JPMorgan Mid Cap Investment Trust plc

Annual Report & Accounts for the year ended 30th June 2016

J.P.Morgan
Asset Management

Features

Objective

JPMorgan Mid Cap Investment Trust plc (the 'Company') aims to achieve capital growth from investment in medium-sized UK listed companies. The Company specialises in investment in FTSE 250 companies, using long and short term borrowings to increase returns to shareholders.

Investment Policies

- To focus on FTSE 250 stocks that deliver strong capital growth.
- To have significant exposure to the UK economy.
- To seek out both value stocks and growth stocks, including AIM stocks, to deliver strong performance throughout the market cycle.
- To use gearing to increase potential returns to shareholders.
- To invest no more than 15% of gross assets in other UK listed investment companies (including investment trusts).

The Company's shares are designed for private investors in the UK, including retail investors, professionally-advised private clients and institutional investors, who seek the potential for capital growth from investment in the UK market and who understand and are willing to accept the risks of exposure to equities. Private investors should consider consulting an independent financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares in the Company. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

Benchmark

The FTSE 250 Index (excluding investment trusts).

Capital Structure

- UK domiciled.
- Premium Listing on the London Stock Exchange.
- As at 30th June 2016, the Company's called-up share capital comprised 25,398,080 ordinary shares of 25p each including 1,400,900 shares held in Treasury.

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 ('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.

Association of Investment Companies

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

Website

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

Contents

2 FINANCIAL RESULTS

STRATEGIC REPORT

3 Chairman's Statement

6 Investment Managers' Report

8 Summary of Results

9 Performance

10 Ten Year Financial Record

11 Ten Largest Equity Investments

12 Portfolio Analysis

12 Investment Activity

13 List of Investments

15 Business Review

GOVERNANCE

19 Board of Directors

21 Directors' Report

23 Corporate Governance Statement

28 Directors' Remuneration Report

30 Statement of Directors' Responsibilities

31 INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENTS

37 Statement of Comprehensive Income

38 Statement of Changes in Equity

39 Statement of Financial Position

40 Notes to the Financial Statements

REGULATORY DISCLOSURES

55 Alternative Investment Fund Managers Directive ('AIFMD') Disclosures (Unaudited)

SHAREHOLDER INFORMATION

56 Notice of Annual General Meeting

59 Glossary of Terms and Definitions

60 Where to buy J.P. Morgan Investment Trusts

61 Information about the Company

Financial Results

TOTAL RETURNS (INCLUDES DIVIDENDS REINVESTED) TO 30TH JUNE 2016

–3.3%
Return to shareholders[1]
(2015: +24.0%)

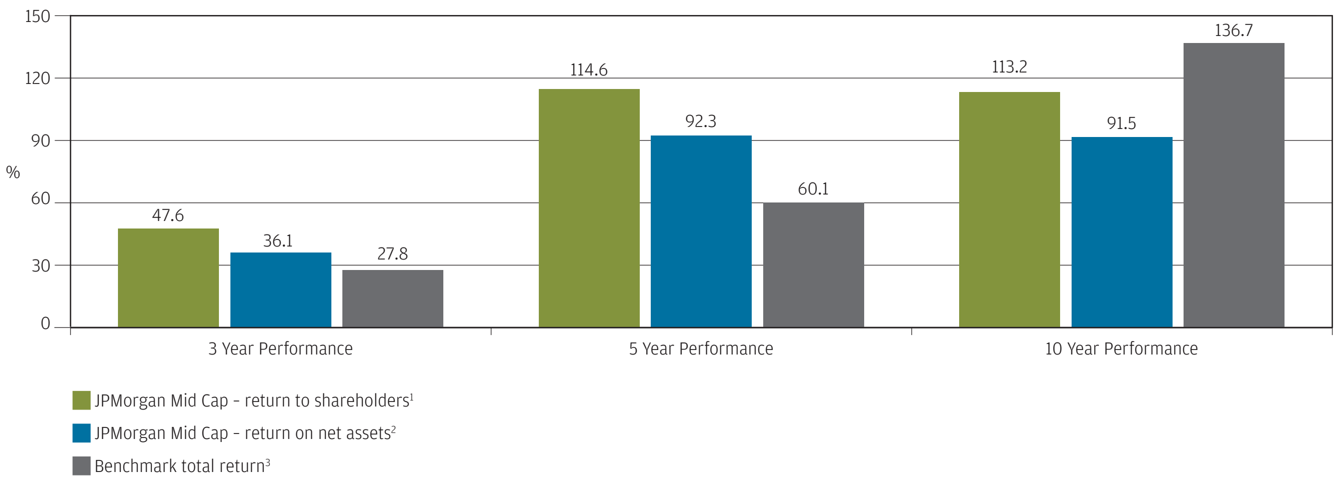
–7.7%
Return on net assets[2]
(2015: +24.7%)

–5.7%
Benchmark return[3]
(2015: +15.0%)

25.5p
Ordinary dividend including a special dividend of 4.5p
(2015: 24.5p including a special dividend of 4.5p)

Long Term Performance

FOR PERIODS ENDED 30TH JUNE 2016



[1] Source: Morningstar.

[2] Source: J.P. Morgan.

[3] Source: Morningstar. The Company's benchmark is the FTSE 250 Index (excluding investment trusts).

For further details and analysis please refer to the performance attribution on page 7.

A glossary of terms and definitions is provided on page 59.

CHAIRMAN'S STATEMENT

Investment Performance

It is somewhat disappointing to report a fall for the financial year in the Company's share price and net asset value in my final statement as Chairman, particularly given the very positive returns I confirmed at the mid year stage. Had the Company's year end fallen on 23rd June 2016, it would have been an entirely different picture. However, the result of the country's Referendum on the UK's membership of the European Union triggered a sharp fall in the Company's benchmark index of just over 15% in a period of just five business days, resulting in a benchmark return for the year to 30th June 2016 of -5.7%. Given the closeness of the polls in the run-up to the vote and despite an admirable effort by our investment managers to position the portfolio for a 'leave' or 'remain' outcome, which included a reduction in gearing to almost 0%, the Company's performance marginally lagged the benchmark on a net asset value total return basis, falling 7.7%. It is perhaps some comfort for shareholders that the Company's discount narrowed over the year, giving a total return to shareholders of -3.3%. Encouragingly since the 30th June to date, the Company's net asset value and share price returns have both recovered to levels in excess of the benchmark return over the same period.

Despite the impact of the Referendum result on the Company in the last six days of the reporting period, the Company's long term performance record remains strong over two, three and five years, and particularly over the tenure of the current investment team. Based upon these statistics and taking all factors into account, to include other services provided to the Company and its shareholders, the Board has no hesitation in confirming that JPMF should remain as the Company's Manager and that its ongoing appointment remains in the best interests of shareholders.

The investment managers' report on pages 6 and 7 gives more detail on the positioning of the portfolio both pre and post the Referendum, together with their views on the outlook for the Mid Cap sector.

I have included the table below in my last two statements, it details the returns generated by the FTSE 250 indices compared to the FTSE 100 Index over one, three, five and 10 years to 30th June 2016. Given their strong correlation to the UK domestic consumer, including the house building industry, the FTSE 250 indices this year underperformed the FTSE 100 behemoths (albeit mainly in the last few days of the reporting period). However, an investment case for allocating a proportion of personal portfolios to funds investing in the FTSE 250, given their strong performance relative to the FTSE 100, remains over longer time periods and one would expect this to continue to be the case once the noise from the Referendum ebbs away. I would like to emphasise once again that JPMorgan Mid Cap Investment Trust continues to be one of the few closed ended companies which invests primarily in UK Mid Cap universe.

	To 30th June 2016			
Index	One Year Return %	Three Year Return %	Five Year Return %	Ten Year Return %
FTSE 250 (including investment trusts)	-4.6	27.6	56.5	127.6
FTSE 250 (excluding investment trusts)	-5.7	27.8	60.2	136.7
FTSE 100	3.8	16.8	31.7	61.4

CHAIRMAN'S STATEMENT *CONTINUED*

Revenue and Dividends

Revenue earnings per share for the year to 30th June 2016 were 29.45 pence, a 3% increase on last year. As has been the case now for a few years the receipt of special dividends was a notable factor in the strength of the Company's earnings, with just over 24% of the income received arising from the payment of special dividends. Against this background the Board has decided to propose a final dividend of 13.0 pence, which when added to the interim dividend paid in April of 8.0 pence, equates to a base dividend payable of 21.0 pence (2015: 20.0 pence) for the full year, an increase over the prior year of 4.8%. Given the level of special dividends paid by underlying companies the Board has further resolved to propose the payment of a special dividend of 4.5 pence (2015: 4.5 pence). The final dividend and special dividend will be combined as one dividend and paid on 14th November 2016 to shareholders on the register at the close of business on 7th October 2016.

At this early stage it is expected that the underlying base dividend receipts on the Company's portfolio in 2016/2017 will be on par with those of 2015/2016. We are unable to forecast the payment of special dividends but these are again expected to be a feature of the UK dividend market for the year ahead. I add my usual caveat that we do not regard the receipt of substantial special dividends as a permanent feature of the UK market.

Gearing and Borrowing Facilities

The Board sets the overall gearing guidelines and reviews these at each meeting; changes in these guidelines between meetings may be undertaken by the investment managers after consultation with the Board. The Board has determined that in normal circumstances the Company's gearing range is -5% to +25%. At the end of the Company's financial year and in line with the uncertainty surrounding the EU membership vote a small amount of the portfolio was held in cash equivalents.

At the end of the reporting year, the Company had two loan facilities in place totalling £40 million. At present we believe that the funds available for gearing are appropriate, however, this continues to be kept under review. Further details on these facilities can be found in note 14 on page 47.

Discount Management

During the year under review, the Company did not repurchase any shares. However, as in prior years, Directors will be seeking to renew powers to repurchase up to 14.99% and issue up to 10% of the Company's shares respectively, at the forthcoming Annual General Meeting. Treasury shares and any new Ordinary shares will only be sold or issued respectively at a premium to net asset value.

Board of Directors

I became Chairman of the Company in 2005 and, as I indicated last year, I will retire at the conclusion of the forthcoming Annual General Meeting. I have thoroughly enjoyed serving on the Board of JPMorgan Mid Cap Investment Trust since my appointment in 2004 and it has been a privilege to be Chairman for the past 11 years. I would like to thank shareholders, my fellow Directors and the team at JPMorgan for their many years of support.

I am delighted that Michael Hughes, a Director since 2008, will be appointed Chairman in my place. His position of Senior Independent Director will be assumed by Richard Huntingford.

Refreshing the Board has continued with the appointment of John Evans as a Director from 1st June 2016. John commenced his career at Ivory & Sime in 1979. In 1990, he was one of the founding partners of Aberforth Partners, a specialist investment management firm that invests in UK smaller quoted companies largely on behalf of institutional investors. John will stand for reappointment at the Annual General Meeting and I look forward to introducing him to shareholders at this event.

There is a formal process each year for evaluating the performance of the Board, its Committees, individual Directors and myself as Chairman. Having completed the performance reviews this year, all eligible Directors will stand for reappointment at the Annual General Meeting.

Annual General Meeting

This year's Annual General Meeting will be held on Thursday, 27th October 2016 at 2.30 p.m. at 60 Victoria Embankment, London EC4Y 0JP. In addition to the formal part of the meeting, there will be a presentation from our investment managers, Georgina Brittain and Katen Patel, who will also answer questions on the portfolio and performance. There will be an opportunity to meet the Board, the investment managers and representatives of JPMorgan after the meeting. I look forward to welcoming as many of you as possible to this meeting.

If you have any detailed or technical questions, it would be helpful if you could raise these in advance of the meeting with the Company Secretary at 60 Victoria Embankment, London EC4Y 0JP. Shareholders who are unable to attend the Annual General Meeting are encouraged to use their proxy votes.

Prospects

Stock markets in any region experience increased levels of volatility in uncertain climates and unfortunately for the companies within our investment universe, uncertainty will be a factor for the foreseeable future whilst the Government negotiates the UK out of the European Union. Despite this the Board is confident that it has in place a strong and experienced team to steer the portfolio through these challenging times. Their focus on investing in high quality, cash generative companies, where both profits and dividends are still forecast to grow, should produce strong returns over time. I firmly believe that this will enable the Company to outperform its benchmark over the longer term as we have done successfully in the past.

Andrew Barker
Chairman 23rd September 2016

INVESTMENT MANAGERS' REPORT

Georgina Brittain

Katen Patel

Performance & Market Background

Six months ago we reported that your Company had enjoyed a very strong start to its financial year, against a broadly flat index. A lot can change in six months, and the seismic political event that was the EU Referendum on the 23rd June 2016 impacted your Company hard.

As the FTSE 250 Index is the focus of domestic stocks, and is dominated in particular by consumer-facing companies, a vote to leave the EU was always going to have maximum impact on this index. This proved to be the case. In the two days immediately following the referendum, the index fell over 15%. Your Company's net asset value fell significantly further. Taking the year as a whole, the benchmark index total return was -5.7%. It is disappointing to report that the total return on net assets of your Company fell further, and was down -7.7% for the year. The majority of this decline was in the last week of June. The share price total return for the year was down slightly less at -3.3% as the discount narrowed over the year.

Portfolio

Over the past several years we have made it clear that the portfolio has been positioned for, and benefited from, the strength of the UK economy and the resurgence of the UK consumer. As we approached the EU Referendum, we continued to be largely consumer facing. However, before the vote, we did make certain changes, as we had spent many months analysing the potential implications of either outcome. One key change was a large reduction in the gearing to almost 0%. In addition, we significantly reduced our real estate exposure, selling out of Savills, Capital & Counties and Derwent London. While we increased our position in JD Sports, a high conviction holding, we reduced some consumer exposure by exiting Dixons Carphone and cutting our position in EasyJet. We added to our overseas exposure by buying into Electrocomponents (a global electronics distributor), and adding to the position in BGEO Group (formerly Bank of Georgia).

In the immediate aftermath of the vote, we made some swift changes to the shape of the portfolio. We reduced our positions in certain consumer-facing companies, in particular in Howden Joinery and in a number of housebuilders. However, in consumer services where we have high conviction in our holdings we have taken the opportunity to increase certain holdings. We also increased our exposure to companies with overseas exposure, which stood to benefit from the collapse in sterling. Among a number of new additions to the portfolio, we bought into Spirax Sarco and Tate & Lyle. We also added exposure to gold to the portfolio by buying a holding in Polymetal and, post the year end, adding a position in Hochschild Mining.

Outlook

Subsequent to our year end, the Bank of England has acted swiftly to counteract the potential damage to growth that the Referendum outcome may cause. It has cut interest rates to an astonishing 0.25%, while leaving open the possibility of further cuts to come, and has extended its quantitative easing by expanding its asset purchase scheme, and committing to purchase up to £10 billion of corporate bonds. On the back of these actions, it has cut its GDP forecast for 2017 from 2.3% to 0.8%, but it currently forecasts that the UK will not enter recession.

PERFORMANCE ATTRIBUTION
FOR THE YEAR ENDED 30TH JUNE 2016

	%	%
Contributions to total returns		
Benchmark return		–5.7
Stock & sector selection	–0.6	
Gearing/cash	–0.5	
Investment manager contribution		–1.1
Portfolio total return		–6.8
Fees/other expenses	–0.9	
Other effects		–0.9
Return on net assets		–7.7
Return to shareholders		–3.3

Source: JPMAM and Morningstar.

All figures are on a total return basis.

Performance attribution analyses how the Company achieved its recorded performance relative to its benchmark.

We applaud these pre-emptive measures by the Bank of England. Our concern is that the companies we invest in, and indeed all UK companies both small and large, face a period of uncertainty which may last for many years to come. Companies cannot plan growth and investment opportunities in a knowledge vacuum. This was well put in a recent comment by Andy Haldane, one of the members of the Monetary Policy Committee, which sets the UK's interest rates. He stated that 'the EU Referendum result has thrown up a dust cloud of economic uncertainty, making it harder for companies to plan, with potentially adverse implications for future investment and jobs.' The key word here is 'potentially'. We do not at this stage know how inflationary the fall in sterling will prove, nor how the consumer will react over the coming months and years, and nor do we know the extent, if any, of a reduction in investment by UK companies.

All of this makes our job of constructing a portfolio to suit the economic environment harder. We foresee the likelihood of increased volatility as the Brexit negotiations actually get under way. Whilst it is too early to tell what that economic environment will be, we do believe we have substantially de-risked the portfolio. We also believe we have continued to focus upon and invest in high quality, cash generative companies, where both profits and dividends are still forecast to grow.

