

---

# JPMorgan Mid Cap Investment Trust plc Annual General Meeting

---

**30<sup>th</sup> October 2018**

Georgina Brittain, Portfolio Manager

Katen Patel, Portfolio Manager

---

# Agenda

---

- Introduction
- Performance Review
- Current Portfolio & Performance
- Key Themes
- Outlook

# JPMorgan Mid Cap Investment Trust plc

## Key features

### ■ Investment objective

- Capital growth from medium-sized companies in the UK

### ■ Investment policies

- To specialise in FTSE 250 companies
- Use long and short-term borrowing to increase returns

### ■ Benchmark

- FTSE 250 index (ex Investment Trusts)

### ■ Yield

- Current yield 2.6% (as of 10/10/18)

## Investment guidelines

Stock actives	+/- 5%
Sector actives	No constraints
Non-index holdings	Max 15%
Gearing	95-125%

Source: J.P. Morgan Asset Management as of 30 September 2018 unless otherwise stated.

Source: Morningstar. Prospective dividend yield is indicative and based on mid market prices, and include the declared and net prospective dividends for the current financial year. Past performance is not necessarily a reliable indicator for current and future performance. The Investment Manager (Portfolio Manager) seeks to achieve the stated targets/objectives. There can be no guarantee the objectives/targets will be met. The above portfolio characteristics are shown for illustrative purposes only and are subject to change without notice.

# JPMorgan Mid Cap Investment Trust plc

Key contributors to returns for year ended 30 June 2018

## PERFORMANCE ATTRIBUTION

YEAR ENDED 30TH JUNE 2018

	%	%
<b>Contributions to total returns</b>		
<b>Benchmark return</b>		<b>11.2</b>
Stock & sector selection	5.6	
Gearing/cash	0.4	
<b>Investment Manager contribution</b>		<b>6.0</b>
<b>Portfolio return</b>		<b>17.2</b>
Fees/other expenses	-0.8	
Share repurchases	-	
<b>Other effects</b>		<b>-0.8</b>
<b>Return on net assets</b>		<b>16.4</b>
<b>Return to shareholders</b>		<b>27.4</b>

Source: JPMAM/Morningstar.

All figures are on a total return basis.

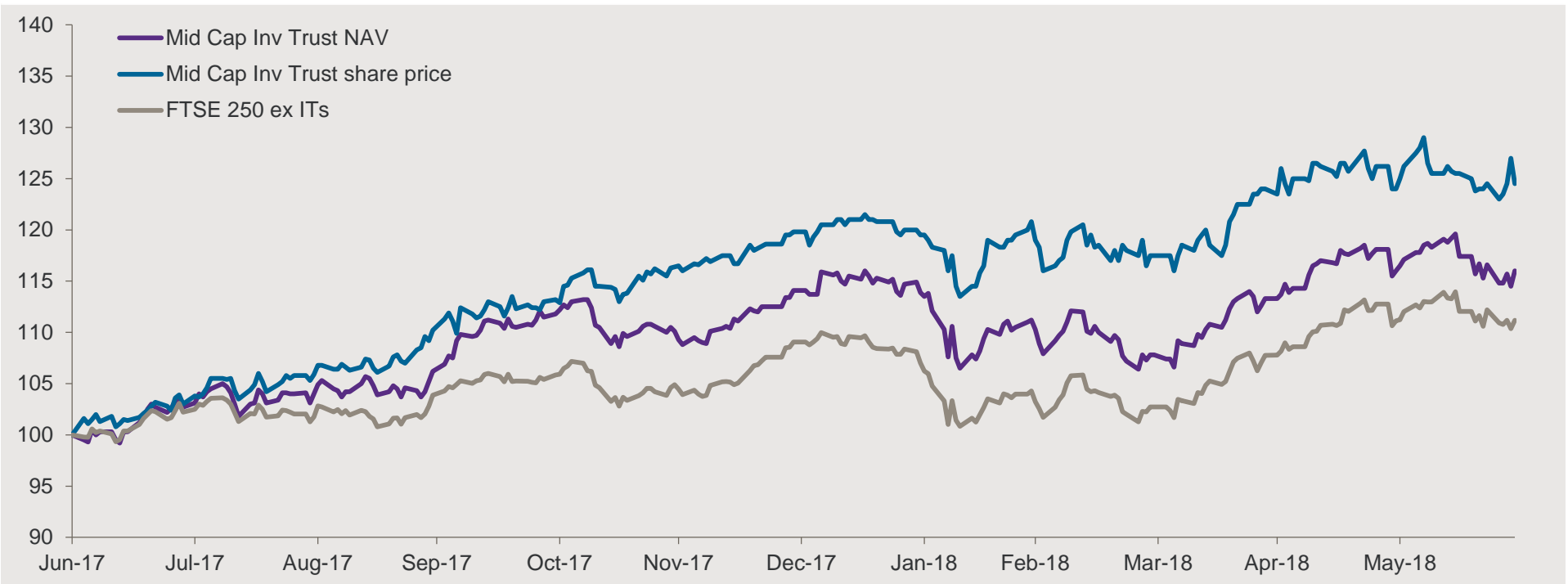
Performance attribution analyses how the Company achieved its recorded performance relative to its benchmark.

