
JPMorgan Smaller Companies Investment Trust plc Annual General Meeting

23rd November 2015

Georgina Brittain, Portfolio Manager

Katen Patel, Assistant Portfolio Manager

Agenda

- Introduction
- Performance Review
- Current Portfolio / Performance
- Key Themes
- Outlook
- Conclusion

JPMorgan Smaller Companies Investment Trust

Key features

- Investment objective
 - Capital growth from investment in UK listed smaller companies
- Investment policies
 - To specialise in FTSE Small Cap companies
 - Use long and short-term borrowing to increase returns
- Benchmark
 - FTSE Small Cap (ex IT)

Investment guidelines

Stock actives	+/- 3%
Sector actives	+/- 10%
Alternative Investment Market (AIM) holdings	Max 20%
Gearing (borrowing)	Max 110%

Source: J.P. Morgan Asset Management as at 30 September 2015. The Investment Manager seeks to achieve the stated targets/objectives. There can be no guarantee the objectives/targets will be met.

JPMorgan Smaller Companies Investment Trust

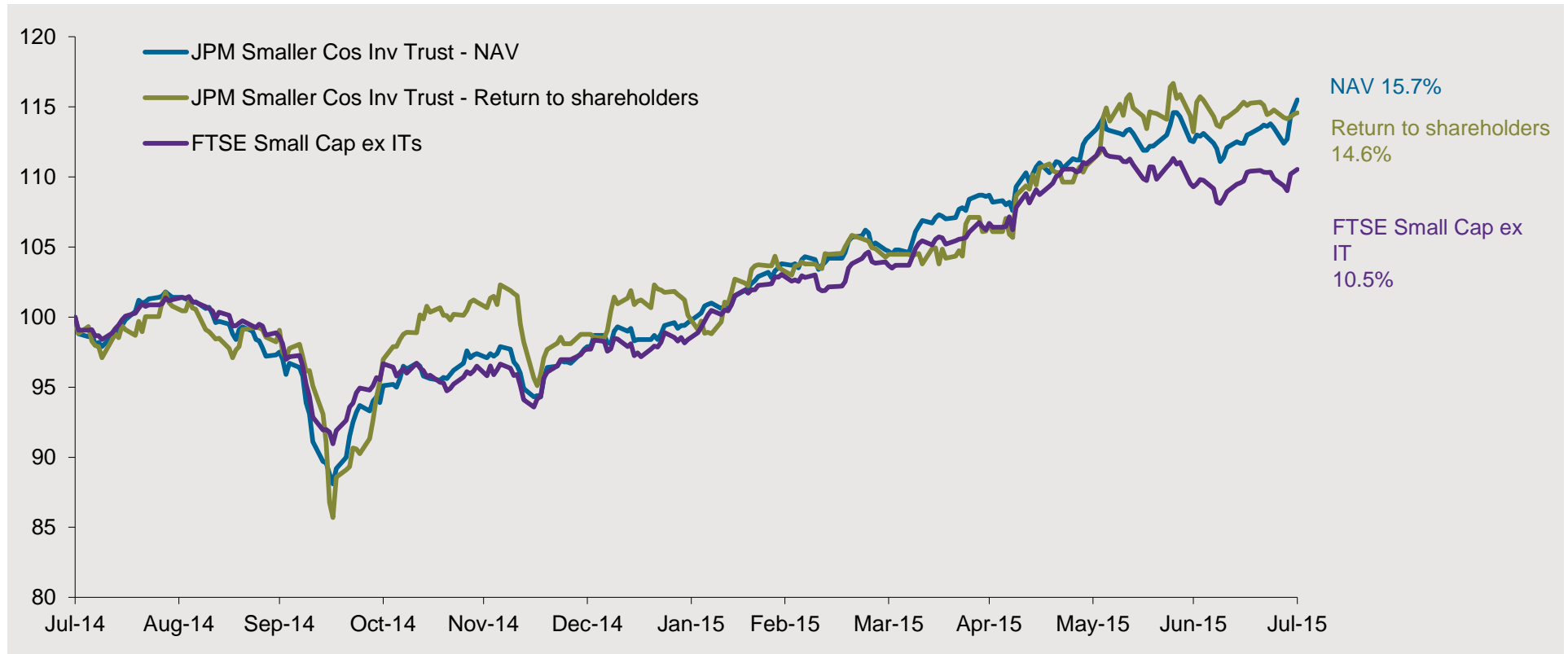
Key contributors to returns for year ended 31 July 2015

Performance attribution	
	12 months to 31st July 2015
Contributions to total return	%
Benchmark return	10.5
Sector and stock selection	4.7
Gearing/net cash	0.8
Investment Managers' contribution	5.5
Portfolio total return	16.0
Management fee/other expenses	-1.1
Repurchase of shares for cancellation	0.8
Other effects	-0.3
Undiluted return on net assets	15.7
Dilution effect of potential exercise of remaining Subscription shares	-2.3
Diluted return on net assets	13.4
Impact of change in discount	1.2
Return to Ordinary shareholders	14.6
Source: JPMAM/Morningstar. All figures are on a total return basis.	