Georgina Brittain
Katen Patel
Investment Managers

23rd September 2016

SUMMARY OF RESULTS

	2016	2015	
Total returns for the year ended 30th June			
Return to shareholders[1]	-3.3%	+24.0%	
Return on net assets[2]	-7.7%	+24.7%	
Benchmark[3]	-5.7%	+15.0%	
Net asset value, share price and discount at 30th June			**% change**
Shareholders' funds (£'000)	218,274	242,385	-9.9
Net asset value per share	909.6p	1,010.1p	-9.9
Share price	835.0p	886.0p	-5.8
Share price discount to net asset value	8.2%	12.3%	
Shares in issue (excluding shares held in Treasury)	23,997,180	23,997,180	
Revenue for the year ended 30th June			
Net revenue attributable to shareholders (£'000)	7,067	6,847	+3.2
Revenue per share	29.45p	28.53p	+3.2
Dividend per share[4]	25.5p	24.5p	+4.1
(Net cash)/gearing at 30th June[5]	**(0.5)%**	**9.1%**	
Ongoing Charges Ratio	**0.91%**	**0.95%**	

[1] Source: Morningstar.

[2] Source: J.P. Morgan.

[3] Source: Morningstar. The Company's benchmark is the FTSE 250 Index (excluding investment trusts).

[4] Comprises an ordinary dividend of 21.0p (2015: 20.0p) and a special dividend of 4.5p (2015: 4.5p).

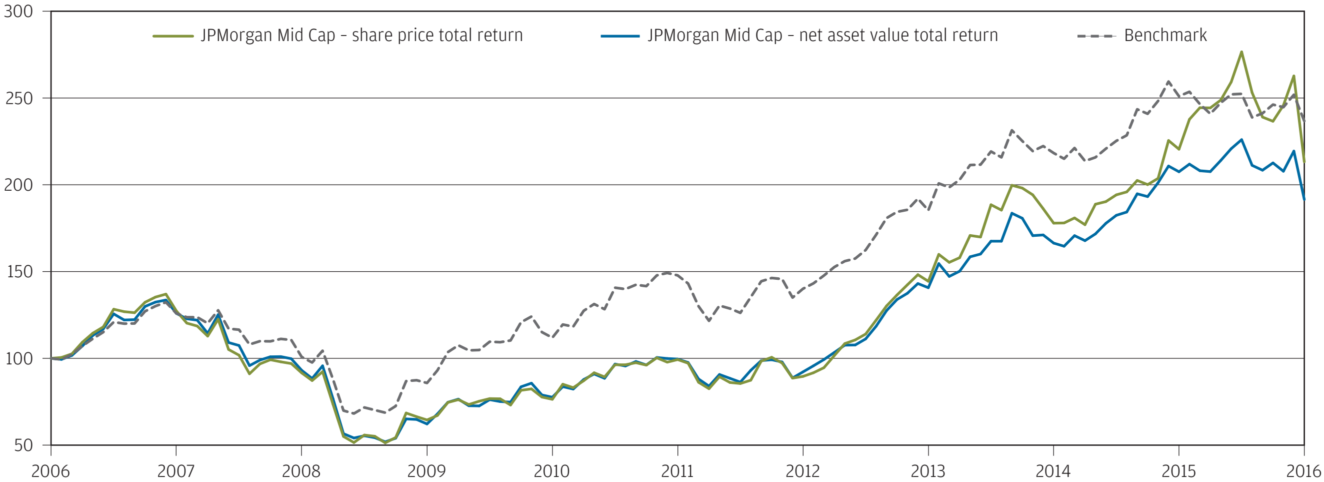
[5] The methodology to calculate gearing has been amended during the year therefore the comparative figure has been recalculated for comparative purposes. Please refer to the glossary of terms and definitions on page 59 for the revised calculation.

A glossary of terms and definitions is provided on page 59.

PERFORMANCE

Ten Year Performance

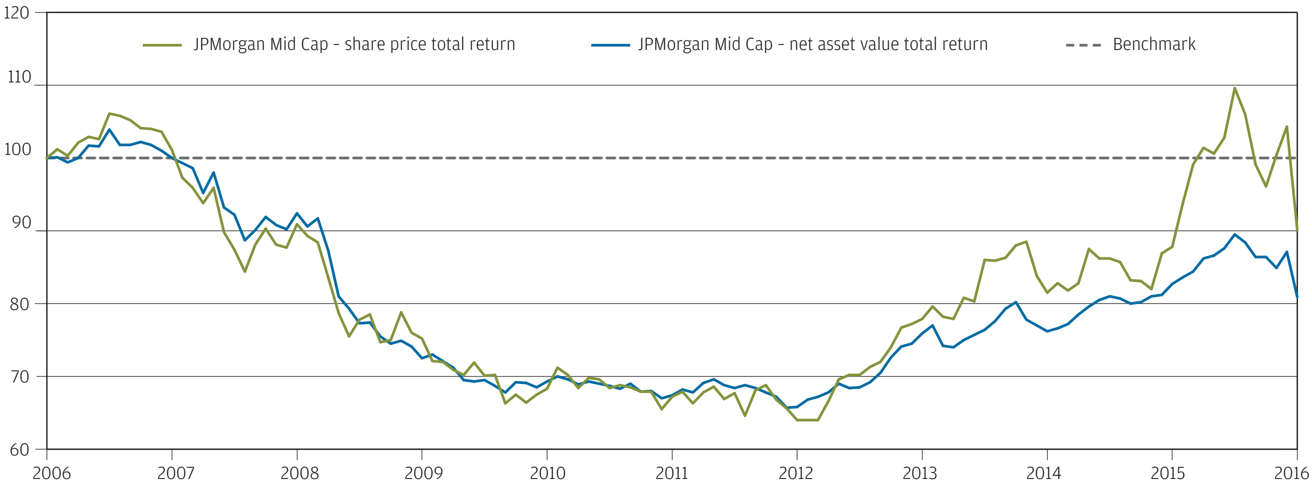
FIGURES HAVE BEEN REBASED TO 100 AT 30TH JUNE 2006



Source: Morningstar.

Performance Relative to Benchmark

FIGURES HAVE BEEN REBASED TO 100 AT 30TH JUNE 2006



Source: Morningstar.

TEN YEAR FINANCIAL RECORD

At 30th June	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Shareholders' funds (£'m)	201.4	233.7	150.9	94.1	110.6	135.6	116.6	172.1	199.1	242.4	218.3
Net asset value per share (p)	647.4	799.3	582.2	371.9	441.0	543.2	483.9	717.3	829.6	1,010.1	909.6
Share price (p)	558.0	695.5	488.0	321.5	364.5	455.0	393.0	611.5	734.5	886.0	835.0
Discount (%)	13.8	13.0	16.2	13.6	17.3	16.2	18.8	14.7	11.5	12.3	8.2
Gearing/(net cash) (%)[1]	14.0	12.8	6.8	6.8	4.5	6.0	4.2	12.2	8.1	9.1	(0.5)
Year ended 30th June											
Revenue attributable to shareholders (£'000)	4,380	4,689	4,785	4,758	3,018	2,961	3,938	5,030	5,200	6,847	7,067
Revenue return per share (p)	13.15	15.53	17.64	18.74	11.94	11.81	16.04	20.95	21.67	28.53	29.45
Dividend per share (p)[2]	12.50	14.50	16.50	21.90	17.00	17.00	17.00	18.00	18.00	24.50	25.50
Ongoing charges ratio (%)	0.70	0.69	0.63	0.78	0.74	0.72	0.80	0.66	0.97	0.95	0.91
Rebased to 100 at 30th June 2006											
Return to shareholders[3]	100.0	127.3	91.6	64.5	76.4	99.3	89.6	144.4	177.9	220.5	213.2
Return on net assets[3]	100.0	125.9	93.1	62.2	77.6	99.6	92.2	140.7	166.4	207.5	191.5
Benchmark return[3]	100.0	125.9	100.8	85.8	111.9	147.8	140.1	185.3	218.3	251.0	236.7

[1] The methodology to calculate gearing has been amended during the year therefore the 2015 comparative figure has been recalculated for comparative purposes. All prior figures are unchanged. Please refer to the glossary of terms and definitions on page 59 for details of the revised calculation.

[2] 2009 includes ordinary dividends of 17.0p and a special dividend of 4.9p. 2013 includes ordinary dividends of 17.0p and a special dividend of 1.0p. 2015 includes ordinary dividends of 20.0p and a special dividend of 4.5p. 2016 includes ordinary dividends of 21.0p and a special dividend of 4.5p.

[3] Source: JPMorgan. Total returns with dividends reinvested.

A glossary of terms and definitions is provided on page 59.

TEN LARGEST EQUITY INVESTMENTS AT 30TH JUNE

Company	Sub-sector	2016 Valuation £'000	%[1]	2015 Valuation £'000	%[1]
Micro Focus International Provides enterprise application management solutions. The company provides software solutions for assessing, managing and updating existing applications.	Technology	12,346	5.7	9,920	3.8
JD Sports Fashion[2] The UK's leading retailer of branded sportswear and fashionwear.	Consumer Services	9,628	4.4	3,530	1.3
Ashtead Ashtead Group hires out plant and machinery for the UK and the US construction and allied industries.	Industrials	9,035	4.2	12,243	4.6
Rightmove[2] The UK's leading internet property portal.	Consumer Services	6,525	3.0	4,191	1.6
WH Smith[2] One of the UK's leading retailers with two core businesses in travel and the High Street selling stationery, books, news and entertainment.	Consumer Services	6,296	2.9	5,119	1.9
Card Factory[2] The UK's leading specialist retailer of greeting cards.	Consumer Services	5,960	2.7	4,303	1.6
DS Smith[2] A leading provider of corrugated and plastics packaging.	Industrials	5,891	2.7	4,533	1.7
BGEO Group (formerly Bank Of Georgia)[2] A leading Georgia based banking group with an investment arm.	Financials	5,375	2.5	4,260	1.6
Auto Trader Group[2] The UK market's leading digital automotive marketplace.	Consumer Services	5,191	2.4	2,697	1.0
Intermediate Capital Group Deploys capital on behalf of investors through private debt, mezzanine credit and minority equity funds specialising in mid-market transactions. The company also invests capital alongside third party funds. Intermediate Capital covers Europe, Asia Pacific and North America.	Financials	4,805	2.2	5,704	2.2
Total		**71,052**	**32.7**		

[1] Based on total portfolio of £217.2m (2015: £264.4m).

[2] Not Included in the ten largest investments at 30th June 2015.

At 30th June 2015, the value of the ten largest equity investments amounted to £82,347,000 representing 31.1% of the total portfolio.

PORTFOLIO ANALYSIS

Sector Analysis	Portfolio 2016 %	Benchmark 2016 %	Portfolio 2015 %	Benchmark 2015 %
Consumer Services	30.1	21.0	23.6	22.8
Financials	28.7	25.6	28.8	24.8
Industrials	20.1	28.0	23.4	26.1
Technology	6.8	3.0	5.6	3.4
Consumer Goods	6.3	6.1	10.4	7.2
Basic Materials	3.4	5.0	2.2	4.3
Health Care	2.9	3.9	1.8	3.4
Oil & Gas	1.7	3.6	0.3	4.8
Telecommunications	–	1.9	3.9	1.7
Utilities	–	1.9	–	1.5

[1] Based on total portfolio of £217.2m (2015: £264.4m).

INVESTMENT ACTIVITY

Investment Activity	Value at 30th June 2015 £'000	%	Benchmark classification £'000	Purchases £'000	Sales £'000	Change in valuation £'000	Value at 30th June 2016 £'000	%
FTSE 250 Index companies	239,140	90.4	(10,997)	107,189	(93,769)	(44,421)	197,142	90.8
FTSE 100 Index companies	21,522	8.1	12,981	5,602	(39,476)	16,423	17,052	7.8
AIM Listed companies	1,985	0.8	–	–	(181)	1,224	3,028	1.4
Other investments[1]	1,778	0.7	(1,984)	2,876	(5,592)	2,922	–	–
Total portfolio	**264,425**	**100.0**	**–**	**115,667**	**(139,018)**	**(23,852)**	**217,222**	**100.0**

[1] At 30th June 2015 Sophos Group was a recent IPO which was not included within an index. It is now listed as a FTSE 250 Index company.

LIST OF INVESTMENTS AT 30TH JUNE 2016

Company	Valuation £'000
Consumer Services	
JD Sports Fashion	9,628
Rightmove	6,525
WH Smith	6,296
Card Factory	5,960
Auto Trader Group	5,191
Playtech	4,301
Wizz Air	4,045
Domino's Pizza Group	3,387
Saga	2,647
Just Eat	2,642
Moneysupermarket.com Group	2,166
Greggs	2,035
Ascential	1,739
Paddy Power Betfair[1]	1,657
Rank Group	1,606
Marston's	1,576
Go-Ahead	1,525
Pendragon	1,254
Restaurant Group	906
Thomas Cook	393
Total Consumer Services	**65,479**
Financials	
BGEO Group	5,375
Intermediate Capital Group	4,805
Cmc Markets	4,355
Beazley	4,258
Segro	4,144
OneSavings Bank	3,930
Phoenix	3,865
Provident Financial[1]	3,609
Paysafe Group	3,500
Shaftesbury	3,470
Plus 500[2]	3,028
Workspace Group	2,945
Man Group	2,464
Tritax Big Box	2,439
Great Portland Estates	2,379
Close Brothers	2,232
John Laing Group	2,227

Company	Valuation £'000
Investec	1,204
Shawbrook Group	1,194
Aldermore Group	869
Total Financials	**62,292**
Industrials	
Ashtead[1]	9,035
DS Smith	5,891
Smurfit Kappa Group	4,788
Howden Joinery	4,282
Regus	3,745
Aggreko	3,131
Hill & Smith Holdings	2,752
Marshalls	2,523
Berendsen	2,361
Electrocomponents	2,056
Ibstock	1,199
Bodycote	901
Weir Group	651
Spirax-Sarco Engineering	322
Total Industrials	**43,637**
Technology	
Micro Focus International	12,346
Sophos Group	2,412
Total Technology	**14,758**
Consumer Goods	
Bellway	3,221
Tate & Lyle	3,175
Greencore Group	1,870
Crest Nicholson Holdings	1,766
Taylor Wimpey[1]	985
Mccarthy & Stone	942
Barratt Developments[1]	883
Berkeley[1]	883
Total Consumer Goods	**13,725**
Basic Materials	
Croda International	4,456
Polymetal International	2,911
Total Basic Materials	**7,367**

Company	Valuation £'000
Health Care	
NMC Health	3,691
UDG Healthcare	2,516
Total Health Care	**6,207**
Oil & Gas	
Petrofac	2,209
Wood Group (John)	1,548
Total Oil & Gas	**3,757**
Total Portfolio	**217,222**

[1] FTSE 100 Index companies.

[2] AIM listed companies.

The portfolio comprises investments in equity shares only.

BUSINESS REVIEW

The aim of the Strategic Report is to provide shareholders with the ability to assess how the Directors have performed their duty to promote the success of the Company during the year under review.

Structure and Objective of the Company

JPMorgan Mid Cap Investment Trust plc is an investment trust and has a premium listing on the London Stock Exchange. Its objective is to provide shareholders with capital growth from investment in medium-sized UK companies. In seeking to achieve this objective the Company employs JPMorgan Funds Limited ('JPMF' or the 'Manager') to manage actively the Company's assets. The Board has determined an investment policy and related guidelines and limits, as described below. It aims to outperform the FTSE 250 Index (excluding investment trusts), with net dividends reinvested.

The Company is subject to UK and European legislation and regulations including UK company law, Financial Reporting Standards, Listing, Prospectus and Disclosure, Guidance and Transparency Rules, Market Abuse Regulation, taxation law and the Company's own Articles of Association. The Company is an investment company within the meaning of Section 833 of the Companies Act 2006 and has been approved by HMRC as an investment trust (for the purposes of Sections 1158 and 1159 of the Corporation Tax Act 2010). The Directors have no reason to believe that the Company will not continue to retain its investment trust status. The Company is not a close company for taxation purposes.

A review of the Company's activities and prospects is given in the Chairman's Statement on pages 3 to 5, and in the Investment Managers' Report on pages 6 and 7.

