



Half Year Report **2015**
JPMorgan Claverhouse Investment Trust plc

Half Year Report & Accounts for the six months ended 30th June 2015

Features

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Objective

Capital and income growth from UK investments.

Investment Policies

- To invest in a portfolio consisting mostly of leading companies listed on the London Stock Exchange. The Company's portfolio typically consists of between 60 and 80 individual stocks in which the Manager has high conviction.
- To invest no more than 15% of gross assets in other UK listed investment companies (including investment trusts).
- To invest no more than 15% of gross assets in any individual investment (including unit trusts and open ended investment companies).
- The Company uses short and long term gearing to increase potential returns to shareholders. The Company's gearing policy is to operate within a range of 5% net cash to 20% geared in normal market conditions. The Manager is accountable for tactically managing the gearing, within a +/-7.5% range around a 'normal' gearing level. The normal gearing level, which is set by the Board and kept under review on an ongoing basis, is currently 10%. The Board permits the Manager to use FTSE index futures to effect changes in the level of the Company's gearing.

Benchmark

The FTSE All-Share Index.

Capital Structure

As at 30th June 2015, the Company's share capital comprised 56,765,653 ordinary shares of 25p each, including 2,041,674 shares held in Treasury. There have been no changes in the capital structure in the period under review.

The Company has a £30 million debenture in issue, which carries a fixed interest rate of 7% per annum, repayable in 2020.

Management Company and Company Secretary

The Company employs JPMorgan Funds Limited ('JPMF' or the 'Manager') as its Alternative Investment Fund Manager and Company Secretary. JPMF delegates the management of the Company's portfolio to JPMorgan Asset Management ('JPMAM').

FCA regulation of 'non-mainstream pooled investments'

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

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

AIC

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

Website

The Company's website, which can be found at www.jpmlclaverhouse.co.uk, includes useful information on the Company, such as daily prices, factsheets and current and historic half year and annual reports.

Half Year Performance

Total returns (includes dividends reinvested)

+2.5%

Return to shareholders^{1,3}

+4.2%

Return on net assets^{2,3}

+3.0%

Benchmark return⁴

Financial Data

	30th June 2015	31st December 2014
Shareholders' funds (£'000)	354,976	346,663
Number of shares in issue ⁵	54,723,979	54,723,979
Share price	606.0p	602.5p
Net asset value per share with debt at par value	648.7p	633.5p
Net asset value per share with debt at fair value ⁶	636.8p	620.3p
Share price discount to net asset value per share with debt at par value	6.6%	3.4%
Share price discount to net asset value per share with debt at fair value	4.8%	2.9%
Gearing ⁷	20.2%	15.7%
Gearing (incl Index Future exposure) ⁷	15.5%	11.9%
Ongoing Charges ⁷	0.73%	0.74%

A glossary of terms and definitions is provided on page 18.

¹Source: Morningstar.

²Source: J.P. Morgan.

³These are total returns and assume that the 2014 fourth quarterly dividend of 6.5p and the 2015 first quarterly dividend of 5.0p were reinvested on the applicable ex-dividend dates.

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

⁵Excluding 2,041,674 (31st December 2014: 2,041,674) shares held in Treasury.

⁶The fair value of the £30m (2014: £30m) debenture issued by the Company has been calculated using discounted cash flow techniques and the yield from a similarly dated gilt plus a margin based on the 5 year average for the AA Barclays Sterling Corporate Bond spread.

⁷Please refer to definition in the glossary of terms on page 18.

Chairman's Statement



Performance

In my first statement as Chairman of your Company, I am very pleased to report that the Company's good performance has continued through the first half of the current financial year. In the six months to 30th June 2015, the total return on net assets was +4.2%, which compares with the return from the Company's benchmark, the FTSE All-Share Index, of +3.0%.

Since the change of investment strategy in March 2012 the Investment Managers have run a more concentrated portfolio which normally contains between 60 and 80 stocks, investing in companies for which they have high conviction. In the period from 1st March 2012 to 30th June 2015 the Company has produced a net asset total return of +50.7%, compared with the benchmark return of +32.0%. Over the last three, five and ten years to 30th June 2015 the Company's NAV per share total return has exceeded the benchmark by 15.3%, 12.3% and 7.2% respectively.

The discount to net asset value at which the Company's shares trade widened out from 3.4% at the end of the last financial year to 6.6% at the half year end. The consequence of this was that the share price total return for the six months was marginally behind the benchmark at +2.5%. The Board hopes that the Company's excellent long term performance record, and the recent appointment of Numis as its corporate broker, will result in an improvement in the Company's rating and a narrowing of the discount.

