
JPMorgan Elect plc

Half Year Report & Accounts for the six months ended 29th February 2016

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



Features

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 in equities, investment companies and fixed income securities.

Managed Cash

- Preservation of capital with a yield based on short term interest rates by investing in a range of liquidity funds and short dated AAA-rated UK or G7 government securities hedged into sterling. 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 31.

Gearing

The Board does not intend to utilise borrowings to increase the funds available for investment.

Investment Policies, Restrictions and Guidelines

More information on investment policies, risk management, restrictions and guidelines is given in the Business Review on pages 28 and 29 of the 2015 Annual Report and Accounts.

Benchmarks

Managed Growth

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

Managed Income

- A composite comprising 85% FTSE All-Share Index and 15% Barclays Capital Global Corporate Bond Index (hedged) in sterling terms.

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 29th February 2016, the following shares were in issue.

Managed Growth:

34,803,702 (31st August 2015: 35,423,887) Ordinary shares, excluding 2,691,919 (31st August 2015: 2,087,353) Treasury shares.

Managed Income:

51,990,265 (31st August 2015: 51,909,937) Ordinary shares, excluding 1,915,157 (31st August 2015: 1,827,916) Treasury shares.

Managed Cash:

3,689,255 (31st August 2015: 3,807,243) Ordinary shares. There were no shares held in treasury (31st August 2015: 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 31.

FCA regulation of 'non-mainstream pooled investments'

The Company currently conducts its affairs so that the shares it issues can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the rules of the Financial Conduct Authority ('FCA') 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.

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 portfolio to JPMorgan Asset Management (UK) Limited ('JPMAM').

Association of Investment Companies

The Company is a member of the Association of Investment Companies ('AIC').

Website

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

Contents

ABOUT THE COMPANY

2 Chairman's Statement

MANAGED GROWTH SHARE CLASS

4 Half Year Performance

5 Investment Manager's Report

7 List of Investments

8 Geographical Analysis

9 Statement of Comprehensive Income

10 Statement of Financial Position

MANAGED INCOME SHARE CLASS

11 Half Year Performance

12 Investment Managers' Report

14 List of Investments

15 Ten Largest Income Payers

16 Sector Analysis

17 Statement of Comprehensive Income

18 Statement of Financial Position

MANAGED CASH SHARE CLASS

19 Half Year Performance

20 Investment Manager's Report

21 List of Investments

22 Statement of Comprehensive Income

22 Statement of Financial Position

FINANCIAL STATEMENTS

23 Statement of Comprehensive Income

24 Statement of Changes in Equity

25 Statement of Financial Position

26 Notes to the Financial Statements

SHAREHOLDER INFORMATION

30 Interim Management Report

31 Capital Structure and Conversion between Share Classes

32 Glossary of Terms and Definitions

33 Where to buy J.P. Morgan Investment Trusts

37 Information about the Company

About the Company

CHAIRMAN'S STATEMENT



Dear Shareholders,

The markets have faced challenging conditions during the period under review, as was considered possible in our last report. The combination of a weaker Chinese economic outlook, a slump in oil prices, renewed concerns over European bank solvency and the first Fed rate hike in a decade amounted to a sizable headwind.

Consequently, for the half year ended 29th February 2016, the total return on the Company's net assets was -1.3% for the Managed Growth portfolio and -1.1% for the Managed Income portfolio. The total return on the Managed Cash portfolio was +0.3%.

Managed Growth

The Managed Growth portfolio has delivered a total return on net assets of -1.3%, compared with the portfolio's benchmark which delivered a total return of +1.8%. The share price total return was -1.1%.

This under-performance was principally accounted for by the widening of the discounts on investment trusts, which form the majority of the holdings in this portfolio.

This performance is discussed in more detail by the Manager on pages 5 to 6.

Managed Income

The Managed Income portfolio produced a total return on net assets of -1.1% during the half-year compared to a decline of -0.8% in the value of its benchmark. The Board declared dividends of 1.70p per share for the half year, unchanged from the same period last year.

As previously foreshadowed, the threat to this share class is the poor trading conditions for oil and other commodity companies which have provided a significant proportion of the portfolio's income over the past few years. Recent dividend cuts by leading companies mean the Managers now believe that it is possible that the total dividends paid by the market may fall in aggregate this year.

As is discussed later in their report on pages 12 to 13, the Managers have repositioned the portfolio, selling some holdings where dividend cuts have or are likely to take place and increasing holdings in those companies which offer greater dividend security and the prospects of income growth. The Board remain committed to their aim of raising dividends in excess of inflation for this year.

Managed Cash

This portfolio's primary objective is to preserve capital through investments in high quality liquidity funds with AAA ratings as measured by Standard & Poor's, or an equivalent rating agency.

The Bank of England base rate has remained at 0.5% and the returns generated by the portfolio's underlying money market funds therefore continue to be low, providing a total return on net assets of +0.3% with a 0.0% return to shareholders.

The Board expects the returns from the Managed Cash portfolio to remain relatively unappealing in the near term.

Outlook

It is unlikely that the volatility markets have been experiencing will reduce in the second half. The uncertainty surrounding the global economy, the unusually low interest rate and inflation environment and the pending vote on continued membership of the EU conspire to challenge the market's equilibrium.

Angus Macpherson

Chairman

5th May 2016

Managed Growth Share Class

HALF YEAR PERFORMANCE

-1.1%

Return to shareholders¹

-1.3%

Return on net assets²

+1.8%

Benchmark return³

4.05p

Dividend⁴

The above are total returns and include dividends reinvested.

Financial Data

	29th February 2016	31st August 2015
Shareholders' funds (£'000)	206,422	214,391
Net asset value per share	593.1p	605.2p
Share price	579.8p	590.5p
Share price discount to net asset value per share	2.2%	2.4%
Ongoing Charges	0.58%	0.54%
Gearing/(Net Cash)	(5.9)%	(7.7)%

A glossary of terms and definitions is provided on page 32.

¹ Source: Morningstar.

² Source: J.P. Morgan.

