
JPMorgan European Investment Trust plc

Half Year Report & Accounts for the six months ended 30th September 2016



Features

The Company has two share classes, each with distinct investment policies, objectives and underlying asset pools. Shareholders in either of the Company's two share classes are able to convert some or all of their shares into shares of the other class without such conversion being treated, under current law, as a disposal for UK capital gains tax purposes. See page 25 for further details of the Company's capital structure and conversion between share classes.

Objectives

Growth Portfolio

The investment objective of the Growth portfolio is to provide capital growth and a rising share price over the longer term from Continental European investments by consistent out-performance of the benchmark and taking carefully controlled risks through an investment method that is clearly communicated to shareholders.

Income Portfolio

The investment objective of the Income portfolio is to provide a growing income together with the potential for long term capital growth by investing in a portfolio of investments that is diversified amongst countries, sectors and market capitalisations within the universe of Continental European companies.

Investment Policies

- To invest in a diversified portfolio of investments in the stockmarkets of Continental Europe.
- To manage liquidity and borrowings to increase returns to shareholders.

Growth Portfolio

- To emphasise capital growth rather than income, with the likely result that the level of dividends will fluctuate.

Income Portfolio

- To provide a growing income together with the potential for long-term capital growth.

Benchmarks

Growth and Income

The MSCI Europe ex UK Index (total return) in sterling terms.

Capital Structure

At 30th September 2016, the Company's share capital comprised 77,652,655 Growth shares and 93,884,791 Income shares.

A share voting number is attributed to each of the Growth and Income shares so that the votes available to each of the two classes of shares equates to the proportion of the net asset value of the Company that the Growth and Income pools represent.

Management Company

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

FCA regulation of 'non-mainstream pooled investments'

The Company currently conducts its affairs so that the shares issued by JPMorgan European Investment Trust plc can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future.

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

AIC

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

Website

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

Contents

HALF YEAR PERFORMANCE

2 Total Returns – Growth Portfolio

3 Total Returns – Income Portfolio

ABOUT THE COMPANY

4 Chairman’s Statement

6 Investment Managers’ Report

GROWTH PORTFOLIO

8 Forty Largest Investments

9 Portfolio Analyses

10 Statement of Comprehensive Income

11 Statement of Financial Position

INCOME PORTFOLIO

12 Forty Largest Investments

13 Portfolio Analyses

14 Statement of Comprehensive Income

15 Statement of Financial Position

FINANCIAL STATEMENTS

16 Statement of Comprehensive Income

17 Statement of Changes in Equity

18 Statement of Financial Position

19 Statement of Cash Flows

20 Notes to the Financial Statements

SHAREHOLDER INFORMATION

24 Interim Management Report

25 Capital Structure and Conversion between Share Classes

26 Glossary of Terms and Definitions

27 Where to buy J.P. Morgan Investment Trusts

29 Information about the Company

Half Year Performance

TOTAL RETURNS (INCLUDES DIVIDENDS REINVESTED) GROWTH PORTFOLIO

+9.3%

Return to shareholders¹

+12.9%

Return on net assets^{2, 3}

+13.2%

Benchmark return⁴

Long Term Performance^{1,2,4}

FOR PERIOD ENDED 30TH SEPTEMBER 2016

	Return to shareholders	Return on Net Assets	Benchmark return
1 Year Performance	9.0%	16.7%	20.0%
3 Year Performance	28.7%	30.7%	24.7%
5 Year Performance	110.7%	96.2%	77.3%

The above returns have been calculated on the assumption that any dividends received during the period have been immediately reinvested on the ex-dividend date. Further details are given in the Glossary of Terms and Conditions on page 26.

Financial Data

	30th September 2016	31st March 2016	% change
Total net assets (£'000)	226,713	202,165	+12.1
Net asset value per share with debt at par value (p)	292.0	259.7	+12.4
Net asset value per share with debt at fair value (p) ⁵	286.8	253.3	+13.2
Share price (p)	246.9	230.5	+7.1
Share price discount to net asset value per share with debt at par value (%) ³	15.4	11.2	
Share price discount to net asset value per share with debt at fair value (%) ⁵	13.9	9.0	
Number of shares in issue	77,652,655	77,833,926	
Ongoing charges (%)	1.05	1.06	
Gearing/(net cash) (%) ⁶	(1.0)	11.0	

Dividend	Six months to 30th September 2016	Year to 31st March 2016	Year to 31st March 2015
Per Growth share	4.85p ⁷	5.85p	6.70p

¹ Source: Morningstar.

² Source: J.P. Morgan.

³ The net asset value above is calculated on the basis that the Company's Private Placement debt is valued at par. The net asset value identified in the Company's monthly fact sheet is calculated on the basis that the Company's Private Placement debt is valued at fair value.

⁴ Source: MSCI. The Growth portfolio's benchmark is the MSCI Europe ex UK Index (total return) in sterling terms. Prior to 26th March 2013 the Growth portfolio's benchmark was the FTSE All World Developed Europe (ex UK) Index in sterling terms. The benchmark index returns quoted above for periods of greater than one year are a composite of the two indices, designed to provide an appropriate comparator to the return on net assets.

⁵ The fair value of the Company's private placement has been calculated using discounted cash flow techniques, using the yield from a similarly dated German government bond plus a margin based on the five year average for the AA Barclays Euro corporate bond spread.

⁶ 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 26 for the revised calculation.

⁷ Declared.

A glossary of terms and definitions is provided on page 26.

TOTAL RETURNS (INCLUDES DIVIDENDS REINVESTED) INCOME PORTFOLIO

+1.9%

Return to shareholders¹

+13.0%

Return on net assets^{2,3}

+13.2%

Benchmark return⁴

Long Term Performance^{1,2,4}

FOR PERIOD ENDED 30TH SEPTEMBER 2016

	Return to shareholders	Return on Net Assets	Benchmark return
1 Year Performance	5.3%	17.5%	20.0%
3 Year Performance	32.0%	36.8%	24.7%
5 Year Performance	101.9%	101.6%	77.1%

The above returns have been calculated on the assumption that any dividends received during the period have been immediately reinvested on the ex-dividend date. Further details are given in the Glossary of Terms and Conditions on page 26.