The Investment Managers' Report sets out more detail of the outcome of the first half of the year and their outlook for the remainder of 2015.

Revenue and Dividends

Earnings per share for the six months to 30th June 2015 rose to 15.29p, compared to 12.14p earned in the same period in 2014.

The Company has continued to pay quarterly dividends. Over the last few years it has paid dividends of an equal amount over the first three quarters of the financial year, with a higher fourth quarter dividend. In the 2013 and 2014 financial years, the first three quarters' dividends were paid at the rate of 4.5p per share.

In 2015 a first quarterly interim dividend of 5p per share was paid on 1st June. It remains the Board's intention that the first three quarters' dividends should be of an equal amount and the Board has declared a second quarterly interim dividend of 5p per share, payable on 1st September 2015 to shareholders on the register at the close of business on 7th August 2015. The Board intends that, in the absence of unforeseen circumstances, the third quarterly interim dividend would be of the same amount.

Our income account is looking healthy and it remains the Board's aim to increase the total dividend each year, as it has done for each of the last 42 years. The total for 2014 was 20p per share and the level of the full year's dividend for 2015 will be set when declaring the fourth quarterly interim dividend, to be paid at the beginning of March 2016.

Gearing

As explained previously, the Board has agreed with the Investment Manager that gearing of 10% may be considered as 'normal' with discretion to manage the level within a range of +/-7.5% around that normal level. Furthermore part of the management of the gearing is permitted to be undertaken through the use of Index Futures. The Company continued to be geared throughout the six-month period and as at 30th June 2015 the gearing was 15.5% (taking account of borrowings, net of cash balances held, and hedging through the use of Index Futures).

Board Changes

Following many years of service to the Company, Sir Michael Bunbury retired as a Director and Chairman at the conclusion of the Annual General Meeting held in April this year. I was appointed Chairman and Humphrey van der Klugt has succeeded me as Senior Independent Director.

The Board and the Company benefitted greatly from Sir Michael's wise counsel and determination to pursue shareholder returns and to protect shareholders' interests. He will be much missed.

Outlook

The UK economy seems to be in robust shape and thus the outlook for equities positive. Recent events in Greece and the Eurozone remind us that there is always the possibility of short term market volatility but, as the Investment Managers state in their report, I would encourage shareholders to take a medium to long term view. The Company has performed well over the medium and longer term compared with its benchmark index and the Board is confident in the Investment Managers' ability to continue to add value through their conviction-based investment approach.

Andrew Sutch
Chairman

7th August 2015

Investment Managers' Report



William Meadon



Sarah Emly

Market Review

The returns for the UK stock market for the first half of the year, whilst positive, were volatile, with the FTSE All-Share index delivering a total return of +3.0% in the six months to 30th June 2015. The growing dividend stream flowing from equities continued to underpin the market. Small and mid cap companies had a strong six months, with the FTSE 250 returning +10.4% and the FTSE Small Cap +8.6%, compared to +1.4% for the FTSE 100. The large cap index was held back by its heavy weighting to oil and commodity producers in a period of price weakness, as well as by the strength of sterling against the euro.

The market returns were strong for most of the period, with investors taking heart from continuing strong UK growth and encouraging signs of a nascent recovery in continental Europe. The market was also encouraged by the success of the Conservatives in gaining an overall majority in the May general election. However, overseas worries dominated at the end of the review period, with Greece back in focus as hopes faded that it would reach an agreement with its creditors ahead of a crucial deadline. However, domestic news was positive, with house prices rising sharply in the wake of the election and a pick-up in industrial production suggesting the economy was gathering momentum in the second quarter. Labour market conditions continued to improve throughout the period, with unemployment remaining stable at 5.5%, the lowest level since 2008, and wages now rising at their fastest pace since August 2011.

Portfolio Review

The total return on the net assets of your Company of +4.2% compared with the benchmark return of +3.0% over the first six months of 2015. Underlying stock selection was particularly strong during the second quarter, with many of our more domestically-focused stocks reacting well to the election of a majority Conservative government in early May.

Our best performing stock in the first half was our long term overweight position in the media group, ITV. This company announced a fifth consecutive year of double digit profit growth and increased its annual dividend by 34%, whilst also returning part of its strong cash generation to shareholders through a third consecutive special dividend. This stock remains attractive both in terms of its valuation and its ability to beat market expectations. Jupiter Fund Management also performed well, increasing its dividend strongly, whilst also paying a special dividend.

