
JPMorgan Claverhouse Investment Trust

Annual General Meeting | 20 April 2016

Co-fund managers



- Co-manager of Claverhouse

- Appointed 1st March 2012
- 33 years industry experience – 20 years at J.P. Morgan Asset Management



- Co-manager of Claverhouse

- Appointed 2006
- 21 years industry experience – 21 years at J.P. Morgan Asset Management

... focused UK equity specialists

As at 4 April 2016.. There can be no assurance that the professionals currently employed by J.P. Morgan Asset Management will continue to be employed by J.P. Morgan Asset Management or that past performance or success of any such professional serves as an indicator of such professional's future performance or success.

Claverhouse... a focused approach

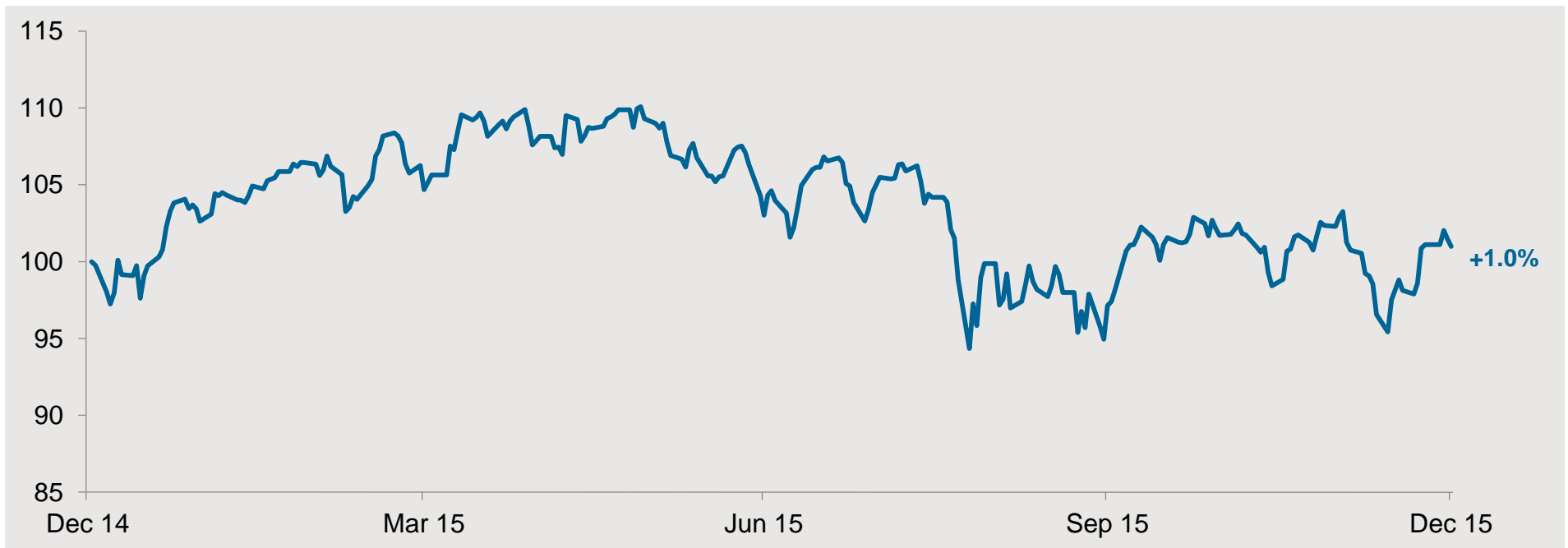
- Capital and income growth from UK investments
 - Medium term time horizon
- A low turnover UK equity portfolio (60-80 stocks) investing in:
 - Strong balance sheets
 - Pricing power
 - Reasonable valuation
 - Risk controls: stocks +/- 2%, sectors +/-3%
- Gearing: structural and tactical
 - £30m debenture c.10% gearing
 - £50m loan facility to give +/- 7.5% tactical gearing
 - Range: 2.5% to 17.5%

...a structurally geared, focused UK equity investment trust

Source: J.P. Morgan Asset Management, as at 14 April 2016.