Investment Policies and Risk Management

In order to achieve its objective, the Company invests in a diversified portfolio, concentrating on FTSE 250 companies with the most attractive prospects. The Company makes use of long and short-term borrowings to increase returns and does not invest more than 15% of its gross assets in other UK listed investment companies (including investment trusts).

Investment Limits and Restrictions

The Board seeks to manage the Company's risk by imposing various investment limits and restrictions.

- The Company will not invest more than 15% of its assets in other UK listed investment companies.
- No more than 15% of the portfolio at prevailing values may be invested outside the FTSE 250 Index. Investments outside the FTSE 250 Index can include AIM stocks.
- The Company will not invest more than 10% of assets in companies that themselves may invest more than 15% of gross assets in UK listed investment companies.
- The Company will not invest more than 10% of its assets in any one individual stock at the time of acquisition.
- The Company's Gearing policy is to operate within a range of -5% to +25% in normal market conditions.

Compliance with the Board's investment restrictions and guidelines is monitored continuously by the Manager and is reported to the Board on a monthly basis.

Performance

In the year to 30th June 2016, the Company produced a total return on net assets of -7.7% to give a total return to shareholders of -3.3%. This compares with the total return on the Company's benchmark index of -5.7%. As at 30th June 2016, the value of the Company's investment portfolio was £217.2 million. The Investment Managers' Report on pages 6 and 7 includes a review of developments during the year as well as information on investment activity within the Company's portfolio.

Total Return, Revenue and Dividends

Gross total loss for the year amounted to £15.5 million (2015: £50.8 million return) and net total loss after deducting finance costs, management fees, administrative expenses and taxation amounted to £18.2 million (2015: £48.2 million return). Distributable income for the year amounted to £7.1 million (2015: £6.8 million).

The Directors recommend a final dividend of 13.0p (2015: 12.0p), plus a special dividend of 4.5p (2015: 4.5p) per share, payable on 14th November 2016 to shareholders on the register at the close of business on 7th October 2016. This distribution, will amount to £4,200,000 (2015: £3,960,000). An interim dividend of 8.0p per share (2015: 8.0p per share) was paid on 8th April 2016. Following the payment of these dividends, the revenue reserve will amount to £5,776,000 (2015: £4,829,000).

Key Performance Indicators ('KPIs')

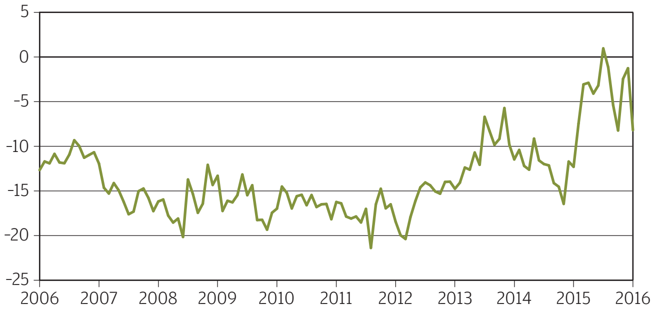
The Board uses a number of financial KPIs to monitor and assess the performance of the Company. The principal KPIs are:

- **Performance against the benchmark index**
  This is the most important KPI by which performance is judged. Information on the Company's performance is given in the Chairman's Statement and the Investment Managers' Report. (Also please refer to the graphs on page 9).

BUSINESS REVIEW *CONTINUED*

Discount Performance

FIGURES HAVE BEEN REBASED TO 100 AT 30TH JUNE 2006



Source: Morningstar.

JPMorgan Mid Cap – share price discount to net asset value per share (month end data).

- **Performance against the Company's peers**
  The principal objective is to achieve capital growth relative to the benchmark. However, the Board also monitors the performance relative to a broad range of competitor funds.

- **Performance attribution**
  The purpose of performance attribution analysis is to assess how the Company achieved its performance relative to its benchmark index, i.e. to understand the impact on the Company's relative performance of the various components such as stock and sector allocation and gearing. Details of the attribution analysis for the year ended 30th June 2016 are given in the Investment Managers' Report on page 7.

- **Share price relative to net asset value ('NAV') per share**
  The Board has a share repurchase programme which seeks to address imbalances in supply of and demand for the Company's shares within the market and thereby reduce the volatility and absolute level of the discount to NAV at which the Company's shares trade and in relation to its peers in the sector. In the year to 30th June 2016, the shares traded between a discount of 11.9% and a premium of 3.8% to the net asset value. More information on the Board's share buy back policy is given in the Chairman's Statement.

- **Ongoing Charges Ratio**
  The Ongoing Charges Ratio represents the Company's management fee and all other operating expenses, excluding finance costs, expressed as a percentage of the average of the daily net assets during the year. The Ongoing Charges Ratio for the year ended 30th June 2016 was 0.91% (2015: 0.95%). The Board reviews each year an analysis which shows a comparison of the Company's Ongoing Charges Ratio and its main expenses with those of its peers.

Share Capital

The Directors have authority on behalf of the Company to repurchase shares in the market either for cancellation or into Treasury and to sell Treasury shares or issue new Ordinary shares for cash. During the year no ordinary shares were repurchased for cancellation nor taken into Treasury (2015: none).

Special Resolutions to renew the Company's authorities to issue and repurchase shares will be put to shareholders at the forthcoming Annual General Meeting.

The Company did not sell any Treasury or issue new shares during the year.

Board Diversity

When recruiting a new Director, the Board's policy is to appoint individuals on merit. Diversity is important in bringing an appropriate range of skills and experience to the Board. At 30th June 2016, there were five male Directors and one female Director on the Board. Please refer to pages 24 and 25 for more information on the workings of the Nomination and Remuneration Committee.

Employees, Social, Community and Human Rights Issues

The Company is managed by JPMF, has no employees and all of its Directors are non-executive, the day to day activities being carried out by third parties. There are therefore no disclosures to be made in respect of employees. The Board notes the JPMorgan policy statements in respect of Social, Community, Environmental and Human Rights issues, as outlined below.

JPMorgan believes that companies should act in a socially responsible manner. Although JPMorgan's priority at all times is the best economic interests of its clients, it is recognised that, increasingly, non-financial issues such as social and environmental factors have the potential to impact the share price, as well as the reputation of companies. Specialists within JPMAM's environmental, social and governance ('ESG') team are tasked with assessing how investee companies deal with and report on social and environmental risks and issues specific to their industry. JPMorgan is also a signatory to the United Nations Principles of Responsible Investment, which commits participants to six principles, with the aim of incorporating ESG criteria into their processes when making stock selection decisions and promoting ESG disclosure. JPMorgan's detailed approach to how it implements the principles is available on request.

The Modern Slavery Act 2015 (the 'MSA')

The MSA requires companies to prepare a slavery and human trafficking statement for each financial year of the organisation. As the Company has no employees and does not supply goods and services, the MSA does not apply directly to it. The MSA requirements more appropriately relate to JPMF and JPMAM. JPMorgan's statement on Human Rights can be found on the following website: www.jpmorganchase.com/corporate/About-JPMC/ab-human-rights.htm

Greenhouse Gas Emissions

The Company has no premises, consumes no electricity, gas or diesel fuel and consequently does not have a measurable carbon footprint. *JPMAM is also a signatory to Carbon Disclosure Project. JPMorgan Chase is a signatory to the Equator Principles on managing social and environmental risk in project finance.*

Principal Risks

With the assistance of the Manager, the Board has completed a robust risk assessment and drawn up a risk matrix which identifies the key risks to the Company. These key risks fall broadly under the following categories:

Investment and Strategy: An inappropriate investment strategy, for example stock selection or the level of gearing, may lead to under-performance against the Company's benchmark index and peer companies, resulting in the Company's shares trading on a wider discount. The Board manages these risks through its investment restrictions and guidelines which are monitored and reported monthly. JPMF provides the Directors with timely and accurate management information, including performance data and attribution analyses, revenue estimates, liquidity reports and shareholder analyses. The Board monitors the implementation and results of the investment process with the Investment Managers, who attend all Board meetings, and reviews data which shows statistical measures of the Company's risk profile. The Investment Managers employ the Company's gearing tactically, within a strategic range set by the Board.

Investment performance could be adversely affected by the loss of one or more of the investment management team. To reduce the likelihood of such an event, the Manager ensures appropriate succession planning and adopts a team based approach as well as special efforts to retain key personnel. A change of corporate control could also negatively impact the Company. The Board holds regular meetings with senior representatives of JPMAM in order to obtain assurance that the Manager continues to demonstrate a high degree of commitment to its investment trusts business through the provision of significant resources.

Poor performance may lead to a widening of the discount. The Board monitors the Company's premium/discount level and will seek, where deemed prudent, to address imbalances in the supply and demand of the Company's shares through a programme of share buybacks.

The Board holds a separate meeting devoted to strategy each year.

Financial: The Company is exposed to market risk, liquidity risk and credit risk. The principal financial risk facing the Company is market risk arising from uncertainty about the future prices of the Company's investments. It represents the potential loss the Company might suffer through holding investments that could fall in value either due to general market movements or stock specific events. The latter is mitigated through diversification of investments in the portfolio. The Board reviews the portfolio and its gearing on a regular basis and has set investment restrictions and guidelines for the Manager. JPMF reports its adherence to these limits once a month to the Board. Financial risks faced by the Company are further disclosed in note 21 on pages 50 to 53.

Accounting, Legal and Regulatory: In order to qualify as an investment trust, the Company must comply with Section 1158 of the Corporation Tax Act 2010 ('Section 1158'). Details of the Company's approval are given under 'Structure and Objective of the Company' above. Should the Company breach Section 1158, it may lose investment trust status and as a consequence capital gains within the Company's portfolio would be subject to Capital Gains Tax. The Section 1158 qualification criteria are continually monitored by JPMF and the results reported to the Board each month. The Company must also comply with the provisions of the Companies Act 2006 and, as its shares are listed on the London Stock Exchange, the UKLA Listing Rules. A breach of the Companies Act could result in the Company and/or the Directors being fined or the subject of criminal proceedings. A breach of the UKLA Listing Rules may result in the Company's shares being suspended from listing which in turn would breach Section 1158. The Board relies on the services of its Company Secretary, JPMF, and its professional advisers to ensure compliance with the Companies Act 2006 and the UKLA Listing Rules.

Corporate Governance and Shareholder Relations: Details of the Company's compliance with Corporate Governance best practice, including information on relations with shareholders, are set out in the Corporate Governance Statement on pages 23 to 27.

BUSINESS REVIEW *CONTINUED*

Operational and Cybercrime: Disruption to, or failure of, the Manager's accounting, dealing or payments systems or the custodian's or depositary's records could prevent accurate reporting and monitoring of the Company's financial position. On 1st July 2014, the Company appointed BNY Mellon Trust & Depositary (UK) Limited to act as its depositary, responsible for overseeing the operations of the custodian, JPMorgan Chase Bank N.A., and the Company's cash flows. Details of how the Board monitors the services provided by the Manager and its associates and the key elements designed to provide effective internal control are included in the Internal Control section of the Corporate Governance report on pages 26 and 27. The threat of cyber attack, in all its guises, is regarded as at least as important as more traditional physical threats to business continuity and security. The Company benefits directly or indirectly from all elements of JPMorgan's Cyber Security programme. The information technology controls around the physical security of JPMorgan's data centres, security of its networks and security of its trading applications are tested by Deloitte and reported every six months against the AAF Standard.

Long Term Viability

The Company is an investment trust and has the objective of achieving long term capital growth by investing in liquid, medium sized UK companies. The Company enjoys the benefit of the closed end structure and is therefore better able to withstand market movements since it is not subject to forced liquidation of investments due to sudden redemptions by shareholders.

Although past performance is no guide to the future, the Directors believe that the Company has an attractive future for investors as a long term investment proposition. However, it is difficult to look forward too far into the future without considerable uncertainty, so the Directors have adopted a medium term horizon to assess the Company's viability, which is five years. This is regarded as a prudent minimum duration for investing in equities.

The Directors have considered the Company over the next five years and examined its prospects, principal risks and the outlook for the UK economy, its equity market and the market for investment trusts and examined the robustness of these parameters.

The Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five years until 30th June 2021. This reasonable expectation is subject to there being no significant adverse change to the regulatory or taxation environment for investment trusts; and subject to there being no sustained adverse investment performance by the current or any successive investment manager, that may result in the Company not being able to maintain a supportive shareholder base.

Future Developments

The future development of the Company is much dependent upon the success of the Company's investment strategy in the light of economic and equity market developments. The Investment Managers discuss the outlook in their report on pages 6 and 7.

By order of the Board
Alison Vincent, for and on behalf of
JPMorgan Funds Limited
Secretary

23rd September 2016

BOARD OF DIRECTORS

Andrew Barker
(Chairman of the Board, Nomination and Remuneration Committee and Management Engagement Committee)
A Director since October 2004. Appointed Chairman in 2005.

Last re-elected to the Board: 2015.

Other directorships/relevant experience: He has spent his career in investment management after joining Foreign and Colonial Management Ltd in 1970 from which he retired in 2000. His former directorships include The Bankers Investment Trust PLC where he was Chairman and Foreign & Colonial Investment Trust PLC. He is also a former Chairman of the Association of Investment Companies.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 30,000.

John Evans
A Director since June 2016.

Other directorships/relevant experience: Non-Executive Chairman of Drum Income Plus REIT and Non-Executive Director of Securities Trust of Scotland plc and Investors Capital Trust plc. He commenced his career at Ivory & Sime and was one of the founding partners of Aberforth Partners, a specialist investment management firm that invests in UK smaller quoted companies largely on behalf of institutional investors.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 5,000.

Michael Hughes CBE (Senior Independent Director)
A Director since May 2008.

Last re-elected to the Board: 2015.

Other directorships/relevant experience: Director of New India Investment Trust PLC, T. Bailey Asset Management Limited and acting investment consultant to various family offices and charities. Formerly a Director of Baring Asset Management Limited from 1998 and Chief Investment Officer from 2000 until his retirement in 2007. Prior to this, he was Managing Director of Barclays Capital (previously BZW) and Chairman of the Board of pension trustees. Before ‘Big Bang’ he was a Partner at stockbrokers de Zoete and Bevan.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 4,000.

BOARD OF DIRECTORS *CONTINUED*

Richard Huntingford
A Director since December 2013.

Last re-elected to the Board: 2015.

Other directorships/relevant experience: Chairman of Wireless Group plc and Non-Executive Chairman of Crown Place VCT plc and former Chairman of Creston plc. Prior to this he was CEO of Chrysalis Group plc between 2000 and 2007 and Executive Chairman of Virgin Radio between 2007 and 2008. He has also been Chairman of Boomerang Plus plc and a Non-Executive Director of Virgin Mobile Holdings (UK) plc. He is a chartered accountant.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 1,500.

Margaret Littlejohns
A Director since July 2008.

Last re-elected to the Board: 2015.

Other directorships/relevant experience: Chairman of Henderson High Income Trust plc and trustee of the Lymphoma Research Trust. In 2004 she founded The Space Place, a self storage business in the Midlands. She was also its Finance Director until she sold the companies to a regional operator in 2016. Prior to this she held a variety of positions within Citigroup from 1982 to 2000, including Managing Director of Citifutures Ltd.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 4,000.

Gordon McQueen (Chairman of the Audit Committee)
A Director since December 2004.

Last re-elected to the Board: 2015.

Other directorships/relevant experience: Director of The Edinburgh Investment Trust plc. Served as the Finance Director of Bank of Scotland and, until the end of 2003, on the Board of HBOS plc and Halifax plc. Formerly a Director and Audit Committee Chairman of Shaftesbury plc and Scottish Mortgage Investment Trust plc.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 1,500.

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 30th June 2016.

Management of the Company

The Manager and Company Secretary is JPMorgan Funds Limited ('JPMF'), a company authorised and regulated by the FCA. Prior to 1st July 2015, these roles were undertaken by JPMorgan Asset Management (UK) Limited ('JPMAM'). JPMF is an affiliate of JPMAM and was appointed as the Company's Alternative Investment Fund Manager ('AIFM') from 1st July 2014 to ensure the Company's compliance with the Alternative Fund Manager Directive. JPMF is a wholly-owned subsidiary of JPMorgan Chase Bank which, through other subsidiaries, also provides marketing, banking, dealing and custodian services to the Company.

JPMF is employed under a contract which can be terminated on six months notice, without penalty. If the Company wishes to terminate the contract on shorter notice, the balance of remuneration is payable by way of compensation.