³ Source: FTSE. The Managed Growth benchmark is a composite comprising 50% FTSE All-Share Index & 50% FTSE World Index (ex-UK).

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

INVESTMENT MANAGER'S REPORT



Katy Thorneycroft

Market Review

The six months to the end of February 2016 saw global equities fall by 5.4% in local currencies. The path was a volatile one as the late summer drawdown was followed by a rebound, only for equity markets to suffer in the face of another global growth scare at the beginning of the year. Economic data improved somewhat during late February and early March 2016, but the damage to sentiment caused by market gyrations early in the year lingers still. The volatility at the start of the year can be traced back to several coincident shocks. Weaker Chinese data, a slump in oil prices, renewed concerns over European bank solvency and the first Fed rate hike in a decade were manageable individually, but collectively they amount to a sizable shock; especially, coming as they did, when developed market data were lacklustre.

European economic data underlined the eurozone's recovery story as the region continued to grow at a slow pace, suggesting the outlook for the region is improving. Ultimately, markets rallied in the run up to the December 2015 announcement of extended ECB stimulus. However, a poor fourth-quarter earnings season for many large European lenders, combined with the impact of negative interest rates on bank balance sheets, resulted in heavy selling of European financials in February 2016. More recently, the European Central Bank delivered another significant easing package to bolster its chances of raising inflation back to target and support the recovery. In the UK, much of the focus has been on whether the UK will vote to leave the EU, which has caused sterling to weaken and has added to volatility in the equity market. In Japan the economic data has weakened over the period and this, combined with yen strength, has weighed on Japanese corporate earnings. Another source of concern at the start of the year was the continued weakness in US manufacturing and an upward trend in initial US jobless claims. Since February 2016 the trend has improved again, calming market fears about the US labour market, in addition to the positive news from the household labour force survey and strong job openings data.

Performance Review

The Managed Growth portfolio underperformed its benchmark over the period, returning -1.3% versus the benchmark return of 1.8%. The return to shareholders was -1.1%.

Managed Growth	6 Mths	1 Yr	3 Yrs pa	5 Yrs pa	10 Yrs pa
NAV return (%)	-1.3	-2.9	+8.5	+8.3	+6.5
Benchmark return (%)	+1.8	-4.4	+5.6	+6.4	+5.8
FTSE All-Share Index (%)	-1.2	-7.3	+3.5	+5.1	+4.9
FTSE World ex UK (%)	+5.2	-0.9	+8.3	+8.3	+6.9

Over the period the portfolio reduced its underweight position in UK and Japanese equities and reallocated to US equities whilst maintaining an overweight to European equities. Large cap companies performed well relative to small cap companies in the UK and US, whilst they underperformed in Europe and Japan.

INVESTMENT MANAGER'S REPORT *CONTINUED*

Top 5 by relative performance (%)	6 Mths to 29th February 2016
Finsbury Growth & Income	+8.9
Jupiter European Opportunities	+5.7
JPMorgan European Smaller Companies	+5.7
IMPAX Environmental Markets	+3.4
JPM Japanese IT	+2.9

Bottom 5 by relative performance (%)	6 Mths to 29th February 2016
The Biotech Growth Trust	-24.9
Artemis Alpha Trust	-8.0
Edinburgh Worldwide	-8.0
JPM US Equity All Cap Fund	-5.8
JPMorgan Overseas IT	-4.6

The heightened volatility in global equity markets during the first half of the financial year caused two headwinds to the Managed Growth portfolio: firstly, we saw investment trust shares lag net asset value returns as investment trust discounts widened and secondly, it was a challenging environment for our underlying strategies to generate security selection alpha. These two factors were the main causes of the underperformance versus the benchmark. At the end of February the investment trust sector average discount was 5.9% (looking at the FTSE All-Share Equity Investment Instruments Index as the universe), compared with 2.6% at the end of August last year. Looking at the Managed Growth portfolio we estimate that discount widening detracted approximately 1.5% from the portfolio return which was a little better than the universe as a whole. Looking in more detail at the underlying holdings, the top ten largest holdings in the portfolio, representing over 65% of the total net assets, saw only three outperform their respective benchmarks. In summary, it was a combination of weak underlying alpha generation from our portfolio holdings combined with the headwind of widening discounts that drove the underperformance of the Managed Growth portfolio.

Portfolio review

At the end of February 2016, 43% of the portfolio was invested in JPM managed investment trusts, 30% in JPMorgan managed open-ended funds, 21% in investment trusts managed by third party managers with the balance held in futures and cash. Material transactions during the period included a reduction in holdings of JPM US Equity All Cap, Artemis Alpha Trust and JPM Japan Smaller Companies IT. Proceeds were reinvested into Schroder UK Growth Fund, Finsbury Growth & Income and JPM American IT.

Outlook

While there is greater uncertainty regarding the global economic outlook and efficacy of central bank policy, we would still on balance expect a modestly positive return from equity markets for the remainder of 2016.

We continue to prefer developed market equities to emerging market equities, and within developed markets would favour the US and Europe.

Katy Thorneycroft
Investment Manager

5th May 2016

LIST OF INVESTMENTS AT 29TH FEBRUARY 2016

Company	Valuation £'000
JPMorgan Managed Investment Trusts	
JPMorgan Claverhouse	19,521
JPMorgan American	16,249
JPMorgan European (Growth shares)	9,751
The Mercantile	7,901
JPMorgan Japanese	7,797
JPMorgan Smaller Companies ²	7,752
JPMorgan European Smaller Companies	5,054
JPMorgan US Smaller Companies	3,826
JPMorgan Asian	3,430
JPMorgan Income & Capital (Ordinary shares)	2,114
JPMorgan Japan Smaller Companies ²	1,851
JPMorgan Indian	1,123
JPMorgan Emerging Markets	1,035
JPMorgan Income & Growth (Units)	413
JPMorgan Chinese	399
JPMorgan Income & Growth (Capital shares)	254
	88,470
JPMorgan Managed Open Ended Investment Companies	
JPMorgan UK Dynamic ('C' shares) ¹	24,076
JPMorgan US Equity All Capital ('C' shares) ¹	22,581
JPMorgan US Select Equity ('C' shares) ¹	14,918
	61,575