Financial Data

	30th September 2016	31st March 2016	% change
Total net assets (£'000)	142,631	128,702	+10.8
Net asset value per share with debt at par value (p)	151.9	137.1	+10.8
Net asset value per share with debt at fair value (p) ⁵	149.2	134.4	+11.0
Share price (p)	127.0	127.0	+0.0
Share price discount to net asset value per share with debt at par value (%)	16.4	7.4	
Share price discount to net asset value per share with debt at fair value (%) ⁵	14.9	5.5	
Number of shares in issue	93,884,791	93,884,791	
Ongoing charges (%)	1.10	1.08	
Gearing (%) ⁶	1.6	8.1	

Dividend	Six months to 30th September 2016	Year to 31st March 2016	Year to 31st March 2015
Per Income share	2.20p ⁷	4.75p	4.75p

¹ Source: Morningstar.

² Source: J.P. Morgan.

³ The net asset value above is calculated on the basis that the Company's Private Placement debt is valued at par. The net assets value identified in the Company's monthly fact sheet is calculated on the basis that the Company's Private Placement debt is valued at fair value.

⁴ Source: MSCI. The Income portfolio's benchmark is the MSCI Europe ex UK Index (total return) in sterling terms. Prior to 26th March 2013 the Income portfolio's benchmark was the MSCI Europe Index (total return) in sterling terms. The benchmark index returns quoted above for periods of greater than one year are a composite of the two indices, designed to provide an appropriate comparator to the return on net assets.

⁵ The fair value of the Company's private placement has been calculated using discounted cash flow techniques, using the yield from a similarly dated German government bond plus a margin based on the five year average for the AA Barclays Euro corporate bond spread.

⁶ 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 26 for the revised calculation.

⁷ Declared.

A glossary of terms and definitions is provided on page 26.

About the Company

CHAIRMAN'S STATEMENT



Performance

In the six months to 30th September 2016 the increases in the Company's Growth and Income share prices were 7.1% and 0% respectively. With net dividends re-invested, the total returns to the Company's Growth and Income shareholders were 9.3% and 1.9% respectively.

As can be seen in the Investment Managers' Report, over the same period, the percentage increase in the Company's Growth and Income NAVs was more than the increase in the share price. These lower increases in the price of the Company's Growth and Income shares compared with the Growth and Income NAVs can be explained by the uncertainty in the markets following the Brexit vote, and mirrors the widening of discounts experienced across the investment trust sector.

In their report on pages 6 and 7, the Investment Managers comment on some of the factors underlying the performance of the two portfolios including performance against the benchmark over the six month period, as well as commenting on the economic and market background.

Revenue and Dividends

The Board's aim is that annual dividend payments on the Growth shares continue to be broadly in line with revenues received on the underlying portfolio.

Revenue return per share on the Growth portfolio for the six months to 30th September 2016 (calculated by reference to the average number of shares in issue over the period) amounted to 5.79 pence per share (2015: 4.16 pence). A first interim dividend of 4.85 pence per Growth share was paid on 7th October 2016 (2015: 4.85 pence).

Revenue return per share on the Income portfolio for the half year (again, calculated by reference to the average number of shares in issue over the period) amounted to 4.86 pence per share (2015: 3.86 pence). The first quarterly interim dividend of 1.10 pence per Income share (2015: 1.10 pence) was paid on 16th June 2016 and a second quarterly interim dividend also of 1.10 pence per Income share was paid on 7th October 2016 (2015: 1.10 pence). A third quarterly interim dividend of 1.10 pence per Income share (2015: 1.10 pence) was declared on 22nd November 2016 for payment on 13th January 2017. The Board's aim is to provide a regular stream of dividend income on a quarterly basis, subject to the availability of distributable reserves. The timing of the dividend declarations for the Growth second interim and Income fourth interim is expected to continue to be made ahead of the conversion opportunity in March each year.

Gearing

There has been no change in the Investment Manager's permitted gearing range, as previously set by the Board, of 10% net cash to 20% geared. At 30th September 2016 the Growth portfolio had 1.0% net cash and the Income portfolio was 1.6% geared. These relatively low levels of gearing reflect the uncertainty following the Brexit vote.

Conversions

The Company's next share conversion will be in March 2017 and details of the process will be posted on the Company's website in late January 2017.

Share Repurchases

The Board has a proactive approach to the use of its share repurchase powers. It remains of the view that it is important to seek to address imbalances in the supply of and demand for the Company's shares and to minimise thereby the volatility and absolute level of the discount to net asset value at which the Company's shares trade. The Board do not wish to see the discounts widen beyond 10% on an ongoing basis. The precise level and timing of repurchases pursuant to this policy depend upon prevailing market conditions. Over the six months under review the discount levels have averaged 10.2% for the Growth shares and 9.2% for Income Shares (at fair value). On three separate occasions during the six month period the Company repurchased a total of 181,271 Growth shares.

Investment Managers

Tom Buckingham, a Portfolio Manager in the J.P. Morgan Asset Management European Equity Team, is now identified as an Investment Manager in the Company's Report and Accounts. This is in order to reflect the importance of the role that Tom undertakes and illustrate the depth of support provided to the Company by the Manager.

The Board

As referred to in my Chairman's Statement included in the Company's Annual Report and Accounts, in order to reflect the additional burden placed upon the directors by new regulation and maintain the level of fees in line with the investment trust industry as a whole, the Company's directors' fees were increased effective from 1st April 2016. The previous increase was on 1st April 2014. Further details were provided on page 47 of the Company's 31st March 2016 Annual Report and Accounts.

Outlook

Your Board remain watchful to the current state of the markets and believe that the Manager continues to position the Growth and Income portfolios to best achieve the Company's objectives for its shareholders.

For and on behalf of the Board

Andrew Adcock
Chairman

24th November 2016

INVESTMENT MANAGERS' REPORT



Stephen Macklow-Smith



Alexander Fitzalan Howard



Michael Barakos



Tom Buckingham

Since the end of our last financial year, the Growth portfolio has seen its NAV rise by 12.9% on a total return basis, against a benchmark (MSCI Europe ex UK Index) which rose by 13.2%. For the Income portfolio, the NAV rose by 13.0% on a total return basis, against a benchmark (MSCI Europe ex UK Index) return of +13.2%. Both portfolios have risen in absolute terms and outperformed the benchmark over three years and five years.