Source: J.P. Morgan Asset Management, Morningstar as at 31 July 2015. © Morningstar. All Rights Reserved. Performance data has been calculated on NAV to NAV basis, including ongoing charges and any applicable fees, with any income reinvested, in GBP. Please note Benchmark Indices do not include fees or operating expenses and are not available for actual investment. For more information please refer to the Annual Report & Accounts for the year ended 31st July 2015. Past performance is not indicative of future performance.

Financial year performance to 31 July 2015

JPMorgan Smaller Companies Investment Trust 31 July 2014 to 31 July 2015

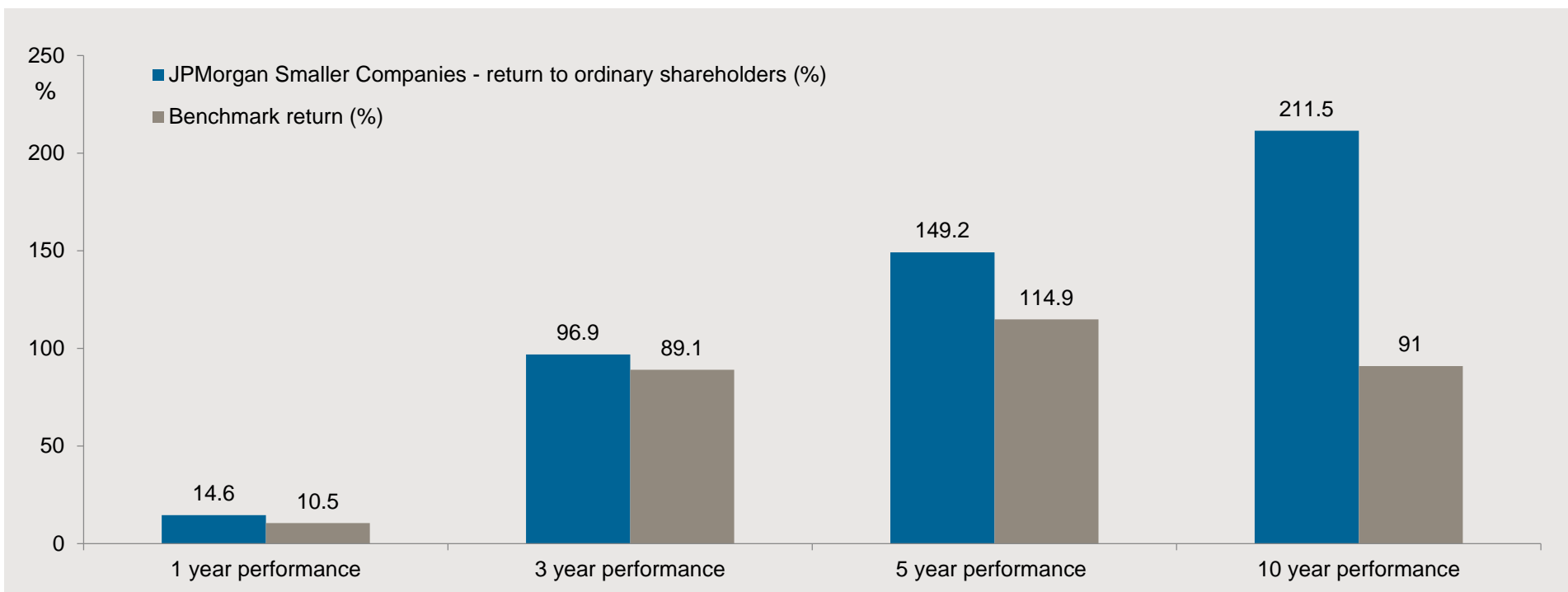


Source: Thomson Reuters Datastream, as at 31 July 2015, rebased to 100 as at 31 July 2014. Performance data has been calculated on NAV to NAV basis, including ongoing charges and any applicable fees, with any income reinvested, in GBP. Please note Benchmark Indices do not include fees or operating expenses and are not available for actual investment. Past performance is not indicative of future performance.