Company	Valuation £'000
Externally Managed Investment Trusts	
Schroder UK Growth	6,797
Finsbury Growth & Income	6,614
Fidelity Special Values	5,687
Fidelity European Values	4,810
Allianz Technology	4,306
Perpetual Income & Growth	3,441
Biotech Growth	3,052
Impax Environmental Markets	2,744
Jupiter European Opportunities	2,520
Artemis Alpha ²	1,354
Schroder Japan Growth	1,311
BlackRock Frontier	1,137
	43,773
Total Portfolio	193,818
Derivative Instruments	
Futures³	
Russell 2000 Mini Index Futures Mar 2015	115
Topix Index Futures Mar 2015	99
Euro Stoxx 50 Index Futures Mar 2015	84
FTSE 100 Index Futures Mar 2015	83
S&P500 E-Mini Index Futures Mar 2015	(271)
Total Derivative Instruments	110
Total Portfolio and Derivatives	193,928

¹ Unlisted and represents a holding in an Open Ended Investment Company ('OEIC') or a Société d'Investissement à Capital Variable ('SICAV').

² Both ordinary and subscription shares held.

³ Representing unrealised gains and losses on futures contracts.

GEOGRAPHICAL ANALYSIS (ON A LOOK THROUGH BASIS)

	29th February 2016		31st August 2015	
	Portfolio ¹ %	Benchmark %	Portfolio ¹ %	Benchmark %
UK	49.2	50.0	45.7	50.0
North America	32.8	31.3	32.4	30.6
Continental Europe	10.5	8.7	12.0	9.1
Japan	4.2	4.7	6.1	5.0
Asia (excluding Japan)	2.5	3.0	2.7	2.9
Emerging Markets and others	0.8	2.3	1.1	2.4
Total	100.0	100.0	100.0	100.0

¹ Based on a total portfolio of £193.9m (2015: £198.8m), including open exposure to futures contracts.

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS ENDED 29TH FEBRUARY 2016

	Six months ended 29th February 2016			Six months ended 28th February 2015			Year ended 31st August 2015		
	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	–	(4,157)	(4,157)	–	18,958	18,958	–	14,439	14,439
Net foreign currency gains	–	40	40	–	27	27	–	30	30
Income from investments	1,855	–	1,855	1,632	–	1,632	3,258	–	3,258
Other interest receivable and similar income	15	–	15	14	–	14	32	–	32
Gross return/(loss)	1,870	(4,117)	(2,247)	1,646	18,985	20,631	3,290	14,469	17,759
Management fee	(90)	(270)	(360)	(74)	(221)	(295)	(148)	(444)	(592)
Other administrative expenses	(251)	–	(251)	(298)	–	(298)	(595)	–	(595)
Net return/(loss) on ordinary activities before taxation	1,529	(4,387)	(2,858)	1,274	18,764	20,038	2,547	14,025	16,572
Taxation credit	1	–	1	1	–	1	1	–	1
Net return/(loss) on ordinary activities after taxation	1,530	(4,387)	(2,857)	1,275	18,764	20,039	2,548	14,025	16,573
Return/(loss) per Managed Growth share	4.37p	(12.52)p	(8.15)p	3.45p	50.71p	54.16p	6.98p	38.40p	45.38p

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 Managed Growth pool of assets and the 'Revenue' and 'Capital' columns represent supplementary information.

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AT 29TH FEBRUARY 2016

	29th February 2016 £'000	28th February 2015 £'000	31st August 2015 £'000
Fixed assets			
Investments held at fair value through profit or loss	193,818	209,987	199,782
Current assets			
Derivative financial assets	381	1,413	214
Debtors	548	870	428
Cash and short term deposits	12,148	14,140	16,417
	13,077	16,423	17,059
Creditors: amounts falling due within one year	(202)	(340)	(1,263)
Derivative financial liabilities	(271)	(202)	(1,187)
Net current assets	12,604	15,881	14,609
Net assets	206,422	225,868	214,391
Net asset value per Managed Growth share	593.1p	617.6p	605.2p

Managed Income Share Class

HALF YEAR PERFORMANCE

+0.5%

Return to shareholders¹

-1.1%

Return on net assets²

-0.8%

Benchmark return³

1.70p

Dividend⁴

The above are total returns and include dividends reinvested.

Financial Data

	29th February 2016	31st August 2015
Shareholders' funds (£'000)	52,192	53,766
Net asset value per share	100.4p	103.6p
Share price	98.0p	99.3p
Share price discount to net asset value per share	2.4%	4.2%
Net yield per share ⁵	3.9%	3.8%
Ongoing Charges	0.76%	0.76%
Gearing/(Net Cash)	(0.9)%	(0.7)%

A glossary of terms and definitions is provided on page 32.

¹ Source: Morningstar.

² Source: J.P. Morgan.

³ Source: Morningstar/Bloomberg. The Managed Income benchmark is a composite comprising 85% FTSE All-Share Index and 15% Barclays Global Aggregate Corporate Bond Index (hedged) in sterling terms.

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

⁵ The net yield is estimated based on prior year total dividends per share, expressed as a percentage of the closing share price.

INVESTMENT MANAGERS' REPORT



John Baker



Sarah Emly

Dividend Review

The impact of the precipitous fall in base metal and oil prices and the impact that this will have on the profitability, cash flow and hence dividends of oil and mining companies has been and remains a key concern for us given that these two industry groups accounted for 26% of UK market dividends in 2015 source: (Capita). Over the Company's half year the problem of dividend cuts rose relentlessly despite statements from the managements of companies such as Rio Tinto, BHP Billiton and Glencore that their commitment to their dividend policies was steadfast. In the end Glencore and Anglo American cancelled their dividends, while Rio Tinto and BHP Billiton reduced their payouts.