The six month period under review could best be characterised as a battle between the tailwinds of improving economic momentum in Europe, and the headwinds of politics. The most obviously turbulent political event was the outcome of the UK's advisory referendum on UK membership, which returned a decision by 51.9% to 48.1% to leave the European Union. This brought a change of government in the UK and a change in government policy, both of which are outside the scope of this report, but it also sparked a sharp fall in Sterling against all currencies. This had a dramatically positive effect on the company's returns in both portfolios, given that we invest in Euro-denominated assets. Indeed in local currency terms our benchmark was more or less flat over all periods, whereas in Sterling it rose in double-digit terms. In NAV terms both portfolios made new all-time highs in both absolute terms, and relative to their benchmark.

It is too early to know where Sterling will settle, since it will depend on an enormous number of variables about trade which we cannot know yet. On a purchasing power basis Sterling looks moderately undervalued, but this supposes that inflation will remain roughly in line with the Bank of England's target, and the longer that the current weakness continues the higher inflation is likely to be.

Within Europe the referendum result gave a lot of succour to extremist parties like the Freedom party in the Netherlands and the National Front in France. We are also seeing a challenge to the incumbent Italian government from the populist 5 Star Movement, but in point of fact in other countries the populist pendulum swung the other way: in Spain, the left-wing Podemos lost ground in the second general election, and in Greece the incumbent Syriza government now trails the right-wing New Democracy party by 15-20% in opinion polls, having been in the lead by around 7% at the end of 2015.

Within the markets we saw the continuation of Europe's slow recovery, and we are also starting to see a pick-up in inflation, which means that nominal GDP is accelerating - and this should mean better news for corporate revenues. Cost control in companies remains very good, which means that in a slow growth environment they are defending their margins very adroitly.

The apparent lack of movement at an index level masked a significant rotation in sector terms. At the start of the year there were grave concerns about Chinese growth, and commodities prices had fallen sharply. In February these turned around, and we saw a reversal in the commodities and energy space which meant that these sectors, which had been serial underperformers, recovered sharply. Equally, at the start of the year a large proportion of the Eurozone bond market was trading with a negative yield, and in July, in the aftermath of the UK result, with bonds viewed as a defensive asset, yields hit fresh lows. This proved, though, to be a turning point, and yields subsequently rose across the country spectrum. In stock market terms this meant that bond proxies in sectors such as Pharmaceuticals and Consumer Staples, started to underperform, whereas more cyclical areas, including Financials, which are deemed to benefit from the recovery in growth and inflation implied in bond yields rising, did rather better.

Income investing continued to outperform as a style, which helped the Income share class. In the Growth share class we became a great deal less defensive, and we also benefited from our holdings in higher quality banks.

Outlook

From a European point of view the political headwinds include the forthcoming constitutional referendum in Italy, and general elections in the Netherlands (April), France (May) and Germany (September). It would be easy to draw a straight line through what looked like populist victories in the UK referendum and in the US Presidential election and decide that anti-Euro parties will win the day. The fact is, though, that the Italian referendum is very tight, with a high proportion of undecided voters, the Dutch election is neck and neck, but even if the Freedom party win they are very unlikely to attract enough support to form a government. The French election will take place in two rounds, and the pattern in recent polls has been that even if the National Front win through to the second round they are then defeated by a coalition of centrists.

All the time the recovery remains on track. The ECB is likely to wind down its programme of QE only gradually, since it does not wish to cause a dislocation in markets. If nominal GDP continues to improve we should see operating leverage kicking in at companies to boost profits. Equity valuation is undemanding, especially relative to cash, fixed income, and after adjusting for the cycle. European market shares in exports to the emerging countries remain excellent, and emerging markets now seem to be turning the corner after the economic problems they have faced in the wake of commodity price collapses. If politics does not upset the apple cart we see further gains in prospect for both share classes.

Stephen Macklow-Smith
Alexander Fitzalan Howard
Michael Barakos
Tom Buckingham
Investment Managers

24th November 2016

Growth Portfolio

FORTY LARGEST INVESTMENTS AT 30TH SEPTEMBER 2016

Company	Country	Sector	Value £'000	%
Nestle	Switzerland	Consumer Staples	11,808	5.3
Roche	Switzerland	Health Care	8,487	3.8
JPMorgan European Smaller Companies Trust	Europe	Financials	8,416	3.7
Novartis	Switzerland	Health Care	6,449	2.9
Sanofi	France	Health Care	6,124	2.7
Anheuser-Busch Inbev	Belgium	Consumer Staples	4,782	2.1
Vinci	France	Industrials	4,588	2.0
Ing Groep	Netherlands	Financials	4,569	2.0
BASF	Germany	Materials	4,186	1.9
Siemens	Germany	Industrials	4,107	1.8
Vestas Wind Systems	Denmark	Industrials	3,819	1.7
UPM-Kymmene	Finland	Materials	3,672	1.6
Unilever	Netherlands	Consumer Staples	3,657	1.6
Deutsche Telekom	Germany	Telecommunication Services	3,600	1.6
Koninklijke Ahold Delhaize	Netherlands	Consumer Staples	3,546	1.6
Total	France	Energy	3,529	1.6
JPMorgan Europe Dynamic Small Cap Fund	Europe	Financials	3,524	1.6
Continental	Germany	Consumer Discretionary	3,373	1.5
BNP Paribas	France	Financials	3,255	1.5
Aena	Spain	Industrials	3,187	1.4
Henkel	Germany	Consumer Staples	3,170	1.4
Danske Bank	Denmark	Financials	3,139	1.4
Renault	France	Consumer Discretionary	2,949	1.3
ENEL	Italy	Utilities	2,809	1.3
ABB	Switzerland	Industrials	2,765	1.2
Capgemini	France	Information Technology	2,755	1.2
Repsol	Spain	Energy	2,745	1.2
Prysmian SpA	Italy	Industrials	2,642	1.2
Novo Nordisk	Denmark	Health Care	2,605	1.2
Munich Re	Germany	Financials	2,538	1.1
AXA	France	Financials	2,498	1.1
Swedbank	Sweden	Financials	2,449	1.1
Endesa	Spain	Utilities	2,237	1.0
Deutsche Boerse	Germany	Financials	2,220	1.0
Swedish Match	Sweden	Consumer Staples	2,211	1.0
Adecco	Switzerland	Industrials	2,110	1.0
Adidas	Germany	Consumer Discretionary	2,105	1.0
Wolters-Kluwer	Netherlands	Industrials	2,086	0.9
Thales	France	Industrials	2,071	0.9
Deutsche Wohnen	Germany	Real Estate	2,044	0.9
Total			148,826	66.3