The Board has evaluated the performance of the Manager and confirms that it is satisfied that the continuing appointment of the Manager is in the best interests of shareholders as a whole. In arriving at this view, the Board also considered the investment strategy and process of the Investment Managers and the support that the Company receives from JPMF.

The Alternative Investment Fund Managers Directive ('AIFMD')

JPMF is the Company's alternative investment fund manager ('AIFM'). JPMF has been approved as an AIFM by the Financial Conduct Authority ('FCA'). For the purposes of the AIFMD the Company is an alternative investment fund ('AIF').

JPMF has delegated responsibility for the day to day management of the Company's portfolio to JPMAM. The Company has appointed BNY Mellon Trust and Depositary (UK) Limited ('BNY') as its depositary. BNY has appointed JPMorgan Chase Bank, N.A. as the Company's custodian. BNY remains responsible for the oversight of the custody of the Company's assets and for monitoring its cash flows.

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the annual report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information is available on the Company's website at www.jpmmidcap.co.uk There have been no material changes (other than those reflected in these financial statements) to this information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a primary information provider.

The Company's leverage and JPMF's remuneration disclosures are set out on page 55.

Management Fee

The management fee paid to the Manager is a tiered fee of 0.65% per annum on total assets less current liabilities, excluding bank borrowings, up to £250 million and 0.60% per annum for assets in excess of £250 million. The calculation excludes management charges on investments on which the Manager already earns a management fee and principal amounts of more than £1 million drawn down under loan agreements which are either held in cash, on deposit or invested in a liquidity fund.

Directors

The Directors of the Company who held office at the end of the year and up to the date of signing the financial statements are detailed on pages 19 and 20. Details of Directors' beneficial shareholdings may be found in the Directors' Remuneration Report on page 29.

Bar the Chairman who will be retiring, all Directors will be standing for reappointment at the Company's forthcoming Annual General Meeting. Having been appointed to the Board on 1st June 2016, John Evans will be standing for initial appointment by shareholders. The Nomination and Remuneration Committee, having considered their qualifications, performance and contribution to the Board and its committees, confirms that each Director continues to be effective and demonstrates commitment to the role and the Board recommends to shareholders the reappointment of those Directors.

Director Indemnification and Insurance

As permitted by the Company's Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity, as defined by Section 234 of the Companies Act 2006. The indemnity was in place during the year and as at the date of this report.

An insurance policy is maintained by the Company which indemnifies the Directors of the Company against certain liabilities arising in the conduct of their duties.

DIRECTORS' REPORT *CONTINUED*

Disclosure of information to Auditors

In the case of each of the persons who are Directors of the Company at the time when this report was approved:

(a) so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act) of which the Company's auditors are unaware, and

(b) each of the Directors has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information.

The above confirmation is given and should be interpreted in accordance with the provision of Section 418(2) of the Companies Act 2006.

Independent Auditors

PricewaterhouseCoopers LLP has expressed its willingness to continue in office as auditors to the Company and a resolution proposing its reappointment and authorising the Directors to determine its remuneration for the ensuing year will be put to shareholders at the Annual General Meeting.

Section 992 Companies Act 2006

The following disclosures are made in accordance with Section 992 Companies Act 2006.

Capital Structure
The Company's capital structure is summarised on the inside cover of this report.

Voting Rights in the Company's shares
As at 22nd September 2016 (being the latest business day prior to the publication of this report), the Company's called-up share capital consists of 23,997,180 Ordinary shares (excluding Treasury shares) carrying one vote each. Therefore the total voting rights in the Company are 23,997,180.

Notifiable Interests in the Company's Voting Rights
At the year end and the date of this report, the following had declared a notifiable interest in the Company's voting rights:

Shareholders	Number of voting rights	%
Brewin Dolphin Limited	799,593	3.3

The Company is also aware that approximately 23% of the Company's total voting rights are held by individuals through savings products managed by JPMAM, registered in the name of Chase Nominees Limited. If those voting rights are not exercised by the beneficial holders, in accordance with the terms and conditions of the savings products, under certain circumstances JPMAM has the right to exercise those voting rights. That right is subject to certain limits and restrictions and falls away at the conclusion of the relevant general meeting.

Annual General Meeting

NOTE: THIS SECTION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor or other financial adviser authorised under the Financial Services and Markets Act 2000.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting:

(i) Authority to issue relevant securities and disapply pre-emption rights (resolutions 10 & 11)
The Directors will seek renewal of the authority to issue up to 2,399,718 new shares or sell shares held in Treasury other than by a pro rata issue to existing shareholders up to an aggregate nominal amount of £599,929 such amount being equivalent to approximately 10% of the current called-up share capital (excluding Treasury shares). The full text of the resolutions is set out in the Notice of Annual General Meeting on pages 56 to 58.

It is advantageous for the Company to be able to issue new shares or sell Treasury shares to investors when the Directors consider that it is in the best interest of shareholders to do so. Any such issues would only be made at prices greater than the NAV per share, thereby, increasing the assets underlying each share.

(ii) Authority to repurchase the Company's shares (resolution 12)
The authority to repurchase up to 14.99% of the Company's called-up share capital, granted by shareholders at the 2015 AGM, will expire on 1st May 2017 unless renewed at the forthcoming Annual General Meeting. The Directors consider that the renewal of the authority is in the interests of shareholders as a whole as the repurchase of shares at a discount to NAV enhances the NAV of the remaining shares. The Board will therefore seek shareholder approval at the Annual General Meeting to renew this authority, which will last until 26th April 2018 or until the whole of the 14.99%

has been acquired, whichever is the earlier. The full text of the resolution is set out in the Notice of Annual General Meeting on pages 56 to 58. Repurchases will be made at the discretion of the Board, and will only be made in the market at prices below the prevailing NAV per share as and when market conditions are appropriate, thereby enhancing the NAV of the remaining shares.

Recommendation

The Board considers that resolutions 10 to 12 are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings which amount in aggregate to 46,000 shares representing approximately 0.2% of the voting rights of the Company.

Corporate Governance Statement

Compliance

The Company is committed to high standards of corporate governance. This statement, together with the Statement of Directors' Responsibilities in respect of the accounts on page 30, indicates how the Company has applied the principles of good governance of the Financial Reporting Council UK Corporate Governance Code 2014 and the AIC's Code of Corporate Governance (the 'AIC Code'), which complements the UK Corporate Governance Code and provides a framework of best practice for investment trusts.

The Board is responsible for ensuring the appropriate level of corporate governance and considers that the Company has complied with the best practice provisions of the UK Corporate Governance Code and the AIC Code throughout the year under review.

Role of the Board

A management agreement between the Company and JPMF sets out the matters over which the Manager has authority. This includes management of the Company's assets and the provision of accounting, company secretarial, administration and some marketing services. All other matters are reserved for the approval of the Board. A formal schedule of matters reserved to the Board for decision has been approved. This includes determination and monitoring of the Company's investment objectives and policy and its future strategic direction, gearing policy, dividend policy, management of the capital structure, appointment and removal of third party service providers, review of key investment and financial data and the Company's corporate governance and risk control arrangements.

The Board has procedures in place to deal with potential conflicts of interest and confirms that the procedures have operated effectively during the year under review.

The Board meets at least quarterly during the year and additional meetings are arranged as necessary. Full and timely information is provided to the Board to enable it to function effectively and to allow Directors to discharge their responsibilities.

There is an agreed procedure for Directors to take independent professional advice in the furtherance of their duties and at the Company's expense. This is in addition to the access that every Director has to the advice and services of the Company Secretary, JPMF, which is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Board Composition

The Board, chaired by Andrew Barker, currently consists of six non-executive Directors following the appointment of John Evans in anticipation of the retirement of the Chairman. All Directors are considered to be independent of the Company's Manager. The Board believes that it is appropriate to have a Senior Independent Director and Michael Hughes fulfils this role. He is available to shareholders if they have concerns that cannot be resolved through discussion with the Chairman. Upon the retirement of Andrew Barker at the Company's 2016 Annual General Meeting, Michael Hughes will assume the position of Chairman and Richard Huntingford will become the Senior Independent Director. The process to determine Andrew Barker's replacement as Chairman was undertaken in his absence and was led by Gordon McQueen. The Directors have a breadth of investment, business and financial skills and experience relevant to the Company's business and brief biographical details of each Director are set out on pages 19 and 20.

The Board's policy on diversity, including gender, is to take account of the benefits of this during the appointment process. The Board remains committed to appointing the most appropriate candidate and seeks to ensure that it does not unwittingly exclude any group. Therefore, no targets have been set against which to report.

DIRECTORS' REPORT *CONTINUED*

Tenure

Directors are initially appointed until the following Annual General Meeting when, under the Company's Articles of Association, it is required that they be reappointed by shareholders. Subject to the performance evaluation carried out each year, the Board will agree whether it is appropriate for Directors to seek annual reappointment in accordance with corporate governance best practice. The Board does not believe that length of service in itself necessarily disqualifies a Director from seeking reappointment but, when making a recommendation, the Board will take into account the ongoing requirements of the UK Corporate Governance Code, including the need to refresh the Board and its Committees. Notwithstanding their tenures in excess of nine years, the Board believes that Andrew Barker and Gordon McQueen, with their ongoing level of commitment and proven record of independence of character and judgment, continue to be effective and continue to be viewed as independent Directors. However, Andrew Barker will retire from the Board at the Company's forthcoming Annual General Meeting and will therefore not be standing for re-election.

A list of potential conflicts of interest for each Director is maintained by the Company. These are considered carefully, taking into account the circumstances surrounding them, and, if considered appropriate, are approved.

The terms and conditions of Directors' appointments are set out in formal letters of appointment, copies of which are available for inspection on request at the Company's registered office and at the Annual General Meeting.

Training and Appraisal

On appointment, the Manager and Company Secretary provide all Directors with induction training. Thereafter regular briefings are provided on changes in regulatory requirements that affect the Company and Directors. Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trusts. As part of the Board's annual evaluation process the Chairman reviews with each Director their training and development needs.

The Board conducts a formal evaluation of the Manager, its own performance and that of its committees and individual Directors. The responses to industry questionnaires are discussed at a private meeting. The evaluation of individual Directors is led by the Chairman, and the Senior Independent Director leads the evaluation of the Chairman's performance.

Meetings and Committees

The Board delegates certain responsibilities and functions to committees. Directors who are not members of Committees may attend at the invitation of the Chairman.

The table below details the number of Board and Committee meetings attended by each Director. During the year there were five Board meetings, including a meeting devoted to strategy. In addition, a private meeting of the Directors to evaluate the Manager, two Audit Committee meetings, two Nomination and Remuneration Committee meetings and a Management Engagement Committee meeting were held.

Meetings Attended

Director	Board Meetings Attended	Strategy Meetings Attended	Audit Committee Meetings Attended
Andrew Barker	5	1	2
John Evans[1]	–	–	–
Michael Hughes	4	1	1
Richard Huntingford	5	1	2
Margaret Littlejohns	5	1	2
Gordon McQueen	5	1	2

Director	Nomination & Remuneration Committee Meetings Attended	Management Engagement Committee Meetings Attended
Andrew Barker	2	1
John Evans[1]	–	–
Michael Hughes	2	1
Richard Huntingford	2	1
Margaret Littlejohns	2	1
Gordon McQueen	2	1

[1] Appointed on 1st June 2016.

Board Committees

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of all Directors and is chaired by Andrew Barker. The Board believes that this is appropriate as it is a combined committee. The Committee meets at least annually to ensure that the Board has an appropriate balance of skills to carry out its fiduciary duties and to select and propose suitable candidates when necessary for appointment. A variety of sources, including the employment of external search consultants is used to ensure that a wide range of candidates is considered. The appointment process takes into account the benefits of diversity, including gender. In relation to the appointment of Mr Evans an external recruitment consultant, was engaged by the Company and the recruitment process was overseen by the Senior Independent Director, Michael Hughes.

The Committee has a succession plan to refresh the Board in an orderly manner over time. For details of the plan please refer to the Chairman's Statement on pages 4 and 5.

The Committee undertakes an annual performance evaluation, as described above, to ensure that all members of the Board have devoted sufficient time and contributed adequately to the work of the Board. The Committee also reviews Directors' fees and makes recommendations to the Board as and when required.

Audit Committee
The Audit Committee consists of all Directors and is chaired by Gordon McQueen. The Committee meets at least twice each year. The members of the Committee consider that they have the requisite skills and financial experience to fulfil the responsibilities of the Committee.

The Committee reviews the actions and judgements of the Manager in relation to the half year and annual accounts and the Company's compliance with the UK Corporate Governance Code. At the request of the Board, the Audit Committee provides confirmation to the Board as to how it has discharged its responsibilities so that the Board may ensure that information presented to it is fair, balanced and understandable, together with details of how it has done so.

During its review of the Company's financial statements for the year ended 30th June 2016, the Audit Committee considered the following significant issues, including those communicated by the Auditors during their reporting:

Significant issue	How the issue was addressed
Valuation, existence and ownership of investments	The valuation of investments is undertaken in accordance with the accounting policies, disclosed in note 1 to the accounts. The Company has appointed BNY Mellon Trust and Depositary (UK) Limited ('BNY') as its depositary. BNY has appointed JPMorgan Chase Bank, N.A., as the Company's custodian. BNY remains responsible for the oversight of the custody of the Company's assets.
Compliance with Sections 1158 and 1159	Approval for the Company as an investment trust under Sections 1158 and 1159 for financial years commencing on or after 1st October 2012 has been obtained and ongoing compliance with the eligibility criteria is monitored on a regular basis by the Manager, who reports on a monthly basis to the Board on the Company's continuing compliance.

The Board is required to be made fully aware of any significant financial reporting issues and judgements made in connection with the preparation of the financial statements.

As a result of the work performed, the Committee has concluded that the Annual Report for the year ended 30th June 2016, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy, and has reported on these findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 30.

The Audit Committee also examines the effectiveness of the Company's internal control systems, receives information from the Manager's compliance department and also reviews the scope and results of the external audit, its effectiveness and the independence and objectivity of the external auditors. In the Directors' opinion the Auditors are independent.

The Audit Committee also has a primary responsibility for making recommendations to the Board on the reappointment and removal of external auditors and their fee. Representatives of the Company's Auditors attended the Audit Committee meeting at which the draft Annual Report & Accounts were considered and also engage with Directors as and when required. Having reviewed the performance of the external auditors, including assessing the timing of communications and work with JPMF, the Committee considered it appropriate to recommend their reappointment. The Board supported this recommendation which will be put to shareholders at the forthcoming Annual General Meeting. Following the conclusion of the maximum permitted tenure of the previous audit partner, this year a new audit partner conducted the Company's 2016 audit. Any decision to open the external audit to tender is taken on the recommendation of the Audit Committee. New EU regulations in relation to the statutory audits of EU listed companies will require the Company to tender its audit by 2020.

Management Engagement Committee
The membership of the Management Engagement Committee consists of all Directors and is chaired by Andrew Barker. The Committee meets at least once a year to review the terms of the management agreement between the Company and the Manager, to review the performance of the Manager, to review the notice period that the Board has with the Manager and to make recommendations to the Board. The Committee also reviews the Company's agreements with other major service providers.

Terms of Reference

Both the Nomination & Remuneration Committee, the Audit Committee and the Management Engagement Committee have written terms of reference which define clearly their respective responsibilities, copies of which are available on the Company's website and for inspection on request at the Company's registered office and at the Annual General Meeting.

DIRECTORS' REPORT *CONTINUED*

Going Concern

The Directors believe that having considered the Company's investment objective (see page 15), risk management policies (see pages 50 to 53), liquidity risk (see note 21(b) on page 52), capital management policies and procedures (see page 54), the 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. For these reasons, they consider that there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

Relations with Shareholders

The Board regularly monitors the shareholder profile of the Company. It aims to provide shareholders with a full understanding of the Company's activities and performance and reports to shareholders by way of the Annual Report and Accounts and the Half Year Report. This is supplemented by the daily publication, through the London Stock Exchange, of the net asset value and share price of the Company's shares.

All shareholders have the opportunity, and are encouraged, to attend the Company's Annual General Meeting at which the Directors and representatives of the Manager are available in person to meet with and answer shareholders' questions. In addition, a presentation is given by the Investment Managers who review the Company's performance. During the year the Company's brokers and the Investment Managers hold regular discussions with shareholders. The Directors are made fully aware of their views. The Chairman and Directors make themselves available as and when required to address shareholder queries. The Directors may be contacted through the Company Secretary whose details are shown on page 61.