Source: J.P. Morgan Asset Management and Morningstar. © Morningstar. All Rights Reserved.. All figures are on a total return basis. Annual Report & Accounts for the year ended 30 June 2018. Past performance is not a reliable indicator for current and future results.

# Financial year performance to 30 June 2018

JPMorgan Mid Cap Investment Trust plc – 30 June 2017 to 30 June 2018

## Cumulative returns (%)

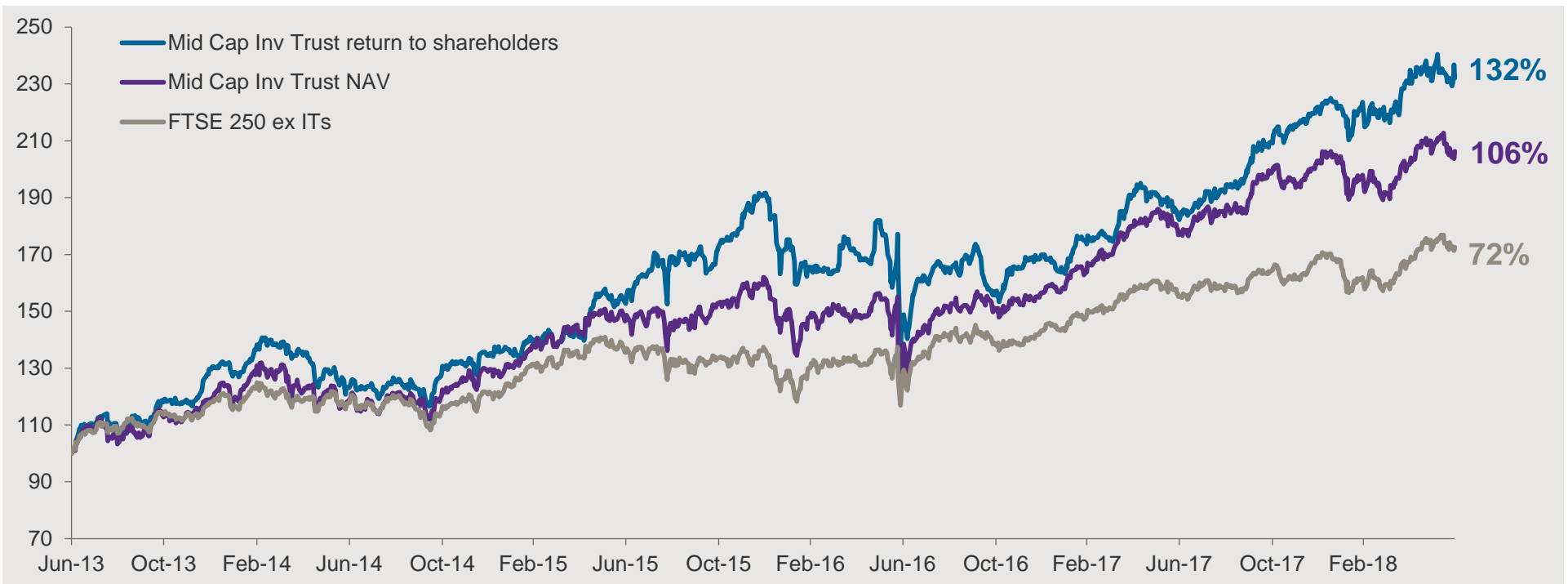


Source: Datastream. Data as at 30 June 2018 rebased to 100 as of 30 June 2017. Performance data has been calculated on NAV to NAV basis, including ongoing charges and any applicable fees, with any income reinvested, in GBP. Please note Benchmark Indices do not include fees or operating expenses and are not available for actual investment. Past performance is not necessarily a reliable indicator for current and future performance.

