 of the 2020 Annual Report and Financial Statements.

#### Benchmarks

##### Managed Growth

- A composite comprising 50% FTSE All-Share Index and 50% FTSE World Index (ex-UK) (all total return).

##### Managed Income

- FTSE All-Share Index (total return).

##### Managed Cash

- There is no benchmark for this portfolio, other than to maintain the net asset value as close to 100p per share as possible.

#### Capital Structure

At 28th February 2021, the following shares were in issue.

##### Managed Growth:

28,450,033 (31st August 2020: 29,653,205) Ordinary shares, excluding 9,702,785 (31st August 2020: 8,636,237) Treasury shares.

##### Managed Income:

76,940,312 (31st August 2020: 80,253,693) Ordinary shares, excluding 19,870,846 (31st August 2020: 17,243,111) Treasury shares.

##### Managed Cash:

7,534,909 (31st August 2020: 5,946,758) Ordinary shares. There were no shares held in Treasury (31st August 2020: Nil).

#### Conversions and Repurchase of Managed Cash Shares

Shareholders in any of the three share classes are able to convert some or all of their shares to the other classes on a quarterly basis without such conversion being treated, under current law, as a disposal for UK capital gains tax purposes. It is also possible for holders of Managed Cash shares to elect to have all or part of their holding of those shares repurchased by the Company for cash at a price close to net asset value at each conversion date. Further details are given on page 43.

#### Financial Conduct Authority ('FCA') Regulation of 'non-mainstream pooled investments' and MiFID II 'complex instruments'

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

The Company's ordinary shares are not considered to be 'complex instruments' under the FCA's revised appropriateness criteria adopted in the implementation of MiFID II.

#### 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 portfolios to JPMorgan Asset Management (UK) Limited ('JPMAM').

#### Association of Investment Companies ('AIC')

The Company is a member of the AIC.

#### Find out more

More information about the Company can be found online at [www.jpmelect.co.uk](http://www.jpmelect.co.uk).

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## Chairman's Statement

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**Steve Bates**  
Chairman

Dear Shareholders,

I hope that you are all keeping safe and healthy during these uncertain times. I am very pleased to present my first statement to you since becoming Chairman of your Company earlier this year. I am happy to report on the positive results for the half year ended 28th February 2021.

Markets have been dominated by the response to the pandemic through both fiscal stimulus and very loose monetary conditions. In general, these policies have been very positive for risk assets like equities. More recently, as the end of the crisis has become more visible, the expectation of a surge in economic activity has unsettled bond markets and been to the benefit of more cyclical markets and sectors, where earnings momentum is likely to be strong. The portfolio positioning reflects these shifting sands, while recognising that government policies still provide a tailwind.

### Managed Growth

The objective of the Managed Growth share class is long term capital growth. In the six month period, the portfolio outperformed its benchmark and delivered a total return on net assets of 15.5%, compared with the portfolio's benchmark which returned 9.9%. The share price total return was 20.4%. The long-term performance of the Managed Growth share class continues to be strong, with annualised outperformance against the benchmark index over 10 years of 1.8%. An analysis of performance is set out in the Investment Managers' Report on page 14.

For the half year ended 28th February 2021, the Board has declared and paid two interim dividends totalling 8.55p per Managed Growth share compared to 8.95p for the half year ended 29th February 2020. Although this share class is a growth vehicle, any income generated during the period is generally distributed in that period and investment decisions are not made with the objective of maintaining or growing income.

### Managed Income

The objective of the Managed Income share class is a growing income return with potential for long term capital growth. Over the six months to 28th February 2021, the Managed Income portfolio delivered a total return on net assets of 13.2%, ahead of the portfolio's benchmark which returned 12.0%. The share price total return was 16.3%. An analysis of performance is set out in the Investment Managers' Report on page 20.

As expected, for the half year ended 28th February 2021 the Board declared and paid two quarterly dividends totalling 2.2p per Managed Income share, as it did in the half year ended 29th February 2020. The Board declared a third interim dividend of 1.10p per share on 6th May 2021, consistent with the previous two quarters. The level of the fourth interim dividend will be determined by the Board towards the end of the Company's financial year and will depend on the level of dividends received and anticipated by the Company, and the level of reserves at this time.

### Managed Cash

The objective and policy of the Managed Cash share class is to achieve a return in excess of sterling money markets by investing primarily in GBP denominated short-term debt securities through investment in JPMorgan Funds – Sterling Managed Reserves Fund (JSMRF). The Managed Cash portfolio delivered a total return of 0.1% over the period under review. The share price was unchanged. The Board considers this class to be an asset allocation tool which continues to benefit shareholders of the Company's other share classes, offering the opportunity to switch into a lower risk share class in times of market volatility.

During the period under review, the Board declared an interim dividend of 0.40 pence per Managed Cash share. No further dividends are expected to be paid on this share class for the financial year ending 31st August 2021. As previously announced, in future years, it is expected that any dividend for this Share Class will be declared in the first quarter of the Company's financial year, which begins on 1st September.

### Gearing

The Board's policy is to not utilise borrowings to increase the funds available for investment for the Managed Growth share class. The Board monitors closely the level of indirect gearing through the underlying investments. The Managed Income share class has the ability to use short term borrowings to increase potential returns to shareholders. Its policy is to operate within a range of 85% to 112.5% invested. The Company has available a £20 million multicurrency revolving credit facility with Scotiabank. Discussions are well advanced to renew this facility which expires in June 2021. At the half year end £7 million was drawn and the Managed Income portfolio was 5.7% geared.

### Board

As previously announced, Davina Walter and I joined the Board as Non-Executive Directors with effect from 15th October 2020. I was appointed Chairman of the Board following the retirement of Alan Hodson. Alan served as a Director of your Company for nine years, which included three years as Chairman of the Board. The Directors are extremely grateful for Alan's contributions during his time on the Board and wish him well in his future endeavours.

### Outlook

Markets have adapted quickly to minimal interest rates and fiscal policies which would have seemed reckless before the crisis, and these factors are behind the rise in valuations which have characterised the last year. Looking ahead, it is likely that fiscal policies will remain generous as the extent of damage done to the global economy by the pandemic is still uncertain. We expect corporate earnings will recover in the second half of the year, but given the likelihood of growing concerns around inflation and the risk that fiscal packages are too aggressive, volatility may well return even as the broad picture remains positive.

**Steve Bates**

*Chairman*

13th May 2021

The six months from September 2020 to February 2021 saw markets continue their recovery from the initial Covid-19 shock. The period's two most significant events were condensed into less than a week in November, with the announcement of the first effective vaccine following just a few days after Joe Biden's victory in the US election. As prospects for the economic recovery rose, global stocks delivered an 8.5% total return over the six months to 28th February 2021, in sterling terms.

However, a rise in more contagious Covid-19 variants led to new waves of infections across Europe, with lockdowns weighing on economic activity. Equity markets were broadly willing to look through weak economic data, instead focusing on the rollout of vaccines and the potential rebound in growth ahead. The UK ended the period with 30% of its population having received at least one dose of the vaccine. Progress in the EU in particular was much slower amid various issues relating to supply, logistical challenges and concerns around vaccine safety. The Brexit transition period ended on 31st December 2020 with a patchwork trade deal agreed at the midnight hour.

In the US, investor expectations for the strength of the recovery were boosted by new stimulus packages. Bipartisan agreement was reached on a \$900 billion package in late December, and the new administration wasted no time on a further \$1.9 trillion package. This bill contained a third round of stimulus cheques and was subsequently signed into effect in March 2021. Stimulus worth 5% of GDP is now set to boost the US economy in just seven months this year.

Bond yields rose in response to the improving economic outlook, creating a challenging period for fixed income assets. Global government bonds fell 4.6%, and rising yields spilled over into corporate bond markets. Global investment grade credit fell 3.3%, while global high yield bonds were less exposed to the rise in yields, returning 1.1% over the period (all figures in sterling terms for Bloomberg Barclays benchmarks.)

Equities delivered positive gains overall, although at a sectoral level the story was more nuanced. Technology-heavy growth stocks consolidated their winning streak at the start of the period, before the announcement of a vaccine in early November sparked a sharp rotation. Investors looked to profit from the reversal of fortunes for the sectors most impacted by the pandemic, and rising bond yields boosted financials and value stocks more broadly.

This sector rotation has also driven regional performance. High weights to sectors most exposed to the pandemic – and therefore with most to gain from the vaccine – helped the UK market deliver a 10% return over the period. Europe ex-UK also gained by close to 8%. The tech-heavy US market underperformed, returning 6% in comparison. Emerging markets were the top performer returning over 17%, helped in part by China maintaining its much tighter grip on the virus than most other regions. (All figures for MSCI indexes in total return, sterling terms.) There was also better news for income-oriented investors following the sharp cuts to dividends during the height of the pandemic last year. In December, regulators in the UK and the euro area announced that banks would be allowed to resume dividends in 2021, albeit at restricted levels. This was particularly notable given the financial sector's historical position as a key source of dividend payouts in the UK market.

While returns from stocks were generally positive, market volatility remained elevated for much of the period. Consensus estimates have seen sharp upgrades for growth in 2021, but fears around the potential for overheating have also started to build. These concerns are greatest in the US economy, in part due to the huge amount of government spending that is impacting the economy. That said, even if economic activity does surge, we expect central banks around the world to keep interest rates at low levels for an extended period to help keep the recovery on track and to ensure that the cost of government debt remains manageable.