Other successful stocks included a number of our housebuilding and property related stocks including Galliford Try, Taylor Wimpey and Berkeley Group, all of which announced good results, but also benefited from the positive sentiment towards the domestic cyclical stocks following the general election result.

By contrast, the biggest detractor from performance was the underweight position in BG Group which received a takeover approach from Royal Dutch Shell in early April. Our premium dividend yielders, Royal Dutch Shell and the leading iron ore producer, Rio Tinto, also performed poorly over this period, as they suffered from weakening commodity prices.

The portfolio remains focused, holding 68 stocks at the half year end. New holdings introduced during the period include Greggs, a leading player in the UK take-away sandwich and savouries market. Under new management, the company is moving into the rapidly growing area of quality, fresh 'food-on-the-go' and at the same time the 1600 strong shop estate is being re-aligned towards more attractive consumer-friendly locations. The business is highly cash generative and the new team have already paid shareholders a 20p special dividend.

We also introduced a holding in the kitchen-fitter, Howden Joinery, and added to our position in the construction group Galliford Try, which reported strong earnings and dividend growth. We also bought into the chemicals group Synthomer, which has a new management team who are focused on driving strong shareholder returns. By contrast, early in the year we reduced our exposure to the mining sector, by trimming our position in BHP Billiton, in light of the continuing weak commodity prices.

Top Over and Under-weight positions vs FTSE All-Share Index

Top Five Overweight Positions		Top Five Underweight Positions	
ITV	+2.0%	Diageo	-2.1%
Imperial Tobacco	+1.9%	Reckitt Benckiser	-1.7%
Dixons Carphone	+1.8%	National Grid	-1.5%
Aviva	+1.5%	Glencore	-1.4%
BT Group	+1.4%	Standard Chartered	-1.1%

Source: JPMAM and Factset, as at 30th June 2015.

Market outlook

We remain positive on the medium term outlook for UK equities but expect returns to come in a more volatile manner over the next twelve months. The UK economy is still in pretty good shape with growth currently the strongest of any major advanced economy whilst inflation and interest rates remain at historically very low levels. However, with continuing uncertainties in Greece and the huge Chinese economy slowing rapidly, the immediate outlook is uncertain.

Against the backdrop of a slowing global economy, it is difficult to predict the short term direction of the UK stock market. However, we remain encouraged by the prospects for our shareholders over the medium term. The UK now has a

Investment Managers' Report continued

shareholder-friendly, centre-right government for at least five years. This is a global, political rarity which should provide a more predictable backdrop for both companies and investors to plan their affairs. Excess corporate cash continues to be utilised in shareholder friendly ways and we expect mergers and acquisitions to accelerate. The hunt for secure yield is still one of the biggest global investment themes and, in this regard, equities are one of the most attractive asset classes. With UK inflation at zero, a prospective nominal yield on the FTSE All-Share Index of 3.7% is a real one of the same amount, which is not unattractive, especially when dividends are still growing strongly.

At the period end gearing was 15.5%. Whilst investors should brace themselves for a period of volatility in share prices, we advise our shareholders to stay focused on the medium term prospects for the UK stock market, which we still believe to be positive.

William Meadon

Sarah Emly

Investment Managers

7th August 2015

Sector Analysis

	30th June 2015		31st December 2014	
	Portfolio % ¹	Benchmark %	Portfolio % ¹	Benchmark %
Financials ²	29.3	26.4	27.0	25.6
Consumer Services	17.7	12.2	14.2	11.3
Consumer Goods	15.2	14.7	14.7	14.5
Oil & Gas	9.4	11.6	10.8	12.7
Health Care	8.5	8.1	10.0	8.5
Telecommunications	6.4	5.2	6.6	4.9
Basic Materials	4.5	6.3	4.7	7.2
Industrials	3.5	10.3	3.7	9.8
Technology	2.6	1.6	1.6	1.5
Utilities	0.8	3.6	0.8	4.0
Net current assets ³	2.1	–	5.9	–
Total	100.0	100.0	100.0	100.0

¹Based on total assets less current liabilities of £435.3m (2014: £428.1m).

²Includes the Company's investments in the JPMorgan UK Smaller Companies Fund and JPMorgan Smaller Companies Investment Trust plc of 0.8% and 2.7% of the portfolio respectively.