2015: a year of two halves

12 months to 31 December 2015, FTSE All Share Index total return performance

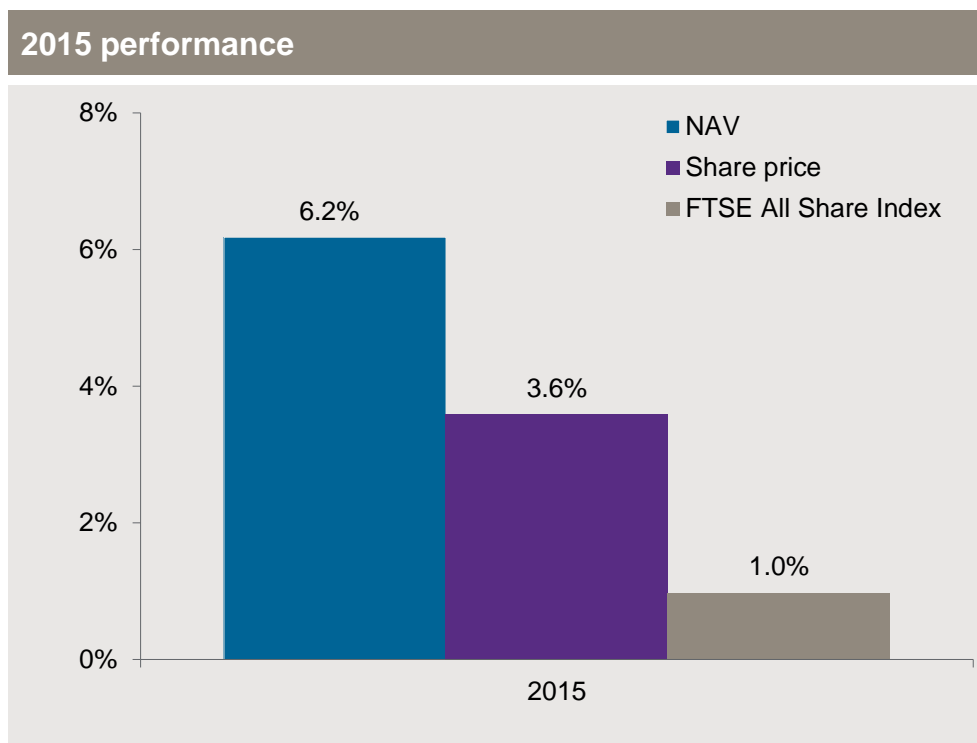


...a small positive total return

Source: J.P. Morgan Asset Management, Thomson Reuters Datastream. Returns as at 31 December 2015, in GBP. NAV returns are net of fees and applicable charges, income reinvested. Past performance is not an indication of future performance. Benchmark is FTSE All Share Index Total Return, with net dividends reinvested during the calendar year 2015. Returns rebased to 100 as of 31 December 2014. **Past performance is not a guide to current or future performance.**

2015 performance

- NAV +6.2%
- Total Shareholder Return +3.6%
- Benchmark return +1.0%
- Dividend +7.5% to 21.5p: 43rd consecutive annual dividend increase



... a good year

Source: J.P. Morgan Asset Management, Thomson Reuters Datastream. Returns as of 31 December 2015, in GBP. NAV returns are net of fees and applicable charges, income reinvested, debt at par (debt valued at maturity face value). Indices do not include fees or operating expenses and are not available for actual investment. The value of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. **Past performance is not a guide to current or future performance.**

Performance record

JPMorgan Claverhouse Investment Trust: 5 year performance to 31 December 2015

New management team & approach from 1st March 2012

	2015	2014	2013	2012	2011	3 yr p.a.	5 yr p.a.
Total Shareholder Return (%)	+3.6	+4.0	+42.9	+9.0	-7.9	+15.5	+9.2
NAV Return (%)	+6.2	+2.1	+33.8	+13.8	-7.6	+13.2	+8.9
FTSE All Share Net Index (%)	+1.0	+1.2	+20.8	+12.3	-3.5	+7.3	+6.0
NAV Relative Return (%)	+5.2	+0.9	+10.8	+1.3	-4.2	+5.5	+2.1