**JPMorgan Asset Management**

13th May 2021

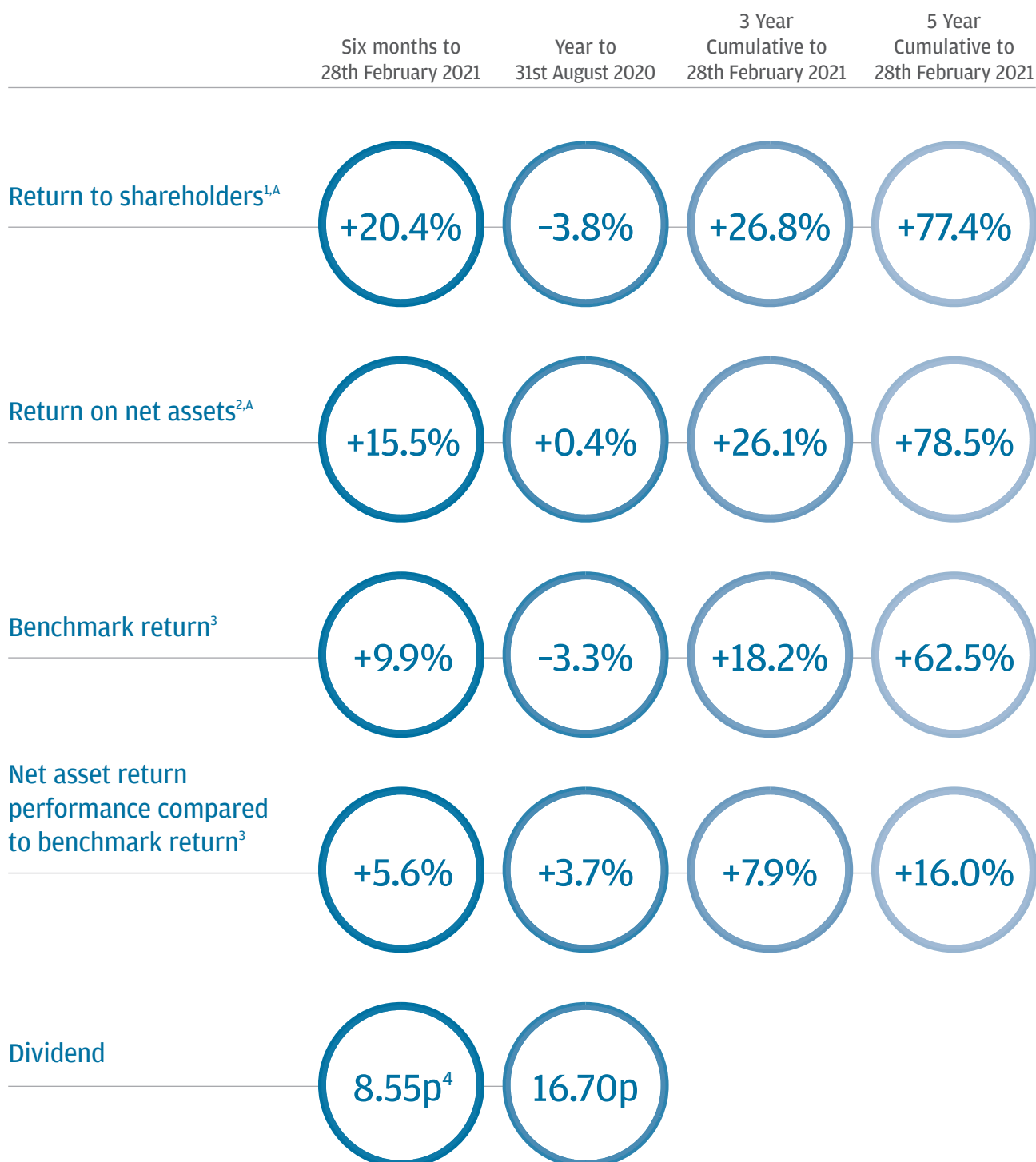
## Half Year Performance

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## MANAGED GROWTH SHARE CLASS

## TOTAL RETURNS (INCLUDING DIVIDENDS REINVESTED)

<sup>1</sup> Source: Morningstar.<sup>2</sup> Source: J.P. Morgan/Morningstar, using cum income net asset value per share.<sup>3</sup> Source: J.P. Morgan/Bloomberg. The benchmark is a composite comprising 50% FTSE All-Share Index and 50% FTSE World Index (ex-UK) (all total return).<sup>4</sup> Represents two quarterly dividends. Dividends are usually paid quarterly in March, June, September and December.<sup>A</sup> Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on page 44.

## FINANCIAL DATA

	28th February 2021	31st August 2020
Shareholders' funds (£'000)	277,542	252,610
Net asset value per share <sup>A</sup>	975.5p	851.9p
Share price	942.5p	790.0p
Share price discount to net asset value per share <sup>A</sup>	3.4%	7.3%
Net cash <sup>A</sup>	3.3%	3.1%
Ongoing Charges <sup>A</sup>	0.57%	0.54%

<sup>A</sup> Alternative Performance Measures ('APM').

A glossary of terms and APMs is provided on page 44.

MANAGED INCOME SHARE CLASS

TOTAL RETURNS (INCLUDING DIVIDENDS REINVESTED)

	Six months to 28th February 2021	Year to 31st August 2020	3 Year Cumulative to 28th February 2021	5 Year Cumulative to 28th February 2021
Return to shareholders <sup>1,A</sup>	+16.3%	-14.2%	-2.6%	+18.4%
Return on net assets <sup>2,A</sup>	+13.2%	-12.1%	-2.0%	+18.7%
Benchmark return <sup>3</sup>	+12.0%	-12.7%	+3.6%	+29.4%
Net asset return performance compared to benchmark return <sup>3</sup>	+1.2%	+0.6%	-5.6%	-10.7%
Dividend	2.20p <sup>4</sup>	4.70p		

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

<sup>2</sup> Source: J.P. Morgan/Morningstar, using cum income net asset value per share.

<sup>3</sup> Source: J.P. Morgan/Bloomberg. The Company's benchmark is the FTSE All-Share Index (total return). Prior to the 1st March 2018, the benchmark was a composite comprising 85% FTSE All-Share Index and 15% Barclays Global Aggregate Corporate Bond Index (hedged in sterling) (all total returns).

<sup>4</sup> Represents two quarterly dividends. Dividends are usually paid quarterly in March, June, September and December.

<sup>A</sup> Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on page 44.

## FINANCIAL DATA

	28th February 2021	31st August 2020
Shareholders' funds (£'000)	74,140	70,324
Net asset value per share <sup>A</sup>	96.4p	87.6p
Share price	93.0p	82.0p
Share price discount to net asset value per share <sup>A</sup>	3.5%	6.4%
Net yield per share <sup>1</sup>	5.1%	5.7%
Gearing <sup>A</sup>	5.7%	5.9%
Ongoing Charges <sup>A</sup>	0.80%	0.80%

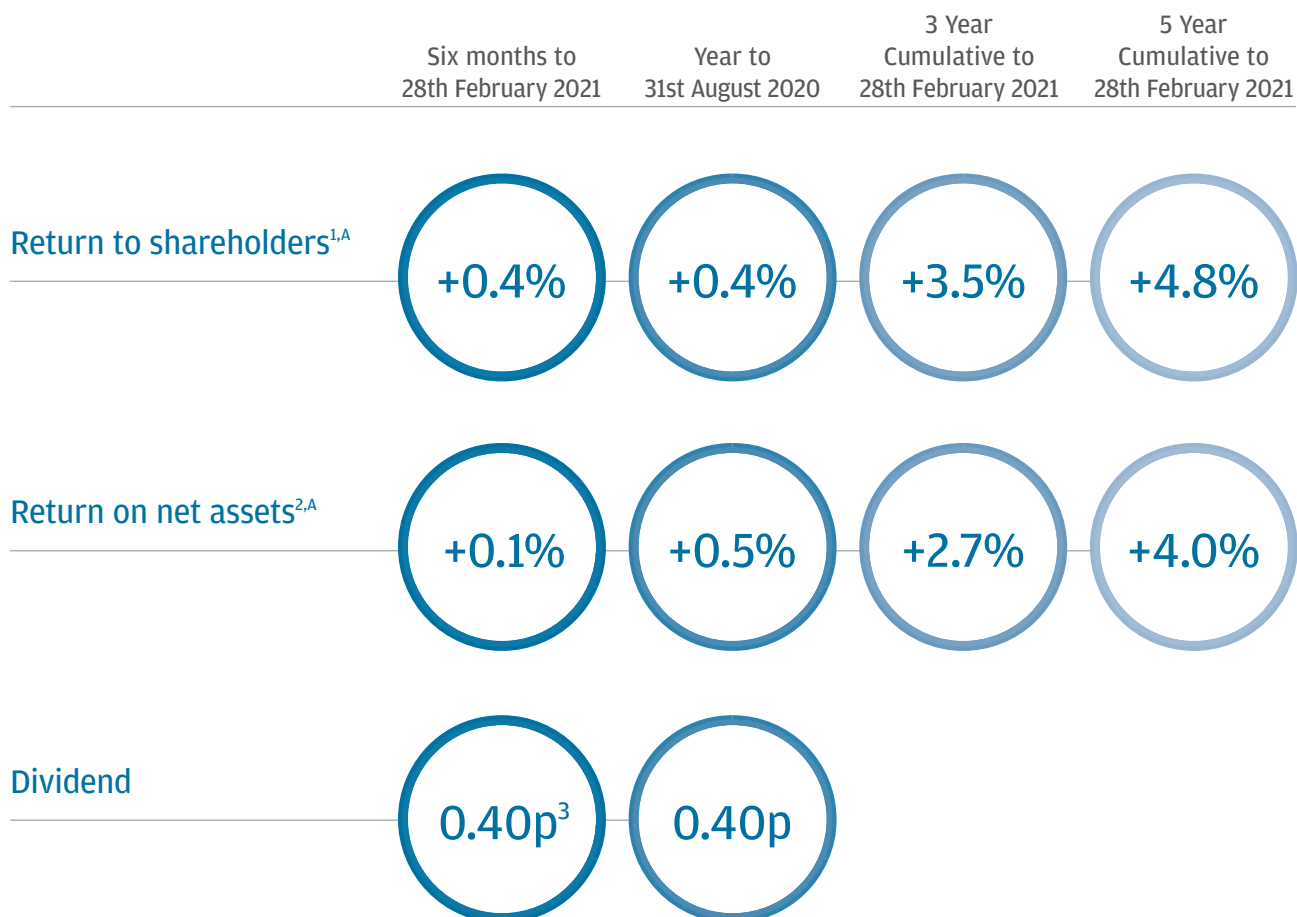
<sup>1</sup> The net yield is based on prior year total dividends per share, expressed as a percentage of the closing share price.

<sup>A</sup> Alternative Performance Measures ('APM').

A glossary of terms and APMs is provided on page 44.

## MANAGED CASH SHARE CLASS

## TOTAL RETURNS (INCLUDING DIVIDENDS REINVESTED)

<sup>1</sup> Source: Morningstar.<sup>2</sup> Source: J.P. Morgan/Morningstar, using cum income net asset value per share.<sup>3</sup> Represents one dividend of 0.40p paid in March.<sup>A</sup> Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on page 44.

### FINANCIAL DATA

	28th February 2021	31st August 2020
Shareholders' funds (£'000)	7,799	6,172
Net asset value per share <sup>^</sup>	103.5p	103.8p
Share price	102.5p	102.5p
Share price discount to net asset value per share <sup>^</sup>	1.0%	1.3%
Ongoing Charges <sup>^</sup>	0.00%	0.01%

<sup>^</sup> Alternative Performance Measures ('APM').

A glossary of terms and APMs is provided on page 44.

## Investment Review

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Katy Thorneycroft

### Performance Review

The Managed Growth portfolio outperformed its benchmark over the period, returning +15.5% versus the benchmark total return of +9.9%. The total return to shareholders was +20.4%.

	6 Months to 28th February 2021	12 Months to 31st August 2020	3 Years to 28th February 2021 p.a.	5 Years to 28th February 2021 p.a.
<b>Managed Growth</b>				
Total return on net assets (%)	15.5	0.4	8.0	12.3
Total return to shareholders (%)	20.4	-3.8	8.2	12.2
Benchmark total return (%)	9.9	-3.3	5.7	10.2
FTSE All-Share Index (%)	12.0	-12.7	1.2	5.3
FTSE World ex UK (%)	8.1	7.4	10.9	15.2



Simin Li

Over the six month period the portfolio outperformed its benchmark in what was a period of above average volatility and pro-risk sentiment markets. Six out of the ten largest holdings outperformed their respective benchmarks, which was a driver of the Managed Growth Portfolio's outperformance. In addition, all of our US strategies outperformed their corresponding benchmark and contributed to the positive relative return. Within the portfolio, the UK was the best performing region, followed by the US. Returns across all regions were positive over the review period.