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

List of Investments

at 30th June 2015

Company	Sector	Valuation £'000	%
Royal Dutch Shell	Oil & Gas	20,531	4.7
HSBC	Financials	19,494	4.5
British American Tobacco	Consumer Goods	16,368	3.8
BP	Oil & Gas	14,940	3.5
Vodafone	Telecommunications	14,376	3.3
Imperial Tobacco	Consumer Goods	13,718	3.2
Lloyds Banking Group	Financials	13,605	3.1
BT	Telecommunications	13,421	3.1
Prudential	Financials	12,519	2.9
AstraZeneca	Health Care	12,041	2.8
JPMorgan Smaller Companies Investment Trust	Financials	11,583	2.7
Rio Tinto	Basic Materials	10,980	2.5
Aviva	Financials	10,191	2.4
ITV	Consumer Services	10,048	2.3
Shire	Health Care	9,807	2.3
GlaxoSmithKline	Health Care	9,224	2.1
Barclays	Financials	9,180	2.1
Dixons Carphone	Consumer Services	8,491	2.0
SabMiller	Consumer Goods	6,820	1.6
Relx	Consumer Services	6,281	1.5
Compass	Consumer Services	6,136	1.4
Shaftesbury	Financials	6,076	1.4
British Land	Financials	5,943	1.4
WPP	Consumer Services	5,858	1.4
Direct Line Insurance	Financials	5,757	1.3
Jupiter Fund Management	Financials	5,578	1.3
Next	Consumer Services	5,361	1.2
Taylor Wimpey	Consumer Goods	5,306	1.2
BG	Oil & Gas	5,275	1.2
Ashtead	Industrials	4,859	1.1
Micro Focus International	Technology	4,827	1.1
Synthomer	Basic Materials	4,818	1.1
Restaurant Group	Consumer Services	4,597	1.1
Unilever	Consumer Goods	4,463	1.0
Go-Ahead	Consumer Services	4,297	1.0
Berkeley	Consumer Goods	4,203	1.0
Legal & General	Financials	4,088	0.9
Greggs	Consumer Services	4,037	0.9
Barratt Developments	Consumer Goods	4,005	0.9
Galliford Try	Consumer Goods	3,915	0.9

Company	Sector	Valuation £'000	%
Booker	Consumer Services	3,909	0.9
Beazley	Financials	3,762	0.9
Bodycote International	Industrials	3,634	0.8
BHP Billiton	Basic Materials	3,565	0.8
Bellway	Consumer Goods	3,544	0.8
United Utilities	Utilities	3,512	0.8
BAE Systems	Industrials	3,509	0.8
Whitbread	Consumer Services	3,442	0.8
easyJet	Consumer Services	3,341	0.8
JPMorgan UK Smaller Companies Fund	Financials	3,326	0.8
Howden Joinery	Industrials	3,317	0.8
St James's Place	Financials	3,281	0.8
Provident Financial	Financials	3,223	0.7
Capital & Counties Properties	Financials	3,161	0.7
GKN	Consumer Goods	3,159	0.7
Laird	Technology	2,799	0.6
Inchcape	Consumer Services	2,780	0.6
Card Factory	Consumer Services	2,459	0.6
John Laing	Financials	2,301	0.5
BTG	Health Care	2,245	0.5
Domino's Pizza	Consumer Services	2,224	0.5
Savills	Financials	2,207	0.5
St Modwen Properties	Financials	2,164	0.5
WH Smith	Consumer Services	2,109	0.5
Smith & Nephew	Health Care	2,105	0.5
ARM Holdings	Technology	2,054	0.5
Tesco	Consumer Services	1,859	0.4
Sage Group	Technology	1,794	0.4
Hikma Pharmaceuticals	Health Care	1,660	0.4
Diageo	Consumer Goods	710	0.2
JPMorgan Sterling Liquidity Fund	Liquidity Funds	7,200	1.7
Total		433,372	100.0