# Five year performance to 30 June 2018

JPMorgan Mid Cap Investment Trust plc - 30 June 2013 to 30 June 2018

## Cumulative returns (%)

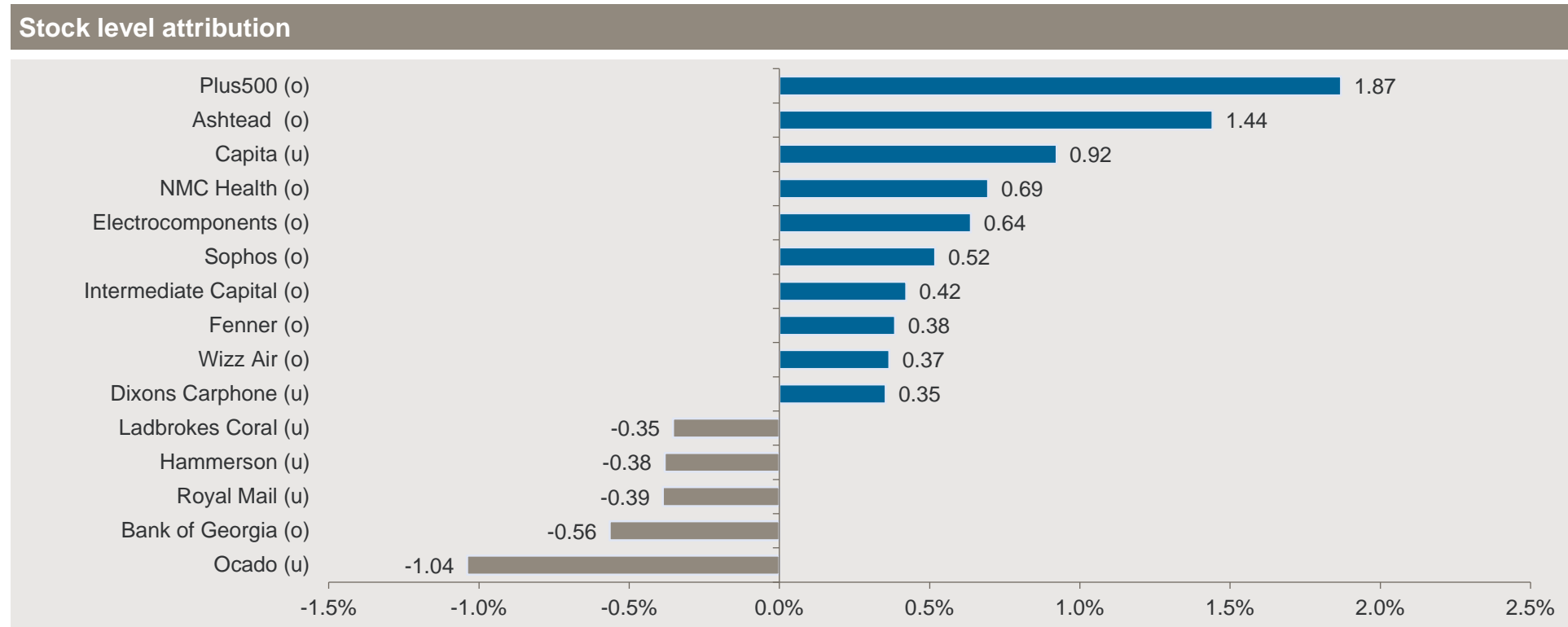


Source: Datastream. Data as at 30 June 2018 rebased to 100 on 30 June 2013. Performance data has been calculated on NAV to NAV basis, including ongoing charges and any applicable fees, with any income reinvested, in GBP. Please note Benchmark Indices do not include fees or operating expenses and are not available for actual investment. Past performance is not necessarily a reliable indicator for current and future performance.



# Performance attribution

Major stock contributors and detractors to returns – 12 months to 30 June 2018



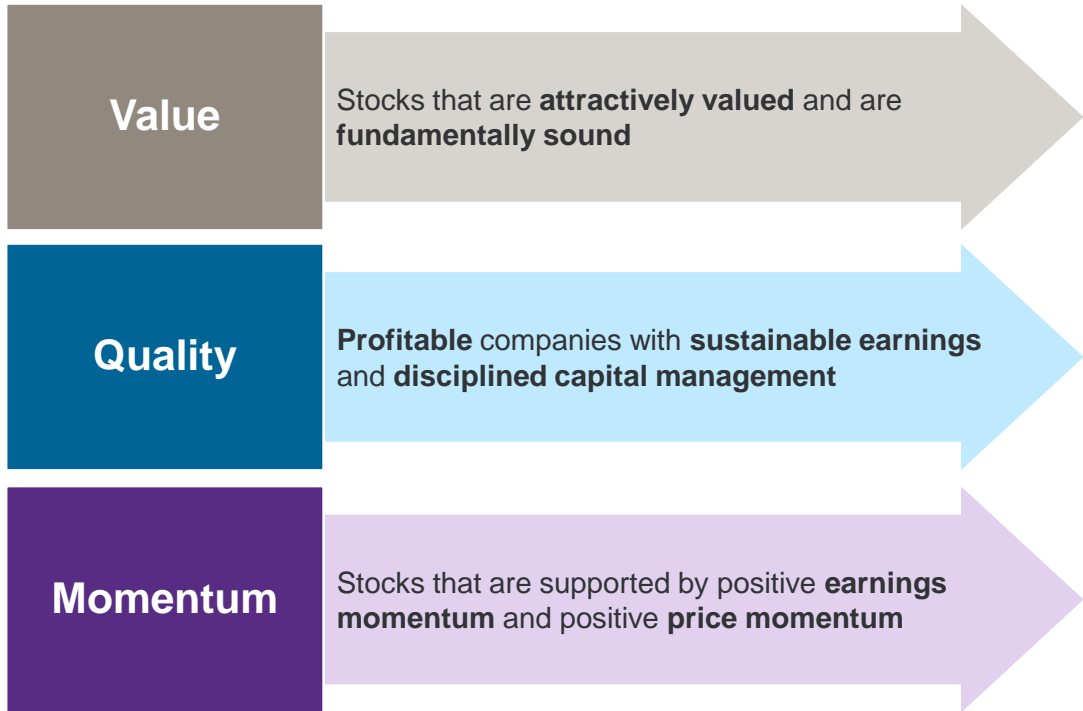
Source: FactSet as of 30 June 2018. The above portfolio characteristics are shown for illustrative purposes only and are subject to change without notice. The Fund is an actively managed portfolio, holdings, sector weights, allocations and leverage, as applicable are subject to change at the discretion of the Investment Manager without notice.. (o) = overweight, (u) = underweight in comparison to Benchmark [FTSE 250 Index (ex Investment Trusts) (£)].