Peter Malone

We reduced our exposure to the US as we trimmed our Baillie Gifford US Growth Trust position to take profit given the exceptional performance of the trust leading up to October. We further reduced our US position selling some of our holdings in the JPMorgan US Select Equity and the JPMorgan US Equity All Cap Funds in November and February, given the strong performance. We increased our UK exposure over the review period but remain underweight versus the benchmark, adding to the Temple Bar and Lowland trusts, as we looked to increase the value tilt in the portfolio and take advantage of attractive valuations in the region. We reduced our Finsbury Growth and Income Trust position given the growth tilt of the strategy and invested some of the proceeds in the Fidelity Special Values Trust for its value focus. In February, we added a new position to the portfolio, the Aberforth Smaller Companies Trust, to increase our UK small cap exposure, as we looked to participate in the cyclical recovery of the economy. For the same reasons we added to our Mercantile Investment Trust allocation in February.

Discounts have been volatile and ended the review period on average narrower than at the Company's year end. Some of the biggest moves were in the JPMorgan Smaller Companies Trust which saw a discount tightening of 10.5% over the review period, in line with its strong absolute performance. In contrast, the Polar Capital Technology Trust discount widened gradually over the review period, reflecting the rotation from growth to value sectors.

We estimate that discount narrowing contributed approximately 1.1% of the portfolio return.



6 Months to  
28th February 2021

Top 5 by absolute performance (%)

JPMorgan Smaller Companies Investment Trust	41.3
JPMorgan US Smaller Companies Investment Trust	40.7
BlackRock Smaller Companies Trust	39.2
Temple Bar Investment Trust	39.1
Fidelity Special Values	35.4

6 Months to  
28th February 2021

Bottom 5 by absolute performance (%)

Polar Capital Technology Trust	0.0
Fidelity European Trust	1.1
Aberforth Smaller Companies Trust	1.1
Finsbury Growth & Income Trust	2.0
European Opportunities Trust	2.7

### Outlook

We continue to believe that global growth will be above trend, driven by commitments from central banks to easy policy and tolerance of steeper yield curves. The economy is transitioning quickly through the early phase of the market cycle, especially in the U.S. and China, with large parts of the economy now suggesting they are in the middle of the cycle. Fiscal support now looks less uniform, however we expect monetary policy to still remain highly accommodative. We continue to believe inflation will be volatile and expect there to be a spike in the second quarter, but for overall levels to remain moderate. We continue to monitor downside risks, including policy changes beyond the headlines and the nature of monetary policy withdrawal.

**Katy Thorneycroft**

**Simin Li**

**Peter Malone**

*Investment Managers*

13th May 2021

## LIST OF INVESTMENTS - MANAGED GROWTH

### LIST OF INVESTMENTS

AT 28TH FEBRUARY 2021

Company	Valuation £'000	Company	Valuation £'000	Company	Valuation £'000
<b>EXTERNALLY MANAGED INVESTMENT TRUSTS</b>		<b>JPMORGAN MANAGED OPEN ENDED INVESTMENT COMPANIES</b>		<b>FUTURES<sup>2</sup></b>	
Finsbury Growth & Income	17,425	JPM UK Equity Plus ('C' shares) <sup>1</sup>	21,231	FTSE 100 Index 19/03/2021	(59)
Murray Income	10,582	JPMorgan UK Dynamic ('C' shares) <sup>1</sup>	17,676		<b>(59)</b>
Fidelity Special Values	7,883	JPMorgan US Equity All Capital ( 'C' shares) <sup>1</sup>	14,166	<b>TOTAL INVESTMENTS AND DERIVATIVES</b>	
Baillie Gifford UK Growth	7,562	JPMorgan US Select Equity ( 'C' shares) <sup>1</sup>	9,420		<b>268,276</b>
Impax Environmental Markets	6,147		<b>62,493</b>	<sup>1</sup> Unlisted and represents a holding in an Open Ended Investment Company ('OEIC') or a Société d'investissements à Capital Variable ('SICAV').	
Temple Bar	5,238	<b>TOTAL INVESTMENTS</b>	<b>268,335</b>	<sup>2</sup> Representing unrealised gains and losses on futures contracts.	
Allianz Technology	4,954				
Polar Capital Technology	4,835				
Templeton Emerging Markets	4,608				
Lowland	4,481				
Baillie Gifford US Growth	3,791				
Fidelity European	3,425				
City of London	3,146				
Worldwide Healthcare	2,678				
Genesis Emerging Markets	2,529				
BlackRock Smaller Companies	2,445				
BlackRock Frontiers	1,765				
Aberforth Smaller Companies	1,621				
European Opportunities	1,126				
	<b>96,241</b>				
<b>JPMORGAN MANAGED INVESTMENT TRUSTS</b>					
JPMorgan American	31,958				
JPMorgan Claverhouse	21,124				
Mercantile	10,331				
JPMorgan US Smaller Companies	7,757				
JPMorgan European Growth	7,748				
JPMorgan Smaller Companies	6,623				
JPMorgan European Smaller Companies	6,531				
JPMorgan Japanese	5,975				
JPMorgan Emerging Markets	5,333				
JPMorgan China Growth & Income	1,891				
JPMorgan Japan Small Cap Growth & Income	1,633				
JPMorgan Asia Growth & Income	1,613				
JPMorgan Indian	1,084				
	<b>109,601</b>				

## GEOGRAPHICAL ANALYSIS (ON A LOOK THROUGH BASIS)

	28th February 2021		31st August 2020	
	Portfolio <sup>1</sup> %	Benchmark %	Portfolio <sup>1</sup> %	Benchmark %
UK	48.8	50.0	45.4	50.0
North America	30.7	33.1	35.5	33.8
Continental Europe	9.7	7.4	9.2	7.5
Asia (excluding Japan)	6.7	3.1	5.4	3.8
Japan	2.9	4.2	2.2	4.1
Emerging Markets and others	1.2	2.2	2.3	0.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup> Based on total portfolio of £268.3m (2020: £244.6m), including open exposure to futures contracts, and reflecting the underlying geographical exposures of investment vehicles within the portfolio.

## STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) - MANAGED GROWTH

### FOR THE SIX MONTHS ENDED 28TH FEBRUARY 2021

	Six months ended 28th February 2021			Six months ended 29th February 2020			Year ended 31st August 2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss	–	36,094	36,094	–	(11,158)	(11,158)	–	(3,496)	(3,496)
Net foreign currency gains	–	7	7	–	–	–	–	48	48
Income from investments	2,728	–	2,728	3,227	–	3,227	5,674	–	5,674
Interest receivable and similar income	15	–	15	10	–	10	12	–	12
<b>Gross return/(loss)</b>	<b>2,743</b>	<b>36,101</b>	<b>38,844</b>	<b>3,237</b>	<b>(11,158)</b>	<b>(7,921)</b>	<b>5,686</b>	<b>(3,448)</b>	<b>2,238</b>
Management fee	(134)	(400)	(534)	(127)	(379)	(506)	(229)	(687)	(916)
Other administrative expenses	(231)	–	(231)	(248)	(197)	(445)	(454)	(197)	(651)
<b>Net return/(loss) before finance costs and taxation</b>	<b>2,378</b>	<b>35,701</b>	<b>38,079</b>	<b>2,862</b>	<b>(11,734)</b>	<b>(8,872)</b>	<b>5,003</b>	<b>(4,332)</b>	<b>671</b>
Finance costs	–	(1)	(1)	–	(2)	(2)	(2)	(5)	(7)
<b>Net return/(loss) before taxation</b>	<b>2,378</b>	<b>35,700</b>	<b>38,078</b>	<b>2,862</b>	<b>(11,736)</b>	<b>(8,874)</b>	<b>5,001</b>	<b>(4,337)</b>	<b>664</b>
Taxation credit	3	–	3	1	–	1	1	–	1
<b>Net return/(loss) after taxation</b>	<b>2,381</b>	<b>35,700</b>	<b>38,081</b>	<b>2,863</b>	<b>(11,736)</b>	<b>(8,873)</b>	<b>5,002</b>	<b>(4,337)</b>	<b>665</b>
<b>Return/(loss) per Managed Growth share</b>	<b>8.17p</b>	<b>122.44p</b>	<b>130.61p</b>	<b>9.38p</b>	<b>(38.46)p</b>	<b>(29.08)p</b>	<b>16.56p</b>	<b>(14.35)p</b>	<b>2.21p</b>

## STATEMENT OF FINANCIAL POSITION (UNAUDITED) - MANAGED GROWTH

AT 28TH FEBRUARY 2021

	28th February 2021 £'000	29th February 2020 £'000	31st August 2020 £'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss	268,335	243,651	244,721
<b>Current assets</b>			
Debtors	11,121	2,487	4,478
Derivative financial assets	—	1,280	71
Cash and cash equivalents	142	4,024	7,489
	11,263	7,791	12,038
<b>Current liabilities</b>			
<b>Creditors:</b> amounts falling due within one year	(1,997)	(103)	(3,916)
Derivative financial liabilities	(59)	(1,015)	(233)
<b>Net current assets</b>	<b>9,207</b>	<b>6,673</b>	<b>7,889</b>
<b>Net assets</b>	<b>277,542</b>	<b>250,324</b>	<b>252,610</b>
<b>Net asset value per Managed Growth share</b>	<b>975.5p</b>	<b>827.0p</b>	<b>851.9p</b>



John Baker



Katen Patel

### Dividend Review

During 2020 the UK stock market registered an underlying dividend decline of 38.1%; this compares to the 2.8% growth delivered in 2019. Special dividends fell by 90%. The dividends of companies comprising the FTSE 100 index fell by 35% while the dividends of mid cap companies (those in the FTSE 250) fell by 56%. The difference between the two reflects a greater proportion of companies in the FTSE 100 involved in business activities that were able to continue operating during the lock down periods. These include pharmaceuticals, food producers and food retailers.

As the pandemic progressed and countries entered lock down it became imperative for companies to preserve cash, with two thirds cancelling or cutting their dividends. Banks registered the largest percentage decline (100%) as dividends were suspended at the behest of the Prudential Regulation Authority (PRA). Travel & leisure companies cut their dividends by 80% in aggregate whilst general retailers' dividends fell 76%. Food retailers were the stand out exception, growing their dividends by 22%.

Of the total fall in UK dividends, banks and other financial services companies accounted for 40% and oil companies a further 20%. Miners accounted for 10%. Consumer facing sectors accounted for most of the balance. The impact of the fall in dividends from UK companies led to a 23% reduction in the dividends received by the Company in the year ending 31st August 2020 compared to the preceding year. The forecast for the current financial year to 31st August 2021 is for dividends to fall modestly by a further 3.5%. From there we expect dividend growth to turn positive. The forward yield of the portfolio is 4%. By contrast the forward yield of the FTSE All Share index is 3.6%.