PORTFOLIO ANALYSES

Geographical

	30th September 2016		31st March 2016	
	Portfolio ¹ %	Benchmark %	Portfolio ¹ %	Benchmark %
Germany	20.3	20.3	18.1	20.1
France	19.7	21.9	20.6	21.9
Switzerland	19.1	20.2	14.5	20.0
Netherlands	9.6	7.0	9.8	6.8
Sweden	6.5	6.3	8.8	6.5
Spain	5.2	6.9	5.1	6.9
Denmark	4.9	4.0	5.5	4.4
Italy	4.0	4.3	6.5	4.8
Finland	3.6	2.2	3.0	2.2
Belgium	3.1	3.1	3.9	3.2
Norway	2.0	1.5	1.1	1.3
Ireland	0.8	1.1	1.3	1.1
United Kingdom	0.4	–	0.7	–
Russia	0.3	–	0.3	–
United States	0.2	0.5	–	–
Portugal	0.1	0.3	0.6	0.4
Poland	0.1	–	0.1	–
Turkey	0.1	–	0.1	–
Austria	–	0.4	–	0.4
Total²	100.0	100.0	100.0	100.0

¹ Based on total investments of £224.4m (31st March 2016: £224.4m).

² Includes investments in European funds which are reclassified in accordance with the domicile of the underlying assets in the fund.

Sector

	30th September 2016		31st March 2016	
	Portfolio ¹ %	Benchmark %	Portfolio ¹ %	Benchmark %
Industrials ^{3,4}	20.1	15.0	19.3	14.0
Consumer Staples	16.4	14.3	11.4	13.6
Financials	15.3	17.6	21.8	20.2
Health Care	13.9	14.3	12.9	14.9
Materials ³	9.2	8.2	4.5	7.4
Consumer Discretionary ⁴	8.0	11.3	13.8	12.4
Information Technology	5.2	6.0	4.3	5.4
Energy	5.0	3.9	2.8	3.8
Utilities	3.2	3.7	5.4	3.7
Telecommunications Services	2.6	4.1	3.8	4.6
Real Estate	1.1	1.6	–	–
Total²	100.0	100.0	100.0	100.0

¹ Based on total investments of £224.4m (31st March 2016: £224.4m).

² Includes investments in European funds which are reclassified in accordance with the domicile of the underlying assets in the fund.

³ Covestro was reclassified from Industrials in the prior period to Materials in the current period.

⁴ RELX and Wolters-Kluwer were reclassified from Consumer Discretionary in the prior period to Industrials in the current period.

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016

	(Unaudited) Six months ended 30th September 2016			(Unaudited) Six months ended 30th September 2015			(Unaudited) Year ended 31st March 2016		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss	–	22,059	22,059	–	(20,648)	(20,648)	–	(5,728)	(5,728)
Net foreign currency gains/(losses)	–	181	181	–	(372)	(372)	–	(1,810)	(1,810)
Income from investments	5,478	–	5,478	4,475	–	4,475	6,407	–	6,407
Interest receivable and similar income	32	–	32	57	–	57	77	–	77
Gross return/(loss)	5,510	22,240	27,750	4,532	(21,020)	(16,488)	6,484	(7,538)	(1,054)
Management fee	(256)	(597)	(853)	(267)	(622)	(889)	(530)	(1,237)	(1,767)
Other administrative expenses	(255)	–	(255)	(276)	–	(276)	(547)	–	(547)
Net return/(loss) on ordinary activities before finance costs and taxation	4,999	21,643	26,642	3,989	(21,642)	(17,653)	5,407	(8,775)	(3,368)
Finance costs	(132)	(307)	(439)	(32)	(74)	(106)	(157)	(366)	(523)
Net return/(loss) on ordinary activities before taxation	4,867	21,336	26,203	3,957	(21,716)	(17,759)	5,250	(9,141)	(3,891)
Taxation	(370)	–	(370)	(408)	–	(408)	(689)	–	(689)
Net return/(loss) on ordinary activities after taxation	4,497	21,336	25,833	3,549	(21,716)	(18,167)	4,561	(9,141)	(4,580)
Return/(loss) per Growth share	5.79p	27.46p	33.25p	4.16p	(25.48)p	(21.32)p	5.37p	(10.77)p	(5.40)p

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period.

The 'Total' column of this statement is the profit and loss account of the Company and the 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies.

The return/(loss) per Growth share represents the profit/(loss) per share for the period and also the total comprehensive income per share.

STATEMENT OF FINANCIAL POSITION AT 30TH SEPTEMBER 2016

	(Unaudited) 30th September 2016 £'000	(Unaudited) 30th September 2015 £'000	(Unaudited) 31st March 2016 £'000
Fixed assets			
Investments held at fair value through profit or loss	224,428	225,824	224,449
Current assets			
Derivative financial assets	70	61	487
Debtors	996	729	863
Cash and cash equivalents ¹	35,655	16,365	11,038
	36,721	17,155	12,388
Current liabilities			
Creditors: amounts falling due within one year	(8,094)	(7,461)	(8,082)
Derivative financial liabilities	(35)	(45)	(298)
Net current assets	28,592	9,649	4,008
Total assets less current liabilities	253,020	235,473	228,457
Creditors: amounts falling due after more than one year	(26,307)	(24,433)	(26,292)
Net assets	226,713	211,040	202,165
Net asset value per Growth share	292.0p	247.6p	259.7p