Statement of Comprehensive Income

for the six months ended 30th June 2015

	(Unaudited) Six months ended 30th June 2015			(Unaudited) Six months ended 30th June 2014			(Audited) Year ended 31st December 2014		
	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									
Net foreign currency losses	–	8,278	8,278	–	(7,148)	(7,148)	–	(2,479)	(2,479)
Income from investments	–	–	–	–	(12)	(12)	–	(12)	(12)
Other interest receivable and similar income	9,619	–	9,619	7,797	–	7,797	15,149	–	15,149
	2	–	2	1	–	1	34	–	34
Gross return/(loss)	9,621	8,278	17,899	7,798	(7,160)	638	15,183	(2,491)	12,692
Management fee	(313)	(582)	(895)	(307)	(570)	(877)	(608)	(1,128)	(1,736)
Performance fee (charge)/writeback	–	(537)	(537)	–	1,484	1,484	–	(325)	(325)
Other administrative expenses	(438)	–	(438)	(369)	–	(369)	(828)	–	(828)
Net return/(loss) on ordinary activities before finance costs and taxation	8,870	7,159	16,029	7,122	(6,246)	876	13,747	(3,944)	9,803
Finance costs	(500)	(928)	(1,428)	(480)	(893)	(1,373)	(993)	(1,846)	(2,839)
Net return/(loss) on ordinary activities before taxation	8,370	6,231	14,601	6,642	(7,139)	(497)	12,754	(5,790)	6,964
Taxation	–	–	–	(1)	–	(1)	–	–	–
Net return/(loss) on ordinary activities after taxation	8,370	6,231	14,601	6,641	(7,139)	(498)	12,754	(5,790)	6,964
Return/(loss) per share (note 4)	15.29p	11.39p	26.68p	12.14p	(13.05)p	(0.91)p	23.31p	(10.58)p	12.73p

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.

Statement of Changes in Equity

Six months ended 30th June 2015 (Unaudited)	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue ¹ reserve £'000	Total £'000
At 31st December 2014	14,192	149,641	6,680	160,957	15,193	346,663
Net return on ordinary activities	–	–	–	6,231	8,370	14,601
Dividends paid in the period	–	–	–	–	(6,288)	(6,288)
At 30th June 2015	14,192	149,641	6,680	167,188	17,275	354,976

Six months ended 30th June 2014 (Unaudited)	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue ¹ reserve £'000	Total £'000
At 31st December 2013	14,192	149,641	6,680	166,747	13,106	350,366
Net (loss)/return on ordinary activities	–	–	–	(7,139)	6,641	(498)
Dividends paid in the period	–	–	–	–	(5,742)	(5,742)
At 30th June 2014	14,192	149,641	6,680	159,608	14,005	344,126

Year ended 31st December 2014 (Audited)	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue ¹ reserve £'000	Total £'000
At 31st December 2013	14,192	149,641	6,680	166,747	13,106	350,366
Net (loss)/return on ordinary activities	–	–	–	(5,790)	12,754	6,964
Dividends paid in the year	–	–	–	–	(10,667)	(10,667)
At 31st December 2014	14,192	149,641	6,680	160,957	15,193	346,663

¹These reserves form the distributable reserves of the Company and may be used to fund distribution of profits to investors via dividend payments.

Statement of Financial Position

at 30th June 2015

	(Unaudited) 30th June 2015 £'000	(Unaudited) 30th June 2014 £'000	(Audited) 31st December 2014 £'000
Fixed assets			
Investments held at fair value through profit or loss	426,172	415,201	402,912
Cash equivalents (including liquidity funds) at fair value through profit or loss ¹	7,200	4,991	25,141
	433,372	420,192	428,053
Current assets			
Derivative financial assets (note 8)	379	51	–
Debtors	2,584	6,369	1,009
Cash and short term deposits	1,333	1,584	1,845
	4,296	8,004	2,854
Creditors: amounts falling due within one year	(2,373)	(53,011)	(2,230)
Derivative financial liabilities (note 8)	–	–	(600)
Net current assets/(liabilities)	1,923	(45,007)	24
Total assets less current liabilities	435,295	375,185	428,077
Creditors: amounts falling due after more than one year	(79,852)	(29,825)	(79,838)
Provision for liabilities and charges	(467)	(1,234)	(1,576)
Net assets	354,976	344,126	346,663
Capital and reserves			
Called up share capital	14,192	14,192	14,192
Share premium	149,641	149,641	149,641
Capital redemption reserve	6,680	6,680	6,680
Capital reserves	167,188	159,608	160,957
Revenue reserve	17,275	14,005	15,193
Shareholders' funds	354,976	344,126	346,663
Net asset value per share (note 5)	648.7p	628.8p	633.5p

¹This line item was shown as 'Investment in liquidity fund held at fair value through profit or loss' in the financial statements for the year ended 31st December 2014.