Having slashed pay-outs in 2020, businesses such as the large oil companies have set more sustainable levels of dividends. The consensus expectation is for dividends to grow by 10% in calendar 2021. This appears reasonable as banks have been permitted to restart pay-outs and mining companies should grow dividends slightly. However given the large fall in 2020 this means that total dividends in 2021 will only be 66% of the total dividends paid in 2019.

### Performance Review

During the Company's financial half year ended 28th February 2021 the Managed Income portfolio delivered a total return of +13.2%, in comparison to the benchmark's total return of +12.0%.

	6 Months to 28th February 2021	12 Months to 31st August 2020	3 Years to 28th February 2021 p.a.	5 Years to 28th February 2021 p.a
<b>Managed Income</b>				
Total return on Net Assets (%)	13.2	-12.1	-0.7	3.5
Total return to shareholders (%)	16.3	-14.2	-0.9	3.4
Benchmark total return (%)	12.0	-12.7	1.2	5.3

The market rose in the last two months of 2020 as optimism grew that effective Covid-19 vaccines had been developed and with the conclusion of a negotiated settlement with the EU. Both of these developments are supportive of economic recovery. Therefore the sectors that had the biggest gains for the period were banks, travel & leisure and construction as their activities benefit greatly from economic growth. On the other hand sectors which had performed strongly in the first half of the Company's financial year, such as food & drug retailers, pharmaceuticals and electricity were amongst the top laggards.

The comments above are reflected in portfolio returns relative to the market. Our holdings in National Express, Hollywood Bowl and One Savings Bank were amongst the biggest contributors to the portfolio's returns. Our holdings in GlaxoSmithKline, AstraZeneca and Polymetal, the gold miner, detracted from returns.

## Portfolio Review

During the period under review we made use of the Company's borrowing facility. As at 28th February 2021, the equity exposure of the Managed Income portfolio was 105.7% with the level of gearing primarily influenced by individual stock opportunities.

We assess individual investment opportunities on whether earnings estimates are being revised up, whether the valuation is attractive and whether the balance sheet and forecast cash flows allow for dividend growth. As such, portfolio construction is determined by bottom up stock selection with a focus on potential and sustainable dividend growth.

The largest sector exposures in the portfolio are Banks, General Retail and Home Construction. The outlook for domestically focused banks has improved as the roll out of Covid vaccines proceeds at speed. We continue to find attractive opportunities in the General Retail sector. Despite lockdowns Dunelm, Halfords and Next have enjoyed resilient sales as they were quick to adjust their business models to capture the shift to on-line. Cash flows have recovered from their lows which should allow for dividends to return. Home Construction has been and remains one of our long term sector overweight positions. Once construction sites were allowed to reopen sales activity recovered quickly. Subsequent earnings delivery was strong, balance sheets remain robust and dividends which were suspended a year ago have been partially reinstated.

## Transactions

During the six month period, new positions included 888 Holdings, NatWest and Dixons Carphone. We also added to some existing positions that are set to benefit from the recovery in economic activity expected as lock down eases.

888 Holdings operates internet gaming websites. Social restrictions provided a strong tailwind for gamers confined to home and accelerated the structural shift towards online services. The company declared a special dividend in addition to the interim dividend. This is consistent with the group's practice in some previous years when it returned surplus cash to shareholders. We added Natwest to the portfolio as an anticipated recovery in consumer spending funded by credit cards should prove highly profitable for the group. It is very attractively valued and following the PRA's decision to allow the resumption of dividends the yield is forecast to be 4.6%. Dixons Carphone was bought as although it was hit hard by Covid-19 we believe it is well placed for recovery. It is not expected to pay a dividend in the current year but anticipated distributions from 2022 are attractive.

We sold our positions in Qinetiq (defence technology) and Avast (cyber security). We also reduced some of our holdings in companies that are likely to benefit less from economic recovery. These include Diageo, British American Tobacco and Reckitt Benckiser.

## Outlook

The success of the UK's vaccine rollout programmes, coupled with policies around stimulus programs, should lift business confidence and market valuations. While none of the data indicate that the economy is even close to full health right now, they do signal diminishing distress. Given the dearth of competing opportunities with persistently low interest rates, equities continue to look attractive. However, with many shares having already performed strongly, an active and discerning approach to stock investing remains paramount from here. While economic growth in the first half of 2021 will continue to be impeded by the pandemic, the latter part of the year should see significant upside in consumption as vaccines are rolled out globally and pent-up demand is unleashed. Accordingly, we see earnings for global corporations rebounding over this year to nearly their pre-pandemic levels. Amid this backdrop, UK equities look particularly promising given their strong dividend yield, attractive valuations and scope for profit margin expansion. Though every crisis is different, looking out into the next five years, we expect earnings growth to be substantial, front-loaded and not very dissimilar to the rebound from the global financial crisis. Cyclically geared markets, sectors and companies, which have been at the heart of the storm, are likely to benefit, but it is crucial to differentiate cyclical from structural headwinds and tailwinds as the recovery takes shape. While several expectations are priced in, historical experience shows that the potential for growth from a rebounding economy can often be underestimated.

**John Baker**

**Katen Patel**

*Investment Managers*

13th May 2021

## LIST OF INVESTMENTS - MANAGED INCOME

### LIST OF INVESTMENTS

AT 28TH FEBRUARY 2021

Company	Valuation £'000	Company	Valuation £'000	Company	Valuation £'000
Royal Dutch Shell	4,440	BAE Systems	1,160	Keller	494
Rio Tinto	4,065	Central Asia Metals	1,150	Reach	493
AstraZeneca	3,652	National Express	1,140	888	476
BP	2,690	Hollywood Bowl	1,040	Balfour Beatty	462
GlaxoSmithKline	2,536	Prudential	1,018	Avast	455
Barclays	2,529	Intermediate Capital	952	Liontrust Asset Management	441
BHP	2,428	Mondi	888	Watkin Jones	439
OSB	2,337	IMI	847	MJ Gleeson	425
British American Tobacco	2,286	Smurfit Kappa	812	Grafton	415
Unilever	2,053	Bellway	803	Watches of Switzerland	404
HSBC	1,909	Tesco	760	Wincanton	386
Dunelm	1,833	National Grid	758	Spirent Communications	363
Computacenter	1,809	Berkeley	677	Polar Capital	363
Phoenix	1,747	Britvic	607	Dixons Carphone	329
Persimmon	1,516	M&G	590	Bytes Technology	294
Future	1,465	Brewin Dolphin	587	Moonpig	286
Legal & General	1,452	Urban Logistics REIT	584	XP Power	279
Vodafone	1,399	JET2	580	LSL Property Services	277
Diageo	1,356	Imperial Brands	579	Gamma Communications	264
Ashtead	1,351	Halfords	578	ScS	233
Next	1,346	Luceco	573	Premier Foods	208
RELX	1,247	Sabre Insurance	552	Auction Technology	106
Natwest	1,211	Reckitt Benckiser	540	Greencoat Renewables	623
Games Workshop	1,204	Bunzl	534	<b>TOTAL INVESTMENTS</b>	<b>78,396</b>
3i	1,185	Polymetal International	526		



TEN LARGEST INCOME PAYERS<sup>1</sup>

FOR THE SIX MONTHS ENDED 28TH FEBRUARY 2021

Company	£'000
British American Tobacco	106
GlaxoSmithKline	90
Royal Dutch Shell	78
AstraZeneca	72
BP	71
Imperial Brands	56
BHP	50
Vodafone	46
Persimmon	45
Unilever	40
<b>Total 59.8%<sup>2</sup></b>	<b>654</b>

<sup>1</sup> In terms of amounts of income received by the Managed Income portfolio.<sup>2</sup> Represents the total ten largest dividend payments expressed as a percentage of income from investments.

## SECTOR ANALYSIS

	28th February 2021		31st August 2020	
	Portfolio <sup>1</sup> %	Benchmark <sup>2</sup> %	Portfolio <sup>1</sup> %	Benchmark <sup>2</sup> %
Financials	23.4	26.7	21.9	25.6
Consumer Goods	16.7	15.6	20.0	15.1
Consumer Services	14.7	12.5	11.4	12.5
Industrials	10.5	12.7	8.5	12.6
Basic Materials	10.4	10.2	11.1	8.9
Oil & Gas	9.1	8.0	8.1	7.4
Health Care	7.9	8.3	10.4	11.2
Technology	4.2	1.1	4.4	1.2
Telecommunications	2.1	2.1	2.1	2.2
Utilities	1.0	2.8	2.1	3.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup> Based on total investments of £78.4m (2020: £74.5m).<sup>2</sup> The Company's benchmark is the FTSE All-Share Index (total return).

## STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) - MANAGED INCOME

### FOR THE SIX MONTHS ENDED 28TH FEBRUARY 2021

	Six months ended 28th February 2021			Six months ended 29th February 2020			Year ended 31st August 2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss	–	8,000	8,000	–	(3,473)	(3,473)	–	(12,613)	(12,613)
Net foreign currency (losses)/gains	–	(1)	(1)	–	7	7	–	–	–
Income from investments	1,093	–	1,093	1,840	–	1,840	3,427	–	3,427
Interest receivable and similar income	1	–	1	20	–	20	30	–	30
<b>Gross return/(loss)</b>	<b>1,094</b>	<b>7,999</b>	<b>9,093</b>	<b>1,860</b>	<b>(3,466)</b>	<b>(1,606)</b>	<b>3,457</b>	<b>(12,613)</b>	<b>(9,156)</b>
Management fee	(114)	(114)	(228)	(144)	(144)	(288)	(251)	(251)	(502)
Other administrative expenses	(58)	–	(58)	(89)	(39)	(128)	(157)	(40)	(197)
<b>Net return/(loss) before finance costs and taxation</b>	<b>922</b>	<b>7,885</b>	<b>8,807</b>	<b>1,627</b>	<b>(3,649)</b>	<b>(2,022)</b>	<b>3,049</b>	<b>(12,904)</b>	<b>(9,855)</b>
Finance costs	(36)	(36)	(72)	(46)	(46)	(92)	(82)	(82)	(164)
<b>Net return/(loss) before taxation</b>	<b>886</b>	<b>7,849</b>	<b>8,735</b>	<b>1,581</b>	<b>(3,695)</b>	<b>(2,114)</b>	<b>2,967</b>	<b>(12,986)</b>	<b>(10,019)</b>
Taxation charge	(8)	–	(8)	–	–	–	(11)	–	(11)
<b>Net return/(loss) after taxation</b>	<b>878</b>	<b>7,849</b>	<b>8,727</b>	<b>1,581</b>	<b>(3,695)</b>	<b>(2,114)</b>	<b>2,956</b>	<b>(12,986)</b>	<b>(10,030)</b>
<b>Return/(loss) per Managed Income share</b>	<b>1.12p</b>	<b>9.99p</b>	<b>11.11p</b>	<b>1.85p</b>	<b>(4.33)p</b>	<b>(2.48)p</b>	<b>3.53p</b>	<b>(15.50)p</b>	<b>(11.97)p</b>

## STATEMENT OF FINANCIAL POSITION (UNAUDITED) - MANAGED INCOME

### AT 28TH FEBRUARY 2021

	28th February 2021 £'000	29th February 2020 £'000	31st August 2020 £'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss	78,396	87,783	74,463
<b>Current assets</b>			
Debtors	822	1,242	669
Cash and cash equivalents	2,907	5,008	1,026
	3,729	6,250	1,695
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	(7,985)	(11,311)	(5,834)
<b>Net current liabilities</b>	<b>(4,256)</b>	<b>(5,061)</b>	<b>(4,139)</b>
<b>Net assets</b>	<b>74,140</b>	<b>82,722</b>	<b>70,324</b>
<b>Net asset value per Managed Income share</b>	<b>96.4p</b>	<b>99.2p</b>	<b>87.6p</b>

The Managed Cash share class returned +0.1% over the six month period to 28th February 2021. The Managed Cash class invests its assets in the JPMorgan Sterling Managed Reserves Fund which has an objective to invest in a blend of money market securities and short term bonds.