In contrast, we continue to see strong dividends from UK housebuilders many of whom have committed to returning excess cash to share holders through special dividend programmes. Selected financials such as Lloyds Group, Jupiter Asset Management and Beazley have also increased their dividends more than hoped. It remains the case that companies in the FTSE Mid 250 and Small Cap are delivering faster dividend growth albeit the FTSE 100 has a materially higher absolute level of dividend yield.

As a consequence, we have somewhat repositioned away from mining companies in favour of more consumer exposed names as we believe that these offer greater dividend security and the prospect of income growth. More detail on the positioning of the portfolio is set out below.

Performance Review

The Managed Income portfolio underperformed its composite benchmark by 0.25%.

When looking at relative returns what is not owned can be as important as what is owned. Frustratingly, in the half year period we did not own either SABMiller or BG Group, both of which were recipients of takeover approaches. This cost us 0.85% of relative performance alone. Of the stocks that we did own, Halfords fell on weak results, British Land sold off on concerns over the London office market and Next was weak due to slower sales thanks to the unseasonably warm weather in the run up to Christmas

The single biggest positive contributor to returns was Imperial Brands (previously known as Imperial Tobacco). The earnings prospects for the company have improved following the acquisition of various US brands. The cash return potential of the company is also very attractive. Our long term holding in WH Smith was also beneficial as growth in its stores in airports and train stations offset slower growth on the High Street. The company also benefited from the new, if unusual interest in adult colouring books. KCOM, which provides telecom services in Kingston (Yorkshire), boosted portfolio returns as the market welcomed the sale of its fibre optic cable network and rewarded strong results and a healthy dividend.

We continue to believe that UK equities are attractively valued and offer a significant yield premium to sovereign bonds. In addition, the UK remains one of the strongest growing economies in the developed world which should support earnings growth and by extension dividend growth.

Portfolio Review

There has been no significant change to the asset allocation of the portfolio during the half year. The portfolio remains overweight equities relative to its composite benchmark.

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. For example, we bought a position in Headlam which is the largest distributor of floorcoverings in Europe. Resilient revenues, operational gearing and high cash conversion should mean the company can sustain its record of delivering 12% dividend growth. We also bought Connect Group, a wholesaler of newspapers and magazines previously known as Smiths News. Decent results and strong cash generation support a dividend yield of 6%. Other purchases were mostly concentrated on increasing positions in existing holdings such as GlaxoSmithKline, British American Tobacco and Taylor Wimpey.

On the other hand we sold our positions in two of our mining holdings - Glencore and BHP Billiton. It became increasingly apparent that the prolonged period of weakness in commodity prices was putting their balance sheets and hence dividend paying ability under pressure. We also sold Old Mutual where a weaker outlook for loan growth in South Africa as well as weakness in the Rand dented the prospects for earnings growth. Other sales included Halfords and Provident Financial both of which had reported weak results.

Outlook

The fund remains significantly overweight in equities. A yield of approximately 4% on the UK market is attractive although dividends may fall slightly in aggregate this year. With the exception of the oil and mining stocks, the majority of quoted UK companies are still in reasonable shape with generally strong balance sheets and proven management. Valuations for such strong companies, whilst not cheap, are reasonable value on many yardsticks provided a global recession can be averted, which we think it can.

Economically, we continue to live in a world of very low numbers: growth, inflation and consequently interest rates are all likely to remain at historically low levels for the foreseeable future. Worryingly, too many economies remain buoyed by debt, QE and low interest rates to be regarded as healthy. Growth has been sufficiently strong in the US to merit a rise in interest rates but this is likely to be the exception and will not presage a round of global interest rate rises. Whilst the UK economy continues to be one of the strongest in the developed world, it is still too reliant on domestic consumption (rather than manufacturing and exports) for its growth. At the Treasury, the continued challenge of the public finances is understandably causing consternation. In spite of one of the biggest fiscal consolidations of the post-war period, it is becoming an increasing concern to investors that, four years from now, the UK might not (despite Chancellor Osborne's legal commitment!) be in annual surplus.

The impending Brexit vote is looking increasingly difficult to call and may be determined as much by emotion as hard economic logic. An 'out' vote will be a real game changer, for which there is no precedent. Against this backdrop sterling is likely to remain weak. Stock specific risk is increasing and any disappointments are likely to be treated harshly. We therefore continue to tread cautiously. On a medium term view, we believe there to be better value in quality, high yielding equities with the potential for dividend growth than corporate bonds.

John Baker

Sarah Emly

Investment Managers

5th May 2016

LIST OF INVESTMENTS AT 29TH FEBRUARY 2016

Company	Valuation £'000	Company	Valuation £'000
UK Equities		Go-Ahead	709
Royal Dutch Shell	2,544	KCOM	703
British American Tobacco	2,517	DCC	671
HSBC	2,211	Moneysupermarket.com	663
Imperial Brands	2,121	Galliford Try	613
GlaxoSmithKline	2,108	Mondi	593
AstraZeneca	1,844	Schroders	584
BP	1,747	Intermediate Capital Group	526
BT	1,634	Booker	519
National Grid	1,496	Jupiter Fund Management	518
BAE Systems	1,263	DS Smith	443
Beazley	1,205	Legal & General	432
Direct Line Insurance	1,169	Card Factory	431
ITV	1,152	Costain	361
Next	1,111	Headlam Group	333
Berkeley Group	1,009	easyJet	294
WPP	952	Connect Group	241
Rio Tinto	938	Photo-Me International	42
Aviva	914		45,102
Taylor Wimpey	894	JPMorgan Managed Investment Trusts	
Barclays	893	JPMorgan Income & Growth (Income shares)	2,501
Phoenix Group	808	JPMorgan European (Income shares)	848
WH Smith	779	JPMorgan Income & Growth (Capital shares)	57
Vodafone	762		3,406
Persimmon	761	JPMorgan Managed Bond Funds	
Novae	728	JPMorgan Global High Yield Bond ('A' Income shares) ¹	2,361
Informa	727		2,361
Man	715	Total Portfolio	50,869
Berendsen	712		
Severn Trent	712		

¹ Unlisted and represents holdings in an Open Ended Investment Company ('OEIC') or a Société d'investissements à Capital Variable ('SICAV').