Past performance is not a reliable indicator for current and future results.



# Our investment philosophy

We believe that attractively valued, high quality stocks with positive momentum outperform the market



**JPMorgan Mid Cap Investment Trust plc**

	Fund	Index
<b>Value</b> eg FCF yield	3.9%	3.8%
<b>Quality</b> eg ROE	21.1%	14.7%
<b>Momentum</b> eg EPS mom.	1.8%	0.0%

Source: J.P. Morgan Asset Management, FactSet, as of 28 September 2018. Figures reported are weighted medians. Figures shown are Value = Free Cash Flow Yield, Quality = return on equity, Momentum = 3 month historic earnings per share revisions. The above portfolio characteristics are shown for illustrative purposes only and are subject to change without notice. Benchmark = FTSE 250 Index (ex Investment Trusts) (£).





# Portfolio positions

JPMorgan Mid Cap Investment Trust plc as of 30 September 2018

Benchmark FTSE 250 ex Investment Trusts

## Top 10 overweight positions

Stock	Active position (%)
Ashtead Group	5.5
Electrocomponents	3.5
Intermediate Capital Group	2.9
JD Sports	2.7
Onesavings Bank	2.7
Plus500	2.5
Charter Court Financial Services	2.3
Sophos	1.9
Games Workshop	1.8
Marshalls	1.6

Source: Factset. The fund is an actively managed portfolio, holdings, sector weights, allocations and leverage, as applicable are subject to change at the discretion of the Investment Manager without notice.

# Sector positions

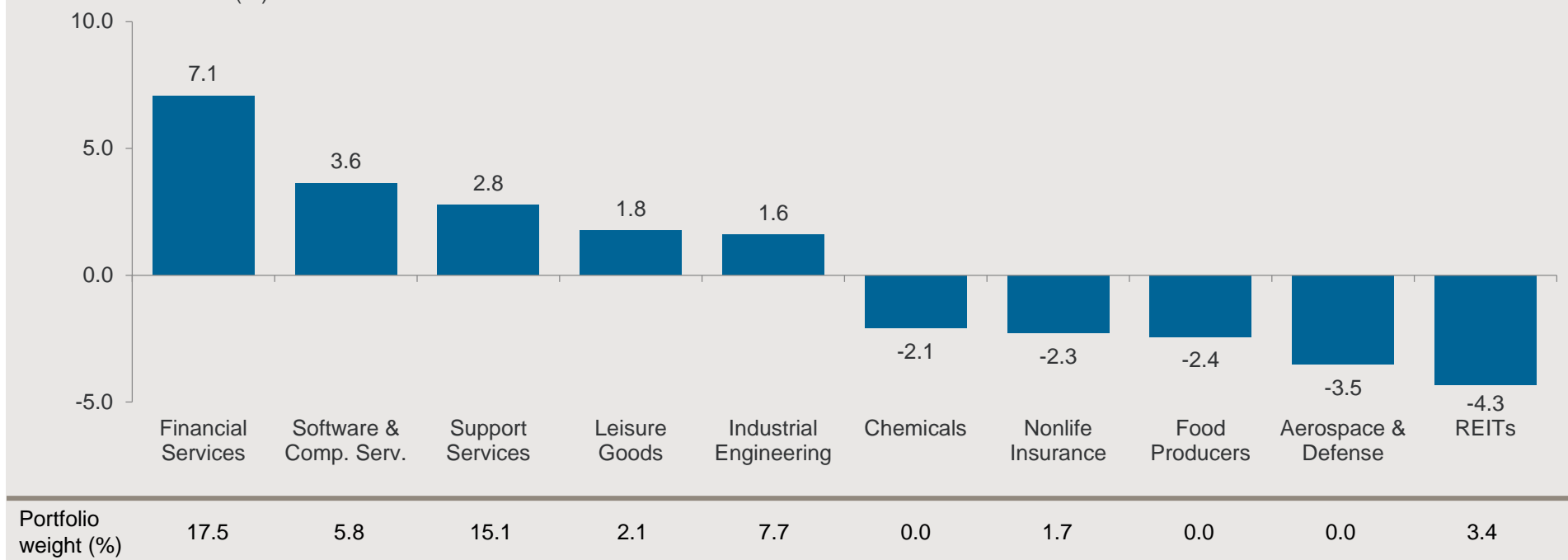
JPMorgan Mid Cap Investment Trust plc as of 30 September 2018

Benchmark

FTSE 250 ex Investment Trusts

## Active and absolute sector positions

Relative to benchmark (%)