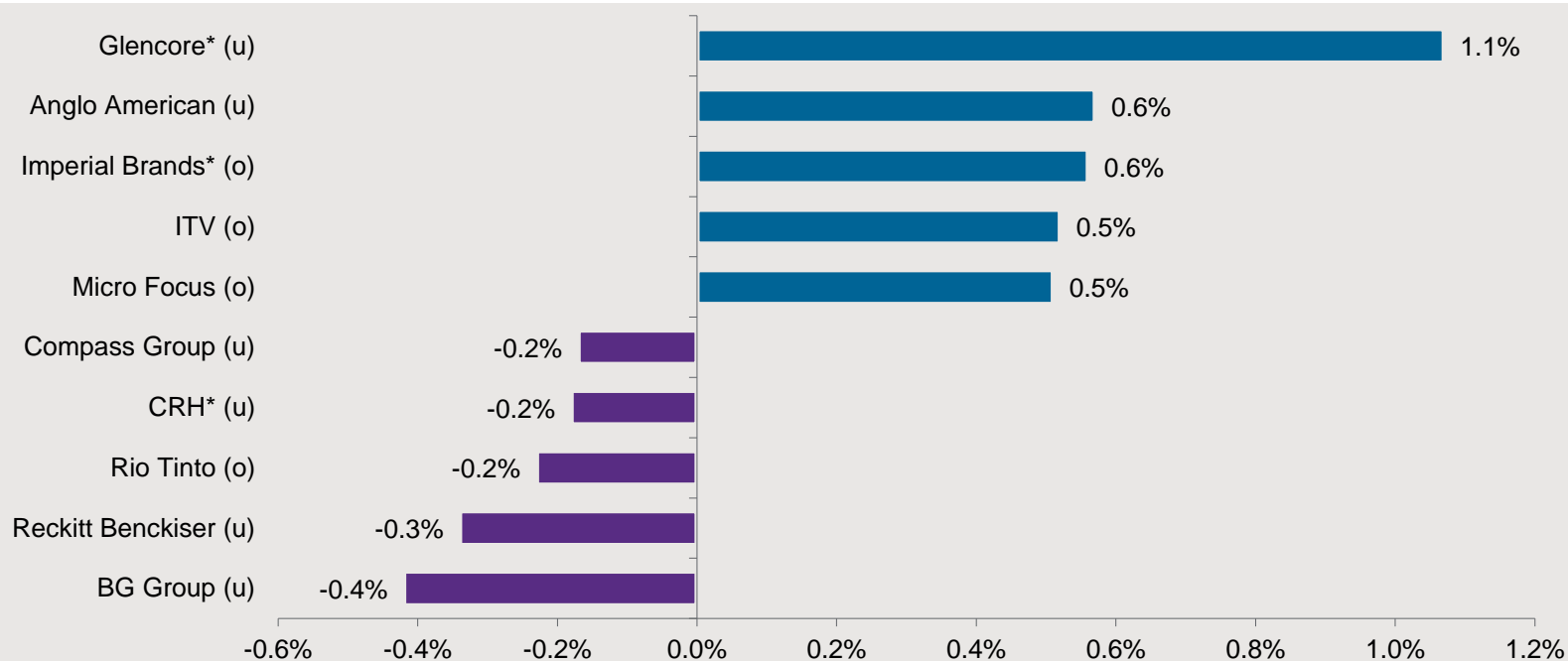
...consistently good performance

Source: J.P. Morgan Asset Management, Thomson Reuters Datastream. Returns as of 31 December 2015, in GBP, relative returns calculated geometrically and is calculated as a percentage based on the difference between portfolio return and benchmark return divided by the benchmark return for a the period. NAV returns are net of fees and applicable charges, income reinvested, debt at par value (debt valued at maturity face value). Indices do not include fees or operating expenses and are not available for actual investment. **Past performance in not a guide to current or future performance.**