Long term performance

JPMorgan Smaller Companies Investment Trust – to 31 July 2015

Cumulative returns vs FTSE Small Cap ex ITs (net) Index



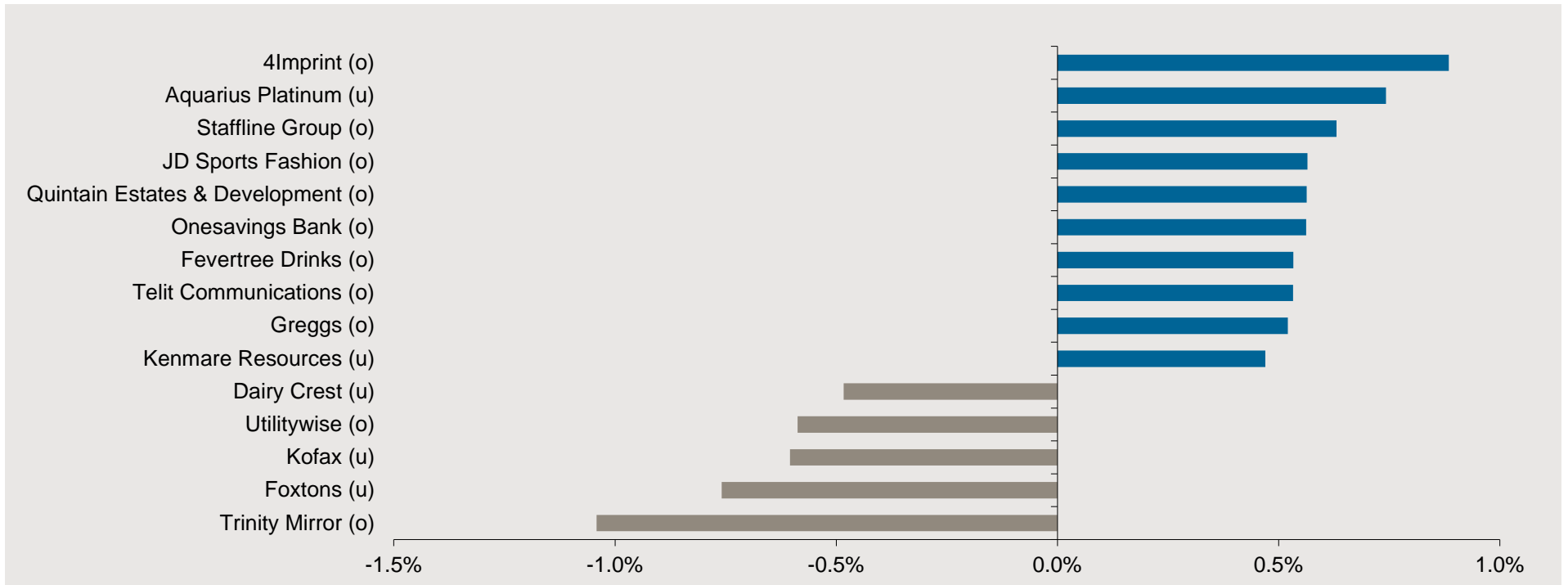
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Performance attribution