Statement of Cash Flows

for the six months ended 30th June 2015

	(Unaudited) Six months ended 30th June 2015 £'000	(Unaudited) Six months ended 30th June 2014 £'000	(Audited) Year ended 31st December 2014 £'000
Cash inflow from operations (note 6)	5,211	4,859	11,458
Interest paid	(1,415)	(1,333)	(2,768)
Net cash inflow from operating activities	3,796	3,526	8,690
Purchases of equity investments and derivatives	(61,132)	(87,845)	(153,627)
Sales of equity investments and derivatives	45,172	78,872	159,830
Other capital charges	(1)	(1)	(5)
Net cash (outflow)/inflow from investing activities	(15,961)	(8,974)	6,198
Dividends paid	(6,288)	(5,742)	(10,667)
Net drawdown of bank loans	–	13,000	18,000
Net cash (outflow)/inflow from financing activities	(6,288)	7,258	7,333
(Decrease)/increase in cash and cash equivalents	(18,453)	1,810	22,221
Cash and cash equivalents at the start of the period	26,986	4,777	4,777
Exchange movements	–	(12)	(12)
Cash and cash equivalents at the end of the period	8,533	6,575	26,986
(Decrease)/increase in cash and cash equivalents	(18,453)	1,810	22,221
Cash and cash equivalents consist of:			
Cash at bank	1,333	1,584	1,845
Investments in liquidity funds	7,200	4,991	25,141
	8,533	6,575	26,986

Notes to the Financial Statements

for the six months ended 30th June 2015

1. Financial statements

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

The figures and financial information for the year ended 31st December 2014 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 included the report of the auditors which was unqualified and did not contain a statement under either Section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting policies

The 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 revised 'SORP') issued by the Association of Investment Companies in November 2014.

FRS 104 'Interim Financial Reporting', issued by the Financial Reporting Council in March 2015 has been applied in preparing this condensed set of financial statements for the six months ended 30th June 2015.

As a result of the first time adoption of FRS 102 and the revised SORP, comparative numbers and presentational formats have been restated where required.

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 December 2014 with the following exceptions and amendments:

Finance costs

Finance costs are accounted for on an accruals basis using the effective interest rate method in accordance with the provisions of FRS 102.

Financial instruments

Cash and cash equivalents may comprise cash (including demand deposits which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value) as well as cash equivalents (in accordance with the requirements of the Alternative Investment Fund Managers Directive regulations, investments are regarded as cash equivalents if they meet all of the following criteria; highly liquid investments held in the sub-fund's base currency that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three-month high quality government bond).

Taxation

Current tax is provided at the amounts expected to be paid or received.

Deferred tax is accounted for in accordance with FRS 102.

Functional currency

In accordance with FRS 102, the Company is required to identify its functional currency, being the currency of the primary economic environment in which the Company operates. The Board, having regard to the currency of the Company's share capital and the predominant currency in which its shareholders operate, has determined that sterling is the functional currency. Sterling is also the currency in which the accounts are presented.

Dividends payable

In accordance with FRS 102, the final dividend is included in the accounts in the year in which it is approved by shareholders.

Repurchase of shares into Treasury

The cost of repurchasing shares into Treasury, including the related stamp duty and transactions costs, is charged to capital reserves and dealt with in the Statement of Changes in Equity.

Only the relevant section of the applicable policies from the last year end accounts which have changed as a result of the application of the 2014 AIC SORP and FRS 102 have been reproduced above - all other aspects of those policies remain the same. The impact of the changes is substantially in relation to presentational, disclosure and non-quantifiable aspects.

3. Dividends

	(Unaudited) Six months ended 30th June 2015 £'000	(Unaudited) Six months ended 30th June 2014 £'000	(Audited) Year ended 31st December 2014 £'000
Unclaimed dividends refunded to the Company	(5)	(4)	(5)
2014 fourth quarterly dividend of 6.5p (2013: 6.0p) paid in March	3,557	3,283	3,283
First quarterly dividend of 5.0p (2014: 4.5p) paid in June	2,736	2,463	2,463
Second quarterly dividend of 4.5p paid in September	n/a	n/a	2,463
Third quarterly dividend of 4.5p paid in December	n/a	n/a	2,463
Total dividends paid in the period¹	6,288	5,742	10,667

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

A second quarterly dividend of 5.0p (2014: 4.5p) per share, amounting to £2,736,000 (2014: £2,463,000), has been declared payable in respect of the year ending 31st December 2015. It will be paid on 1st September 2015 to shareholders on the register at the close of business on 7th August 2015.