Performance in 2015 – attribution

JPMorgan Claverhouse Investment Trust – 12 months to 31 December 2015

Stock level attribution

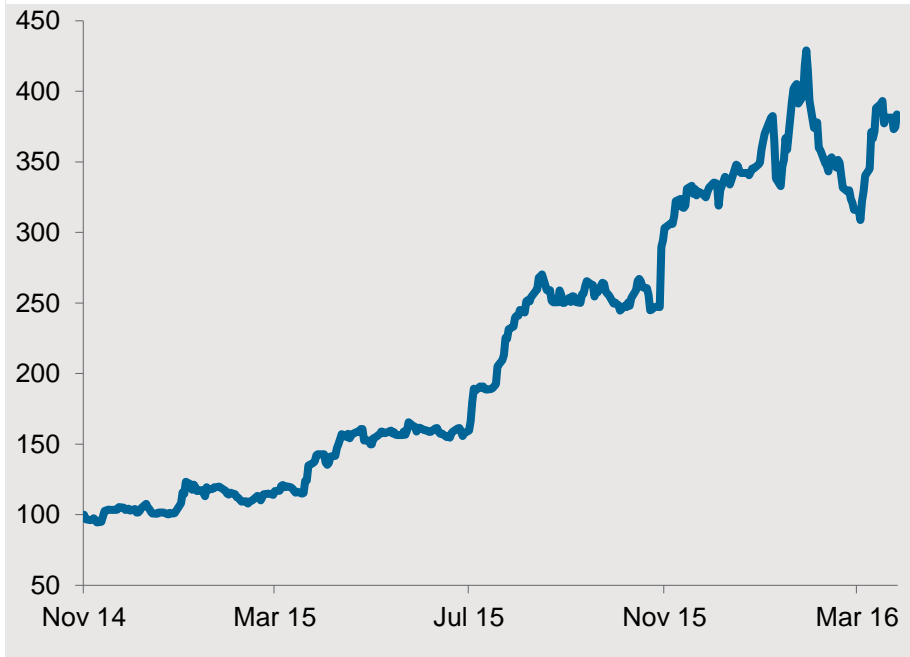


... a good year of stock selection

Source: J.P. Morgan Asset Management, FactSet. Attributions may not match official returns due to differences in systems 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 have positions on behalf of its clients in any or all of the aforementioned securities. * Indicates stock not held, (o) represents an overweight position relative to the benchmark (FTSE All Share Net Index), (u) represents an underweight position.

Stock example: Fever-Tree

Relative price vs. FTSE All Share Net Index



- A leading provider of premium mixers
- Capitalising on market trends
- Outsourcing business model (30 staff)
- New product development

... an exciting growth stock

Source: Thomson Reuters Datastream. Rebased to 100 as of 06 November 2014, data to 31 March 2016. Returns are in GBP. The information in this case study is intended as an example only and should not be construed as advice, it may not be suitable for your particular circumstances and if you are unsure of the suitability of any investment you should seek financial advice. Past performance is not an indication of current and future performance. The opinions and views expressed here are those held by the author as at date of this document, which are subject to change and are not to be taken as or construed as investment advice. J.P. Morgan Asset Management may or may not hold positions on behalf its clients in any or all of the aforementioned securities. 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 example: Card Factory

Relative price vs. FTSE All Share Net Index



- A speciality retailer of greetings cards
- 800 stores growing at 50 stores p.a.
- Vertical integration underpins competitive advantage
- Potential for regular special cash returns

... strong cash generation

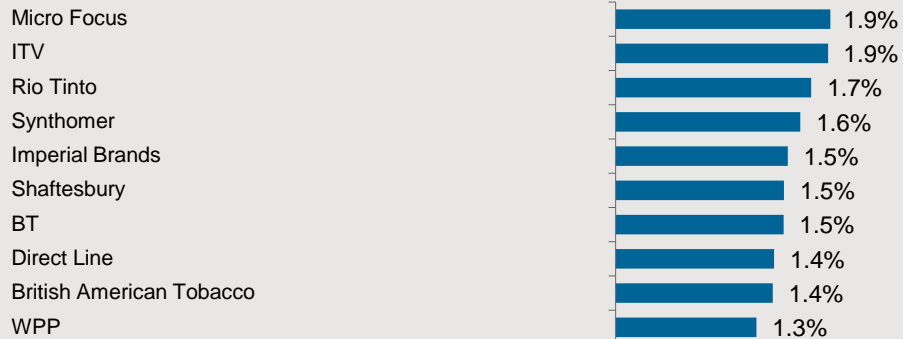
Source: Thomson Reuters Datastream. Rebased to 100 as at 14 May 2014, data to 31 March 2016. Returns are in GBP. The information in this case study is intended as an example only and should not be construed as advice, it may not be suitable for your particular circumstances and if you are unsure of the suitability of any investment you should seek financial advice. Past performance is not an indication of current and future performance. The opinions and views expressed here are those held by the author as at date of this document, which are subject to change and are not to be taken as or construed as investment advice. 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

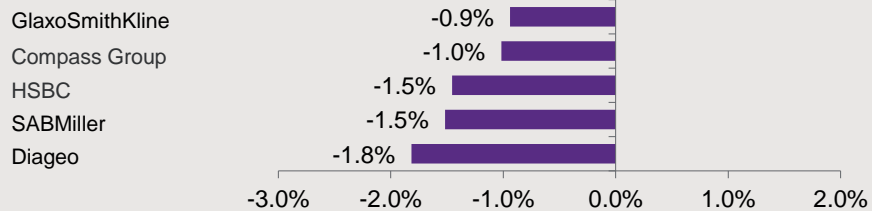
JPMorgan Claverhouse Investment Trust as of 31 March 2016