Major stock contributors to returns – 12 months to 31 July 2015

Stock level attribution

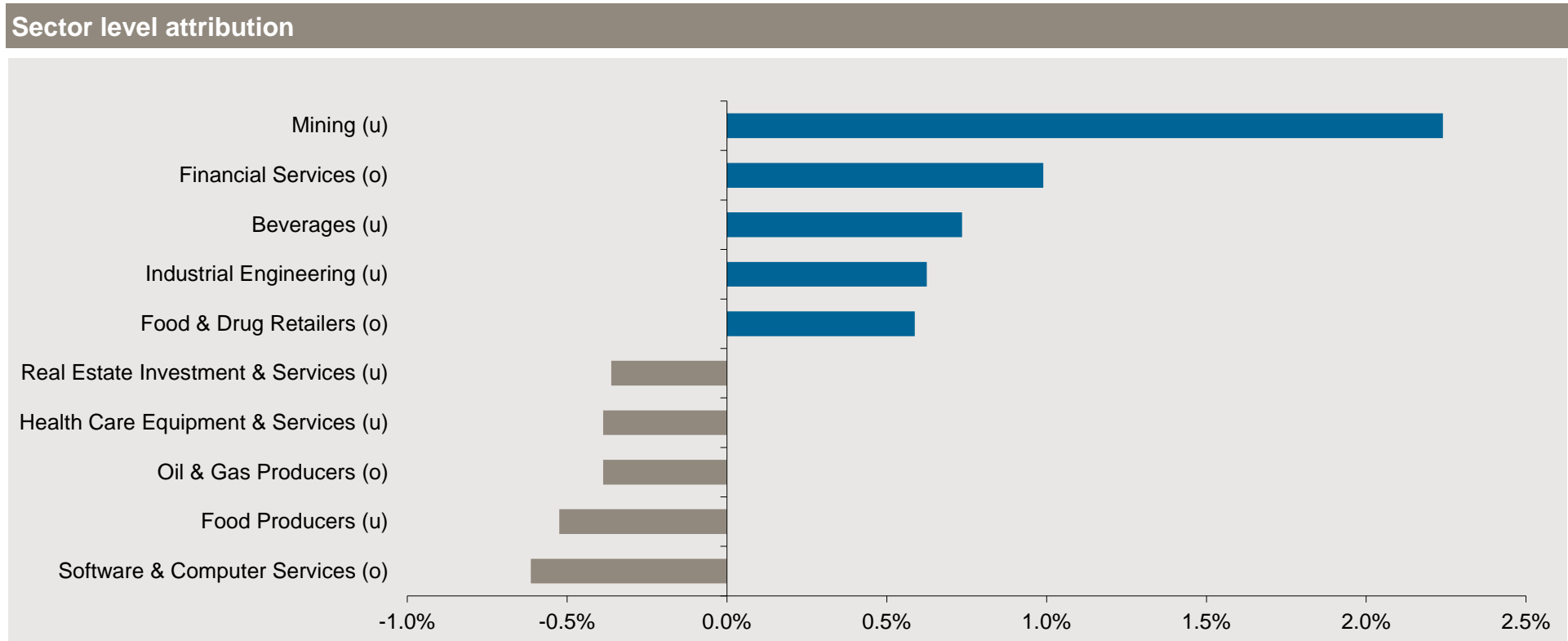


Source: J.P. Morgan Asset Management, FactSet. Attributions may not match the official returns due to differences in system rounding. The companies/securities above are shown for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell. J.P. Morgan Asset Management may or may not hold positions on behalf of its clients in any or all of the aforementioned securities.



Performance attribution

Major sector contributors to returns – 12 months to 31 July 2015



Source: J.P. Morgan Asset Management, FactSet. Attributions may not match the official returns due to differences in system rounding. The companies/securities above are shown for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell. J.P. Morgan Asset Management may or may not hold positions on behalf of its clients in any or all of the aforementioned securities

Stock positions

Top 10 stock overweight positions as at 30 September 2015

	Active weight in %
Onesavings Bank	2.9
Marshalls	2.7
4Imprint	2.7
Avon Rubber	2.7
Telit Communications	2.5
Staffline	2.4
Lookers	2.1
Trinity Mirror	2.0
JD Sports Fashion	1.6
STV	1.6

... top 10 represent 29% of the portfolio

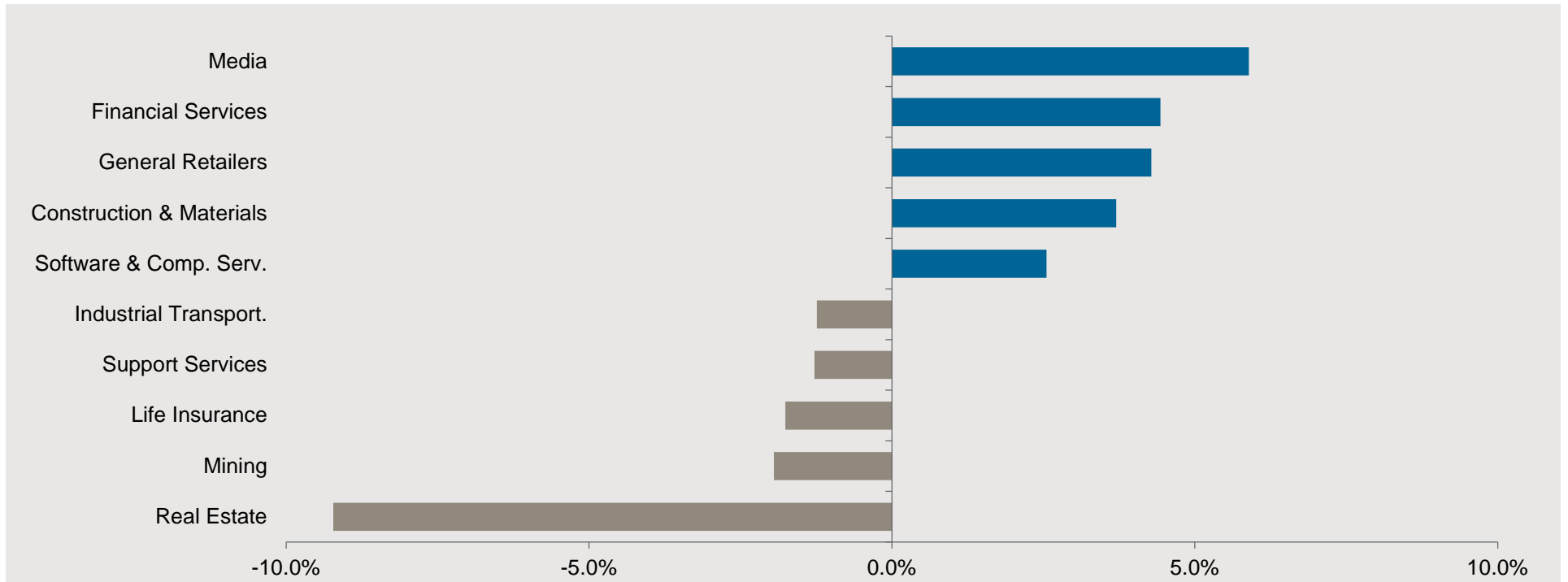
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Sector positioning