The Company's Annual Report and Accounts are published in time to give shareholders at least 20 working days' notice of the Annual General Meeting. Shareholders wishing to raise questions in advance of the meeting are encouraged to write to the Company Secretary at the address shown on page 61.

Details of the proxy voting position on each resolution will be published on the Company's website shortly after the Annual General Meeting.

Risk Management and Internal Control

The UK Corporate Governance Code requires the Directors, at least annually, to review the effectiveness of the Company's system of internal control and to report to shareholders that they have done so. This encompasses a review of all controls, which the Board has identified including business, financial, operational (including cyber security), compliance and risk management.

The Directors are responsible for the Company's system of internal control which is designed to safeguard the Company's assets, maintain proper accounting records and ensure that financial information used within the business, or published, is reliable. However, such a system can only be designed to manage rather than eliminate the risk of failure to achieve business objectives and therefore can only provide reasonable, but not absolute, assurance against fraud, material misstatement or loss.

Since investment management, custody of assets and all administrative services are provided to the Company by JPMorgan and its associates, the Company's system of internal control mainly comprises monitoring the services provided by JPMorgan and its associates, including the operating controls established by them, to ensure they meet the Company's business objectives. There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company (see Principal Risks on pages 17 and 18). This process has been in place for the year under review and up to the date of the approval of the Annual Report & Accounts. The Company does not have an internal audit function of its own, but relies on the internal audit department of JPMorgan. The key elements designed to provide effective internal control are as follows:

Financial Reporting – Regular and comprehensive review by the Board of key investment and financial data, including management accounts, revenue projections, analysis of transactions and performance comparisons.

Management Agreement – Appointment of a manager and custodian, with responsibilities clearly defined in a written agreement and regulated by the Financial Conduct Authority (FCA).

Management Systems – The Manager's system of internal control includes organisational agreements which clearly define the lines of responsibility, delegated authority, control procedures and systems. These are monitored by JPMorgan's compliance department which regularly monitors compliance with FCA rules.

Investment Strategy – Authorisation and monitoring of the Company's investment strategy and exposure limits by the Board.

The Board, either directly or through the Audit Committee or Management Engagement Committee, keeps under review the effectiveness of the Company's system of internal control by monitoring the operation of the key operating controls of the Manager and its associates as follows:

- reviews the terms of the management agreement and receives regular reports from the Manager's compliance department;
- reviews the report on the internal controls and the operations of its custodian, JPMorgan Chase Bank, which is itself independently reviewed; and
- reviews every six months an independent report on the internal controls and the operations of the Manager.

By the means of the procedures set out above, the Board confirms that it has reviewed and is satisfied with the effectiveness of the Company's system of internal control for the year ended 30th June 2016, and to the date of approval of this Annual Report and Accounts.

During the course of its review of the system of internal control, the Board has not identified or been advised of any failings or weaknesses which it has determined to be significant. Therefore a confirmation in respect of necessary actions has not been considered appropriate.

Corporate Governance and Voting Policy

The Company delegates responsibility for voting to the Manager. The following is a summary of the Manager's policy statements on corporate governance, voting policy and social and environmental issues, which has been reviewed and noted by the Board.

Corporate Governance
JPMorgan believes that corporate governance is integral to our investment process. As part of our commitment to delivering superior investment performance to our clients, we expect and encourage the companies in which we invest to demonstrate the highest standards of corporate governance and best business practice. We examine the share structure and voting structure of the companies in which we invest, as well as the board balance, oversight functions and remuneration policy. These analyses then form the basis of our proxy voting and engagement activity.

Proxy Voting
JPMorgan manages the voting rights of the shares entrusted to it as it would manage any other asset. It is the policy of JPMorgan to vote in a prudent and diligent manner, based exclusively on our reasonable judgement of what will best serve the financial interests of our clients. So far as is practicable, we will vote at all of the meetings called by companies in which we are invested.

Stewardship/Engagement
JPMorgan recognises its wider stewardship responsibilities to its clients as a major asset owner. To this end, we support the tenets of the FRC Stewardship Code, which sets out the responsibilities of institutional shareholders in respect of investee companies. Under the Code, managers should:

- *publicly disclose their policy on how they will discharge their stewardship responsibilities to their clients;*
- *disclose their policy on managing conflicts of interest;*
- *monitor their investee companies;*
- *establish clear guidelines on how they escalate engagement;*
- *be willing to act collectively with other investors where appropriate;*
- *have a clear policy on proxy voting and disclose their voting record; and*
- *report to clients.*

JPMorgan endorses and complies with the Stewardship Code for its UK investments and supports the principles as best practice elsewhere. We believe that regular contact with the companies in which we invest is central to our investment process and we also recognise the importance of being an 'active' owner on behalf of our clients.

JPMorgan's Voting Policy and Corporate Governance Guidelines are available on request from the Company Secretary or can be downloaded from JPMAM's website: *http://www.jpmorganinvestmenttrusts.co.uk/Governance*. This also sets out its approach to the seven principles of the FRC Stewardship Code, its policy relating to conflicts of interest and its detailed voting record.

By order of the Board
Alison Vincent, for and on behalf of
JPMorgan Funds Limited,
Secretary

23rd September 2016

DIRECTORS' REMUNERATION REPORT

The Board has prepared this report in accordance with the requirements of Section 421 of the Companies Act 2006. An ordinary resolution to approve this report will be put to the members at the forthcoming Annual General Meeting.

The law requires the Company's auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditors' opinion is included in their report on pages 31 to 36.

Directors' Remuneration Policy Report

The Directors' Remuneration Policy is subject to a triennial binding vote. The shareholders approved the resolution in favour of the Company's Directors' Remuneration Policy at the 2015 AGM. Therefore an ordinary resolution to approve this policy will be put to shareholders at the 2018 Annual General Meeting. The policy, is set out in full below and is currently in force.

At the Annual General Meeting held on 2nd November 2015, of votes cast, 99.4% of votes cast were in favour of (or granted discretion to the Chairman who voted in favour of) the remuneration policy and 0.6% voted against.

The Board's policy for this and subsequent years is that Directors' fees should properly reflect the time spent by the Directors on the Company's business and should be at a level to ensure that candidates of a high calibre are recruited to the Board. The Chairman of the Board and the Chairman of the Audit Committee are paid higher fees than other Directors, reflecting the greater time commitment involved in fulfilling those roles.

Reviews are based on information provided by the Manager and industry research carried out by third parties on the level of fees paid to the directors of the Company's peers and within the investment trust industry generally. The involvement of remuneration consultants has not been deemed necessary as part of this review. The Company has no Chief Executive Officer and no employees and therefore no consultation of employees is required and there is no employee comparative data to provide, in relation to the setting of the remuneration policy for Directors.

All of the Directors are non-executive. There are no performance-related elements to their fees and the Company does not operate any type of incentive, share scheme, award or pension scheme and therefore no Directors receive bonus payments or pension contributions from the Company or hold options to acquire shares in the Company. Directors are not granted exit payments and are not provided with compensation for loss of office. No other payments are made to Directors, other than the reimbursement of reasonable out-of-pocket expenses incurred in attending the Company's business.

Directors' fees were paid at the fixed rate of £33,000 for the Chairman, £27,000 for the Chairman of the Audit Committee and £23,000 for the other Directors.

The Company's Articles of Association stipulate that aggregate fees must not exceed £200,000 per annum. Any increase in this the maximum aggregate amount requires both Board and shareholder approval.

The Company has not sought shareholder views on its remuneration policy. The Nomination Committee considers any comments received from shareholders on remuneration policy on an ongoing basis and will take account of those views.

The Directors do not have service contracts with the Company. The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for review at the Company's Annual General Meeting and the Company's registered office. Details of the Board's policy on tenure are set out on page 24.

The Company's Remuneration policy also applies to new Directors.

Directors' Remuneration Report

The Directors' Remuneration Report is subject to an annual advisory vote and therefore an ordinary resolution to approve this report will be put to shareholders at the forthcoming Annual General Meeting. There have been no changes to the Remuneration policy compared with the year ended 30th June 2015 and no changes are proposed for the year ending 30th June 2017.

At the Annual General Meeting held on 2nd November 2015, of votes cast, 99.4% of votes cast were in favour of (or granted discretion to the Chairman who voted in favour of) the remuneration report and 0.6% voted against. Abstentions were received from less than 0.1% of the votes cast.

Details of the implementation of the Company's remuneration policy are given below. No advice from remuneration consultants was received during the year under review.

Single total figure of remuneration

The total figure of remuneration for the Board for the year ended 30th June 2016 was £130,917. The total remuneration for each Director is detailed below together with the prior year comparative.

Single total figure table[1]

	Total amount of salary and fees[2] 2016 £	2015 £
Andrew Barker (Chairman)	33,000	32,000
John Emly[3]	–	6,600
John Evans[4]	1,917	–
Michael Hughes	23,000	22,000
Richard Huntingford	23,000	22,000
Margaret Littlejohns	23,000	22,000
Gordon McQueen	27,000	26,000
Total	**130,917**	**130,600**

[1] Audited information. Other subject headings for the single figure table as prescribed by regulations are not included because there is nothing to disclose in relation thereto.

[2] Directors' remuneration comprises an annual fee only.

[3] Retired on the 23rd October 2014.

[4] Appointed on 1st June 2016.

A table showing the total remuneration for the Chairman over the five years ended 30th June 2016 is below:

Remuneration for the Chairman over the five years ended 30th June 2016

Year ended 30th June	Fees	Performance related benefits received as a percentage of maximum payable[1]
2016	£33,000	n/a
2015	£32,000	n/a
2014	£31,000	n/a
2013	£28,000	n/a
2012	£28,000	n/a

[1] In respect of one year period and periods of more than one year.

Directors' Shareholdings[1]

There are no requirements pursuant to the Company's Articles of Association for the Directors to own shares in the Company. The Directors' beneficial shareholdings are detailed below.

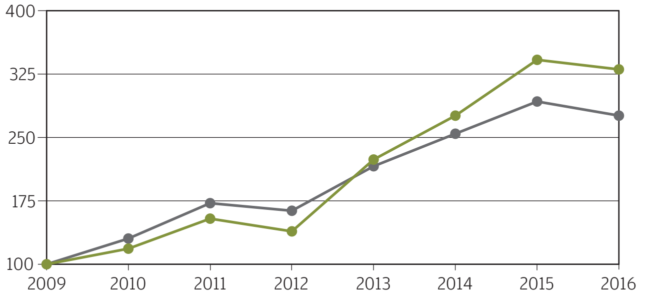
Ordinary	30th June 2016	1st July 2015
Andrew Barker (Chairman)	30,000	30,000
John Evans[2]	–	–
Michael Hughes	4,000	4,000
Richard Huntingford	1,500	1,500
Margaret Littlejohns	4,000	4,000
Gordon McQueen	1,500	1,500

[1] Audited information.

[2] Appointed on 1st June 2016. Since the year end Mr Evans has purchased 5,000 shares.

In accordance with the Companies Act 2006, a graph showing the Company's share price total return compared with its benchmark, the FTSE 250 Index (excluding investment trusts), is shown below. The Board believes this Index is the most representative comparator for the Company, given the Company's investment objective.

Seven Year Share Price and Index Total Return to 30th June 2016



Source: Morningstar.

Share price total return.

Benchmark.

A table showing actual expenditure by the Company on remuneration and distributions to shareholders for the year and the prior year is below:

Expenditure by the Company on remuneration and distributions to shareholders

	Year ended 30th June 2016 £	2015 £
Remuneration paid to all Directors	130,917	130,600
Distribution to shareholders		
– by way of dividend	5,880,000	4,920,000
– by way of share repurchases	Nil	Nil

For and on behalf of the Board
Andrew Barker
Chairman

23rd September 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the annual report and financial statements, and the Directors' Remuneration Report in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that, taken as a whole, the annual report and accounts provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy and that they give a true and fair view of the state of affairs of the Company and of the total return or loss of the Company for that period. 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 they have done so.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations the Directors are also responsible for preparing a Strategic Report, a Directors' Report, Directors' Remuneration Report and Statement of Corporate Governance that comply with that law and those regulations.

The accounts are published on the www.jpmmidcap.co.uk website, which is maintained by the Company's Manager, JPMorgan Funds Limited ('JPMF'). The maintenance and integrity of the website maintained by JPMF is, so far as it relates to the Company, the responsibility of JPMF. The work carried out by the Auditors does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditors accept no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. The financial statements are prepared in accordance with UK legislation, which may differ from legislation in other jurisdictions.

Each of the Directors, whose names and functions are listed on pages 19 and 20 confirm that, to the best of their knowledge;

- the financial statements, which have been prepared in accordance with United kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland', and applicable law (United Kingdom Generally Accepted Accounting Practice), give a true and fair view of the assets, liabilities, financial position and net return or loss of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that its faces.

The Board confirms that it is satisfied that the annual report and accounts taken as a whole are fair, balanced and understandable and provide the information necessary for shareholders to assess the strategy and business model of the Company.

For and on behalf of the Board
Andrew Barker
Chairman

23rd September 2016

Independent Auditors' Report

TO THE MEMBERS OF JPMORGAN MID CAP INVESTMENT TRUST PLC

Report on the financial statements

Our opinion

In our opinion, JPMorgan Mid Cap Investment Trust plc's financial statements (the 'financial statements'):

- give a true and fair view of the state of the Company's affairs as at 30 June 2016 and of its net loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report & Accounts (the 'Annual Report'), comprise:

- the Statement of Financial Position as at 30 June 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law (United Kingdom Generally Accepted Accounting Practice).

Our audit approach

Overview

Materiality:

- Overall materiality: £2.2 million which represents 1% of net assets.

Audit scope:

- The Company is a standalone Investment Trust Company and engages JPMorgan Funds Limited (the 'Manager') to manage its assets.
- We conducted our audit of the financial statements from information provided by JPMorgan Corporate & Investment Bank (the 'Administrator') to whom the Manager has, with the consent of the Directors, delegated the provision of certain administrative functions.
- We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates.

Areas of focus:

- Income.
- Valuation and Existence of Investments.

The scope of our audit and our areas of focus

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ('ISAs (UK & Ireland)').

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as 'areas of focus' in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Area of focus	How our audit addressed the area of focus
Income *Refer to page 40 (Accounting policies) and page 42 (notes).* ISAs (UK & Ireland) presume there is a risk of fraud in income recognition. We considered this risk to specifically relate to the risk of overstating investment gains and the misclassification of dividend income as capital rather than revenue due to the pressure management may feel to achieve capital growth in line with the objective of the Company. We focused on the valuation of investments with respect to gains on investments and the accuracy and completeness of dividend income recognition and its presentation in the Statement of Comprehensive Income as set out in the requirements of The Association of Investment Companies Statement of Recommended Practice (the 'AIC SORP').	We assessed the accounting policy for income recognition for compliance with accounting standards and the AIC SORP and performed testing to check that income had been accounted for in accordance with this stated accounting policy. We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP, and that income has been accounted for in accordance with the stated accounting policy. We understood and assessed the design and implementation of key controls surrounding income recognition. In addition, we tested dividend income by agreeing the dividend rates from a sample of investments to independent third party sources. No misstatements were identified which required reporting to those charged with governance. To test for completeness, we tested that the appropriate dividends had been received in the year by reference to independent data of dividends declared for a sample of investment holdings in the portfolio. Our testing did not identify any unrecorded dividends. We tested the allocation and presentation of dividend income between the revenue and capital return columns of the Statement of Comprehensive Income in line with the requirements set out in the AIC SORP. We then tested the validity of revenue and capital special dividends to independent third party sources. We did not find any special dividends that were not treated in accordance with the AIC SORP, which require reporting to those charged with governance. We have also tested the gains or losses on investments held at fair value comprising realised and unrealised gains or losses. For realised gains or losses, we tested a sample of disposal proceeds to bank statements. For unrealised gains or losses, we tested the valuation of the portfolio at the year-end, together with testing the reconciliation of opening and closing investments. No misstatements were identified by our testing which required reporting to those charged with governance.
Valuation and existence of investments *Refer to page 25 (Audit Committee Report), page 40 (Accounting policies) and page 46 (notes).* The investment portfolio at the year-end principally comprised of listed equity investments of £217.2 million. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed on the Statement of Financial Position in the financial statements.	We tested the valuation of the listed investment portfolio by agreeing the prices used in the valuation to independent third party sources. No differences were identified by our testing which required reporting to those charged with governance. We tested the existence of the investment portfolio by agreeing the holdings for investments to an independent custodian confirmation from JP Morgan Chase Bank, N.A. No differences were identified by our testing which required reporting to those charged with governance.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the types of investments within the Company, the involvement of the Manager and Administrator, the accounting processes and controls, and the industry in which the Company operates.