During this six month period, the Bank of England's (BoE) Monetary Policy Committee (MPC) held the deposit rate at 0.1%. However, in November 2020, the BoE announced an expansion of its quantitative easing programme, with the MPC announcing an increase in Gilt purchases of £150 billion. This came in above market expectations of £100 billion and at a point in which growth forecasts were being cut amid a rising Covid-19 infection rate following the emergence of a more infectious variant.

By February 2021, the market had completely priced out any near-term prospect of the deposit rate being cut below zero. As the quarter continued and the global reflation theme gathered momentum, the BoE acknowledged that the longer end of government bond curves had risen significantly. However, they continued to focus their rhetoric on economic conditions, which remain favourable, as opposed to viewing steepening curves as destabilising.

### Portfolio Commentary – Sterling Managed Reserves Fund

In terms of our positioning, we built substantial liquidity into the portfolio by holding significant exposure to very short-dated assets. This position has been taken with a consideration to the front-end of the curve, which offers very little steepness out to 12 months. Additionally, the fund took some profits following the spread tightening that we saw towards the end of last year. We remain positive on front-end credit fundamentals and are using the ample liquidity in the portfolio to add risk selectively in two to three year maturities.

At the end of February 2021, with the reflation theme dominating headlines and valuations having tightened, the fund's duration stood at 0.38 years. With the fund's exposure to corporate credit having made a substantial contribution to returns in the months following the Covid-19 selloff and risks to the economy mounting amidst higher infection rates and the end of the Brexit transition period, we reduced duration and took profits. In doing so, we also increased the quality of the fund by reducing our exposure to BBB rated assets and reduced our securitized position too. Nonetheless, we are still confident on the fundamentals of these parts of the market and will gradually add risk back on where we see issuers we like trading at attractive valuations.

One area that we increased exposure to during this reporting period was our position in non-GBP denominated assets, with currency risk hedged back. One of these positions was Japanese Treasury Bills. Hedged back into GBP, these have offered an attractive yield, whilst also boosting the quality and liquidity of the fund. We subsequently reduced this position going into the end of March 2021 with the basis becoming less attractive, however it is something we may look to build again moving forward.

### Outlook

Better-than-expected economic news and the swift vaccine rollout have lifted expectations for a rapid recovery, triggering a pivot in BoE monetary policy. The latest Monetary Policy Report projects GDP will recover rapidly in 2021 towards pre-Covid-19 levels as lockdowns are lifted. Unemployment is expected to peak mid-year, at 7.8%, before retreating toward the end of the year. Inflation is expected to rise towards 2% within two years. While markets no longer expect negative base rates, the BoE remains committed to adding negative rates to its potential economic policy toolkit once tactical market preparation for their use is concluded in Q3 2021. The central bank is also reviewing the 2018 exit guidance that asset purchases would not be reduced until the Bank Rate had reached at least 1.5%. The positive economic outlook has pushed forward curves higher, implying the BoE could be hiking base rates within two years. But with the UK still facing considerable headwinds, this may be too optimistic.

**JPMorgan Asset Management**  
*Investment Manager*

13th May 2021

## LIST OF INVESTMENTS

AT 28TH FEBRUARY 2021

	Yield % <sup>1</sup>	Rating <sup>2</sup>	Value £'000	%
JPMorgan Sterling Managed Reserves Fund	0.18	AAA	7,832	100.0
<b>Total Investments</b>	<b>0.18</b>	<b>AAA</b>	<b>7,832</b>	<b>100.0</b>

<sup>1</sup> One year gross return to 28th February 2021, indicative. Source: JPMorgan.

<sup>2</sup> Ratings are given by recognised credit rating agencies as at 28th February 2021.

## STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) - MANAGED CASH

### FOR THE SIX MONTHS ENDED 28TH FEBRUARY 2021

	Six months ended 28th February 2021			Six months ended 29th February 2020			Year ended 31st August 2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments held at fair value through profit or loss	–	(37)	(37)	–	1	1	–	26	26
Income from investments	45	–	45	26	–	26	26	–	26
<b>Gross return/(loss)</b>	<b>45</b>	<b>(37)</b>	<b>8</b>	<b>26</b>	<b>1</b>	<b>27</b>	<b>26</b>	<b>26</b>	<b>52</b>
Other administrative expenses	–	–	–	(1)	(15)	(16)	(1)	(14)	(15)
<b>Net return/(loss) before taxation</b>	<b>45</b>	<b>(37)</b>	<b>8</b>	<b>25</b>	<b>(14)</b>	<b>11</b>	<b>25</b>	<b>12</b>	<b>37</b>
Taxation charge/(credit)	(4)	–	(4)	(4)	3	(1)	(4)	3	(1)
<b>Net return/(loss) after taxation</b>	<b>41</b>	<b>(37)</b>	<b>4</b>	<b>21</b>	<b>(11)</b>	<b>10</b>	<b>21</b>	<b>15</b>	<b>36</b>
<b>Return/(loss) per Managed Cash share</b>	<b>0.59p</b>	<b>(0.55)p</b>	<b>0.04p</b>	<b>0.42p</b>	<b>(0.20)p</b>	<b>0.22p</b>	<b>0.40p</b>	<b>0.29p</b>	<b>0.69p</b>

## STATEMENT OF FINANCIAL POSITION (UNAUDITED) - MANAGED CASH

### AT 28TH FEBRUARY 2021

	28th February 2021 £'000	29th February 2020 £'000	31st August 2020 £'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss	7,832	5,142	5,484
<b>Current assets</b>			
Debtors	204	—	—
Cash and cash equivalents	33	527	889
	237	527	889
<b>Current liabilities</b>			
Creditors: amounts falling due within one year <sup>1</sup>	(270)	(66)	(201)
<b>Net current (liabilities)/assets</b>	<b>(33)</b>	<b>461</b>	<b>688</b>
<b>Net assets</b>	<b>7,799</b>	<b>5,603</b>	<b>6,172</b>
<b>Net asset value per Managed Cash share</b>	<b>103.5p</b>	<b>103.3p</b>	<b>103.8p</b>

<sup>1</sup> Includes any amounts payable in respect of Managed Cash shares redeemed in the February opportunity.

# Financial Statements

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# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE SIX MONTHS ENDED 28TH FEBRUARY 2021

	(Unaudited) Six months ended 28th February 2021			(Unaudited) Six months ended 29th February 2020			(Audited) Year ended 31st August 2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss	–	44,057	44,057	–	(14,630)	(14,630)	–	(16,083)	(16,083)
Net foreign currency gains	–	6	6	–	7	7	–	48	48
Income from investments	3,866	–	3,866	5,093	–	5,093	9,127	–	9,127
Interest receivable and similar income	16	–	16	30	–	30	42	–	42
<b>Gross return/(loss)</b>	<b>3,882</b>	<b>44,063</b>	<b>47,945</b>	<b>5,123</b>	<b>(14,623)</b>	<b>(9,500)</b>	<b>9,169</b>	<b>(16,035)</b>	<b>(6,866)</b>
Management fee	(248)	(514)	(762)	(271)	(523)	(794)	(480)	(938)	(1,418)
Other administrative expenses	(289)	–	(289)	(338)	(251)	(589)	(612)	(251)	(863)
<b>Net return/(loss) before finance costs and taxation</b>	<b>3,345</b>	<b>43,549</b>	<b>46,894</b>	<b>4,514</b>	<b>(15,397)</b>	<b>(10,883)</b>	<b>8,077</b>	<b>(17,224)</b>	<b>(9,147)</b>
Finance costs	(36)	(37)	(73)	(46)	(48)	(94)	(84)	(87)	(171)
<b>Net return/(loss) before taxation</b>	<b>3,309</b>	<b>43,512</b>	<b>46,821</b>	<b>4,468</b>	<b>(15,445)</b>	<b>(10,977)</b>	<b>7,993</b>	<b>(17,311)</b>	<b>(9,318)</b>
Taxation (charge)/credit	(9)	–	(9)	(3)	3	–	(14)	3	(11)
<b>Net return/(loss) after taxation</b>	<b>3,300</b>	<b>43,512</b>	<b>46,812</b>	<b>4,465</b>	<b>(15,442)</b>	<b>(10,977)</b>	<b>7,979</b>	<b>(17,308)</b>	<b>(9,329)</b>
<b>Return/(loss) per share (note 3):</b>									
Managed Growth	8.17p	122.44p	130.61p	9.38p	(38.46)p	(29.08)p	16.56p	(14.35)p	2.21p
Managed Income	1.12p	9.99p	11.11p	1.85p	(4.33)p	(2.48)p	3.53p	(15.50)p	(11.97)p
Managed Cash	0.59p	(0.55)p	0.04p	0.42p	(0.20)p	0.22p	0.40p	0.29p	0.69p

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 net return/(loss) after taxation represents the profit/(loss) for the period/year and also the Total Comprehensive Income.