As at 30 September 2015

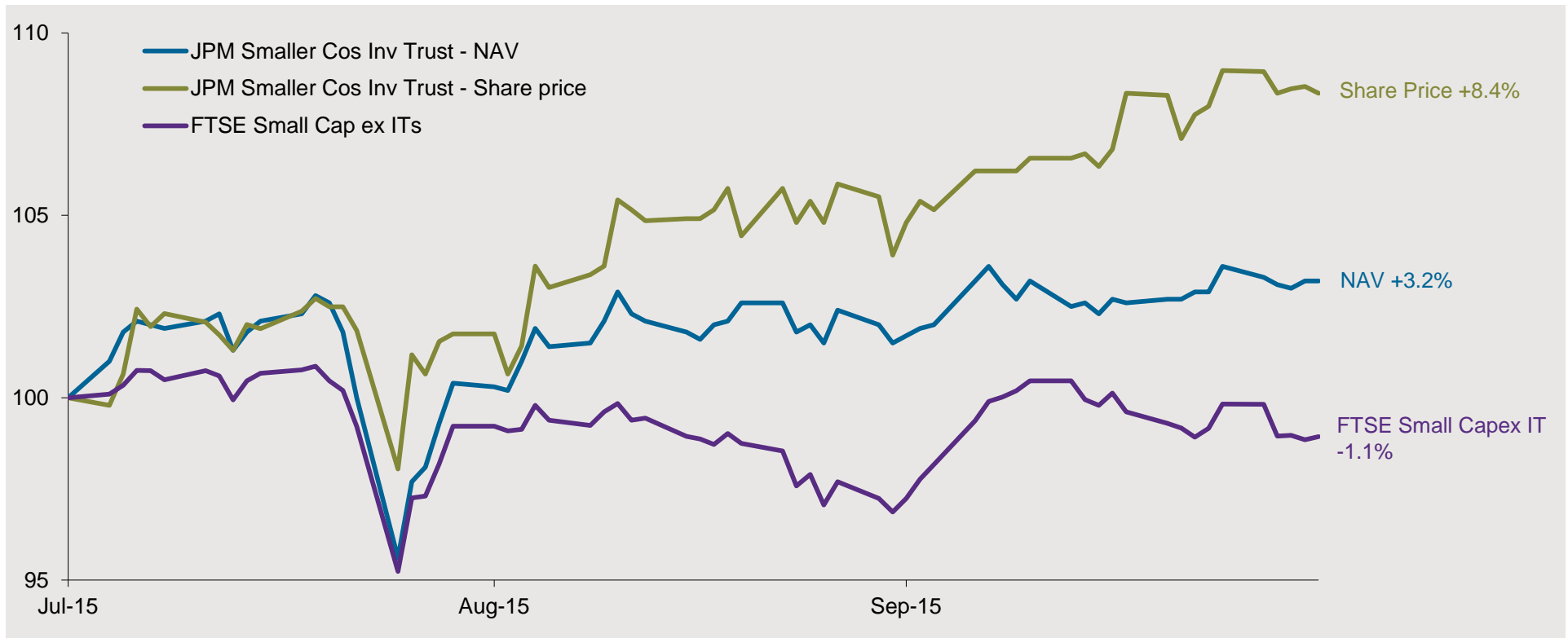
Top / bottom active sector positions



Source: J.P. Morgan Asset Management, FactSet. The above portfolio characteristics are shown for illustrative purposes only and are subject to change without notice.

Performance since the year end – 31 October 2015

31 July 2015 to 31 October 2015



Source: Thomson Reuters Datastream. As at 31 October 2015, rebased to 100 as at 31 July 2014. Performance data has been calculated on NAV to NAV basis, including ongoing charges and any applicable fees, with any income reinvested, in GBP. Please note Benchmark Indices do not include fees or operating expenses and are not available for actual investment. Past performance is not indicative of future performance..

Style characteristics

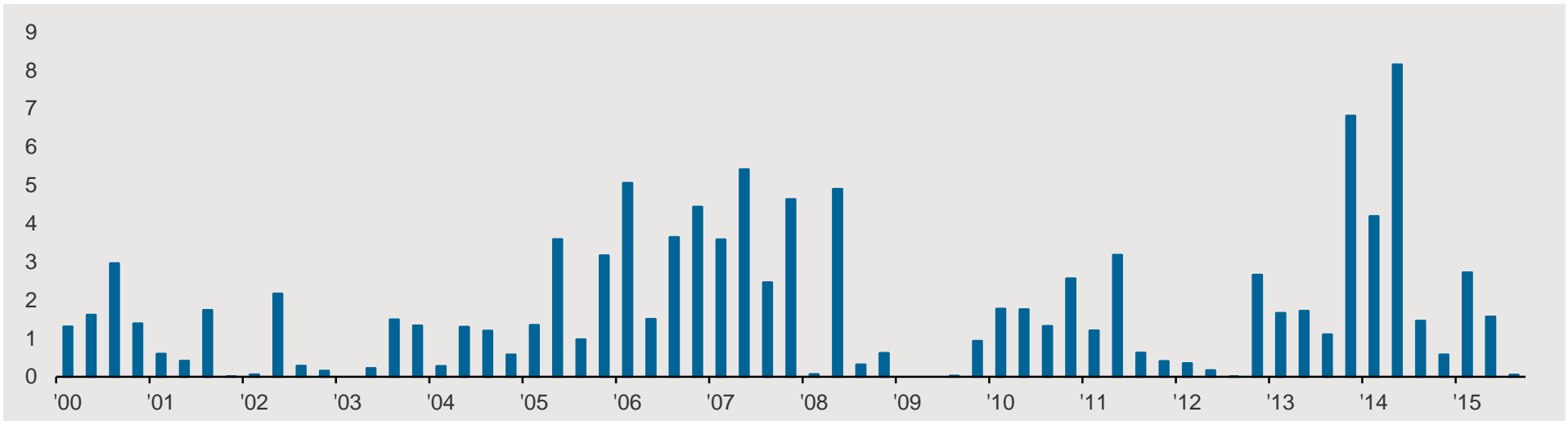
	Fund	Benchmark
Historic Price Earning Ratio (P/E)	19.5x	14.6x
Forward P/E	15.0x	13.3x
EV/EBITDA	8.7x	8.1x
Earnings Growth	12.0%	10.0%
Return on Capital Invested	15.0%	9.6%