4. Return/(loss) per share

	(Unaudited) Six months ended 30th June 2015 £'000	(Unaudited) Six months ended 30th June 2014 £'000	(Audited) Year ended 31st December 2014 £'000
Return/(loss) per share is based on the following:			
Revenue return	8,370	6,641	12,754
Capital return/(loss)	6,231	(7,139)	(5,790)
Total return/(loss)	14,601	(498)	6,964
Weighted average number of shares in issue	54,723,979	54,723,979	54,723,979
Revenue return per share	15.29p	12.14p	23.31p
Capital return/(loss) per share	11.39p	(13.05)p	(10.58)p
Total return/(loss) per share	26.68p	(0.91)p	12.73p

5. Net asset value per share

Net asset value per share is calculated by dividing shareholders' funds by the number of shares in issue at 30th June 2015 of 54,723,979 (30th June 2014: 54,723,979 and 31st December 2014: 54,723,979), excluding shares held in Treasury.

Notes to the Financial Statements continued

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

	(Unaudited) Six months ended 30th June 2015 £'000	(Unaudited) Six months ended 30th June 2014 £'000	(Audited) Year ended 31st December 2014 £'000
Net return on ordinary activities before finance costs and taxation	16,029	876	9,803
(Less: capital return)/Add: capital loss before finance costs and taxation	(7,159)	6,246	3,944
(Increase)/decrease in net debtors and accrued income	(1,549)	(278)	291
Overseas withholding tax and UK income tax	(60)	(56)	(66)
Scrip dividends received as income	–	–	(27)
Management fee charged to capital	(582)	(570)	(1,128)
Performance fee paid	(1,468)	(1,359)	(1,359)
Net cash inflow from operating activities	5,211	4,859	11,458

7. Fair valuation of investments

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

	(Unaudited) Six months ended 30th June 2015		(Unaudited) Six months ended 30th June 2014		(Audited) Year ended 31st December 2014	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Quoted prices for identical instruments in active markets	422,846	–	411,018	–	400,001	–
Prices of recent transactions for identical instruments ¹	10,905	–	9,225	–	28,052	(600)
Total value of investments	433,751	–	420,243	–	428,053	(600)

¹Includes JPMorgan Sterling Liquidity Fund, JPMorgan UK Smaller Companies Fund and the FTSE 100 index future positions.

8. Derivative financial instruments

	(Unaudited) Six months ended 30th June 2015 £'000	(Unaudited) Six months ended 30th June 2014 £'000	(Audited) Year ended 31st December 2014 £'000
Derivative financial assets			
Futures contract ¹	379	51	–
Derivative financial liabilities			
Futures contract ¹	–	–	(600)

¹This represents FTSE 100 index futures at a contract cost of £17,134,000 (30th June 2014: £32,868,000, 31st December 2014: £12,575,000) and a market value of £16,755,000 (30th June 2014: £32,817,000, 31st December 2014: £13,175,000) giving an unrealised asset of £379,000 (30th June 2014: £51,000, 31st December 2014: £600,000 liability).

Interim Management Report

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

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company fall into the following broad categories: investment and strategy; market; accounting, legal and regulatory; corporate governance and shareholder relations; operational and financial. Information on each of these areas is given in the Business Review within the Annual Report and Accounts for the year ended 31st December 2014.

Related Parties Transactions

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

Going Concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future and, more specifically, that there are no material uncertainties pertaining to the Company that would prevent its ability to continue in such operation existence for at least twelve months from the date of the approval of this half yearly financial report. For these reasons, they consider there is sufficient evidence to continue to adopt the going concern basis in preparing the accounts.

Directors' Responsibilities

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

- (i) the condensed set of financial statements contained within the half year financial report has been prepared in accordance with the Accounting Standards Board's Statement 'Half Year Financial Reports'; and
- (ii) the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure and Transparency Rules.

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

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

and the Directors confirm that they have done so.

For and on behalf of the Board.

Andrew Sutch
Chairman

7th August 2015

Glossary of Terms and Definitions

Return to Shareholders

Total return to the shareholder, on a mid-market price to mid-market price basis, assuming that all dividends received were reinvested, without transaction costs, in the shares of the Company at the time the shares were quoted ex-dividend.

Return on Net Assets

Total return on net asset value ('NAV') per share, on a bid value to bid value basis, assuming that all dividends paid out by the Company were reinvested, without transaction costs, in the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

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

Benchmark Return

Total return on the benchmark, on a mid-market value to mid-market value basis, assuming that all dividends received were reinvested in the shares of the underlying companies at the time the shares were quoted ex-dividend.

The benchmark is a recognised index of stocks which should not be taken as wholly representative of the Company's investment universe. The Company's investment strategy does not follow or 'track' this index and consequently there may be some divergence between the Company's performance and that of the benchmark.