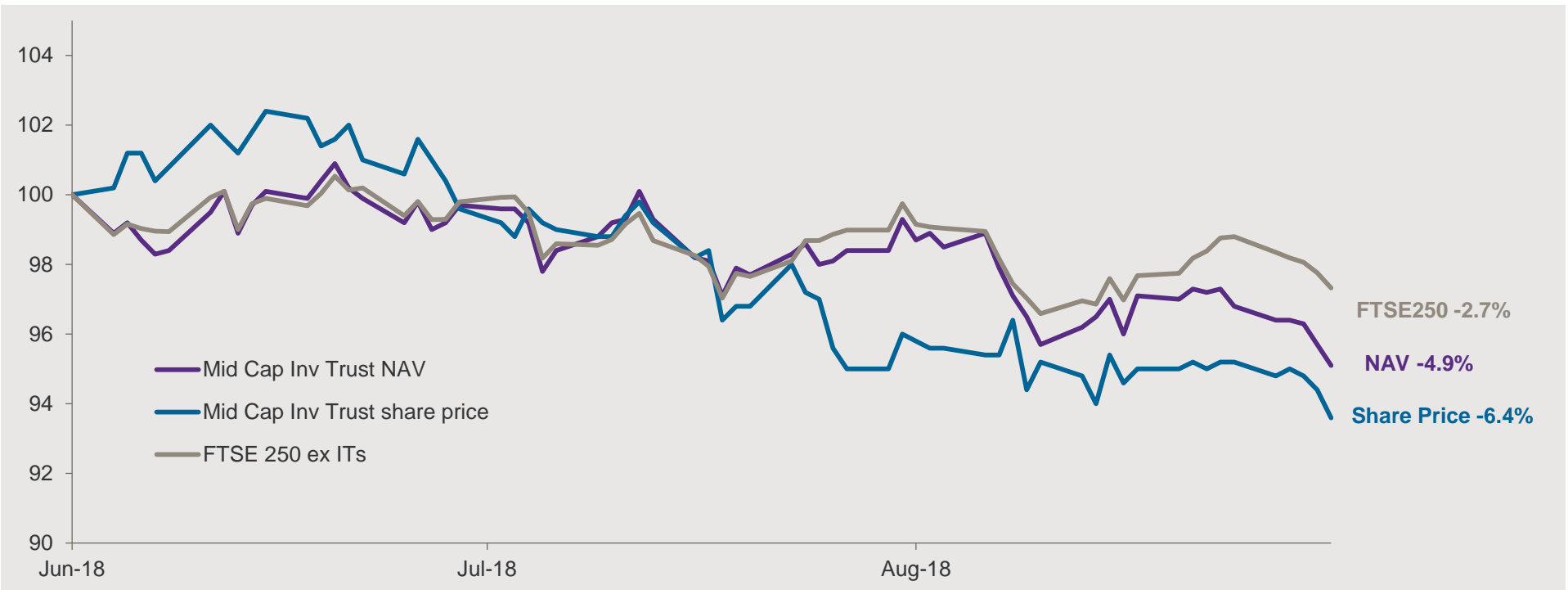


Source: Factset. The fund is an actively managed portfolio, holdings, sector weights, allocations and leverage, as applicable are subject to change at the discretion of the Investment Manager without notice.

# Performance since the financial year end

JPMorgan Mid Cap Investment Trust plc - 30 June 2018 to 30 September 2018

## Cumulative returns (%)



Source: Datastream. Data as at 30 September 2018 rebased to 100 as of 30 June 2018. Performance data has been calculated on NAV to NAV basis, including ongoing charges and any applicable fees, with any income reinvested, in GBP. Please note Benchmark Indices do not include fees or operating expenses and are not available for actual investment. Past performance is not necessarily a reliable indicator for current and future performance.