Source: J.P. Morgan Asset Management. As at 31 October 2015

Revival of the Initial Public Offering (IPO) market

- IPO activity has provided a number of attractive investment opportunities
- Q2 2014 small and mid cap IPO issuance was the strongest on record

UK Initial Public Offerings (£bn)

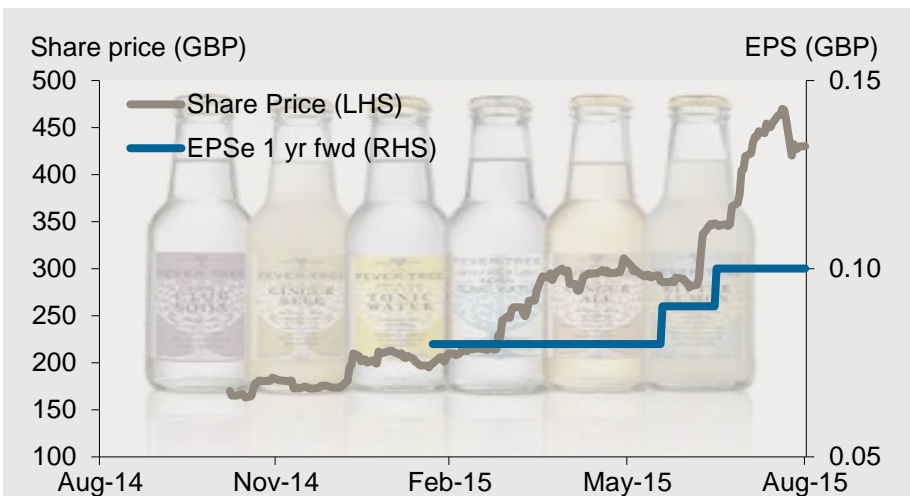


Source: Thomson Datastream, J.P. Morgan Asset Management. The companies/securities above shown are for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell. J.P. Morgan Asset Management may or may not have positions on behalf of its clients in any or all of the aforementioned securities.

Many exciting new investment opportunities

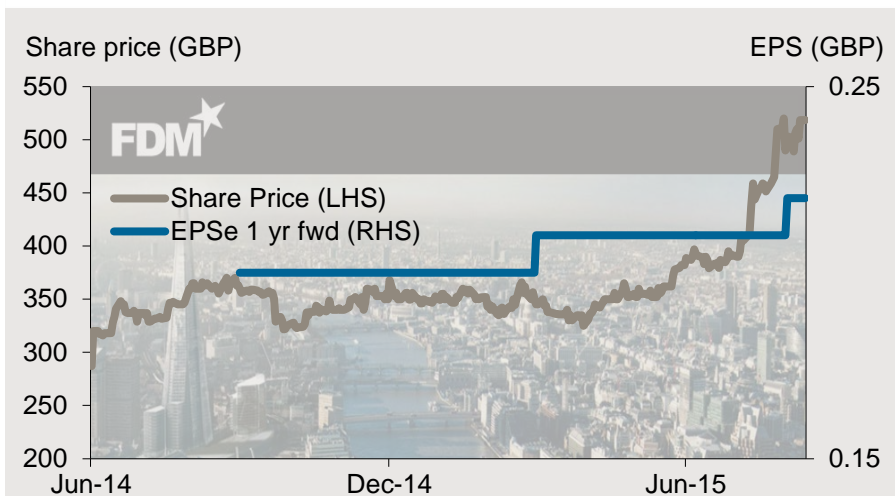
- All index entrants considered and more...
- Disciplined approach to IPO investing

Fevertree Drinks



- Redefining premium mixer marketing and consumption
- Significant market share gains in large markets
- International growth opportunity