Largest overweight and underweight positions (%)

Largest 10 overweight positions (%)



Largest 5 underweight positions (%)



■ A diversified portfolio of our best ideas

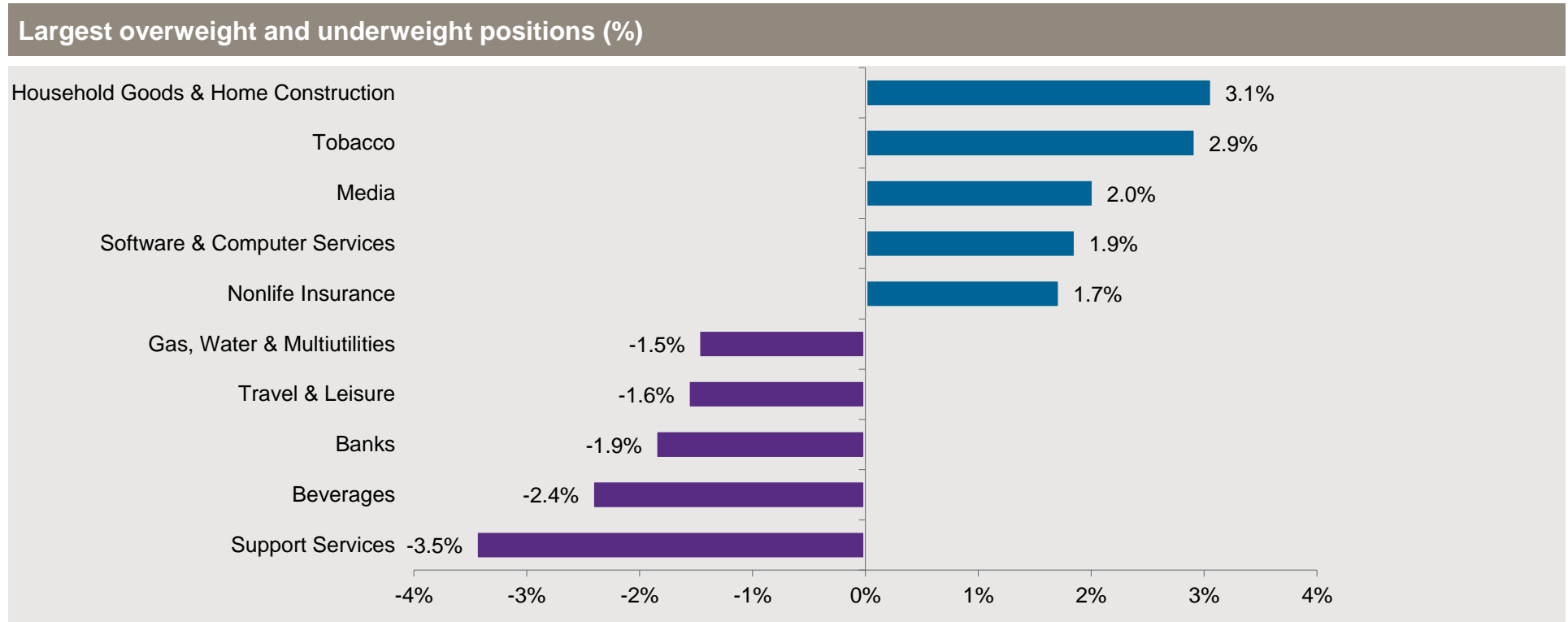
- Cash generative
- Good earnings and dividend prospects
- Reasonable valuations

... investing in our best stock ideas

Source: J.P. Morgan Asset Management, FactSet. 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 position on behalf of its clients in any or all of the aforementioned securities.

Sector positions

JPMorgan Claverhouse Investment Trust as of 31 March 2016



... positions a result of bottom-up stock selection decisions

Source: J.P. Morgan Asset Management, FactSet. The Fund is an actively managed portfolio; holdings, sector weights, allocations and leverage, as applicable are subject to change at the discretion of the Investment Manager without notice.