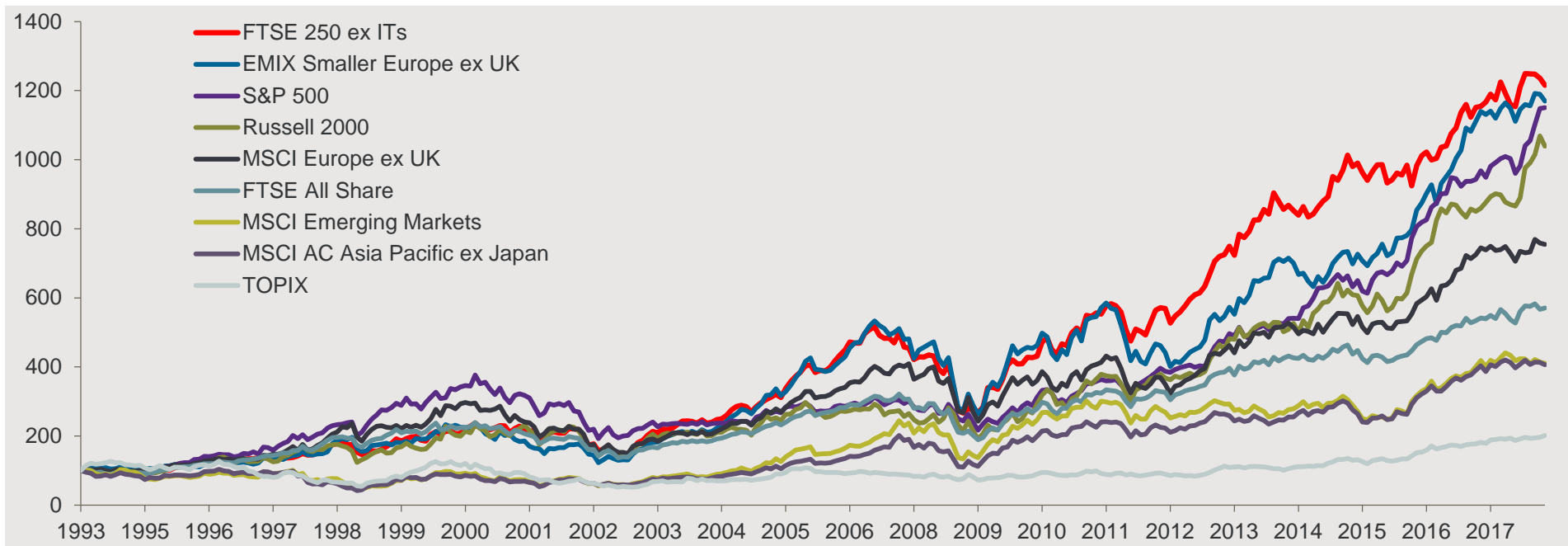
---

# Key Themes

---

# UK mid caps – long-term performance

## Cumulative returns



## ... long term returns amongst the best in the world

Source: J.P. Morgan Asset Management, Thomson Reuters Datastream. All series are rebased to 100 as at 31 December 1993 to 30 September 2018. All indices in GBP and include reinvested dividends. Indices do not include fees or operating expenses and are not available for actual investment.

Past performance is not a reliable indicator for current and future results.

## UK long term winners within the portfolio

Name	Market capitalisation	10 year total return
Accesso Technology	£705m	+10,096%
<b>Ashtead</b>	<b>£9,352m</b>	<b>+5,346%</b>
Hutchison China Meditech	£3,061m	+5,280%
<b>Victoria</b>	<b>£803m</b>	<b>+4,946%</b>
<b>Howden Joinery</b>	<b>£2,675m</b>	<b>+3,790%</b>
Dart Group	£1,329m	+3,670%
<b>JD Sports Fashion</b>	<b>£3,817m</b>	<b>+3,584%</b>
<b>Games Workshop</b>	<b>£1,024m</b>	<b>+2,723%</b>
GB Group	£813m	+2,591%
4imprint	£562m	+2,558%

Source: Bloomberg. Stocks listed on UK exchanges as of 18th October 2018 that were also in existence on 18th October 2008 with market capitalisation over £500m as of 18th October 2018. 10 Year Total return is ten year total return to 18th October 2018 assuming all dividends reinvested. Names in Green are held in JPMorgan Mid Cap Investment Trust plc.

# Structural long term winners – new additions

## Games Workshop

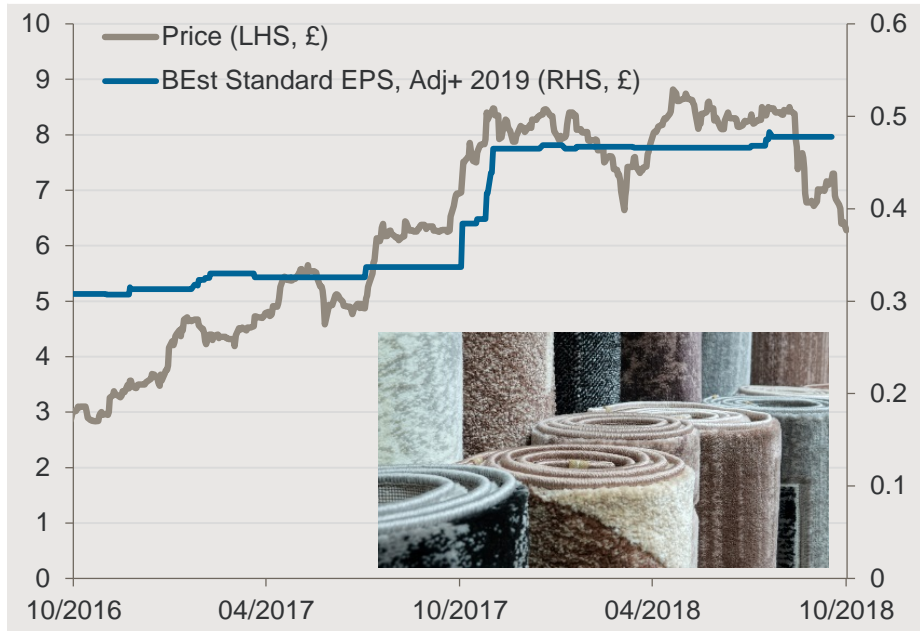


- Manufactures and sells Warhammer figurines which are constructed and painted by hobbyists
- Significant organic upgrades driven by higher sales volumes with margin improvement

Source: Bloomberg, images from Shutterstock The companies above are shown for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell. Data from 22/10/2016 to 22/10/2018.

Past performance is not an indication of current and future results. Data from 22/10/2016 to 22/10/2018.