FDM Group



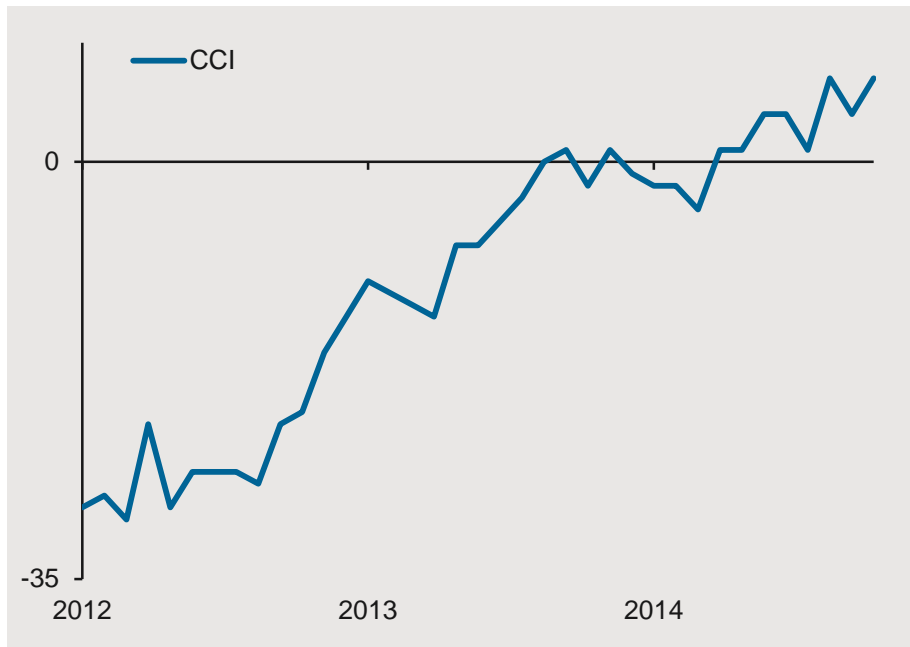
- Specialist IT graduate recruiter
- Large overseas growth opportunities with blue-chip clients
- Positive cyclical and structural drivers

Source: Thomson Datastream, J.P. Morgan Asset Management as at 31 August 2015. The companies/securities above shown are for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell. J.P. Morgan Asset Management may or may not have positions on behalf of its clients in any or all of the aforementioned securities. The opinions and views expressed here are those held by the author at the date of publication which are subject to change and are not to be taken as or construed as investment advice.

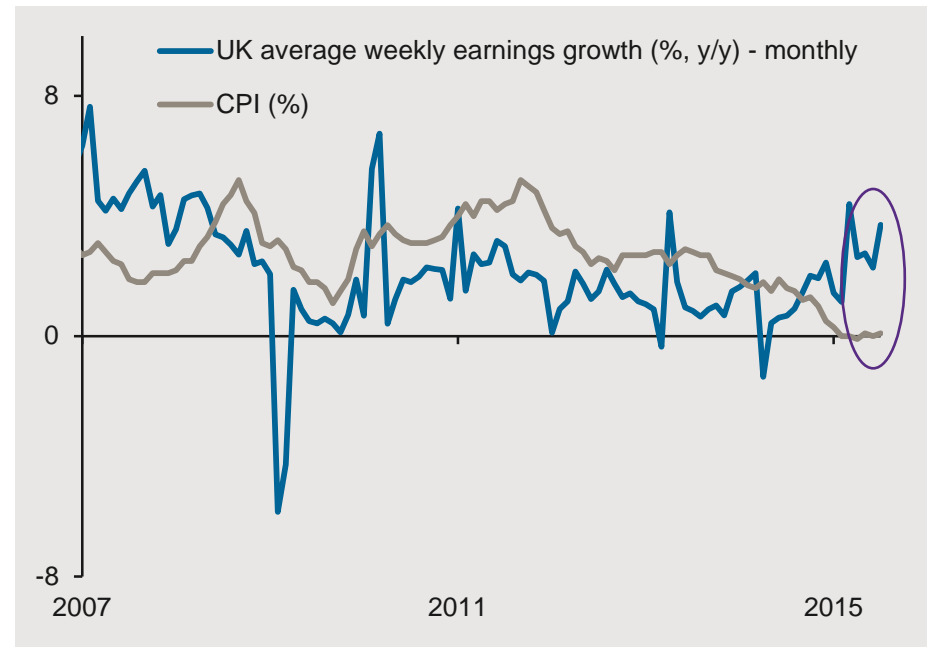
Consumer driving UK economic momentum

- Consumer confidence at multi-year high
- Considerable rise in consumers' disposable income

Gfk consumer confidence index



UK average weekly earnings growth (%)