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

Income Portfolio

FORTY LARGEST INVESTMENTS AT 30TH SEPTEMBER 2016

Company	Country	Sector	Value £'000	%
Roche	Switzerland	Health Care	4,771	3.3
Total	France	Energy	3,139	2.2
Siemens	Germany	Industrials	2,717	1.9
Basf	Germany	Materials	2,443	1.7
Allianz	Germany	Financials	2,329	1.6
Sanofi	France	Health Care	2,323	1.6
Unilever	Netherlands	Consumer Staples	2,235	1.5
Daimler	Germany	Consumer Discretionary	2,140	1.5
Banco Santander	Spain	Financials	2,047	1.4
BNP Paribas	France	Financials	1,830	1.3
Deutsche Telekom	Germany	Telecommunication Services	1,776	1.2
Ing Groep	Netherlands	Financials	1,620	1.1
Iberdrola	Spain	Utilities	1,576	1.1
Telefonica	Spain	Telecommunication Services	1,540	1.1
Abb	Switzerland	Industrials	1,520	1.0
AXA	France	Financials	1,448	1.0
Swiss Re	Switzerland	Financials	1,393	1.0
Orange	France	Telecommunication Services	1,381	0.9
Zurich Insurance	Switzerland	Financials	1,377	0.9
Vinci	France	Industrials	1,361	0.9
Eni Spa	Italy	Energy	1,327	0.9
Enel	Italy	Utilities	1,321	0.9
BMW	Germany	Consumer Discretionary	1,201	0.8
Deutsche Post	Germany	Industrials	1,150	0.8
Munich Re	Germany	Financials	1,144	0.8
Koninklijke Ahold Delhaize	Netherlands	Consumer Staples	1,114	0.8
Koninklijke Philips	Netherlands	Industrials	1,081	0.7
Société Générale	France	Financials	1,060	0.7
Unibail-Rodamco	France	Real Estate	1,038	0.7
Engie	France	Utilities	957	0.7
UPM-Kymmene	Finland	Materials	945	0.7
KBC Groep	Belgium	Financials	921	0.6
Cie De Saint-Gobain	France	Industrials	909	0.6
Swedbank	Sweden	Financials	900	0.6
Michelin	France	Consumer Discretionary	886	0.6
Snam Rete Gas	Italy	Utilities	853	0.6
Statoil	Norway	Energy	836	0.6
Repsol	Spain	Energy	830	0.6
Assicurazioni Generali	Italy	Financials	819	0.6
Kone	Finland	Industrials	811	0.6
Total			61,069	42.1

PORTFOLIO ANALYSES

Geographical

	30th September 2016		31st March 2016	
	Portfolio ¹ %	Benchmark %	Portfolio ¹ %	Benchmark %
France	19.7	21.9	15.6	21.9
Germany	14.7	20.3	15.1	20.1
Switzerland	12.1	20.2	9.8	20.0
Spain	9.0	6.9	7.0	6.9
Italy	9.0	4.3	9.2	4.8
Netherlands	8.2	7.0	8.8	6.8
Finland	7.6	2.2	8.9	2.2
Sweden	6.4	6.3	7.6	6.5
Norway	6.4	1.5	9.7	1.3
Belgium	3.1	3.1	4.1	3.2
Portugal	1.4	0.3	1.5	0.4
Denmark	1.2	4.0	1.6	4.4
Austria	0.9	0.4	0.7	0.4
Ireland	0.3	1.1	0.4	1.1
United States	–	0.5	–	–
Total	100.0	100.0	100.0	100.0

¹ Based on total investments of £144.9m (31st March 2016: £139.2m).

Sector

	30th September 2016		31st March 2016	
	Portfolio ¹ %	Benchmark %	Portfolio ¹ %	Benchmark %
Financials ²	23.2	17.6	33.8	20.2
Industrials	17.3	15.0	16.5	14.0
Utilities	11.0	3.7	9.8	3.7
Consumer Discretionary	8.5	11.3	11.4	12.4
Real Estate ²	8.4	1.6	–	–
Energy	7.2	3.9	3.1	3.8
Consumer Staples	7.0	14.3	8.0	13.6
Health Care	5.4	14.3	4.2	14.9
Telecommunications Services	4.5	4.1	7.0	4.6
Materials	4.3	8.2	2.8	7.4
Information Technology	3.2	6.0	3.4	5.4
Total	100.0	100.0	100.0	100.0

¹ Based on total investments of £144.9m (31st March 2016: £139.2m).

² Atenor, Warehouses De Pauw, Intershop, Mobimo, Swiss Prime Site, TLG Immobilien, Sponda, Fonciere Des Regions, Gecina, ICADE, Klépierre, Nexity, Unibail-Rodamco, Immobiliare Grande Distribuzione, Eurocommercial, Entra, Klovern and Wihlborgs Fastigheter were reclassified from Financials in the prior period to Real Estate in the current period.

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016

	(Unaudited) Six months ended 30th September 2016			(Unaudited) Six months ended 30th September 2015			(Unaudited) Year ended 31st March 2016		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss	–	12,467	12,467	–	(12,714)	(12,714)	–	(3,049)	(3,049)
Net foreign currency (losses)/gains	–	(422)	(422)	–	661	661	–	(609)	(609)
Income from investments	5,261	–	5,261	3,668	–	3,668	4,812	–	4,812
Interest receivable and similar income	43	–	43	44	–	44	70	–	70
Gross return/(loss)	5,304	12,045	17,349	3,712	(12,053)	(8,341)	4,882	(3,658)	1,224
Management fee	(226)	(339)	(565)	(184)	(275)	(459)	(367)	(550)	(917)
Other administrative expenses	(161)	–	(161)	(116)	–	(116)	(261)	–	(261)
Net return/(loss) on ordinary activities before finance costs and taxation	4,917	11,706	16,623	3,412	(12,328)	(8,916)	4,254	(4,208)	46
Finance costs	(102)	(153)	(255)	(20)	(29)	(49)	(102)	(153)	(255)
Net return/(loss) on ordinary activities before taxation	4,815	11,553	16,368	3,392	(12,357)	(8,965)	4,152	(4,361)	(209)
Taxation	(248)	–	(248)	(312)	–	(312)	(395)	–	(395)
Net return/(loss) on ordinary activities after taxation	4,567	11,553	16,120	3,080	(12,357)	(9,277)	3,757	(4,361)	(604)
Return/(loss) per Income share	4.86p	12.31p	17.17p	3.86p	(15.47)p	(11.61)p	4.67p	(5.42)p	(0.75)p

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period.

The 'Total' column of this statement is the profit and loss account of the Company and the 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies.

The return/(loss) per Income share represents the profit/(loss) per share for the period and also the total comprehensive income per share.