The Company's accounting is delegated to the Administrator who maintain their own accounting records and controls and report to the Manager and the Directors.

As part of our risk assessment, we assessed the control environment in place at both the Manager and the Administrator to the extent relevant to our audit. This assessment of the operating and accounting structure in place at both organisations involved obtaining and reading the relevant control reports issued by the independent auditor of the Manager and the Administrator in accordance with generally accepted assurance standards for such work. We then identified those key controls at the Administrator on which we could place reliance to provide audit evidence. We also assessed the gap period of three months between the period covered by the controls report and the year-end of the Company. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements, including whether we needed to perform additional testing in respect of those key controls to support our substantive work. For the purposes of our audit, we determined that additional testing of controls in place at the Administrator was not required because additional substantive testing was performed.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£2.2 million (2015: £2.4 million).
How we determined it	1% of net assets.
Rationale for benchmark applied	We have applied this benchmark, a generally accepted auditing practice for investment trust audits, in the absence of indicators that an alternative benchmark would be appropriate and because we believe that this provides an appropriate and consistent year-on-year basis for our audit.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £109,000 (2015: £121,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

Under the Listing Rules we are required to review the directors' statement, set out on page 26, in relation to going concern. We have nothing to report having performed our review.

Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to the directors' statement about whether they considered it appropriate to adopt the going concern basis in preparing the financial statements. We have nothing material to add or to draw attention to.

As noted in the directors' statement, the directors have concluded that it is appropriate to adopt the going concern basis in preparing the financial statements. The going concern basis presumes that the Company has adequate resources to remain in operation, and that the directors intend it to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the directors' use of the going concern basis is appropriate. However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Company's ability to continue as a going concern.

Other required reporting

Consistency of other information

Companies Act 2006 opinion

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ISAs (UK & Ireland) reporting

Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:

• information in the Annual Report is: – materially inconsistent with the information in the audited financial statements; or – apparently materially incorrect based on, or materially inconsistent with, our knowledge of the company acquired in the course of performing our audit; or – otherwise misleading.	We have no exceptions to report.
• the statement given by the directors on page 30, in accordance with provision C.1.1 of the UK Corporate Governance Code (the 'Code'), that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the company's position and performance, business model and strategy is materially inconsistent with our knowledge of the company acquired in the course of performing our audit.	We have no exceptions to report.
• the section of the Annual Report on page 25, as required by provision C.3.8 of the Code, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.	We have no exceptions to report.

The directors' assessment of the prospects of the company and of the principal risks that would threaten the solvency or liquidity of the company

Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to:

• the directors' confirmation on pages 17 and 18 of the Annual Report, in accordance with provision C.2.1 of the Code, that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.	We have nothing material to add or to draw attention to.
• the disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.	We have nothing material to add or to draw attention to.
• the directors' explanation on page 18 of the Annual Report, in accordance with provision C.2.2 of the Code, as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.	We have nothing material to add or to draw attention to.

Under the Listing Rules we are required to review the directors' statement that they have carried out a robust assessment of the principal risks facing the Company and the directors' statement in relation to the longer-term viability of the Company. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the Code; and considering whether the statements are consistent with the knowledge acquired by us in the course of performing our audit. We have nothing to report having performed our review.

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Directors' Remuneration Report – Companies Act 2006 opinion

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Other Companies Act 2006 reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Corporate governance statement

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 30, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Richard McGuire (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

23rd September 2016

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE 2016

	Notes	2016 Revenue £'000	2016 Capital £'000	2016 Total £'000	2015 Revenue £'000	2015 Capital £'000	2015 Total £'000
(Losses)/gains on investments held at fair value through profit or loss	3	–	(23,857)	(23,857)	–	42,702	42,702
Net foreign currency (losses)/gains		–	(37)	(37)	–	1	1
Income from investments	4	8,283	–	8,283	7,937	–	7,937
Interest receivable and similar income	4	62	–	62	113	–	113
Gross return/(loss)		**8,345**	**(23,894)**	**(15,549)**	**8,050**	**42,703**	**50,753**
Management fee	5	(493)	(1,151)	(1,644)	(447)	(1,044)	(1,491)
Other administrative expenses	6	(564)	–	(564)	(556)	–	(556)
Net return/(loss) on ordinary activities before finance costs and taxation		**7,288**	**(25,045)**	**(17,757)**	**7,047**	**41,659**	**48,706**
Finance costs	7	(109)	(253)	(362)	(124)	(290)	(414)
Net return/(loss) on ordinary activities before taxation		**7,179**	**(25,298)**	**(18,119)**	**6,923**	**41,369**	**48,292**
Taxation	8	(112)	–	(112)	(76)	–	(76)
Net return/(loss) on ordinary activities after taxation		**7,067**	**(25,298)**	**(18,231)**	**6,847**	**41,369**	**48,216**
Return/(loss) per share	10	**29.45p**	**(105.42)p**	**(75.97)p**	**28.53p**	**172.39p**	**200.92p**

Details of dividends are given in note 9 on page 45.

All revenue and capital items in the above statement derive from continuing operations.

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. Net return/(loss) on ordinary activities after taxation represents the profit/(loss) for the year and also the Total Comprehensive Income.

The notes on pages 40 to 54 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2016

	Called up share capital £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve[1] £'000	Total £'000
At 30th June 2014	**6,350**	**3,650**	**182,227**	**6,862**	**199,089**
Net return on ordinary activities	–	–	41,369	6,847	48,216
Dividends paid in the year	–	–	–	(4,920)	(4,920)
At 30th June 2015	**6,350**	**3,650**	**223,596**	**8,789**	**242,385**
Net (loss)/return on ordinary activities	–	–	(25,298)	7,067	(18,231)
Dividends paid in the year	–	–	–	(5,880)	(5,880)
At 30th June 2016	**6,350**	**3,650**	**198,298**	**9,976**	**218,274**

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

The notes on pages 40 to 54 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AT 30TH JUNE 2016

	Notes	2016 £'000	2015 £'000
Fixed assets			
Investments held at fair value through profit or loss	11	217,222	264,425
Current assets	12		
Debtors		4,679	1,495
Cash and cash equivalents[1]		8,957	3,254
		13,636	**4,749**
Current liabilities			
Creditors: amounts falling due within one year	13	(4,584)	(26,789)
Net current assets/(liabilities)		**9,052**	**(22,040)**
Total assets less current liabilities		**226,274**	**242,385**
Creditors: amounts falling due after more than one year	14	(8,000)	–
Net assets		**218,274**	**242,385**
Capital and reserves			
Called up share capital	15	6,350	6,350
Capital redemption reserve	16	3,650	3,650
Capital reserves	16	198,298	223,596
Revenue reserve	16	9,976	8,789
Total shareholders' funds		**218,274**	**242,385**
Net asset value per share	17	**909.6p**	**1,010.1p**

[1] This line item combines the two lines of 'Investments in liquidity funds held at fair value through profit or loss' and 'Cash and short term deposits' in the financial statements for the year ended 30th June 2015 into one. Under FRS 102, liquidity funds are considered cash equivalents as they are held for cash management purposes.

The financial statements on pages 37 to 54 were approved and authorised for issue by the Directors on 23rd September 2016 and were signed on their behalf by:

Andrew Barker
Chairman

The notes on pages 40 to 54 form an integral part of these financial statements.

Company registration number: 1047690.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2016

1. Accounting policies

(a) Basis of accounting

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 with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the Association of Investment Companies in November 2014.

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

The financial statements have been prepared on a going concern basis. The disclosures on going concern on page 26 of the Directors' Report form part of these financial statements.

(b) Transition to FRS 102

This set of financial statements, in accordance with the SORP includes changes arising from the adoption of FRS 102 which the Company is required to comply with for the first time for the year ended 30th June 2016. The Company's date of transition to FRS 102 was 1st July 2014.

Aside from amendments to the disclosure of fair value hierarchy information and presentational aspects, no significant changes have arisen from the adoption of the new standards. Where changes have arisen, they are substantially in relation to presentation, disclosure and non-quantifiable aspects. There has been no impact to financial position or financial performance and comparative figures which required restating were in respect of presentation only.

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

Early adoption

In March 2016, the FRC published amendments to FRS 102 concerning the fair value hierarchy disclosures. These amendments are effective for accounting periods beginning on or after 1st January 2017. The Company has elected to adopt these amendments early in this set of financial statements. Full disclosure is given in note 20 on page 49.

(c) Valuation of investments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. The portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy, and information is provided internally on that basis to the Company's Board of Directors. Accordingly, upon initial recognition the investments are designated by the Company as held at fair value through profit or loss. They are included initially at fair value which is taken to be their cost, excluding expenses incidental to purchase which are written off to capital at the time of acquisition. Subsequently the investments are valued at fair value, which are quoted bid prices for investments traded in active markets. For investments which are not traded in active markets, unlisted and restricted investments, the Board takes into account the latest traded prices, other observable market data and asset values based on the latest management accounts.

All purchases and sales are accounted for on a trade date basis.

(d) Accounting for reserves

Gains and losses on sales of investments including the related foreign exchange gains and losses, realised gains and losses on foreign currency, management fee and finance costs allocated to capital and any other capital charges, are included in the Statement of Comprehensive Income and dealt with in capital reserves within 'Gains and losses on sales of investments'.

Increases and decreases in the valuation of investments held at the year end including the related foreign exchange gains and losses, are included in the Statement of Comprehensive Income and dealt with in capital reserves within 'Investment holding gains and losses'.

(e) Income

Dividends receivable from equity shares are included in revenue on an ex-dividend basis except where, in the opinion of the Board, the dividend is capital in nature, in which case it is included in capital.

UK dividends are included net of tax credits. Overseas dividends are included gross of any withholding tax.

Special dividends are looked at individually to ascertain the reason behind the payment. This will determine whether they are treated as income or capital.

Where the Company has elected to receive scrip dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised in revenue. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital.

Underwriting commission is recognised in revenue where it relates to shares that the Company is not required to take up. Where the Company is required to take up a proportion of the shares underwritten, the same proportion of commission received is deducted from the cost of the shares taken up, with the balance taken to revenue.

Deposit interest receivable is taken to revenue on an accruals basis.

(f) Expenses

All expenses are accounted for on an accruals basis. Expenses are allocated wholly to the revenue with the following exceptions:

- The management fee is allocated 30% to revenue and 70% to capital, in line with the Board's expected long term split of revenue and capital return from the Company's investment portfolio.
- Expenses incidental to the purchase and sale of an investment are charged to capital. These expenses are commonly referred to as transaction costs and comprise brokerage commission and stamp duty. Details of transaction costs are given in note 11 on page 46.

(g) Finance costs

Finance costs are accounted for on an accruals basis using the effective interest rate method.

Finance costs are allocated 30% to revenue and 70% to capital, in line with the Board's expected long term split of revenue and capital return from the Company's investment portfolio.

(h) 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. Liquidity funds are considered cash equivalents as they are held for cash management purposes as an alternative to cash.

Other debtors and creditors do not carry any interest, are short term in nature and are accordingly stated at nominal value, with debtors reduced by appropriate allowances for estimated irrecoverable amounts.

Bank loans are classified as financial liabilities measured at amortised cost. They are initially measured as proceeds and subsequently measured at amortised cost. Interest payable on the bank loan is accounted for on an accruals basis in the Statement of Comprehensive Income.

The Company has not utilised any derivative financial instruments in the current and comparative year.

(i) Taxation

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

Deferred tax is provided on all timing differences that have originated but not reversed by the balance sheet date. Deferred tax liabilities are recognised for all taxable timing differences but deferred tax assets are only recognised to the extent that it is more likely than not that taxable profits will be available against which those timing differences can be utilised.

Tax relief is allocated to expenses charged to capital on the 'marginal basis'. On this basis, if taxable income is capable of being entirely offset by revenue expenses, then no tax relief is transferred to the capital column.

Deferred tax is measured at the tax rate which is expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates that have been enacted or substantively enacted at the balance sheet date and is measured on an undiscounted basis.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

1. Accounting policies *continued*

(j) Value Added Tax ('VAT')

Expenses are disclosed inclusive of the related irrecoverable VAT. Recoverable VAT is calculated using the partial exemption method based on the proportion of zero rated supplies to total supplies.

(k) Functional currency

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 financial statements are presented.

(l) Dividends payable

Dividends are included in the financial statements in the year in which they are approved by shareholders.

(m) Repurchase of ordinary shares for cancellation

The cost of repurchasing ordinary shares including the related stamp duty and transactions costs is charged to 'Capital reserves' and dealt with in the Statement of Changes in Equity. Share repurchase transactions are accounted for on a trade date basis. The nominal value of ordinary share capital repurchased and cancelled is transferred out of 'Called up share capital' and into 'Capital redemption reserve'.

(n) Repurchase of shares to hold in Treasury

The cost of repurchasing shares into Treasury, including the related stamp duty and transaction costs is charged to capital reserves and dealt with in the Statement of Changes in Equity. Share repurchase transactions are accounted for on a trade date basis. Where shares held in Treasury are subsequently cancelled, the nominal value of those shares is transferred out of called up share capital and into capital redemption reserve.

Should shares held in Treasury be sold, the sale proceeds will be treated as a realised profit up to the amount of the purchase price of those shares and will be transferred to capital reserves. The excess of the sales proceeds over the purchase price will be transferred to share premium.

2. Significant accounting judgements and estimates

The preparation of the Company's financial statements on occasion requires management to make judgements, estimates and assumptions that affect the reported amounts in the primary financial statements and the accompanying disclosures. These assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the current and future periods, depending on circumstance.

Management do not believe that any significant accounting judgements or estimates have been applied to this set of financial statements, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

3. Gains/(losses) on investments held at fair value through profit or loss

	2016 £'000	2015 £'000
Gains on investments held at fair value through profit or loss based on historical cost	26,625	10,479
Amounts recognised in investment holding gains and losses in the previous year in respect of investments sold during the year	(39,342)	(12,720)
Losses on sales of investments based on the carrying value at the previous balance sheet date	(12,717)	(2,241)
Net movement in investment holding gains and losses	(11,135)	44,948
Other capital charges	(5)	(5)
Total capital (losses)/gains on investments held at fair value through profit or loss	**(23,857)**	**42,702**

4. Income

	2016 £'000	2015 £'000
Income from investments		
UK dividends	6,733	6,619
Overseas dividends	1,290	861
Scrip dividends	82	261
Property income distributions	178	196
	8,283	7,937
Interest receivable and similar income		
Underwriting commission	11	78
Interest from liquidity funds	32	35
Deposit interest	19	–
	62	113
Total income	8,345	8,050

5. Management fee

	2016 Revenue £'000	2016 Capital £'000	2016 Total £'000	2015 Revenue £'000	2015 Capital £'000	2015 Total £'000
Management fee	493	1,151	1,644	447	1,044	1,491

Details of the management fee are given in the Directors' Report on page 21.

6. Other administrative expenses

	2016 £'000	2015 £'000
Administration expenses	227	212
Depositary fees	45	40
Directors' fees[1]	131	131
Savings scheme costs[2]	134	147
Auditors' remuneration for audit services[3]	27	26
	564	556

[1] Full disclosure is given in the Directors' Remuneration Report on pages 28 and 29.

[2] Paid to the Manager for the marketing and administration of savings scheme products, includes £22,000 (2015: £25,000) of irrecoverable VAT.

[3] Includes £4,400 (2015: £4,400) irrecoverable VAT.