TEN LARGEST INCOME PAYERS¹ FOR THE SIX MONTHS ENDED 29TH FEBRUARY 2016

Company	£'000
Royal Dutch Shell	100
JPMorgan Global High Yield Bond ('A' Income shares)	86
Beazley	84
BP	68
JPMorgan Income & Growth (Income shares)	63
AstraZeneca	59
Imperial Brands	54
GlaxoSmithKline	52
Rio Tinto	37
HSBC	32
Total (60.5%)²	635

¹ In terms of amounts of income received by the Managed Income portfolio.

² Represents the total ten largest dividend payments expressed as a percentage of income from investments.

SECTOR ANALYSIS

	29th February 2016		31st August 2015	
	Portfolio ¹ %	Benchmark %	Portfolio ¹ %	Benchmark %
Financials	22.4	18.5	26.0	20.3
Consumer Goods	16.3	14.9	13.1	12.9
Consumer Services	14.4	11.2	13.1	10.7
Oil & Gas	8.4	8.9	8.4	9.4
Health Care	7.8	7.3	5.4	7.3
Telecommunications	6.1	4.7	7.1	4.4
Industrials	5.9	8.8	6.5	8.8
Utilities	4.4	3.3	3.2	3.1
Basic Materials	3.0	4.0	5.6	4.7
Technology	–	1.3	–	1.3
Total UK Equities	88.7	82.9	88.4	82.9
Investment Trusts	6.7	2.1	6.6	2.1
Bond Funds	4.6	15.0	5.0	15.0
Total	100.0	100.0	100.0	100.0

¹ Based on total investments of £50.9m (2015: £52.4m).

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS ENDED 29TH FEBRUARY 2016

	Six months ended 29th February 2016			Six months ended 28th February 2015			Year ended 31st August 2015		
	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	–	(1,405)	(1,405)	–	1,964	1,964	–	(764)	(764)
Net foreign currency (losses)/gains	–	(1)	(1)	–	1	1	–	1	1
Income from investments	1,049	–	1,049	952	–	952	2,707	–	2,707
Other interest receivable and similar income	1	–	1	3	–	3	3	–	3
Gross return/(loss)	1,050	(1,406)	(356)	955	1,965	2,920	2,710	(763)	1,947
Management fee	(67)	(67)	(134)	(66)	(66)	(132)	(135)	(135)	(270)
Other administrative expenses	(65)	–	(65)	(59)	–	(59)	(142)	–	(142)
Net return/(loss) on ordinary activities before taxation	918	(1,473)	(555)	830	1,899	2,729	2,433	(898)	1,535
Taxation charge	(6)	–	(6)	–	–	–	(5)	–	(5)
Net return/(loss) on ordinary activities after taxation	912	(1,473)	(561)	830	1,899	2,729	2,428	(898)	1,530
Return/(loss) per Managed Income share	1.76p	(2.84)p	(1.08)p	1.60p	3.66p	5.26p	4.67p	(1.72)p	2.95p

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 Managed Income pool of assets and the 'Revenue' and 'Capital' columns represent supplementary information.

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AT 29TH FEBRUARY 2016

	29th February 2016 £'000	28th February 2015 £'000	31st August 2015 £'000
Fixed assets			
Investments held at fair value through profit or loss	50,869	55,614	52,435
Current assets			
Debtors	897	370	1,388
Cash and short term deposits	495	488	365
	1,392	858	1,753
Creditors: amounts falling due within one year	(69)	(13)	(422)
Net current assets	1,323	845	1,331
Net assets	52,192	56,459	53,766
Net asset value per Managed Income share	100.4p	107.5p	103.6p

Managed Cash Share Class

HALF YEAR PERFORMANCE

0.0%

Return to shareholders¹

+0.3%

Return on net assets²

The above are total returns and include dividends reinvested.

Financial Data

	29th February 2016	31st August 2015
Shareholders' funds (£'000)	3,740	3,863
Net asset value per share	101.4p	101.5p
Share price	100.0p	100.0p
Share price discount to net asset value per share	1.4%	1.5%
Ongoing Charges	0.01%	0.02%

A glossary of terms and definitions is provided on page 32.

¹ Source: Morningstar.

² Source: J.P. Morgan.

INVESTMENT MANAGER'S REPORT



Katy Thorneycroft

It was once more a period of low returns for the Managed Cash portfolio. The Bank of England (BoE) kept rates on hold at 0.5%, and the asset purchase programme at GBP375 billion. The second estimate for fourth-quarter economic growth was unrevised at 0.5%, with the breakdown showing a fall in total investment even as government expenditure increased. The UK referendum on EU membership dominated the news, with sterling weakening against the US dollar and euro. December unemployment remained unchanged at 5.1% despite expectations for a small fall, and overall the data showed weak growth in labour productivity.

The Managed Cash portfolio returned 0.3% for the period, as interest rates remain low. The trust continues to retain its broad diversification across a range of the UK's leading AAA-rated sterling liquidity funds, each selected to provide a high level of capital security for shareholders.

The BoE is expected to keep its interest rate policy unchanged at its next meeting.

Katy Thorneycroft
Investment Manager

5th May 2016

LIST OF INVESTMENTS AT 29TH FEBRUARY 2016

	Yield % ¹	Rating ²	Value £'000	%
Aberdeen Sterling Liquidity Fund	0.60	AAA	628	16.9
Deutsche Global Liquidity Fund	0.58	AAA	625	16.7
JPMorgan Sterling Liquidity Fund	0.58	AAA	625	16.7
Insight Sterling Liquidity Fund	0.56	AAA	621	16.6
Blackrock ICS Institutional Sterling Liquidity Fund	0.57	AAA	621	16.6
Fidelity Institutional Sterling Liquidity Fund	0.56	AAA	617	16.5
Total investments			3,737	100.0

¹ 1 year gross return to 29th February 2016. Source: IMMFA Money Fund Report, iMoneyNet.

² Ratings are given by recognised credit rating agencies as at 29th February 2016.