## Victoria



- Manufacturer of carpets and flooring materials in the UK, Europe and Australia
- Significant upgrades driven by disciplined acquisition process

## Selected M&A 2018

Company	Acquirer
Paysafe	Acquired by CVC and Blackstone, European and US private equity firms
Virgin Money	Acquired by UK bank CYBG
Fidessa	Acquired by ION, an Irish financial software company
Fenner	Acquired by French company Michelin
NEX	Being acquired by US company CME
Vedanta	Acquired by its Indian founder, Anil Argawal
UBM	Acquired by FTSE 100 company, Informa



Company	Acquirer
Ladbrokes	Acquired by FTSE 100 company GVC
JLIF	Acquired by a consortium of UK infrastructure investors
Esure	Being acquired by US private equity, Bain Capital
Aldermore	Acquired by South African bank, FirstRand
ZPG	Acquired by US private equity firm Silver Lake
JLT	Recommended bid by US company Marsh McLellan
RPC	Early stage approaches from 2 US private equity firms



Source: J.P. Morgan Asset Management, images from Shutterstock. This is not an exhaustive list of M&A activity





## UK market valuation

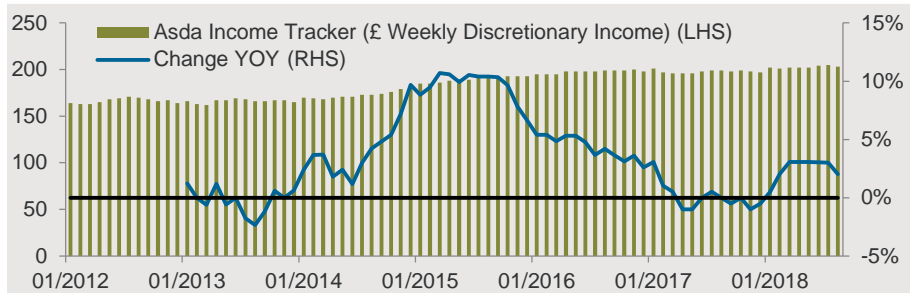
---

	FTSE 100	FTSE 250	Small Cap
12m forward P/E (ex loss-makers)	11.8x	12.5x	11.1x
Forecast median earnings growth (12m fwd)	7.7%	9.4%	14.5%
Forecast dividend yield (ex non-pay)	4.8%	3.7%	4.3%

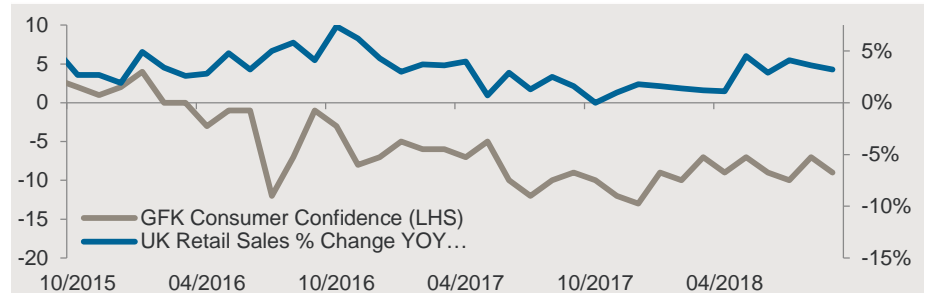
Source: Peel Hunt, 22 October 2018

# UK economic outlook

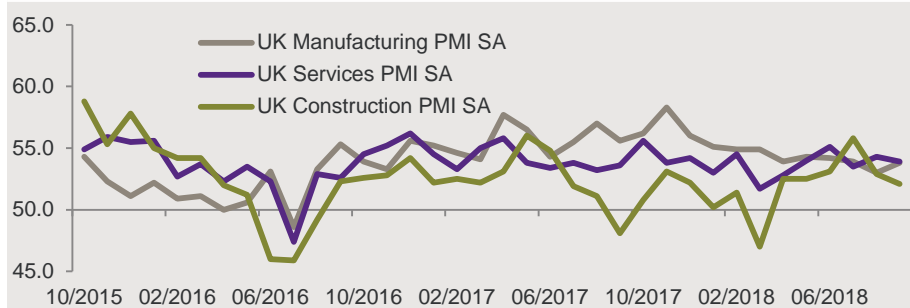
## Asda Income Tracker



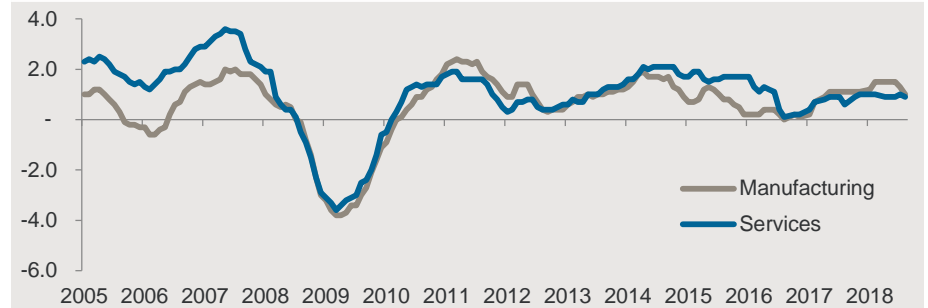
## UK Consumer



## UK PMIs



## BOE Agents Survey Investment Intentions



## ... a mixed backdrop but marginally better than expectations

Sources: top left chart: Asda, data from January 2012 to August 2018; top right chart: Bloomberg, data from 31 October 2015 to 30 September 2018; bottom left chart: Market, data from 31 October 2015 to 30 September 2018, SA = seasonally adjusted, PMI = purchasing managers index; bottom right chart: BOE, data from 31 January 2005 to 31 August 2018.