Performance record to 31 March 2016

	YTD	1 yr	3 yr p.a.	5 yr p.a.
Total Shareholder Return (%)	-7.6	-7.4	+6.5	+7.8
NAV Return (%)	-4.1	-3.4	+6.8	+7.7
FTSE All Share Net Index (%)	-0.4	-3.9	+3.7	+5.7
NAV Relative Return (%)	-3.7	+0.6	+3.0	+2.0

...a strong five year track record

Source: J.P. Morgan Asset Management, Thomson Reuters Datastream. Returns as of 31 March 2016, in GBP, relative returns calculated geometrically. NAV returns are net of fees and applicable charges, income reinvested, debt at par value (debt valued at maturity face value). Indices do not include fees or operating expenses and are not available for actual investment. **Past performance in not a guide to current or future performance.**

Outlook

- Brexit

- Too close to call
- A rally if stay in?
- Out: unknown territory

- Global economy

- A world of small numbers
- Growth, inflation and interest rates

- Earnings & dividends

- Challenging outlook for profits
- UK dividends to fall this year

... an uncertain outlook

Dividend slayers

TESCO



GLENCORE

centrica



Rolls-Royce



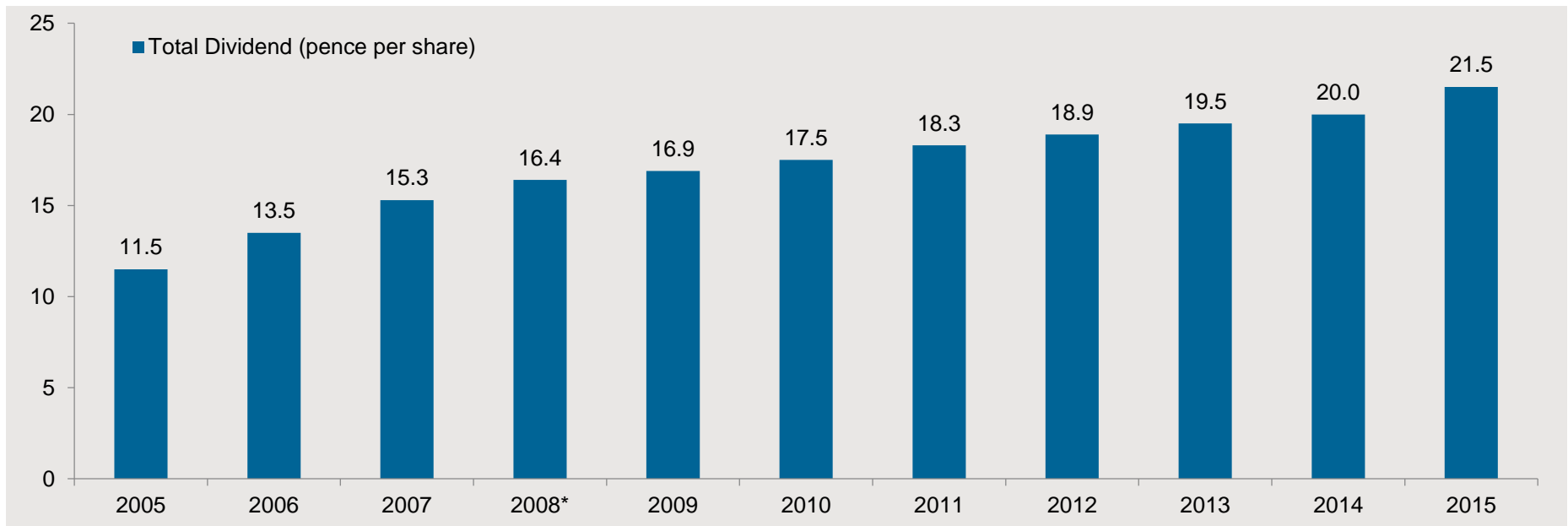
Source: J.P. Morgan Asset Management as of 31 March 2016. The companies/securities above are shown for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell. J.P. Morgan Asset Management may or may not hold positions on behalf of its clients in any or all of the aforementioned securities.

JPMorgan Claverhouse Investment Trust

43 consecutive annual dividend increases (1972 dividend = 0.48p)