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE SIX MONTHS ENDED 29TH FEBRUARY 2016

	Six months ended 29th February 2016			Six months ended 28th February 2015			Year ended 31st August 2015		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income from investments	9	–	9	10	–	10	18	–	18
Gross return	9	–	9	10	–	10	18	–	18
Other administrative expenses	–	–	–	(1)	–	(1)	(1)	–	(1)
Net return on ordinary activities before taxation	9	–	9	9	–	9	17	–	17
Taxation charge	(1)	–	(1)	(1)	–	(1)	(2)	–	(2)
Net return on ordinary activities after taxation	8	–	8	8	–	8	15	–	15
Return per Managed Income share	0.20p	0.00p	0.20p	0.18p	0.00p	0.18p	0.37p	0.00p	0.37p

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 Managed Cash pool of assets and the 'Revenue' and 'Capital' columns represent supplementary information.

STATEMENT OF FINANCIAL POSITION (UNAUDITED)
 AT 29TH FEBRUARY 2016

	29th February 2016 £'000	28th February 2015 £'000	31st August 2015 £'000
Fixed assets			
Investments held at fair value through profit or loss	3,737	4,347	3,866
Current assets			
Debtors	1	1	1
Cash and short term deposits	3	–	68
	4	1	69
Creditors: amounts falling due within one year ¹	(1)	(2)	(72)
Net current assets/(liabilities)	3	(1)	(3)
Net assets	3,740	4,346	3,863
Net asset value per Managed Cash share	101.4p	101.0p	101.5p

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

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 29TH FEBRUARY 2016

	(Unaudited) Six months ended 29th February 2016			(Unaudited) Six months ended 28th February 2015			(Audited) Year ended 31st August 2015		
	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	–	(5,562)	(5,562)	–	20,922	20,922	–	13,675	13,675
Net foreign currency gains	–	39	39	–	28	28	–	31	31
Income from investments	2,913	–	2,913	2,594	–	2,594	5,983	–	5,983
Other interest receivable and similar income	16	–	16	17	–	17	35	–	35
Gross return/(loss)	2,929	(5,523)	(2,594)	2,611	20,950	23,561	6,018	13,706	19,724
Management fee	(157)	(337)	(494)	(140)	(287)	(427)	(283)	(579)	(862)
Other administrative expenses	(316)	–	(316)	(358)	–	(358)	(738)	–	(738)
Net return/(loss) on ordinary activities before taxation	2,456	(5,860)	(3,404)	2,113	20,663	22,776	4,997	13,127	18,124
Taxation	(6)	–	(6)	–	–	–	(6)	–	(6)
Net return/(loss) on ordinary activities after taxation	2,450	(5,860)	(3,410)	2,113	20,663	22,776	4,991	13,127	18,118
Return/(loss) per share (note 4):									
Managed Growth	4.37p	(12.52)p	(8.15)p	3.45p	50.71p	54.16p	6.98p	38.40p	45.38p
Managed Income	1.76p	(2.84)p	(1.08)p	1.60p	3.66p	5.26p	4.67p	(1.72)p	2.95p
Managed Cash	0.20p	0.00p	0.20p	0.18p	0.00p	0.18p	0.37p	0.00p	0.37p

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

	Called up share capital £'000	Share premium £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve ¹ £'000	Total £'000
Six months ended 29th February 2016 (Unaudited)						
At 31st August 2015	24	84,094	56,013	128,468	3,421	272,020
Repurchase and cancellation of the Company's own shares	–	–	(42)	–	–	(42)
Repurchase of shares into Treasury	–	–	(3,682)	–	–	(3,682)
Share conversions during the period	–	436	(436)	–	–	–
Net (loss)/return on ordinary activities	–	–	–	(5,860)	2,450	(3,410)
Dividends appropriated in the period	–	–	–	–	(2,532)	(2,532)
At 29th February 2016	24	84,530	51,853	122,608	3,339	262,354
Six months ended 28th February 2015 (Unaudited)						
At 31st August 2014	24	82,076	69,356	115,341	2,954	269,751
Repurchase and cancellation of the Company's own shares	–	–	(228)	–	–	(228)
Issue of shares from Treasury (net of costs)	–	34	341	–	–	375
Repurchase of shares into Treasury	–	–	(3,346)	–	–	(3,346)
Share conversions during the period	–	1,575	(1,575)	–	–	–
Net return on ordinary activities	–	–	–	20,663	2,113	22,776
Dividends appropriated in the period	–	–	–	–	(2,655)	(2,655)
At 28th February 2015	24	83,685	64,548	136,004	2,412	286,673
At 31st August 2014						
At 31st August 2014	24	82,076	69,356	115,341	2,954	269,751
Repurchase and cancellation of the Company's own shares	–	–	(833)	–	–	(833)
Issue of shares from Treasury	–	34	343	–	–	377
Repurchase of shares into Treasury	–	–	(10,868)	–	–	(10,868)
Share conversions during the year	–	1,985	(1,985)	–	–	–
Expenses in relation to share conversion	–	(1)	–	–	–	(1)
Net return on ordinary activities	–	–	–	13,127	4,991	18,118
Dividends appropriated in the year	–	–	–	–	(4,524)	(4,524)
At 31st August 2015	24	84,094	56,013	128,468	3,421	272,020

¹ This reserve forms the distributable reserve of the Company and may be used to fund distribution of profits to investors via dividend payments.