Past performance is not a reliable indicator of current and future results.

# Outlook

---

Attractive investment opportunities remain

- Valuations are now looking attractive post market movements
  - Continued growth in earnings and dividends
- Economic backdrop remains generally supportive
  - Awaiting clarification on final Brexit deal
- Your company remains disciplined in its focus on seeking out the best investment ideas within Mid Cap
  - Volatility provides buying opportunities

**...portfolio well positioned for the environment**

The opinions and views expressed here are those held by the author as at 23 October 2018, which are subject to change and are not to be taken as or construed as investment advice. Forecasts, projections and other forward looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections and other forward statements, actual events, results or performance may differ materially from those reflected or contemplated.

---

# Appendix

---



# Biography

---



## Georgina Brittain

**Georgina Brittain**, *Managing Director*, is a senior portfolio manager for small and mid cap strategies within the J.P. Morgan Asset Management International Equity Group – Behavioural Finance Team, based in London. Georgina is a fund manager for the JPM UK Smaller Companies Fund, the JPMorgan Smaller Companies Investment Trust and co-manager for the JPMorgan Mid Cap Investment Trust. She is also a co-manager for our range of European small cap funds. An employee since 1995, Georgina was previously an analyst in the UK research department. Georgina obtained an M.A. in Classics from Oxford University, and earned a Diploma in Law from City University, London. She is a qualified barrister.



## Katen Patel

**Katen Patel**, *Executive Director*, is a portfolio manager for small and mid cap strategies within the J.P. Morgan Asset Management International Equity Group – Behavioural Finance Team. He is the co-manager of the JPM UK Smaller Companies Fund, the JPM UK Equity Income Fund, the JPMorgan Smaller Companies Investment Trust and the JPMorgan Mid Cap Investment Trust. An employee since April 2013, he previously worked at HSBC Bank Plc in a European equity sales role. He obtained a B.Sc. in Management from the London School of Economics. Katen is a CFA charterholder.

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

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



# Investment objective, policy and risk profile

---

JPMorgan Mid Cap Investment Trust plc

## Investment objective and policy

The Company aims to achieve capital growth from investing in medium sized UK listed companies, by outperformance of the FTSE Mid 250 Index. The company will predominantly invest in quoted companies from the FTSE Mid 250 Index, although, where appropriate, it may invest in quoted UK companies outside of this index as well as companies quoted on the Alternative Investment Market which is the London Stock Exchange market for smaller, growing companies. The company has the ability to use borrowing to gear the portfolio within the range of 5% net cash to 25% geared in normal market conditions.

## Risks

- The value of investments and the income from them can go down and up, and you may not get back as much as you paid in. Past performance is not a guide to the future.
- Investments in smaller companies may involve a higher degree of risk as these are usually more sensitive to price movements.
- External factors may cause an entire asset class to decline in value. Prices and values of all shares or all bonds could decline at the same time.
- This trust may utilise gearing (borrowing) which will exaggerate market movements both up and down.

# J.P. Morgan Asset Management

---

## Important Information

This is a promotional document and as such the views contained herein are not to be taken as advice or recommendation to buy or sell any investment or interest thereto. Reliance upon information in this material is at the sole discretion of the reader. Any research in this document has been obtained and may have been acted upon by J.P. Morgan Asset Management for its own purpose. The results of such research are being made available as additional information and do not necessarily reflect the views of J.P. Morgan Asset Management. Any forecasts, figures, opinions, statements of financial market trends or investment techniques and strategies expressed are unless otherwise stated, J.P. Morgan Asset Management's own at the date of this document. They are considered to be reliable at the time of writing, may not necessarily be all-inclusive and are not guaranteed as to accuracy. They may be subject to change without reference or notification to you.

It should be noted that the value of investments and the income from them may fluctuate in accordance with market conditions and taxation agreements and investors may not get back the full amount invested. Changes in exchange rates may have an adverse effect on the value, price or income of the products or underlying overseas investments. Both past performance and yield are not a reliable indicator to current and future results. There is no guarantee that any forecast made will come to pass. Furthermore, whilst it is the intention to achieve the investment objective of the investment products, there can be no assurance that those objectives will be met.

J.P. Morgan Asset Management is the brand name for the asset management business of JPMorgan Chase & Co and its affiliates worldwide. You should note that if you contact J.P. Morgan Asset Management by telephone those lines may be recorded and monitored for legal, security and training purposes. You should also take note that information and data from communications with you will be collected, stored and processed by J.P. Morgan Asset Management in accordance with the EMEA Privacy Policy which can be accessed through the following website [www.jpmorgan.com/pages/privacy](http://www.jpmorgan.com/pages/privacy).

Investment is subject to documentation (Investor Disclosure Document, Key Features and Terms and Conditions), copies of which can be obtained free of charge from JPMorgan Asset Management Marketing Limited. Issued by JPMorgan Asset Management Marketing Limited which is authorized and regulated in the UK by the Financial Conduct Authority. Registered in England No: 288553. Registered address: 25 Bank St, Canary Wharf, London E14 5JP.

c68562c0-d90e-11e8-992b-9e6250cecb93