STATEMENT OF FINANCIAL POSITION AT 30TH SEPTEMBER 2016

	(Unaudited) 30th September 2016 £'000	(Unaudited) 30th September 2015 £'000	(Unaudited) 31st March 2016 £'000
Fixed assets			
Investments held at fair value through profit or loss	144,917	109,390	139,182
Current assets			
Derivative financial assets	80	301	256
Debtors	765	351	1,223
Cash and cash equivalents ¹	19,805	9,520	5,545
	20,650	10,172	7,024
Current liabilities			
Creditors: amounts falling due within one year	(5,917)	(3,768)	(4,101)
Derivative financial liabilities	(302)	(120)	(271)
Net current assets	14,431	6,284	2,652
Total assets less current liabilities	159,348	115,674	141,834
Creditors: amounts falling due after more than one year	(16,717)	(12,204)	(13,132)
Net assets	142,631	103,470	128,702
Net asset value per Income share	151.9p	129.6p	137.1p

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

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016

	(Unaudited) Six months ended 30th September 2016			(Unaudited) Six months ended 30th September 2015			(Audited) Year ended 31st March 2016		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss	–	34,526	34,526	–	(33,362)	(33,362)	–	(8,777)	(8,777)
Net foreign currency (losses)/gains	–	(241)	(241)	–	289	289	–	(2,419)	(2,419)
Income from investments	10,739	–	10,739	8,143	–	8,143	11,219	–	11,219
Interest receivable and similar income	75	–	75	101	–	101	147	–	147
Gross return/(loss)	10,814	34,285	45,099	8,244	(33,073)	(24,829)	11,366	(11,196)	170
Management fee	(482)	(936)	(1,418)	(451)	(897)	(1,348)	(897)	(1,787)	(2,684)
Other administrative expenses	(416)	–	(416)	(392)	–	(392)	(808)	–	(808)
Net return/(loss) on ordinary activities before finance costs and taxation	9,916	33,349	43,265	7,401	(33,970)	(26,569)	9,661	(12,983)	(3,322)
Finance costs	(234)	(460)	(694)	(52)	(103)	(155)	(259)	(519)	(778)
Net return/(loss) on ordinary activities before taxation	9,682	32,889	42,571	7,349	(34,073)	(26,724)	9,402	(13,502)	(4,100)
Taxation	(618)	–	(618)	(720)	–	(720)	(1,084)	–	(1,084)
Net return/(loss) on ordinary activities after taxation	9,064	32,889	41,953	6,629	(34,073)	(27,444)	8,318	(13,502)	(5,184)
Return/(loss) per share (note 4):									
Growth share	5.79p	27.46p	33.25p	4.16p	(25.48)p	(21.32)p	5.37p	(10.77)p	(5.40)p
Income share	4.86p	12.31p	17.17p	3.86p	(15.47)p	(11.61)p	4.67p	(5.42)p	(0.75)p

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period.

The 'Total' column of this statement is the profit and loss account of the Company and the 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies.

The return per share represents the profit/(loss) per share for the period and also the total comprehensive income per share.

STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves ¹ £'000	Revenue reserve ¹ £'000	Total £'000
Six months ended 30th September 2016 (Unaudited)						
At 31st March 2016	6,279	82,761	13,591	224,306	3,930	330,867
Repurchase and cancellation of the Company's own shares	(9)	–	9	(435)	–	(435)
Net return on ordinary activities	–	–	–	32,889	9,064	41,953
Dividends paid in the period	–	–	–	–	(3,041)	(3,041)
At 30th September 2016	6,270	82,761	13,600	256,760	9,953	369,344
Six months ended 30th September 2015 (Unaudited)						
At 31st March 2015	6,280	63,686	13,279	257,206	4,555	345,006
Net (loss)/return on ordinary activities	–	–	–	(34,073)	6,629	(27,444)
Dividends paid in the period	–	–	–	–	(3,052)	(3,052)
At 30th September 2015	6,280	63,686	13,279	223,133	8,132	314,510
Year ended 31st March 2016 (Audited)						
At 31st March 2015	6,280	63,686	13,279	257,206	4,555	345,006
Share conversions during the year	(1)	19,087	312	(19,398)	–	–
Expense in relation to new shares	–	(12)	–	–	–	(12)
Net (loss)/return on ordinary activities	–	–	–	(13,502)	8,318	(5,184)
Dividends paid in the year	–	–	–	–	(8,943)	(8,943)
At 31st March 2016	6,279	82,761	13,591	224,306	3,930	330,867

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

STATEMENT OF FINANCIAL POSITION AT 30TH SEPTEMBER 2016

	(Unaudited) 30th September 2016			(Unaudited) 30th September 2015	(Audited) 31st March 2016
	Growth £'000	Income £'000	Total £'000	Total £'000	Total £'000
Fixed assets					
Investments held at fair value through profit or loss	224,428	144,917	369,345	335,214	363,631
Current assets					
Derivative financial assets	70	80	150	362	743
Debtors	996	765	1,761	1,080	2,086
Cash and cash equivalents ¹	35,655	19,805	55,460	25,885	16,583
	36,721	20,650	57,371	27,327	19,412
Current liabilities					
Creditors: amounts falling due within one year	(8,094)	(5,917)	(14,011)	(11,229)	(12,183)
Derivative financial liabilities	(35)	(302)	(337)	(165)	(569)
Net current assets	28,592	14,431	43,023	15,933	6,660
Total assets less current liabilities	253,020	159,348	412,368	351,147	370,291
Creditors: amounts falling due after more than one year	(26,307)	(16,717)	(43,024)	(36,637)	(39,424)
Net assets	226,713	142,631	369,344	314,510	330,867
Capital and reserves					
Called up share capital	4,080	2,190	6,270	6,280	6,279
Share premium reserve	10,830	71,931	82,761	63,686	82,761
Capital redemption reserve	12,477	1,123	13,600	13,279	13,591
Capital reserves	193,379	63,381	256,760	223,133	224,306
Revenue reserve	5,947	4,006	9,953	8,132	3,930
Total shareholders' funds	226,713	142,631	369,344	314,510	330,867
Net asset values (note 5):					
Net asset value per Growth share			292.0p	247.6p	259.7p
Net asset value per Income share			151.9p	129.6p	137.1p