Claverhouse IT 10 year dividend grown 6.5% p.a.*
RPI 3.0% p.a.*

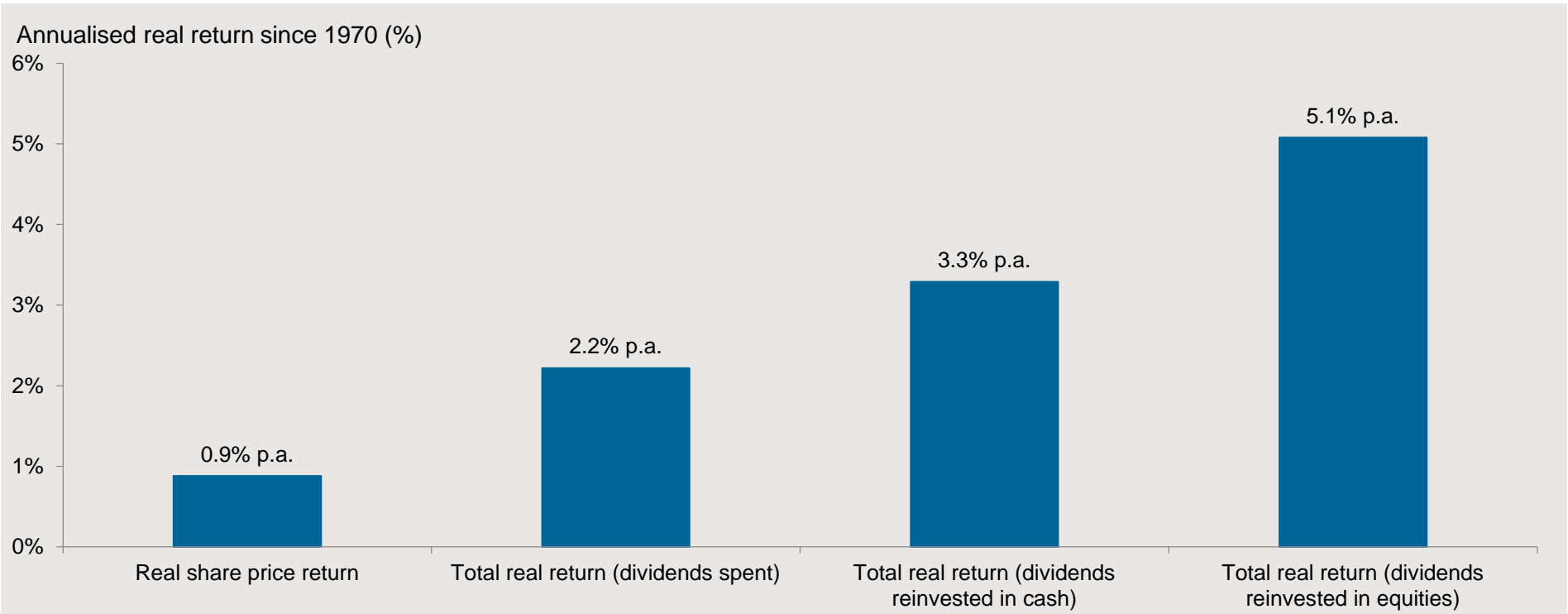
Annual dividend per share



Source: J.P. Morgan Asset Management, as at 31st March 2016. *Not including special dividend of 3.6 pence per share paid in 2008. *Dividend growth is calculated as the compounded annual growth rate of dividends paid by JPMorgan Claverhouse Investment Trust (excluding special dividends) over the period shown (2005-2015). RPI denotes the UK Retail Price Index and is measured over the same period. **Past performance in not a guide to current or future performance.**