## STATEMENT OF CHANGES IN EQUITY

### FOR THE SIX MONTHS ENDED 28TH FEBRUARY 2021

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves <sup>1</sup> £'000	Revenue reserve <sup>1</sup> £'000	Total £'000
<b>Six months ended 28th February 2021</b>						
<b>(Unaudited)</b>						
<b>At 31st August 2020</b>	<b>16</b>	<b>173,580</b>	<b>8</b>	<b>148,929</b>	<b>6,573</b>	<b>329,106</b>
Repurchase and cancellation of the Company's own shares	–	–	–	(207)	–	(207)
Repurchase of shares into Treasury	–	–	–	(11,878)	–	(11,878)
Share conversions during the period	–	3,323	–	(3,323)	–	–
Project costs in relation to shares as a result of Company rollover	–	(10)	–	–	–	(10)
Net return	–	–	–	43,512	3,300	46,812
Dividends paid in the period (note 4)	–	–	–	–	(4,342)	(4,342)
<b>At 28th February 2021</b>	<b>16</b>	<b>176,893</b>	<b>8</b>	<b>177,033</b>	<b>5,531</b>	<b>359,481</b>
<b>Six months ended 28th February 2020</b>						
<b>(Unaudited)</b>						
<b>At 31st August 2019</b>	<b>16</b>	<b>166,765</b>	<b>8</b>	<b>188,252</b>	<b>7,269</b>	<b>362,310</b>
Repurchase and cancellation of the Company's own shares	–	–	–	(485)	–	(485)
Repurchase of shares into Treasury	–	–	–	(7,776)	–	(7,776)
Share conversions during the period	–	3,125	–	(3,125)	–	–
Project costs in relation to shares as a result of Company rollover	–	(133)	–	–	–	(133)
Net (loss)/return	–	–	–	(15,442)	4,465	(10,977)
Dividends paid in the period (note 4)	–	–	–	–	(4,290)	(4,290)
<b>At 29th February 2020</b>	<b>16</b>	<b>169,757</b>	<b>8</b>	<b>161,424</b>	<b>7,444</b>	<b>338,649</b>
<b>Year ended 31st August 2019 (Audited)</b>						
<b>At 31st August 2019</b>	<b>16</b>	<b>166,765</b>	<b>8</b>	<b>188,252</b>	<b>7,269</b>	<b>362,310</b>
Repurchase and cancellation of the Company's own shares	–	–	–	(949)	–	(949)
Repurchase of shares into Treasury	–	–	–	(13,878)	–	(13,878)
Share conversions during the year	–	7,188	–	(7,188)	–	–
Project costs in relation to shares as a result of Company rollover	–	(373)	–	–	–	(373)
Net (loss)/return	–	–	–	(17,308)	7,979	(9,329)
Dividends paid in the year (note 4)	–	–	–	–	(8,675)	(8,675)
<b>At 31st August 2020</b>	<b>16</b>	<b>173,580</b>	<b>8</b>	<b>148,929</b>	<b>6,573</b>	<b>329,106</b>

<sup>1</sup> These reserves form the distributable reserves of the Company and may be used to fund distributions to investors.

## STATEMENT OF FINANCIAL POSITION

## AT 28TH FEBRUARY 2021

	(Unaudited) 28th February 2021				(Unaudited) 29th February 2020	(Audited) 31st August 2020
	Managed Growth £'000	Managed Income £'000	Managed Cash £'000	Total £'000	Total £'000	Total £'000
<b>Fixed assets</b>						
Investments held at fair value through profit or loss	268,335	78,396	7,832	354,563	336,576	324,668
<b>Current assets</b>						
Debtors	11,121	822	204	12,147	3,729	5,147
Derivative financial assets	—	—	—	—	1,280	71
Cash and cash equivalents	142	2,907	33	3,082	9,559	9,404
	<b>11,263</b>	<b>3,729</b>	<b>237</b>	<b>15,229</b>	<b>14,568</b>	<b>14,622</b>
<b>Current liabilities</b>						
<b>Creditors:</b> amounts falling due within one year	(1,997)	(7,985)	(270)	(10,252)	(11,480)	(9,951)
Derivative financial liabilities	(59)	—	—	(59)	(1,015)	(233)
<b>Net current assets/(liabilities)</b>	<b>9,207</b>	<b>(4,256)</b>	<b>(33)</b>	<b>4,918</b>	<b>2,073</b>	<b>4,438</b>
<b>Total assets less current liabilities</b>	<b>277,542</b>	<b>74,140</b>	<b>7,799</b>	<b>359,481</b>	<b>338,649</b>	<b>329,106</b>
<b>Net assets</b>	<b>277,542</b>	<b>74,140</b>	<b>7,799</b>	<b>359,481</b>	<b>338,649</b>	<b>329,106</b>
<b>Capital and reserves</b>						
Called up share capital	15	1	—	16	16	16
Share premium	51,530	92,824	32,539	176,893	169,757	173,580
Capital redemption reserve	3	3	2	8	8	8
Other reserve	25,819	(5,572)	(20,247)	—	—	—
Capital reserves	197,815	(16,186)	(4,596)	177,033	161,424	148,929
Revenue reserve	2,360	3,070	101	5,531	7,444	6,573
<b>Total shareholders' funds</b>	<b>277,542</b>	<b>74,140</b>	<b>7,799</b>	<b>359,481</b>	<b>338,649</b>	<b>329,106</b>
	28th February 2021		29th February 2020		31st August 2020	
	Net asset value (pence)	Net Assets £'000	Net asset value (pence)	Net Assets £'000	Net asset value (pence)	Net Assets £'000
<b>Net asset value per share (note 5)</b>						
Managed Growth	975.5	277,542	827.0	250,324	851.9	252,610
Managed Income	96.4	74,140	99.2	82,722	87.6	70,324
Managed Cash	103.5	7,799	103.3	5,603	103.8	6,172

## STATEMENT OF CASH FLOWS

### FOR THE SIX MONTHS ENDED 28TH FEBRUARY 2021

	(Unaudited) Six months ended 28th February 2021 £'000	(Unaudited) Six months ended 29th February 2020 £'000	(Audited) Year ended 31st August 2020 £'000
Net cash outflow from operations before dividends and interest (note 6)	(1,050)	(1,376)	(2,190)
Dividends received	4,196	5,350	9,674
Interest received	47	51	64
Interest paid	(76)	(58)	(166)
Overseas tax (charged)/recovered	(1)	1	–
<b>Net cash inflow from operating activities</b>	<b>3,116</b>	<b>3,968</b>	<b>7,382</b>
Purchases of investments and derivatives	(24,819)	(25,450)	(47,244)
Sales of investments and derivatives	29,482	33,452	66,163
Settlement of future contracts	397	(610)	761
Settlement of foreign currency contracts	(2)	7	20
<b>Net cash inflow from investing activities</b>	<b>5,058</b>	<b>7,399</b>	<b>19,700</b>
Dividends paid	(4,342)	(4,290)	(8,675)
Repurchase of shares into Treasury	(11,056)	(7,821)	(13,977)
Repurchase and cancellation of the Company's own shares	(349)	(2,014)	(2,343)
Drawdown of bank loan	2,000	5,000	5,000
Repayment of bank loan	–	–	(5,000)
Utilisation of bank overdraft	(739)	380	648
Project costs in relation to shares as a result of Company rollover	(10)	(133)	(373)
<b>Net cash outflow from financing activities</b>	<b>(14,496)</b>	<b>(8,878)</b>	<b>(24,720)</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(6,322)</b>	<b>2,489</b>	<b>2,362</b>
Cash and cash equivalents at start of period/year	9,404	7,061	7,061
Exchange movements	–	9	(19)
Cash and cash equivalents at end of period/year	3,082	9,559	9,404
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(6,322)</b>	<b>2,489</b>	<b>2,362</b>
<b>Cash and cash equivalents consist of:</b>			
Cash and short term deposits	163	3,322	1,192
Cash held in JPMorgan Sterling Liquidity Fund	2,919	6,237	8,212
<b>Total</b>	<b>3,082</b>	<b>9,559</b>	<b>9,404</b>

### RECONCILIATION OF NET DEBT

	As at 31st August 2020 £'000	Cash flows £'000	Other non-cash charges £'000	As at 28th February 2021 £'000
<b>Cash and cash equivalents</b>				
Cash	8,212	(8,049)	–	163
Cash equivalents	1,192	1,727	–	2,919
	<b>9,404</b>	<b>(6,322)</b>	<b>–</b>	<b>3,082</b>
<b>Borrowings</b>				
Overdrafts	(739)	739	–	–
Debt due within one year	(5,000)	(2,000)	–	(7,000)
	<b>(5,739)</b>	<b>(1,261)</b>	<b>–</b>	<b>(7,000)</b>
<b>Total</b>	<b>3,665</b>	<b>(7,583)</b>	<b>–</b>	<b>(3,918)</b>

## FOR THE SIX MONTHS ENDED 28TH FEBRUARY 2021

### 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 August 2020 are extracted from the latest published financial statements of the Company and do not constitute statutory accounts for that year. Those financial statements have been delivered to the Registrar of Companies and includes 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 financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' of the United Kingdom Generally Accepted Accounting Practice ('UK GAAP') and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the Association of Investment Companies in October 2019.

FRS 104, 'Interim Financial Reporting', issued by the Financial Reporting Council ('FRC') in March 2015, and updated in March 2018, has been applied in preparing this condensed set of financial statements for the six months ended 28th February 2021.

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

The accounting policies applied to this condensed set of financial statements are consistent with those applied in the financial statements for the year ended 31st August 2020.

## 3. Return/(loss) per share

	(Unaudited) Six months ended 28th February 2021 £'000	(Unaudited) Six months ended 29th February 2020 £'000	(Audited) Year ended 31st August 2020 £'000
<b>Managed Growth</b>			
<b>Return/(loss) per Managed Growth share is based on the following:</b>			
Revenue return	2,381	2,863	5,002
Capital return/(loss)	35,700	(11,736)	(4,337)
<b>Total return/(loss)</b>	<b>38,081</b>	<b>(8,873)</b>	<b>665</b>
Weighted average number of shares in issue	29,156,400	30,512,761	30,220,043
Revenue return per share	8.17p	9.38p	16.56p
Capital return/(loss) per share	122.44p	(38.46)p	(14.35)p
<b>Total return/(loss) per share</b>	<b>130.61p</b>	<b>(29.08)p</b>	<b>2.21p</b>
	(Unaudited) Six months ended 28th February 2021 £'000	(Unaudited) Six months ended 29th February 2020 £'000	(Audited) Year ended 31st August 2020 £'000
<b>Managed Income</b>			
<b>Return/(loss) per Managed Income share is based on the following:</b>			
Revenue return	878	1,581	2,956
Capital return/(loss)	7,849	(3,695)	(12,986)
<b>Total return/(loss) per share</b>	<b>8,727</b>	<b>(2,114)</b>	<b>(10,030)</b>
Weighted average number of shares in issue	78,608,175	85,331,502	83,811,388
Revenue return per share	1.12p	1.85p	3.53p
Capital return/(loss) per share	9.99p	(4.33)p	(15.50)p
<b>Total return/(loss) per share</b>	<b>11.11p</b>	<b>(2.48)p</b>	<b>(11.97)p</b>
	(Unaudited) Six months ended 28th February 2021 £'000	(Unaudited) Six months ended 29th February 2020 £'000	(Audited) Year ended 31st August 2020 £'000
<b>Managed Cash</b>			
<b>Return/(loss) per Managed Cash share is based on the following:</b>			
Revenue return	41	21	21
Capital (loss)/return	(37)	(11)	15
<b>Total return</b>	<b>4</b>	<b>10</b>	<b>36</b>
Weighted average number of shares in issue	6,774,924	5,096,933	5,231,111
Revenue return per share	0.59p	0.42p	0.40p
Capital (loss)/return per share	(0.55)p	(0.20)p	0.29p
<b>Total return per share</b>	<b>0.04p</b>	<b>0.22p</b>	<b>0.69p</b>