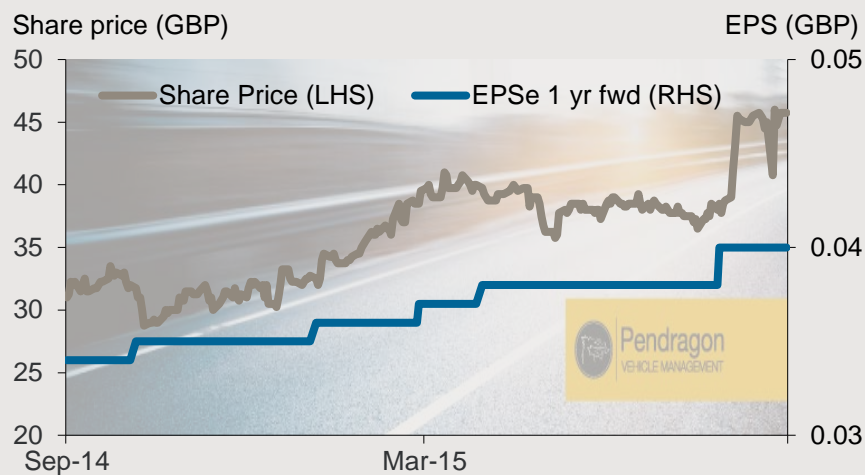


Source: Barclays as at July 2015. CCI denotes Consumer Confidence Index. CPI denotes Consumer Price Index. The opinions and views expressed here are those held by the author at the date of publication which are subject to change and are not to be taken as or construed as investment advice.

UK consumer focus

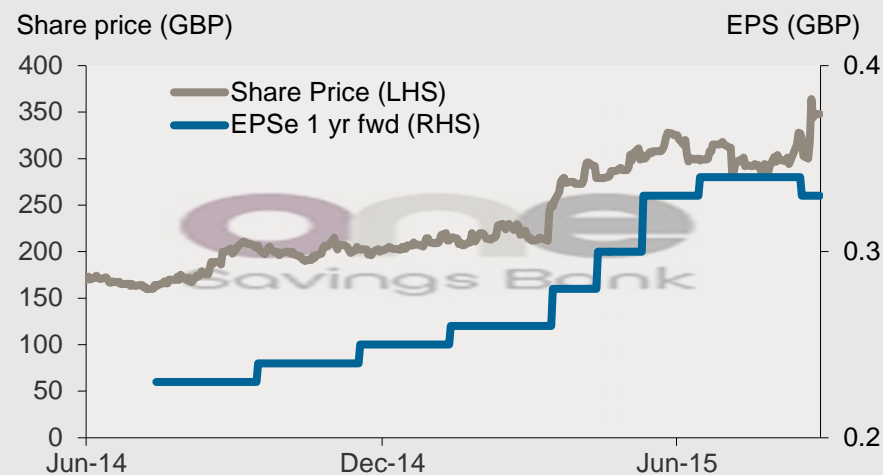
- Considerable rise in consumers' disposable income
- Consumer confidence at multi-year highs

Pendragon



- Cyclical upturn in UK automotive market
- PCP accelerating car replacement cycle
- Opportunity for market consolidation

OneSavings Bank



- Leading UK challenger bank
- Well capitalised with significant growth opportunities
- Positive cyclical and structural drivers

Source: Thomson Datastream, J.P. Morgan Asset Management, as at 31 August 2015. The companies/securities above shown are for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell. J.P. Morgan Asset Management may or may not have positions on behalf of its clients in any or all of the aforementioned securities. The opinions and views expressed here are those held by the author at the date of publication which are subject to change and are not to be taken as or construed as investment advice.

Outlook

- UK economy remains well positioned
 - Monetary policy set in a way that helps to sustain growth and employment
 - Stable pro-business government for 5 years
 - UK composite PMI close to all time highs
- Stock fundamentals are attractive
 - Stock valuations are cheap
 - Domestic bias a positive
 - Return of M&A provides support
- Continued volatility expected
 - Polls still suggest no European exit
 - Interest rates likely lower for longer

... well positioned for the future

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Conclusion

- Valuations remain undemanding
- IPO revival provides a more exciting investment opportunity set
- Strong outperformance over one year and long term
- Exposure to niche growth companies

... an exciting sector to be invested in

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Appendix

Biography



Georgina Brittain

Georgina Brittain, Managing Director, is a senior portfolio manager for UK smaller companies within the J.P. Morgan Asset Management European Equity Group. She is the named manager for the JPM Life UK Small Cap Equity Fund, JPMorgan Smaller Companies Investment Trust and for the JPM UK Smaller Companies Fund; She is also joint fund manager on the Pan European small cap funds. An employee since 1995, Georgina was previously an analyst in the UK Research Department. Georgina obtained an M.A. in Classics from Oxford University, and earned a Diploma in Law from City University, London. She is a qualified barrister.



Katen Patel

Katen Patel, Vice president, is a portfolio manager in the Europe Small/Mid Cap Team within the J.P. Morgan Asset Management European Equity Group. He is the co-manager of the UK Smaller Companies Fund, the JPMorgan Smaller Companies Investment Trust and the JPMorgan Mid Cap Investment Trust. An employee since April 2013, he previously worked at HSBC Bank Plc in a European equity sales role. He obtained a B.Sc. in Management from the London School of Economics. Katen is a CFA charterholder.

... expertise, experience and the backing of a large group

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