The importance of reinvesting dividends

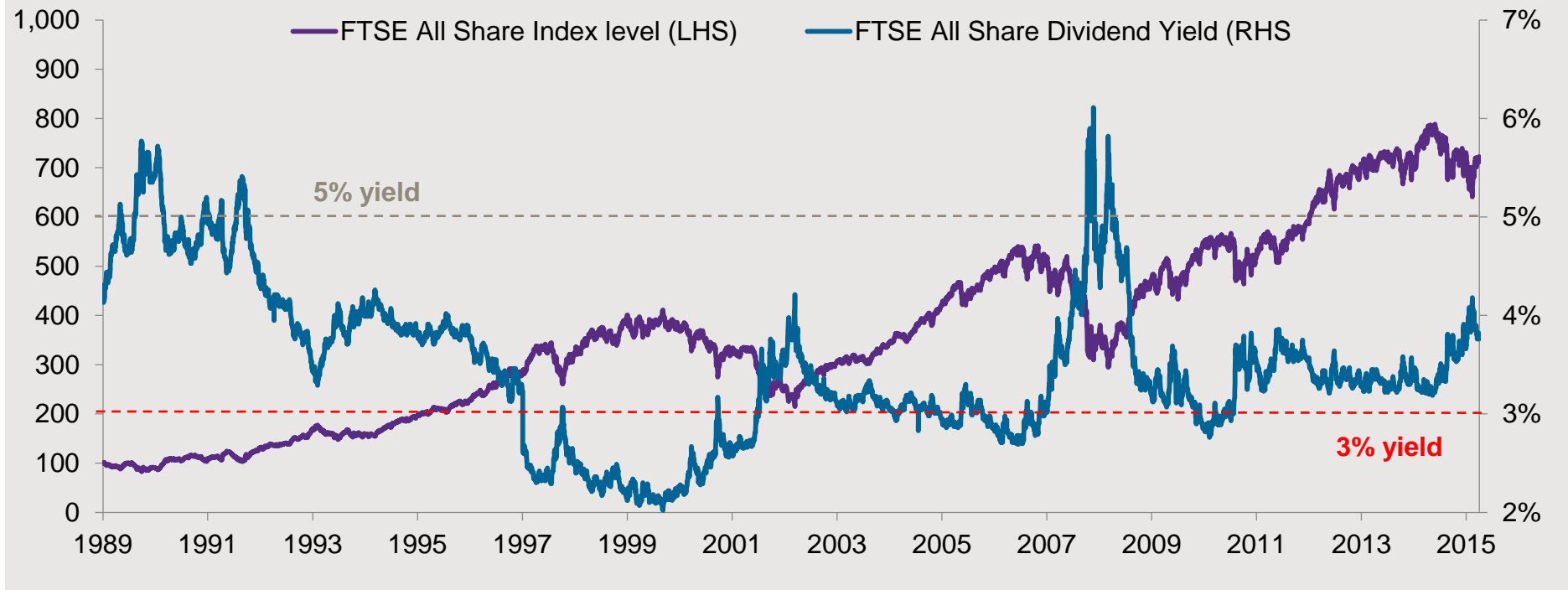
UK equities 1970-2015



Source: Societe Generale Quantitative Research, Ken French as of 18 January 2016. **Past performance is not a guide to current or future performance.**

UK stock market

Performance of FTSE All Share: 29 December 1989 – 31 December 2015



... reasonable value but beware of dividend cuts

Source: Thomson Reuters Datastream, data from 31 December 1989 to 31 December 2015, FTSE All Share Index level rebased to 100 as of 31 December 1989. Past performance is not an indication of current and future performance.

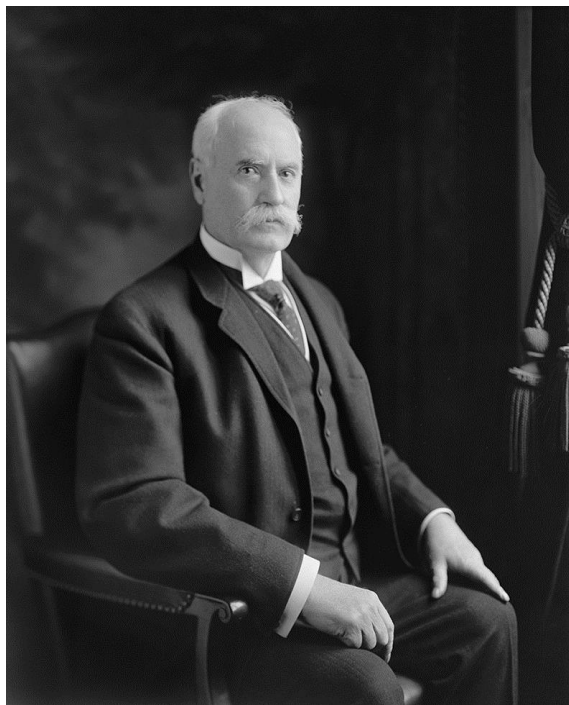
Conclusion

- Consistent outperformance and 43 consecutive years of dividend growth
- Economic and political outlook uncertain
- Lower absolute returns to shareholders ... but inflation to remain low
- Claverhouse has provided an attractive yield and consistent dividend growth

... focused on delivering performance in a risk controlled way

Past performance is not an indication of current and future performance.

John D. Rockefeller



“Do you know the only thing that gives me pleasure?

It’s to see my dividends coming in.”

- John D. Rockefeller

Appendix

Specific risks

JPMorgan Claverhouse Investment Trust

- The trust may invest in smaller company shares, which can be more unpredictable and less liquid than shares of larger companies.
- Where permitted, a trust may invest in other investment trusts that utilise gearing (borrowing), which will exaggerate market movements both up and down.
- Dividend income payments are not guaranteed and may fluctuate.
- Derivatives are complex and trusts that use them for investment purposes may be more volatile. These trusts are considered to be higher risk than trusts that invest only in shares.

Source: J.P. Morgan Asset Management as of 31 March 2016.

J.P. Morgan Asset Management

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