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

Company registration number: 237958

STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016

	(Unaudited) Six months ended 30th September 2016 £'000	(Unaudited) Six months ended 30th September 2015 £'000	(Audited) Year ended 31st March 2016 £'000
Net cash inflow/(outflow) from operations before dividends and interest (Note 6)	2,508	(1,082)	(1,608)
Dividends received	9,368	7,465	9,827
Interest received	2	95	104
Overseas tax recovered	167	767	818
Interest paid	(682)	(120)	(681)
Net cash inflow from operating activities	11,363	7,125	8,460
Purchases of investments and derivatives	(116,898)	(115,162)	(212,728)
Sales of investments and derivatives	146,595	116,317	209,341
Settlement of future contracts	1,089	–	(822)
Settlement of foreign currency contracts	(292)	4	645
Net cash inflow/(outflow) from investing activities	30,494	1,159	(3,564)
Dividends paid	(3,041)	(3,052)	(8,943)
Repurchase and cancellation of the Company's own shares	(435)	–	–
Repayment of bank loans	(2,833)	(35,909)	(22,145)
Drawdown of bank loans	2,834	50,269	36,505
Expenses in relation to new shares	–	–	(12)
Net cash (outflow)/inflow from financing activities	(3,475)	11,308	5,405
Increase in cash and cash equivalents	38,382	19,592	10,301
Cash and cash equivalents at the start of period/year	16,583	6,265	6,265
Exchange movements	495	28	17
Cash and cash equivalents at end of the period/year	55,460	25,885	16,583
Increase in cash and cash equivalents	38,382	19,592	10,301
Cash and cash equivalents consist of:			
Cash and short term deposits	31,658	8,291	4,247
JPMorgan Euro Liquidity Fund	23,802	17,594	12,336
Total	55,460	25,885	16,583

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016

1. Financial statements

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

The figures and financial information for the year ended 31st March 2016 are extracted from the latest published financial statements of the Company and do not constitute statutory accounts for that year. Those financial statements have been delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting policies

The financial statements are prepared in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ('UK GAAP'), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the Association of Investment Companies in November 2014.

FRS 104, 'Interim Financial Reporting', issued by the Financial Reporting Council ('FRC') in March 2015 has been applied in preparing this condensed set of financial statements for the six months ended 30th September 2016.

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

The accounting policies applied to this condensed set of financial statements are consistent with those applied in the financial statements for the year ended 31st March 2016.

3. Dividends¹

	(Unaudited) Six months ended 30th September 2016 £'000	(Unaudited) Six months ended 30th September 2015 £'000	(Audited) Year ended 31st March 2016 £'000
Dividends paid			
Unclaimed European Growth dividends refunded to the Company	(2)	(1)	(1)
Growth 2016 second interim dividend of 1.00p (2015: 1.25p)	852	1,108	1,108
Growth 2016 first interim dividend of 4.85p	–	–	4,134
Income 2016 fourth quarterly dividend of 1.45p (2015 second interim: 1.45p)	1,158	1,068	1,068
Income 2017 first quarterly dividend of 1.10p (2016: 1.10p)	1,033	878	878
Income 2016 second quarterly dividend of 1.10p	–	–	878
Income 2016 third quarterly dividend of 1.10p	–	–	878
Total dividends paid in the period	3,041	3,053	8,943
Dividends declared			
Growth 2016 second interim dividend of 1.00p	–	–	852
Growth 2017 first interim dividend of 4.85p (2016: 4.85p)	3,766	4,134	–
Income 2016 fourth quarterly dividend of 1.45p	–	–	1,158
Income 2017 second quarterly dividend of 1.10p (2016: 1.10p)	1,033	878	–
Income 2017 third quarterly dividend of 1.10p (2016: 1.10p)	1,033	–	–
Total dividends declared	5,832	5,012	2,010

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

4. Return/(loss) per share

	(Unaudited) Six months ended 30th September 2016 £'000	(Unaudited) Six months ended 30th September 2015 £'000	(Audited) Year ended 31st March 2016 £'000
Growth Share			
Return/(loss) per share is based on the following:			
Revenue return	4,497	3,549	4,561
Capital return/(loss)	21,336	(21,716)	(9,141)
Total return/(loss)	25,833	(18,167)	(4,580)
Weighted average number of shares in issue	77,709,134	85,244,846	84,900,623
Revenue return per share	5.79p	4.16p	5.37p
Capital return/(loss) per share	27.46p	(25.48)p	(10.77)p
Total return/(loss) per share	33.25p	(21.32)p	(5.40)p

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
4. Return/(loss) per share *continued*

	(Unaudited) Six months ended 30th September 2016 £'000	(Unaudited) Six months ended 30th September 2015 £'000	(Audited) Year ended 31st March 2016 £'000
Income Share			
Return/(loss) per share is based on the following:			
Revenue return	4,567	3,080	3,757
Capital return/(loss)	11,553	(12,357)	(4,361)
Total return/(loss)	16,120	(9,277)	(604)
Weighted average number of shares in issue	93,884,791	79,854,104	80,505,803
Revenue return per share	4.86p	3.86p	4.67p
Capital return/(loss) per share	12.31p	(15.47)p	(5.42)p
Total return/(loss) per share	17.17p	(11.61)p	(0.75)p

5. Net asset value per share

	(Unaudited) Six months ended 30th September 2016 £'000	(Unaudited) Six months ended 30th September 2015 £'000	(Audited) Year ended 31st March 2016 £'000
Growth Share			
Shareholders' funds (£'000)	226,713	211,040	202,165
Number of shares in issue	77,652,655	85,244,846	77,833,926
Net asset value per share	292.0p	247.6p	259.7p
Income Share			
Shareholders' funds (£'000)	142,631	103,470	128,702
Number of shares in issue	93,884,791	79,854,104	93,884,791
Net asset value per share	151.9p	129.6p	137.1p

6. Reconciliation of net (loss)/return on ordinary activities before finance costs and taxation to net cash inflow/(outflow) from operating activities before dividends and interest

	(Unaudited) Six months ended 30th September 2016 £'000	(Unaudited) Six months ended 30th September 2015 £'000	(Audited) Year ended 31st March 2016 £'000
Net return/(loss) on ordinary activities before finance costs and taxation	43,265	(26,569)	(3,322)
(Less capital return)/add capital loss before finance costs and taxation	(33,349)	33,970	12,983
Scrip dividends included in income	(216)	(50)	(80)
Decrease in accrued income and other debtors	130	633	445
(Decrease)/increase in accrued expenses	(33)	(49)	1
Management fee charged to capital	(936)	(897)	(1,787)
Overseas withholding tax	(1,283)	(1,131)	(1,646)
Dividends received	(9,368)	(7,465)	(9,827)
Interest received	(2)	(95)	(104)
Realised gains/(losses) on foreign currency transactions	2,711	(39)	225
Realised gains on liquidity fund	1,589	610	1,504
Net cash inflow/(outflow) from operations before dividends and interest	2,508	(1,082)	(1,608)

7. Fair valuation of investments

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

	(Unaudited) Six months ended 30th September 2016		(Unaudited) Six months ended 30th September 2015		(Audited) Year ended 31st March 2016	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices for identical instruments in active markets	364,763	–	328,621	–	356,247	–
Level 2: Prices of recent transactions for identical instruments ¹	4,732	(337)	6,955	(165)	8,127	(569)
Total value of investments	369,495	(337)	335,576	(165)	364,374	(569)

¹ Includes forward foreign currency contracts, and mutual funds.