STATEMENT OF FINANCIAL POSITION AT 29TH FEBRUARY 2016

	(Unaudited) 29th February 2016				(Unaudited) 28th February 2015	(Audited) 31st August 2015
	Growth £'000	Income £'000	Cash £'000	Total £'000	Total £'000	Total £'000
Fixed assets						
Investments held at fair value through profit or loss	193,818	50,869	3,737	248,424	269,948	256,083
Current assets						
Derivative financial assets	381	–	–	381	1,413	214
Debtors	548	897	1	1,446	1,241	1,817
Cash and short term deposits	12,148	495	3	12,646	14,628	16,850
	13,077	1,392	4	14,473	17,282	18,881
Creditors: amounts falling due within one year	(202)	(69)	(1)	(272)	(355)	(1,757)
Derivative financial liabilities	(271)	–	–	(271)	(202)	(1,187)
Net current assets	12,604	1,323	3	13,930	16,725	15,937
Net assets	206,422	52,192	3,740	262,354	286,673	272,020
Capital and reserves						
Called up share capital	18	4	2	24	24	24
Share premium	28,453	36,692	19,385	84,530	83,685	84,094
Other reserve	61,496	6,077	(15,720)	51,853	64,548	56,013
Capital reserves	114,841	7,778	(11)	122,608	136,004	128,468
Revenue reserve	1,614	1,641	84	3,339	2,412	3,421
Total equity shareholders' funds	206,422	52,192	3,740	262,354	286,673	272,020
	29th February 2016		28th February 2015		31st August 2015	
	Net asset value (pence)	Net assets (£'000)	Net asset value (pence)	Net assets (£'000)	Net asset value (pence)	Net assets (£'000)
Net asset value per share (note 5)						
Managed Growth	593.1	206,422	617.6	225,868	605.2	214,391
Managed Income	100.4	52,192	107.5	56,459	103.6	53,766
Managed Cash	101.4	3,740	101.0	4,346	101.5	3,863

Company registration number: 3845060

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 29TH FEBRUARY 2016

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 2015 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 including 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 are prepared in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ('UK GAAP'), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and 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 November 2014.

FRS 104, 'Interim Financial Reporting', issued by the Financial Reporting Council ('FRC') in March 2015 has been applied in preparing this condensed set of financial statements for the six months ended 29th February 2016.

In March 2016, the FRC published amendments to FRS 102 concerning fair value hierarchy disclosures. These amendments are effective for accounting periods beginning on or after 1st January 2017. The Company has elected to early adopt these amendments in these interim financial statements. Full disclosure is given in note 6.

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. The Company has elected not to prepare a Statement of Cash Flows for the current period on the basis that substantially all of its investments are liquid and carried at market value.

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 2015.

3. Dividends

	(Unaudited) Six months ended 29th February 2016 £'000	(Unaudited) Six months ended 28th February 2015 £'000	(Audited) Year ended 31st August 2015 £'000
Dividends paid			
Managed Growth 2015 2nd interim dividend of 1.35p	–	–	494
Managed Growth 2015 3rd interim dividend of 1.35p	–	–	487
Managed Growth 2015 4th interim dividend of 1.50p (2014: 1.85p)	535	690	690
Managed Growth 2016 1st interim dividend of 2.55p (2015: 2.55p)	892	948	948
Managed Income 2015 2nd interim dividend of 0.85p	–	–	446
Managed Income 2015 3rd interim dividend of 0.85p	–	–	442
Managed Income 2015 4th interim dividend of 1.25p (2014: 1.10p)	650	566	566
Managed Income 2016 1st interim dividend of 0.85p (2015: 0.85p)	441	436	436
Managed Cash 2015 interim dividend of 0.35p (2014: 0.35p)	14	15	15
Total dividends paid in the period¹	2,532	2,655	4,524
Dividends proposed			
Managed Growth 2015 4th interim dividend of 1.50p	–	–	531
Managed Growth 2016 2nd interim dividend of 1.50p (2015: 1.35p)	523	494	–
Managed Income 2015 4th interim dividend of 1.25p	–	–	649
Managed Income 2016 2nd interim dividend of 0.85p (2015: 0.85p)	441	446	–
Managed Cash 2015 4th interim dividend of 0.35p	–	–	14
Total dividends proposed²	964	940	1,194

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

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

The amounts for the fourth quarterly dividends declared in respect of the year ended 31st August 2015 differ from the amounts paid due to the effect of the share conversions after the balance sheet date but prior to the share register record.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
4. Return per share

	(Unaudited) Six months ended 29th February 2016 £'000	(Unaudited) Six months ended 28th February 2015 £'000	(Audited) Year ended 31st August 2015 £'000
Managed Growth			
Return/(loss) per Managed Growth share is based on the following:			
Revenue return	1,530	1,275	2,548
Capital (loss)/return	(4,387)	18,764	14,025
Total (loss)/return	(2,857)	20,039	16,573
Weighted average number of shares in issue	35,036,037	37,004,383	36,526,557
Revenue return per share	4.37p	3.45p	6.98p
Capital (loss)/return per share	(12.52)p	50.71p	38.40p
Total (loss)/return per share	(8.15)p	54.16p	45.38p
Managed Income			
Return/(loss) per Managed Income share is based on the following:			
Revenue return	912	830	2,428
Capital (loss)/return	(1,473)	1,899	(898)
Total (loss)/return	(561)	2,729	1,530
Weighted average number of shares in issue	51,854,060	51,958,028	52,006,819
Revenue return per share	1.76p	1.60p	4.67p
Capital (loss)/return per share	(2.84)p	3.66p	(1.72)p
Total (loss)/return per share	(1.08)p	5.26p	2.95p
Managed Cash			
Return per Managed Cash share is based on the following:			
Revenue return	8	8	15
Capital return	–	–	–
Total return	8	8	15
Weighted average number of shares in issue	3,803,462	4,274,695	4,182,891
Revenue return per share	0.20p	0.18p	0.37p
Capital return per share	0.00p	0.00p	0.00p
Total return per share	0.20p	0.18p	0.37p

5. Net asset value per share

The net asset values per share are calculated as follows:

	(Unaudited) 29th February 2016		
	Managed Growth	Managed Income	Managed Cash
Net assets attributable (£'000)	206,422	52,192	3,740
Ordinary shares in issue	34,803,702	51,990,265	3,689,255
Net asset value per share (pence)	593.1	100.4	101.4

	(Unaudited) 28th February 2015		
	Managed Growth	Managed Income	Managed Cash
Net assets attributable (£'000)	225,868	56,459	4,346
Ordinary shares in issue	36,572,692	52,500,497	4,301,569
Net asset value per share (pence)	617.6	107.5	101.0

	(Audited) 31st August 2015		
	Managed Growth	Managed Income	Managed Cash
Net assets attributable (£'000)	214,391	53,766	3,863
Ordinary shares in issue	35,423,887	51,909,937	3,807,243
Net asset value per share (pence)	605.2	103.6	101.5

6. Fair valuation of financial instruments

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

	(Unaudited) Six months ended 29th February 2016		(Unaudited) Six months ended 28th February 2015		(Audited) Year ended 31st August 2015	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000	Assets £000	Liabilities £000
	Level 1: Quoted prices for identical instruments in active markets ¹	184,869	(271)	203,716	(202)	190,846
Level 2: Prices of recent transactions for identical instruments ²	63,936	–	67,645	–	65,451	–
Total	248,805	(271)	271,361	(202)	256,297	(1,187)

¹ Includes liquidity funds and future currency contracts.