7. Finance costs

	2016 Revenue £'000	2016 Capital £'000	2016 Total £'000	2015 Revenue £'000	2015 Capital £'000	2015 Total £'000
Interest on bank loans and overdrafts	109	253	362	124	290	414

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

8. Taxation

(a) Analysis of tax charge in the year

	2016 £'000	2015 £'000
Overseas withholding tax	112	76
Total tax charge for the year	**112**	**76**

(b) Factors affecting total tax charge for the year

The tax charge for the year is lower (2015: lower) than the Company's applicable rate of corporation tax rate of 20.00% (2015: 20.75%). The factors affecting the current tax charge for the year are as follows:

	2016 Revenue £'000	2016 Capital £'000	2016 Total £'000	2015 Revenue £'000	2015 Capital £'000	2015 Total £'000
Net return/(loss) on ordinary activities before taxation	**7,179**	**(25,298)**	**(18,119)**	**6,923**	**41,369**	**48,292**
Net return/(loss) on ordinary activities before taxation multiplied by the Company's applicable rate of corporation tax of 20.00% (2015: 20.75%)	1,436	(5,060)	(3,624)	1,437	8,584	10,021
Effects of:						
Non taxable capital losses/(gains)	–	4,779	4,779	–	(8,861)	(8,861)
Non taxable scrip dividends	(16)	–	(16)	(54)	–	(54)
Non taxable UK dividends	(1,347)	–	(1,347)	(1,374)	–	(1,374)
Non taxable overseas dividends	(204)	–	(204)	(130)	–	(130)
Tax attributable to expenses and finance costs charged to capital	(281)	281	–	(277)	277	–
Unrelieved expenses	412	–	412	398	–	398
Overseas withholding tax	112	–	112	76	–	76
Total tax charge for the year	**112**	**–**	**112**	**76**	**–**	**76**

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £9,438,000 (2015: £10,090,000) based on a prospective corporation tax rate of 18% (2015: 20%). These reductions in the standard rate of corporation tax were substantively enacted on 26th October 2015 and became effective from 18th November 2015. The deferred tax asset has arisen due to the cumulative excess of deductible expenses over taxable income. Given the composition of the Company's portfolio, it is not likely that this asset will be utilised in the foreseeable future and therefore no asset has been recognised in the financial statements.

Given the Company's status as an Investment Trust Company and the intention to continue meeting the conditions required to obtain approval, the Company has not provided deferred tax on any capital gains or losses arising on the revaluation or disposal of investments.

9. Dividends

(a) Dividends paid and proposed

	2016 £'000	2015 £'000
Dividends paid		
2015 Final dividend of 12.0p (2014: 12.5p) per share	2,880	3,000
2015 Special dividend 4.5p (2014: nil) per share	1,080	–
2016 Interim dividend of 8.0p (2015: 8.0p) per share	1,920	1,920
Total dividends paid in the year	**5,880**	**4,920**
Dividend proposed		
2016 Final dividend proposed of 13.0p (2015: 12.0p) per share	3,120	2,880
2016 Special dividend proposed of 4.5p (2015: 4.5p) per share	1,080	1,080
Total dividends proposed for year	**4,200**	**3,960**

The dividend proposed in respect of the year ended 30th June 2016 is subject to shareholder approval at the forthcoming Annual General Meeting. In accordance with the accounting policy of the Company, this dividend will be reflected in the financial statements for the year ending 30th June 2017.

(b) Dividends for the purposes of Section 1158 of the Corporation Tax Act 2010 ('Section 1158')

The requirements of Section 1158 are considered on the basis of dividends declared in respect of the financial year shown below. The revenue available for distribution by way of dividend for the year is £7,067,000 (2015: £6,847,000).

	2016 £'000	2015 £'000
Interim dividend of 8.0p (2015: 8.0p) per share	1,920	1,920
Final dividend of 13.0p (2015: 12.0p) per share	3,120	2,880
2016 Special dividend proposed of 4.5p (2015: 4.5p) per share	1,080	1,080
	6,120	**5,880**

10. Return/(loss) per share

	2016 £'000	2015 £'000
Revenue return	7,067	6,847
Capital (loss)/return	(25,298)	41,369
Total (loss)/return	**(18,231)**	**48,216**
Weighted average number of shares in issue during the year	23,997,180	23,997,180
Revenue return per share	29.45p	28.53p
Capital (loss)/return per share	(105.42)p	172.39p
Total (loss)/return per share	**(75.97)p**	**200.92p**

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

11. Investments

	2016 £'000	2015[1] £'000
Investments listed on a recognised stock exchange	217,222	264,425
Opening book cost	183,745	164,118
Opening investment holding gains	80,680	48,452
Opening valuation	264,425	212,570
Movements in the year:		
Purchases at cost	115,667	106,717
Sales proceeds	(139,018)	(97,569)
Losses on sales of investments based on the carrying value at the previous balance sheet date	(12,717)	(2,241)
Net movement in investment holding (losses)/gains	(11,135)	44,948
	217,222	264,425
Closing book cost	187,019	183,745
Closing investment holding gains	30,203	80,680
Total investments held at fair value through profit or loss	**217,222**	**264,425**

[1] Relevant figures have been restated in line with the current presentation adopted. Under FRS 102, liquidity funds are classified as cash equivalents.

Transaction costs on purchases during the year amounted to £535,000 (2015: £516,000) and on sales during the year amounted to £103,000 (2015: £89,000). These costs comprise mainly stamp duty on purchases and brokerage commission.

During the year, prior year investment holding gains amounting to £39,342,000 have been transferred to gains and losses on sales of investments as disclosed in note 16.

12. Current assets

Debtors

	2016 £'000	2015 £'000
Securities sold awaiting settlement	3,704	624
Dividends and interest receivable	834	748
Overseas tax recoverable	112	100
Other debtors	29	23
	4,679	1,495

The Directors consider that the carrying amount of debtors approximates to their fair value.

Cash and cash equivalents

Cash and cash equivalents comprise bank balances, short term deposits and liquidity funds. The carrying amount of these represents their fair value.

13. Current liabilities

	2016 £'000	2015 £'000
Creditors: amounts falling due within one year		
Securities purchased awaiting settlement	4,495	1,682
Bank loans	–	25,000
Interest payable	16	34
Other creditors	73	73
	4,584	**26,789**

The Directors consider that the carrying amount of creditors falling due within one year approximates to their fair value.

As at 30th June 2015, £25 million was drawn down on a two year loan facility with Scotiabank (Ireland) Limited. This facility expired on 2nd June 2016.

14. Creditors: amounts falling due after more than one year

	2016 £'000	2015 £'000
Bank loan	8,000	–

As at 30th June 2016 the Company had two floating rate loan facilities in place. A £25 million three year loan facility with Scotiabank (Ireland) Limited expiring on 31st May 2019, and a £15 million three year loan facility with National Australia Bank (NAB) expiring on 30th April 2017.

Under the terms of the three year £25 million Scotiabank (Ireland) Limited loan facility the Company may draw down up to £25 million at an interest rate of LIBOR as quoted in the market for the loan period, plus a margin of 0.975%, plus mandatory costs. At the year end, the Company had £8 million drawn down on this facility.

Under the terms of the three year £15 million NAB loan facility the Company may draw down up to £15 million at an interest rate of LIBOR as quoted in the market for the loan period, plus a margin of 1.10%, plus mandatory costs. At the year end, the Company had not drawn down on this facility.

15. Called up share capital

	2016 £'000	2015 £'000
Ordinary shares allotted and fully paid:		
Opening balance of 23,997,180 (2015: 23,997,180) shares excluding shares held in Treasury	6,000	6,000
Subtotal 23,997,180 (2015: 23,997,180) shares of 25p each excluding shares held in Treasury	6,000	6,000
1,400,900 (2015: 1,400,900) shares held in Treasury	350	350
Closing balance of 25,398,080 (2015: 25,398,080) shares of 25p each including shares held in Treasury	**6,350**	**6,350**

Further details of transactions in the Company's shares are given in the Business Review on page 16.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

16. Capital and reserves

	Called up share capital £'000	Capital redemption reserve £'000	Capital reserves: Gains and losses on sales of investments £'000	Capital reserves: Investment holding gains and losses £'000	Revenue reserve[1] £'000	Total £'000
Opening balance	6,350	3,650	142,916	80,680	8,789	242,385
Net foreign currency losses	–	–	(37)	–	–	(37)
Losses on sales of investments based on the carrying value at the previous balance sheet date	–	–	(12,717)	–	–	(12,717)
Net movement in investment holding gains and losses	–	–	–	(11,135)	–	(11,135)
Transfer on disposal of investments	–	–	39,342	(39,342)	–	–
Management fee and finance costs charged to capital	–	–	(1,404)	–	–	(1,404)
Other capital charges	–	–	(5)	–	–	(5)
Dividends appropriated in the year	–	–	–	–	(5,880)	(5,880)
Retained revenue for the year	–	–	–	–	7,067	7,067
Closing balance	**6,350**	**3,650**	**168,095**	**30,203**	**9,976**	**218,274**

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

17. Net asset value per share

	2016	2015
Net assets (£'000)	218,274	242,385
Number of shares in issue	23,997,180	23,997,180
Net asset value per share	**909.6p**	**1,010.1p**

18. Contingent liabilities and capital commitments

At the balance sheet date there were no capital commitments or contingent liabilities (2015: same).

19. Related party transactions

Details of the management contract are set out in the Directors' Report on page 21. The management fee payable to the Manager for the year was £1,644,000 (2015: £1,491,000). No management fee (2015: £nil) was outstanding at the year end.

During the year £134,000 (2015: £147,000), including VAT, was payable to the Manager for the marketing and administration of savings scheme products, of which £nil (2015: £nil) was outstanding at the year end.

Included in administration expenses in note 6 on page 43 are safe custody fees amounting to £4,000 (2015: £4,000) payable to JPMorgan Chase of which £1,000 (2015: £1,000) was outstanding at the year end.

The Manager may carry out some of its dealing transactions through group subsidiaries. These transactions are carried out at arm's length. The commission payable to JPMorgan Securities Limited for the year was £49,000 (2015: £22,000) of which £nil (2015: £nil) was outstanding at the year end.

The Company also holds cash in the JPMorgan Sterling Liquidity Fund, which is managed by JPMorgan. At the year end this was valued at £2,377,000 (2015: £2,869,000). Interest amounting to £32,000 (2015: £35,000) was receivable during the year of which £nil (2015: £nil) was outstanding at the year end.

Handling charges on dealing transactions amounting to £5,000 (2015: £5,000) were payable to JPMorgan Chase during the year of which £1,000 (2015: £1,000) was outstanding at the year end.

At the year end, total cash of £6,580,000 (2015: £385,000) was held with JPMorgan Chase. A net amount of interest of £19,000 (2015: £nil) was receivable by the Company during the year from JPMorgan Chase of which £nil (2015: £nil) was outstanding at the year end.

Full details of Directors' remuneration and shareholdings can be found on pages 28 and 29 and in note 6 on page 43.

20. Disclosures regarding financial instruments measured at fair value

The Company's financial instruments within the scope of FRS 102 that are held at fair value comprise its investment portfolio and derivative financial instruments.

The investments are categorised into a hierarchy consisting of the following three levels:

(1) The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date

The best evidence of fair value is a quoted price for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the current bid price.

(2) Inputs other than quoted prices included within Level 1 that are observable (i.e.: developed using market data) for the asset or liability, either directly or indirectly

When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the entity can demonstrate that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.

(3) Inputs are unobservable (i.e.: for which market data is unavailable) for the asset or liability

If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

Details of the valuation techniques used by the Company are given in note 1(c) on page 40.

The following table sets out the fair value measurements using the FRS 102 hierarchy at 30th June.

	2016		2015	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	217,222	–	264,425	–
Total	**217,222**	**–**	**264,425**	**–**

There were no transfers between Level 1, 2 or 3 during the year (2015: none).

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

21. Financial instruments' exposure to risk and risk management policies

As an investment trust, the Company invests in equities for the long term so as to secure its investment objective stated on the 'Features' page. In pursuing this objective, the Company is exposed to a variety of financial risks that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends.

These financial risks include market risk (comprising market price risk and interest rate risk), liquidity risk and credit risk. The Directors' policy for managing these risks is set out below. The Company Secretary, in close cooperation with the Board and the Manager, coordinates the Company's risk management policy. The Company has no significant direct exposure to foreign currencies risk.

The objectives, policies and processes for managing the risks and the methods used to measure the risks that are set out below, have not changed from those applying in the comparative year.

The Company's classes of financial instruments are as follows:

- Investments in listed equity shares of UK companies, which are held in accordance with the Company's investment objective;
- Cash held within a liquidity fund and time deposits;
- Short term debtors, creditors and cash arising directly from its operations; and
- Loan facilities, the purpose of which are to finance the Company's operations.

(a) Market risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises two elements – other price risk and interest rate risk. Information to enable an evaluation of the nature and extent of these two elements of market risk is given in parts (i) and (ii) of this note, together with sensitivity analyses where appropriate. The Board reviews and agrees policies for managing these risks and these policies have remained unchanged from those applying in the comparative year. The Manager assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

(i) Other price risk

Other price risk includes changes in market prices, other than those arising from interest rate risk, which may affect the value of equity investments.

Management of other price risk

The Board meets on at least four occasions each year to consider the stock selection of the portfolio and the risk associated with particular industry sectors. The investment management team has responsibility for monitoring the portfolio, which is selected in accordance with the Company's investment objectives and seeks to ensure that individual stocks meet an acceptable risk/reward profile.

Other price risk exposure

The Company's exposure to changes in market prices at 30th June comprises its holdings in equity investments as follows:

	2016 £'000	2015 £'000
Equity investments held at fair value through profit or loss	217,222	264,425

The above data is broadly representative of the exposure to market price risk during the current and comparative year.

Concentration of exposure to other price risk

An analysis of the Company's investments is given on pages 11 to 14. All of the investments are listed in the UK. Accordingly there is a concentration of exposure to the UK. However, it should be noted that an investment may not be wholly exposed to the economic conditions in its country of domicile or of listing.

Other price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to an increase or decrease of 10% (2015: 10%) in the market value of equity investments. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's equities, adjusting for change in the management fee but with all other variables held constant.

	2016		2015	
	10% increase in fair value £'000	10% decrease in fair value £'000	10% increase in fair value £'000	10% decrease in fair value £'000
Statement of Comprehensive Income – return after taxation				
Revenue return	(42)	42	(48)	49
Capital return	21,623	(21,623)	26,331	(26,327)
Total return after taxation for the year	21,581	(21,581)	26,283	(26,278)
Net assets	**21,581**	**(21,581)**	**26,283**	**(26,278)**

(ii) Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits, the liquidity fund and the interest payable on variable rate borrowings when rates are reset.

Management of interest rate risk

The Company does not normally hold significant cash balances. Short term borrowings are used when required. The Company may finance part of its activities through borrowings at levels approved and monitored by the Board. The possible effects on cash flows that could arise as a result of changes in interest rates are taken into account when the Company borrows on the loan facility.

Interest rate exposure

The exposure of financial assets and liabilities to floating interest rates, giving cash flow interest rate risk when rates are reset, is shown below.

	2016 £'000	2015 £'000
Exposure to floating interest rates:		
Cash and short term deposits	6,580	385
JPMorgan Sterling Liquidity Fund	2,377	2,869
Bank loans	(8,000)	(25,000)
Total exposure	**957**	**(21,746)**

Interest receivable on cash balances is at a margin below LIBOR (2015: same).

The target interest rate earned on the JPMorgan Sterling Liquidity Fund is the 7 day sterling London Interbank Bid rate.

Details of the bank loan are given in note 14 on page 47.

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 1% (2015: 1%) increase or decrease in interest rates in regards to the Company's monetary financial assets and financial liabilities. This level of change is considered to be a reasonable illustration based on observation over the medium term of market conditions. The sensitivity analysis is based on the Company's monetary financial instruments held at the balance sheet date, with all other variables held constant.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

21. Financial instruments' exposure to risk and risk management policies *continued*

(a) Market risk *continued*

(ii) Interest rate risk *continued*

	2016 1% increase in rate £'000	2016 1% decrease in rate £'000	2015 1% increase in rate £'000	2015 1% decrease in rate £'000
Statement of Comprehensive Income – return after taxation				
Revenue return	66	(66)	(42)	42
Capital return	(56)	56	(175)	175
Total return after taxation for the year	10	(10)	(217)	217
Net assets	**10**	**(10)**	**(217)**	**217**

In the opinion of the Directors, this sensitivity analysis may not be representative of the Company's future exposure to interest rate changes due to fluctuation in the level of cash balances, cash held in the Liquidity Fund and amounts drawn down on the Company's loan facilities.

(b) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management of the risk

Liquidity risk is not significant as the Company's assets comprise readily realisable securities, which can be sold to meet funding requirements if necessary.

The Board's policy is for the Company to remain fully invested in normal market conditions and that short term borrowings be used to manage short term liabilities and working capital requirements and to gear the Company as appropriate.

Liquidity risk exposure

Contractual maturities of the financial liabilities, based on the earliest date on which payment can be required are as follows:

	2016 Within one year £'000	2016 One to two years £'000	2016 Total £'000
Creditors:			
Securities purchased awaiting settlement	4,495	–	4,495
Other creditors and accruals	73	–	73
Bank loans, including interest	141	8,240	8,381
	4,709	**8,240**	**12,949**

The liabilities shown above represent future contractual payments and therefore may differ from the amounts shown in the Statement of Financial Position.