Shareholder Information

INTERIM MANAGEMENT REPORT

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

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company fall into the following broad categories: investment and strategy; accounting, legal and regulatory; corporate governance and shareholder relations; operational; and financial. Information on each of these areas is given in the Business Review within the Annual Report and Accounts for the year ended 31st March 2016.

Related Parties Transactions

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

Going Concern

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

Directors' Responsibilities

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

- (i) the condensed set of financial statements contained within the half yearly financial report has been prepared in accordance with FRS 104 'Interim Financial Reporting' and gives a true and fair view of the state of affairs of the Company and of the assets, liabilities, financial position and net return of the Company, as at 30th September 2016, as required by the UK Listing Authority Disclosure and Transparency Rules 4.2.4R; and
- (ii) the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure and Transparency Rules.

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

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

and the Directors confirm that they have done so.

For and on behalf of the Board

Andrew Adcock
Chairman

24th November 2016

CAPITAL STRUCTURE AND CONVERSION BETWEEN SHARE CLASSES

The Company has two share classes, each with distinct investment policies, objectives and underlying asset pools. Each share class is listed separately and traded on the London Stock Exchange. This capital structure means that shareholders may benefit from greater investment flexibility in a tax-efficient manner.

Capital Structure

- **Growth Shares**
Capital growth from Continental European investments, by consistent out-performance of the benchmark and a rising share price over the longer term by taking carefully controlled risks through an investment method that is clearly communicated to shareholders.
- **Income Shares**
To provide a growing income together with the potential for long-term capital growth from a diversified portfolio of investments in pan-european stockmarkets.

Conversion Opportunities

Shareholders in either of the two share classes are able to convert some or all of their shares into shares of the other classes without such conversion being treated, under current law, as a disposal for UK capital gains tax purposes.

The conversion mechanism allows shareholders to alter their investment profile to match their changing investment needs in a tax-efficient manner.

Conversion is annual on 15th March (if such a date is not a business day, then the conversion date will move to the next business day).

The Company, or its Manager, makes no administrative charge for any of the above conversions.

Conversion between the share classes

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

Instructions must be received in the month of February for March conversions.

The number of shares that will arise upon conversion will be determined on the basis of the relative net asset values of each share class.

More details concerning conversion dates and conversion instruction forms can be found on the Company's website: www.jpmeuropean.co.uk

GLOSSARY OF TERMS AND DEFINITIONS

Return to shareholders

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

Return on net assets

Total return on net asset value ('NAV') per share, on a bid value to bid value basis, assuming that all dividends paid out by the Company were reinvested into the relevant share class of the Company at the NAV per share at the time the shares were quoted ex-dividend.

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

Benchmark return

Total return on the benchmark, on a mid-market value to mid-market value basis, assuming that all dividends received were reinvested into the shares of the underlying companies at 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 track this index and consequently, there may be some divergence between the performance of the portfolio 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. If the amount calculated is negative, this is shown as a 'net cash' position.

Share price discount/premium to net asset value 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 per share. The opposite of a discount is a premium. It is more common for an investment trust's shares to trade at a discount than at a premium.

Ongoing Charges

Management fees and all other operating expenses, excluding finance costs and any performance fee payable, expressed as a percentage of the average of the daily net assets during the period. The ongoing charges are calculated in accordance with guidance issued by the Association of Investment Companies in May 2012. The figure as at 30th September 2016 is an estimated annualised figure based on the six months to 30th September 2016.

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	Interactive Investor
Alliance Trust Savings	James Brearley
Barclays Stockbrokers	James Hay
Bestinvest	Selftrade
Charles Stanley Direct	TD Direct
Hargreaves Lansdown	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



In association with:
icsa.
Registrars
Group

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

How to avoid share fraud

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

Report a scam

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

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

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

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

Information about the Company

FINANCIAL CALENDAR

Financial year end	31st March
Final results announced	June
Half year end	30th September
Half year results announced	November
Dividends payable – Growth	April and October
– Income	April, July, October and January
Annual General Meeting	July

History

JPMorgan European Investment Trust plc was formed in 1929 as The London and Holyrood Trust Limited and was a general investment trust until 1982 when the name was changed to The Fleming Universal Investment Trust. Under this name the portfolio became more internationally invested until November 1988, when the Board decided to concentrate on Continental European investments. In 1992 shareholders approved a formal adoption of this specialisation. The Company adopted its current structure and name in August 2006.

Directors

Andrew Adcock (Chairman)
Jo Dixon
Stephen Goldman
Jutta af Rosenborg
Stephen Russell

Company Numbers

Company registration number: 237958

London Stock Exchange Sedol numbers:

Growth: B18JK16

Income: B17XWW4

ISIN numbers:

Growth: GB00B18JK166

Income: GB00B17XWW44

Bloomberg Codes:

Growth: JETG LN

Income: JETI LN

Market Information

The Company's net asset value is published daily, via The London Stock Exchange. The Company's shares are listed on the London Stock Exchange. The market prices are shown daily in the Financial Times, The Times, the Daily Telegraph, The Scotsman and on the Company website at www.jpmeuropean.co.uk, where the share prices are updated every fifteen minutes during trading hours.

Website

www.jpmeuropean.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 number: 020 7742 4000

Please contact Paul Winship for company secretarial and administrative matters.

Depository

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

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

Registrars

Equiniti Limited
Reference 1080
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone number: 0371 384 2319

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 1080. Registered shareholders can obtain further details on their holdings on the internet by visiting www.shareview.co.uk.

Savings Product Administrators

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

Independent Auditor

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

Brokers

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

aic

The Association of
Investment Companies

A member of the AIC

www.jpmeuropean.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.