Gearing/Net Cash

Gearing represents the excess amount above shareholders' funds of total assets expressed as a percentage of the shareholders' funds. Total assets include total investments and net current assets/liabilities less cash/cash equivalents and excluding bank loans of less than one year. If the amount calculated is negative, this is shown as a 'net cash' position. The Gearing figures on page 1 show the effective gearing level and take account of the effect of any open Index Futures held at the period end.

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

If the share price of an investment trust is lower than the NAV per share, the company's shares are said to be trading at a discount. The discount is shown as a percentage of the NAV. The opposite of a discount is a premium. It is more common for the shares of an investment trust to trade at a discount than at a premium.

Ongoing Charges

Management fee and all other operating expenses, excluding finance costs and any performance fee payable, expressed as a percentage of the average of the daily net assets during the period. The ongoing charges are calculated in accordance with guidance issued by the Association of Investment Companies in May 2012. The figures as at 30th June 2015 are estimated annualised figures based on the six months to 30th June 2015.

The ongoing charges including any performance fee payable were 1.18% (31st December 2014: 1.16%).

Where to buy J.P. Morgan Investment Trusts

Savings Plan

The Company participates in the J.P. Morgan Investment Trusts Savings Plan, which facilitates both regular monthly investments and occasional lump sum investments in the Company's ordinary shares. Shareholders who would like information on the Savings Plan should call J.P. Morgan Asset Management free on 0800 731 1111 or visit its website at <https://am.jpmorgan.co.uk/investor/guidance-and-planning/guides/regular-savings-made-simple-guide.aspx>

Stocks & Shares Individual Savings Accounts (ISA)

The Company's shares are eligible investments within J.P. Morgan's Stocks & Shares ISA. For the 2015/16 tax year, from 6th April 2015 and ending 5th April 2016, the total ISA allowance is £15,240. Details are available from J.P. Morgan Asset Management free on 0800 731 1111 or via its website at <https://am.jpmorgan.co.uk/investor/isas/what-is-a-stocks-and-shares-isa.aspx>.

There are a number of ways that you can buy shares in investment trust companies; you can invest through J.P. Morgan WealthManager+ or on the following:

Fund supermarkets:

AJ Bell	Interactive Investor
Alliance Trust	James Brearley
Barclays Stockbrokers	James Hay
Bestinvest	Selftrade
Charles Stanley Direct	TD Direct
Halifax Share Dealing Service	The Share Centre
Hargreaves Lansdown	Transact

Alternatively you can invest through an Investment Professional (e.g. a Financial Adviser) on the following 3rd party platforms:

Ascentric	Nucleus
Avalon	Praemium
Axa Elevate	Transact
Novia	

Please note that these websites are third party websites and J.P. Morgan Asset Management does not endorse or recommend any of them. This list is not exhaustive and is subject to change. Please observe each site's privacy and cookie policies as well as their platform charges structure.

You can 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 www.fca.org.uk.

Financial Conduct Authority

Beware of share fraud



In association with:
icsa.
Registrar's
Group

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

How to avoid share fraud

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

Report a scam

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

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

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

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

Information about the Company

Financial Calendar

Financial year end	31st December
Final results announced	March
Half year end	30th June
Half year results announced	August
Quarterly interim dividends on ordinary shares paid	First business day of June, September, December, March
7% Debenture Stock 2020 interest paid	30th September, 30th March
Annual General Meeting	April

History

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

Directors

Andrew Sutch (Chairman)
David Fletcher
Humphrey van der Klugt
John Scott DL
Jane Tufnell

Company Numbers

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

Market Information

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

Website

www.jpmlclaverhouse.co.uk

Share Transactions

The Company's shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf. They may also be purchased and held through the J.P. Morgan Investment Account, J.P. Morgan ISA and J.P. Morgan SIPP. These products are all available on the online wealth manager service, J.P. Morgan WealthManager+ available at www.jpmorganwealthmanagerplus.co.uk

Manager and Company Secretary

JPMorgan Funds Limited.

Company's Registered Office

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

For company secretarial and administrative matters please contact Jonathan Latter.

Depositary

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

Registrars

Equiniti
Reference 1079
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone number: 0871 384 2318

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrars quoting reference 1079. Registered shareholders can obtain further details on individual holdings on the internet by visiting www.shareview.co.uk

Auditor

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

Brokers

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

Savings Product Administrators

For queries on the J.P. Morgan Investment Account, J.P. Morgan ISA and J.P. Morgan SIPP, see contact details on the back cover of this report.



The Association of
Investment Companies

A member of the AIC

J.P. Morgan Helpline
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Your telephone call may be recorded for your security

www.jpmlclaverhouse.co.uk