	Within one year £'000	2015 One to two years £'000	Total £'000
Creditors:			
Securities purchased awaiting settlement	1,682	–	1,682
Other creditors and accruals	73	–	73
Bank loans, including interest	25,351	–	25,351
	27,106	**–**	**27,106**

(c) Credit risk

Credit risk is the risk that the failure of the counterparty to a transaction to discharge its obligations under that transaction which could result in a loss to the Company.

Management of credit risk

Portfolio dealing

The Company invests in markets that operate DVP (Delivery Versus Payment) settlement. The process of DVP mitigates the risk of losing the principal of a trade during the settlement process. The Manager continuously monitors dealing activity to ensure best execution, a process that involves measuring various indicators including the quality of trade settlement and incidence of failed trades. Counterparty lists are maintained and adjusted accordingly.

Cash and cash equivalents

Counterparties are subject to regular credit analysis by the Manager and deposits can only be placed with counterparties that have been approved by JPMAM's Counterparty Risk Group. The Board regularly reviews the counterparties used by the Manager.

Exposure to JPMorgan Chase Bank N.A.

JPMorgan Chase Bank, N.A. is the custodian of the Company's assets. The Company's assets are segregated from JPMorgan Chase's own trading assets. Therefore these assets are designed to be protected from creditors in the event that JPMorgan Chase were to cease trading. The Depositary, BNY Mellon Trust and Depositary (UK) Limited, is responsible for the safekeeping of all custodial assets of the Company and for verifying and maintaining a record of all other assets of the Company. However, no absolute guarantee can be given on the protection of all the assets of the Company.

Credit risk exposure

The amounts shown in the Statement of Financial Position under debtors and cash and cash equivalents represent the maximum exposure to credit risk at the current and comparative year ends.

(d) Fair values of financial assets and financial liabilities

All financial assets and liabilities are either included in the Statement of Financial Position at fair value or the carrying amount in a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

22. Capital management policies and procedures

The Company's debt and capital structure comprises the following:

	2016 £'000	2015 £'000
Debt:		
Bank loans	8,000	25,000
	8,000	25,000
Equity:		
Called up share capital	6,350	6,350
Reserves	211,924	236,035
	218,274	242,385
Total debt and equity	**226,274**	**267,385**

The Company's capital management objectives are to ensure that it will continue as a going concern and to maximise the income and capital return to its equity shareholders through an appropriate level of gearing.

The Board's policy is to limit gearing within the range of 5% net cash to 25% geared.

	2016 £'000	2015 £'000
Investments held at fair value through profit or loss	217,222	264,425
Net assets	218,274	242,385
(Net cash)/Gearing	**(0.5)%**	**9.1%**

The Board, with the assistance of the Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the Manager's views on the market;
- the need to buy back equity shares, either for cancellation or to hold in Treasury, which takes into account the share price discount or premium; and
- the opportunity for issues of new shares, including sales from Treasury.

23. Subsequent events

The Directors have evaluated the period since the year end and have not rated any subsequent events.

ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE (‘AIFMD’) DISCLOSURES (UNAUDITED)

Leverage

For the purposes of the Alternative Investment Fund Managers Directive (‘AIFMD’), leverage is any method which increases the Company’s exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company’s exposure and its net asset value and is calculated on a gross and a commitment method, in accordance with the AIFMD. Under the gross method, exposure represents the sum of the Company’s positions, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated after certain hedging and netting positions are offset against each other.

The Company is required to state its maximum and actual leverage levels, calculated as prescribed by the AIFMD, as at 30th June 2016, which gives the following figures:

	Gross Method	Commitment Method
Leverage Exposure		
Maximum limit	200%	200%
Actual	100%	103%

JPMorgan Funds Limited (‘JPMF’) Remuneration

The Alternative Investment Fund Managers’ Directive (the AIFMD), requires certain disclosures to be made with regard to the remuneration policy of the Company’s AIFM.

Details of JPMF’s AIFM Remuneration Policy are disclosed on the Company’s website at www.jpmmidcap.co.uk and became applicable to the Manager on 1st January 2015, being the beginning of the first financial year of JPMF following the Manager’s authorisation as an AIFM. The disclosure has been prepared in accordance with the AIFMD, the European Commission Delegated Regulation supplementing the AIFMD, the ‘Guidelines on Sound Remuneration Policies’ under the AIFMD issued by the European Securities and Markets Authority and the Financial Conduct Authority Handbook (SYSC 19B: The AIFM Remuneration Code and FUND 3.3).

JPMF Remuneration Policy

The current remuneration policy for the EMEA Global Investment business of J.P. Morgan can be found at https://am.jpmorgan.com/gb/en/asset-management/gim/adv/emea-remuneration-policy. This policy includes details of the alignment with risk management, the financial and non-financial criteria used to evaluate performance and the measures adopted to avoid or manage conflicts of interest.

JPMF Quantitative Disclosures

Disclosures in accordance with FUND 3.3.5, Article 22(2)e and 22(2)f of the AIFMD and Article 107 of the Delegated Regulation are disclosed on the Company’s website at www.jpmmidcap.co.uk

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the forty third Annual General Meeting of JPMorgan Mid Cap Investment Trust plc will be held at 60 Victoria Embankment, London EC4Y 0JP on Thursday, 27th October 2016 at 2.30 p.m. for the following purposes:

1. To receive the Directors' Report, the Annual Accounts and the Auditors' Report for the year ended 30th June 2016.
2. To approve the Directors' Remuneration Report for the year ended 30th June 2016.
3. To approve a final dividend.
4. To reappoint John Evans as a Director of the Company.
5. To reappoint Michael Hughes as a Director of the Company.
6. To reappoint Margaret Littlejohns as a Director of the Company.
7. To reappoint Gordon McQueen as a Director of the Company.
8. To reappoint Richard Huntingford as a Director of the Company.
9. To reappoint PricewaterhouseCoopers LLP as auditors to the Company and to authorise the Directors to determine their remuneration.

Special Business

To consider the following resolutions:

Authority to allot new shares – Ordinary Resolution

10. THAT the Directors of the Company be and they are hereby generally and unconditionally authorised, (in substitution of any authorities previously granted to the Directors), pursuant to Section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers for the Company to allot relevant securities (within the meaning of Section 551 of the Act) up to an aggregate nominal amount of £599,929, representing approximately 10% of the Company's called-up ordinary share capital (excluding Treasury shares) as at the date of the passing of this resolution, provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2017 unless renewed at a general meeting prior to such time, save that the Company may before such expiry make offers, agreements or arrangements which would or might require relevant securities to be allotted after such expiry and so that the Directors of the Company may allot relevant securities in pursuance of such offers, agreements or arrangements as if the authority conferred hereby had not expired.

Authority to disapply pre-emption rights on allotment of relevant securities – Special Resolution

11. THAT subject to the passing of Resolution 10 set out above, the Directors of the Company be and they are hereby empowered pursuant to Section 570 and 573 of the Act to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 10 or by way of a sale of Treasury shares as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities for cash up to an aggregate nominal amount of £599,929, representing approximately 10% of the called-up ordinary share capital (excluding Treasury shares) as at the date of the passing of this resolution at a price of not less than the net asset value per share and shall expire upon the expiry of the general authority conferred by Resolution 10 above, save that the Company may before such expiry make offers, or agreements which would or might require equity securities to be allotted after such expiry and so that the Directors of the Company may allot equity securities in pursuant of such offers, or agreements as if the power conferred hereby had not expired.

Authority to repurchase the Company's shares – Special Resolution

12. THAT the Company be generally and, subject as hereinafter appears, unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the 'Act') to make market purchases (within the meaning of Section 693 of the Act) of its issued shares of 25p each in the capital of the Company

    PROVIDED ALWAYS THAT

    (i) the maximum number of shares hereby authorised to be purchased shall be 3,597,177 or, if less, that number of shares which is equal to 14.99% of the Company's called-up share capital as at the date of the passing of this Resolution;

    (ii) the maximum price which may be paid for a share shall be an amount equal to the highest of: (a) 105% of the average of the middle market quotations for a share taken from and calculated by reference to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is purchased; or (b) the price of the last independent trade; or (c) the highest current independent bid;

(iii) any purchase of shares will be made in the market for cash at prices below the prevailing net asset value per share (as determined by the Directors) at the date following not more than seven days before the date of purchase;

(iv) the authority hereby conferred shall expire on 26th April 2018 unless the authority is renewed at the Company's Annual General Meeting in 2017 or at any other general meeting prior to such time; and

(v) the Company may make a contract to purchase shares under the authority hereby conferred prior to the expiry of such authority and may make a purchase of shares pursuant to any such contract notwithstanding such expiry.

By order of the Board
Alison Vincent, for and on behalf of
JPMorgan Funds Limited,
Secretary

30th September 2016

Notes

These notes should be read in conjunction with the notes on the reverse of the proxy form.

1. A member entitled to attend and vote at the Meeting may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the Meeting. A member can appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.

2. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Your proxy could be the Chairman, another Director of the Company or another person who has agreed to attend to represent you. Details of how to appoint the Chairman or another person(s) as your proxy or proxies using the proxy form are set out in the notes to the proxy form. If a voting box on the proxy form is left blank, the proxy or proxies will exercise his/their discretion both as to how to vote and whether he/they abstain(s) from voting. Your proxy must attend the Meeting for your vote to count. Appointing a proxy or proxies does not preclude you from attending the Meeting and voting in person.

3. Any instrument appointing a proxy, to be valid, must be lodged in accordance with the instructions given on the proxy form.

4. You may change your proxy instructions by returning a new proxy appointment. The deadline for receipt of proxy appointments also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same Meeting, the one which is last received (regardless of its date or the date of its signature) shall be treated as replacing and revoking the other or others as regards that share; if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.

5. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members as at 6.30 p.m. two business days prior to the Meeting (the 'specified time'). If the Meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original Meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Meeting. If however the Meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members as at 6.30 p.m. two business days prior to the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in that notice. Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote at the Meeting or adjourned Meeting.

6. Entry to the Meeting will be restricted to shareholders and their proxy or proxies, with guests admitted only by prior arrangement.

NOTICE OF ANNUAL GENERAL MEETING *CONTINUED*

7. A corporation, which is a shareholder, may appoint an individual(s) to act as its representative(s) and to vote in person at the Meeting (see instructions given on the proxy form). In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.

   Representatives should bring to the Meeting evidence of their appointment, including any authority under which it is signed.

8. Members that satisfy the thresholds in Section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to: (a) the audit of the Company's accounts (including the Auditors' report and the conduct of the audit) that are to be laid before the AGM; or (b) any circumstances connected with Auditors of the Company ceasing to hold office since the previous AGM, which the members propose to raise at the Meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's Auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required to publish on its website pursuant to this right.

9. Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the Meeting except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the Meeting or if it would involve the disclosure of confidential information.

10. Under Sections 338 and 338A of the 2006 Act, members meeting the threshold requirements in those sections have the right to require the Company: (i) to give, to members of the Company entitled to receive notice of the Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Meeting; and/or (ii) to include in the business to be dealt with at the Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Meeting. A resolution may properly be moved, or a matter properly included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than the date that is six clear weeks before the Meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

11. A copy of this notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under Section 146 of the Companies Act 2006 (a 'Nominated Person'). The rights to appoint a proxy can not be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the Meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

12. In accordance with Section 311A of the Companies Act 2006, the contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM, the total voting rights members are entitled to exercise at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.jpmmidcap.co.uk.

13. The register of interests of the Directors and connected persons in the called-up share capital of the Company and the Directors' letters of appointment are available for inspection at the Company's registered office during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted). It will also be available for inspection at the Annual General Meeting. No Director has any contract of service with the Company.

14. You may not use any electronic address provided in this Notice of Meeting to communicate with the Company for any purposes other than those expressly stated.

15. As an alternative to completing a hard copy Form of Proxy/Voting Direction Form, you can appoint a proxy or proxies electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder Reference Number (this is the series of numbers printed under your name on the Form of Proxy/Voting Direction Form). Alternatively, if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk. Full instructions are given on both websites.

16. As at 22nd September 2016 (being the latest business day prior to the publication of this Notice), the Company's called-up share capital consists of 23,997,180 Ordinary shares (excluding treasury shares) carrying one vote each. Therefore the total voting rights in the Company are 23,997,180.

Electronic appointment – CREST members

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. See further instructions on the proxy form.

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, in the shares of the Company at the time the shares were quoted ex-dividend.

Portfolio Return Net of Fees and Expenses

Total return on net assets, net of management fees and administration expenses but prior to the use of revenue reserves to finance the 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 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 investments, expressed as a percentage of the shareholders' funds. Previously gearing represented the excess amount above shareholders' funds of total assets expressed as a percentage of shareholders' funds. Total assets included 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 Ratio

The Ongoing Charges Ratio represents the Company's management fee and all other operating expenses, excluding finance costs, expressed as a percentage of the average of the daily net assets during the year and is calculated in accordance with guidance issued by the Association of Investment Companies.

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 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 an investment trust's shares to trade at a discount than at a premium.

Performance Attribution

Analysis of how the Company achieved its recorded performance relative to its benchmark.

Performance Attribution Definitions:

Stock/Sector Selection
Measures the effect of investing in securities/sectors to a greater or lesser extent than their weighting in the benchmark, or of investing in securities which are not included in the benchmark.

Gearing/Cash
Measures the impact on returns of borrowings or cash balances on the Company's relative performance.

Fees/Other Expenses
The payment of fees and expenses reduces the level of total assets, and therefore has a negative effect on relative performance.

WHERE TO BUY J.P. MORGAN INVESTMENT TRUSTS

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

1. Directly from J.P. Morgan

Investment Account
The Company's shares are available in the J.P. Morgan Investment Account, which facilitates both regular monthly investments and occasional lump sum investments in the Company's ordinary shares. Shareholders who would like information on the Investment Account should call J.P. Morgan Asset Management free on 0800 20 40 20 or visit its website at am.jpmorgan.co.uk/investor

Stocks & Shares Individual Savings Accounts (ISA)
The Company's shares are eligible investments within a J.P. Morgan ISA. For the 2016/17 tax year, from 6th April 2016 and ending 5th April 2017, the total ISA allowance is £15,240. The shares are also available in a J.P. Morgan Junior 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/investor

2. Via a third party provider

Third party providers include;

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

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

3. Through a professional adviser

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

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

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

Financial Conduct Authority

Beware of share fraud

FCA FINANCIAL CONDUCT AUTHORITY

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	30th June
Final results announced	September
Half year end	December
Half year results announced	February
Interim management statements	April and October
Half yearly dividends on ordinary shares paid	November, April
Annual General Meeting	October

History

JPMorgan Mid Cap Investment Trust plc was launched in 1972 as Crossfriars Trust Limited and raised £10 million by a public offer of shares. Its original policy was to invest up to 25% of its assets in UK unquoted shares. The Company changed its name to The Fleming Enterprise Investment Trust in 1982. It adopted its current investment policy of concentrating on FTSE 250 companies in 1993 and reaffirmed this policy in February 1997. The Company changed its name to The Fleming Mid Cap Investment Trust plc in October 1998, to JPMorgan Fleming Mid Cap Investment Trust plc in November 2001 and adopted its present name in November 2005.

Directors

Andrew Barker (Chairman)
John Evans (appointed on 1st June 2016)
Michael Hughes (Senior Independent Director)
Richard Huntingford
Margaret Littlejohns
Gordon McQueen (Chairman of the Audit Committee)

Company Numbers

Company registration number: 1047690
London Stock Exchange number: 0235761
ISIN: GB0002357613
Bloomberg code: JMF LN

Market Information

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 website at www.jpmmidcap.co.uk, where the share price is updated every fifteen minutes during trading hours.

Website

www.jpmmidcap.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 Junior ISA. These products are all available on the online service at jpmorgan.co.uk/online

Manager and Company Secretary

JPMorgan Funds Limited

Company's Registered Office

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

Please contact Alison Vincent for company secretarial and administrative matters.

Depositary

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

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

Registrars

Equiniti Limited
Reference 1082
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone: 0371 384 2321

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

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1082.

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

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London SE1 2RT

Brokers

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

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.

aic The Association of Investment Companies A member of the AIC www.jpmmidcap.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.

GB A121 09/16

J.P.Morgan
Asset Management