## 4. Dividends

	(Unaudited) Six months ended 28th February 2021 £'000	(Unaudited) Six months ended 29th February 2020 £'000	(Audited) Year ended 31st August 2020 £'000
<b>Dividends paid</b>			
Managed Growth 2020 2nd interim dividend of 5.45p	—	—	1,652
Managed Growth 2020 3rd interim dividend of 3.00p	—	—	900
Managed Growth 2020 4th interim dividend of 4.75p (2019: 3.49p)	1,409	1,080	1,080
Managed Growth 2021 1st interim dividend of 3.10p (2020: 3.50p)	908	1,069	1,069
Managed Income 2020 2nd interim dividend of 1.10p	—	—	924
Managed Income 2020 3rd interim dividend of 1.10p	—	—	909
Managed Income 2020 4th interim dividend of 1.40p (2019: 1.35p)	1,138	1,167	1,167
Managed Income 2021 1st interim dividend of 1.10p (2020: 1.10p)	866	946	946
Managed Cash 2020 interim dividend of 0.40p (2019: 0.40p)	21	28	28
<b>Total dividends paid in the period<sup>1</sup></b>	<b>4,342</b>	<b>4,290</b>	<b>8,675</b>
<b>Dividends proposed</b>			
Managed Growth 2020 4th interim dividend of 4.75p	—	—	1,409
Managed Growth 2021 2nd interim dividend of 5.45p (2020: 5.45p)	1,551	1,652	—
Managed Income 2020 4th interim dividend of 1.40p	—	—	1,138
Managed Income 2021 2nd interim dividend of 1.10p (2020: 1.10p)	856	924	—
Managed Cash 2020 interim dividend of 0.40p	—	—	21
<b>Total dividends proposed<sup>2</sup></b>	<b>2,407</b>	<b>2,576</b>	<b>2,568</b>

<sup>1</sup> All the dividends paid and declared in the period have been funded from the Revenue Reserve.

<sup>2</sup> In accordance with the accounting policy of the Company, these dividends will be reflected in the financial statements of the following period.

## 5. Net asset value per share

The net asset values per share are calculated as follows:

	Managed Growth	(Unaudited) 28th February 2021 Managed Income	Managed Cash
Net assets (£'000)	277,542	74,140	7,799
Number of shares in issue, (excluding shares held in Treasury)	28,450,033	76,940,312	7,534,909
<b>Net asset value per share (pence)</b>	<b>975.5</b>	<b>96.4</b>	<b>103.5</b>

	Managed Growth	(Unaudited) 29th February 2020 Managed Income	Managed Cash
Net assets (£'000)	250,324	82,722	5,603
Number of shares in issue, (excluding shares held in Treasury)	30,267,090	83,361,479	5,421,819
<b>Net asset value per share (pence)</b>	<b>827.0</b>	<b>99.2</b>	<b>103.3</b>

	Managed Growth	(Audited) 31st August 2020 Managed Income	Managed Cash
Net assets (£'000)	252,610	70,324	6,172
Number of shares in issue, (excluding shares held in Treasury)	29,653,205	80,253,693	5,946,758
<b>Net asset value per share (pence)</b>	<b>851.9p</b>	<b>87.6</b>	<b>103.8</b>

## 6. Reconciliation of net return/(loss) before taxation to net cash outflow before dividends and interest

	(Unaudited) Six months ended 28th February 2021 £'000	(Unaudited) Six months ended 29th February 2020 £'000	(Unaudited) Year ended 31st August 2020 £'000
Net return/(loss) before taxation	46,894	(10,883)	(9,147)
Less (capital return)/ add capital losses before finance costs and taxation	(43,549)	15,397	17,224
Decrease in accrued income	363	278	595
Increase in accrued expenses	11	20	29
Management fee charged to capital	(514)	(523)	(938)
Other expenses charged to capital	—	(251)	(251)
Overseas withholding tax	(20)	(6)	(11)
Dividends received	(4,196)	(5,350)	(9,674)
Interest received	(47)	(51)	(64)
Realised gain/(loss) on foreign exchange transactions	8	(7)	47
<b>Net cash outflow from operations before dividends and interest</b>	<b>(1,050)</b>	<b>(1,376)</b>	<b>(2,190)</b>



## 7. Fair valuation of financial investments

The fair value hierarchy analysis for financial instruments held at fair value at the period end is as follows:

	(Unaudited) Six months ended 28th February 2021		(Unaudited) Six months ended 29th February 2020		(Audited) Year ended 31st August 2020	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1 <sup>1</sup>	292,069	(59)	264,657	(1,013)	256,604	(233)
Level 2 <sup>2</sup>	62,494	–	73,199	(2)	68,135	–
<b>Total</b>	<b>354,563</b>	<b>(59)</b>	<b>337,856</b>	<b>(1,015)</b>	<b>324,739</b>	<b>(233)</b>

<sup>1</sup> Includes liquidity funds and future currency contracts.

<sup>2</sup> Includes investments in Open Ended Investment Schemes (OEIC's), Société d'investissement à Capital Variable (SICAV).

# Interim Management Report

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The Company is required to make the following disclosures in its half-yearly financial report.

### Principal and Emerging Risks and Uncertainties

The principal and emerging risks faced by the Company fall into the following broad categories: investment underperformance against benchmark, fraud and cyber crime, dividends, accounting, legal and regulatory, business strategy, board loses confidence in Investment Manager, borrowing, third party risk and global pandemic. The emergence and spread of coronavirus (Covid-19) has raised the emerging risk of global pandemics. Information on the principal risks of the Company is given in the Business Review section within the 2020 Annual Report and Financial Statements.

### Related Party Transactions

During the half year to 28th February 2021, no new agreements were entered into with related parties 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, as well as the economic situation in the context of coronavirus Covid-19, 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 and, more specifically, that there are no material uncertainties pertaining to the Company that would prevent its ability to continue in such operational existence for at least 12 months from the date of the approval of this half-yearly financial report. For these reasons, they consider there is reasonable evidence to adopt the going concern basis in preparing the financial statements.

### 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 FRS 104 'Interim Financial Reporting' 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 28th February 2021, as required by the UK Listing Authority Disclosure Guidance and Transparency Rules 4.2.4R; and
- (ii) the interim Management report includes a fair review of the information required by 4.2.7R (important events that have occurred since inception, their impact on these financial statements and a description of the principal risks facing the Company) and 4.2.8R (related party transactions since inception that have materially affected the financial position or performance of the Company) of the UK Listing Authority Disclosure Guidance 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 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

**Steve Bates**

*Chairman*

13th May 2021

## Shareholder Information

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The name JPMorgan Elect plc reflects the capital structure and the investment flexibility the Company offers to shareholders.

### Capital Structure

- **Managed Growth Shares**  
Designed to provide long-term capital growth by investing in a range of closed and open-ended funds managed principally by JPMAM.
- **Managed Income Shares**  
Designed to provide a growing income together with the potential for long-term capital growth by investing primarily in UK equities.
- **Managed Cash Shares**  
Designed to achieve a return in excess of sterling money markets by investing primarily in GBP denominated short term debt securities.

### Investing in Managed Cash Shares

Based on its return characteristics and the costs incurred in transacting in its shares, an investment in Managed Cash should only be considered by existing holders of Managed Growth and/or Managed Income who wish to switch into Managed Cash on the designated quarterly conversion dates.

### Repurchase of Managed Cash Shares

In order to mitigate the impact of the market spread on the Managed Cash shares it is possible for holders of Managed Cash shares to elect to have all or part of their holding of such shares repurchased by the Company for cash at a price close to net asset value on each conversion date (see below).

The amount payable per Managed Cash share on repurchase is the net asset value of a Managed Cash share at the date of the relevant conversion calculation, less the applicable stamp duty at a rate of 0.5%.

### Conversion Opportunities

Shareholders in any of the three share classes are able to convert some or all of their shares into shares of the other classes on a quarterly basis without such conversion being treated, under current law, as a disposal for UK capital gains tax purposes. The conversion mechanism allows shareholders to alter their investment profile to match their changing investment needs in a tax-efficient manner. Conversion dates arise every

three months on 28th February, 31st May, 31st August and 30th November (if such a date is not a business day, then the conversion date will move to the next business day). The Company, or its Manager, will make no administrative charge for any of the above conversions.

### Conversion Between the Share Classes

Instructions for CREST holders can be found at [www.jpmelect.co.uk](http://www.jpmelect.co.uk) Those who hold shares in certificated form must complete the conversion notice printed on the reverse of their share certificate and send it to the Company's Registrars at the following address:

Equiniti Limited  
Repayments Team  
Corporate Actions  
Aspect House  
Spencer Road  
Lancing  
West Sussex  
BN99 6DA

Instructions must be received no earlier than 45 and no later than 14 calendar days before the chosen conversion date.

The number of shares that will arise upon conversion will be determined on the basis of the relative net asset values of each share class, taking into account the costs of the conversion process. Conversion will not affect the net asset value per share of those shares held by any shareholder who does not convert.

Shareholders who hold shares in certificated form on the main register or those who hold their shares in electronic form through CREST may convert a minimum of 1,000 shares or, if lower, their entire holding.

More details concerning conversion dates and conversion instruction forms can be found on the Company's website: [www.jpmelect.co.uk](http://www.jpmelect.co.uk).

### Return to Shareholders (APM)

Total return to the shareholder, on a last traded price to last traded 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.

Managed Growth		Six months ended	
Total return calculation	Page	28th February 2021	
Opening share price (p)	8	790.0	(a)
Closing share price (p)	8	942.5	(b)
Total dividend adjustment factor <sup>1</sup>		1.009326	(c)
Adjusted closing share price (d = b x c)		951.3	(d)
<b>Total return to shareholders (e = d / a - 1)</b>		<b>20.4%</b>	<b>(e)</b>

Managed Income		Six months ended	
Total return calculation	Page	28th February 2021	
Opening share price (p)	10	82.0	(a)
Closing share price (p)	10	93.0	(b)
Total dividend adjustment factor <sup>1</sup>		1.025033	(c)
Adjusted closing share price (d = b x c)		95.3	(d)
<b>Total return to shareholders (e = d / a - 1)</b>		<b>16.3%</b>	<b>(e)</b>

Managed Cash		Six months ended	
Total return calculation	Page	28th February 2021	
Opening share price (p)	12	102.5	(a)
Closing share price (p)	12	102.5	(b)
Total dividend adjustment factor <sup>1</sup>		1.003902	(c)
Adjusted closing share price (d = b x c)		102.9	(d)
<b>Total return to shareholders (e = d / a - 1)</b>		<b>0.4%</b>	<b>(e)</b>

<sup>1</sup> The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the last traded price quoted at the ex-dividend date.

Figures shown in the calculation workings are rounded. The total return figures were calculated from unrounded figures and may not agree exactly to total return figures calculated using the rounded workings above.