² Includes investments in Open Ended Investment Schemes (OEIC's) and Société d'investissement à Capital Variable (SICAV).

Shareholder Information

INTERIM MANAGEMENT REPORT

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

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company fall into the following broad categories: investment 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 2015 Annual Report and Accounts.

Related Party Transactions

During the half year to 29th February 2016, 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, 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 interim 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 29th February 2016, as required by the UK Listing Authority Disclosure and Transparency Rules 4.2.4R; and
- (ii) the interim 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 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

Angus Macpherson
Chairman

5th May 2016

CAPITAL STRUCTURE AND CONVERSION BETWEEN SHARE CLASSES

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 in equities, investment trusts and fixed income securities.
- **Managed Cash Shares**
Designed to preserve capital with a yield based on short term interest rates by investing in a range of liquidity funds, selected for their yield and credit rating, and short dated AAA-rated UK or G7 government securities hedged into sterling.

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. Accordingly, Managed Cash shares are not available for purchase through the J.P. Morgan Investment Account, J.P. Morgan ISA or on J.P. Morgan WealthManager+.

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/29th 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

Those who hold shares through the J.P. Morgan Investment Account or J.P. Morgan ISA must complete and submit a conversion instruction form which can be found at www.jpmelect.co.uk. Instructions for CREST holders can also be found at this address. Those who hold shares in certificated form on the main register must complete the conversion notice printed on the reverse of their 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 16 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.

With regard to those who hold shares through the J.P. Morgan Investment Account or J.P. Morgan ISA, the minimum number of shares of any class which may be converted is 1,000 shares (subject to a minimum value of £500). Conversion of fewer shares may only take place if the number to be converted constitutes the shareholder's entire holding in that class.

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.

GLOSSARY OF TERMS AND DEFINITIONS

Return to Shareholders

Total return to the investor, on a mid-market price to mid-market price basis, assuming that all dividends received were reinvested, without transaction costs, into the relevant share class 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, into the relevant share class 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 per share when calculating the total return on net assets.

Benchmark Return

Total return on the relevant benchmark, on a mid-market value to mid-market value basis, assuming that all dividends received were reinvested, without transaction costs, into the shares of the underlying companies at the time the shares were quoted ex-dividend.

The benchmarks are composites of recognised indices of stocks which should not be taken as wholly representative of the Company's investment universe. The Company's investment strategy does not track these indices and consequently, there may be some divergence between the performance of the relevant portfolio and that of its benchmark.

Gearing/Net Cash

Gearing represents the excess amount above shareholders' funds of total assets, expressed as a percentage of 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.

Ongoing Charges

Management fee and all other operating expenses, excluding finance costs, expressed as a percentage of the average 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 figure as at 29th February 2016 is an estimated annualised figure based on the six months to 29th February 2016.

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 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.

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 20 40 20 or visit its website at am.jpmorgan.co.uk

Stocks & Shares Individual Savings Accounts (ISA)

The Company's shares are eligible investments within J.P. Morgan's Stocks & Shares ISA. Details are available from J.P. Morgan Asset Management free on 0800 20 40 20 or via its website at am.jpmorgan.co.uk

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

AJ Bell	James Brearley
Alliance Trust Savings	James Hay
Barclays Stockbrokers	Stocktrade
Charles Stanley Direct	TD Direct
Halifax Share Dealing Service	The Share Centre
Hargreaves Lansdown	Tilney Bestinvest
Interactive Investor	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.
 Registrars
 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 August
Final results announced	November
Half year end	29th February
Half year results announced	April
Dividends payable (if any)	March, June, September and December
Annual General Meeting	January 2017

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.

Directors

Angus Macpherson (Chairman)
Alan Hodson (Senior Independent Director)
James Robinson (Chairman of the Audit Committee)
Carla Stent
Roger Yates

Company Numbers

Company registration number: 3845060

London Stock Exchange Sedol numbers:

Managed Growth: 0852814, Managed Income: 3408021

Managed Cash: 3408009

ISIN numbers:

Managed Growth: GB0008528142

Managed Income: GB0034080217

Managed Cash: GB0034080092

Bloomberg Codes:

Managed Growth: JPEI LN

Managed Income: JPEI LN

Managed Cash: JPEC LN

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, The Times, The Daily Telegraph, The Scotsman and on the JPMorgan internet site at www.jpmelect.co.uk, where the share prices are updated every fifteen minutes during trading hours.

Website

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. They may also be purchased and held through the J.P. Morgan Investment Account and J.P. Morgan ISA. These products are all available on the online service, www.jpmorgan.co.uk/online

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 Rhys Williams.

Depository

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

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 Registrars quoting reference 2018.

Registered shareholders can obtain further details on their holdings on the internet by visiting www.shareview.co.uk.

Savings Product Administrators

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

Independent Auditor

Ernst & Young LLP
Chartered Accountants and Statutory Auditor
25 Churchill Place
London E14 5EY

Brokers

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

aic

The Association of
Investment Companies

A member of the AIC

www.jpmelect.co.uk

J.P. Morgan Helpline

Freephone 0800 20 40 20 or +44 (0) 1268 444470.
Telephone lines are open Monday to Friday, 9am to 5.30pm.

Telephone calls may be recorded and monitored for security and training purposes.