### Return on Net Assets (APM)

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

Managed Growth		Six months ended	
Total return calculation	Page	28th February 2021	
Opening cum-income NAV per share (p)	8	851.9	
(-) the 4th interim dividend declared but not paid pre year-end date		(4.75)	
Adjusted opening cum-income NAV per share (p)		847.2	(a)
Closing cum-income NAV per share (p)	8	975.5	
(-) the 2nd interim dividend declared but not paid pre period-end date		(5.45)	
Adjusted closing cum-income NAV per share (p)		970.1	(b)
Total dividend adjustment factor <sup>1</sup>		1.008794	(c)
Adjusted closing cum-income NAV per share (d = b x c)		978.6	(d)
<b>Total return on net assets (e = d / a - 1)</b>		<b>15.5%</b>	<b>(e)</b>

## GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES ('APMs')

<b>Managed Income</b>		<b>Six months ended</b>
<b>Total return calculation</b>	<b>Page</b>	<b>28th February 2021</b>
Opening cum-income NAV per share (p)	10	87.6
(-) the 4th interim dividend declared but not paid pre year-end date		(1.4)
Adjusted opening cum-income NAV per share (p)		86.2 (a)
Closing cum-income NAV per share (p)	10	96.4
(-) the 2nd interim dividend declared but not paid pre period-end date		(1.1)
Adjusted closing cum-income NAV per share (p)		95.3 (b)
Total dividend adjustment factor <sup>1</sup>		1.023597 (c)
Adjusted closing cum-income NAV per share (d = b x c)		97.5 (d)
<b>Total return on net assets (e = d / a - 1)</b>		<b>13.2% (e)</b>
<b>Managed Cash</b>		
<b>Total return calculation</b>	<b>Page</b>	<b>Six months ended</b>
		<b>28th February 2021</b>
Opening cum-income NAV per share (p)	12	103.8
(-) the 4th interim dividend declared but not paid pre year-end date		(0.4)
Adjusted opening cum-income NAV per share (p)		103.4 (a)
Closing cum-income NAV per share (p)	12	103.5
(-) the 2nd interim dividend declared but not paid pre period-end date		(0.4)
Adjusted closing cum-income NAV per share (p)		103.1 (b)
Total dividend adjustment factor <sup>1</sup>		1.003877 (c)
Adjusted closing cum-income NAV per share (d = b x c)		103.5 (d)
<b>Total return on net assets (e = d / a - 1)</b>		<b>0.1% (e)</b>

<sup>1</sup> The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the cum-income NAV at the ex-dividend date.

Figures shown in the calculation workings are rounded. The total return figures were calculated from unrounded figures and may not agree exactly to total return figures calculated using the rounded workings above.

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 per share when calculating the total return on net assets.

### Net asset value per share (APM)

The value of the Company's net assets (total assets less total liabilities) divided by the number of ordinary shares in issue. Please see note 5 on page 38 for detailed calculations.

### Benchmark Return

Total return on the benchmark, on a closing-market value to closing-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 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) (APM)**

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

Gearing calculation		28th February 2021	31st August 2020	
Managed Growth	Page	£'000	£'000	
Investments held at fair value through profit or loss	19	268,335	244,721	(a)
Net assets	19	277,542	252,610	(b)
<b>Gearing/(Net cash) (c = a / b - 1)</b>		<b>(3.3)%</b>	<b>(3.1)%</b>	<b>(c)</b>

Gearing calculation		28th February 2021	31st August 2020	
Managed Income	Page	£'000	£'000	
Investments held at fair value through profit or loss	25	78,396	74,463	(a)
Net assets	25	74,140	70,324	(b)
<b>Gearing/(Net cash) (c = a / b - 1)</b>		<b>5.7%</b>	<b>5.9%</b>	<b>(c)</b>

**Ongoing Charges (APM)**

The ongoing charges represent the Company's management fee and all other operating expenses excluding finance costs payable expressed as a percentage of the average of the daily cum-income net assets during the year and is calculated in accordance with guidance issued by the Association of Investment Companies.

The figure as at 28th February 2021 is an estimated annualised figure based on the actual figures for the six months ended 28th February 2021.

Ongoing charges calculation		28th February 2021	31st August 2020	
Managed Growth	Page	£'000	£'000	
Management Fee	18	1,068	916	
Other administrative expenses	18	462	651	
Excluding one-off expenses		—	(197)	
Total management fee and other administrative expenses		1,530	1,370	(a)
Average daily cum-income net assets		266,696	253,854	(b)
<b>Ongoing charges (c = a / b)</b>		<b>0.57%</b>	<b>0.54%</b>	<b>(c)</b>

Ongoing charges calculation		28th February 2021	31st August 2020	
Managed Income	Page	£'000	£'000	
Management Fee	24	456	502	
Other administrative expenses	24	116	197	
Excluding one-off expenses		—	(40)	
Total management fee and other administrative expenses		572	659	(a)
Average daily cum-income net assets		71,578	81,924	(b)
<b>Ongoing charges (c = a / b)</b>		<b>0.80%</b>	<b>0.80%</b>	<b>(c)</b>



## GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES ('APMs')

		28th February 2021	31st August 2020	
Ongoing charges calculation		£'000	£'000	
Managed Cash	Page			
Management Fee	28	—	—	
Other administrative expenses	28	—	15	
Excluding one-off expenses		—	(14)	
Total management fee and other administrative expenses		—	1	(a)
Average daily cum-income net assets		6,843	5,401	(b)
Ongoing charges (c = a / b)		0.00%	0.01%	(c)

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

If the share price of an investment trust is lower than the 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 (pages 8, 10 and 12).

You can invest in a J.P. Morgan investment trust through the following:

## 1. Via a third party provider

Third party providers include:

AJ Bell You Invest	Fidelity Personal Investing
Barclays Smart Investor	Halifax Share Dealing
Charles Stanley Direct	Hargreaves Lansdown
EQi	Interactive Investor

Please note this list is not exhaustive and the availability of individual trusts may vary depending on the provider. These websites are third party sites and J.P. Morgan Asset Management does not endorse or recommend any. Please observe each site's privacy and cookie policies as well as their platform charges structure.

The Board encourages all of its shareholders to exercise their rights and notes that many specialist platforms provide shareholders with the ability to receive company documentation, to vote their shares and to attend general meetings, at no cost. Please refer to your investment platform for more details, or visit the Association of Investment Companies' ('AIC') website at [www.theaic.co.uk/aic/shareholder-voting-consumer-platforms](http://www.theaic.co.uk/aic/shareholder-voting-consumer-platforms) for information on which platforms support these services and how to utilise them.

## 2. Through a professional adviser

Professional advisers are usually able to access the products of all the companies in the market and can help you find an investment that suits your individual circumstances. An adviser will let you know the fee for their service before you go ahead. You can find an adviser at [unbiased.co.uk](http://unbiased.co.uk)

You may also buy investment trusts through stockbrokers, wealth managers and banks.

To familiarise yourself with the Financial Conduct Authority (FCA) adviser charging and commission rules, visit [fca.org.uk](http://fca.org.uk)

## Be ScamSmart

### Investment scams are designed to look like genuine investments

#### Spot the warning signs

Have you been:

- contacted out of the blue
- promised tempting returns and told the investment is safe
- called repeatedly, or
- told the offer is only available for a limited time?

If so, you might have been contacted by fraudsters.

### Avoid investment fraud

#### 1 Reject cold calls

If you've received unsolicited contact about an investment opportunity, chances are it's a high risk investment or a scam. You should treat the call with extreme caution. The safest thing to do is to hang up.

#### 2 Check the FCA Warning List

The FCA Warning List is a list of firms and individuals we know are operating without our authorisation.

#### 3 Get impartial advice

Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

**Remember: if it sounds too good to be true, it probably is!**

### Report a Scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at [www.fca.org.uk/consumers/report-scam-unauthorised-firm](http://www.fca.org.uk/consumers/report-scam-unauthorised-firm). You can also call the FCA Consumer Helpline on **0800 111 6768**

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at [www.actionfraud.police.uk](http://www.actionfraud.police.uk)

**Find out more at**  
[www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)



## FINANCIAL CALENDAR

Financial year end	31st August
Final results announced	November
Half year end	28th February
Half year results announced	May
Dividends payable (if any)	March, June, September and December
Annual General Meeting	January

## History

The Company was incorporated on 16th September 1999 and launched as an investment trust on 24th November 1999 with assets of £28 million. The Company changed its name to JPMorgan Fleming Managed Growth plc on 5th December 2002. The Company's name was changed to JPMorgan Fleming Elect plc on 14th January 2004 following the capital reorganisation and combination of JPMorgan Fleming Managed Growth plc and JPMorgan Fleming Managed Income plc. The Company adopted its present name on 2nd February 2006.

There are three share classes, each with distinct investment policies, objectives and underlying investment portfolios. Each share class is listed separately and traded on the London Stock Exchange. This capital structure means that shareholders may benefit from greater investment flexibility in a tax-efficient manner.

## Company Numbers

Company registration number: 3845060  
 London Stock Exchange Sedol numbers:  
 Managed Growth: 0852814, Managed Income: 3408021,  
 Managed Cash: 3408009  
 ISIN:  
 Managed Growth: GB0008528142  
 Managed Income: GB0034080217  
 Managed Cash: GB0034080092  
 Bloomberg Codes:  
 Managed Growth: JPE LN  
 Managed Income: JPEI LN  
 Managed Cash: JPEC LN  
 LEI: 549300FIUYKKL39ILD07

## Directors

Steve Bates (Chairman)  
 James Robinson (Audit Committee Chairman)  
 Karl Sternberg (Senior Independent Director)  
 Carla Stent  
 Rupert Dickinson  
 Davina Walter

## Market Information

Net asset values per share for each share class are 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 Financial Times, and on the JPMorgan internet site at [www.jpmelect.co.uk](http://www.jpmelect.co.uk), where the share prices are updated every 15 minutes during trading hours.

## Website

[www.jpmelect.co.uk](http://www.jpmelect.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.

## Manager and Company Secretary

JPMorgan Funds Limited

## Company's Registered Office

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

For company secretarial and administrative matters, please contact Priyanka Vijay Anand at the above address.

## Depository

The Bank of New York Mellon (International) Limited  
 1 Canada Square  
 London E14 5AL

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

## Registrars

Equiniti Limited  
 Reference 2018  
 Aspect House  
 Spencer Road  
 Lancing  
 West Sussex BN99 6DA  
 Telephone number: 0371 384 2530

Lines open 8.30 a.m. to 5.30 p.m. Monday to Friday. Calls to the helpline will cost no more than a national rate call to a 01 or 02 number. Callers from overseas should dial +44 121 415 0225.

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 2018. Registered shareholders can obtain further details on their holdings on the internet by visiting [www.shareview.co.uk](http://www.shareview.co.uk).

## Independent Auditors

Ernst & Young LLP  
 Chartered Accountants and Statutory Auditor  
 Atria One  
 144 Morrison Street,  
 Edinburgh EH3 8EX

## Brokers

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



The Association of  
Investment Companies

A member of the AIC

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