
JPMorgan American Investment Trust plc Annual General Meeting

11 May 2017

Agenda

- **Performance Review**
- Current Economic and Market Data
- Current Asset Allocation and Fund Structure

JPMorgan American Investment Trust plc: 2016 Results

NAV return¹		30.8%
Return to Shareholders²		34.9%
S&P 500 Composite Index (£)		33.1%
Interim Dividend (Net) Payment (October 2016)		2.25p
Final Dividend (Net) Proposed Payment (May 2017)		2.75p
Total Dividend for the financial year ended 2016		5.00p

¹ Source: J.P. Morgan Asset Management and based on cum income debt at par. ² Source: © Morningstar. All Rights Reserved.

The Company's benchmark index is the S&P 500 Index, net of the appropriate withholding tax, expressed in sterling total return terms. Past performance is not necessarily a reliable indicator for current and future performance.

Performance Attribution – Contributions to Total Returns

JPMorgan American Investment Trust plc

Contributions To Total Returns		Year ended 31 st December 2016
Net Asset Value Total Return (In sterling terms)		30.8%
Benchmark Total Return (In sterling terms)		33.1%
Excess Return		-2.3%
Contributions To Total Returns		
Large Cap Portfolio		-2.4%
Allocation Effect	-0.9%	
Selection Effect	-1.5%	
Small Cap Portfolio		-0.2%
Allocation Effect	-0.2%	
Gearing		2.7%
Cost Of Debt		-0.7%
Currency Hedge		-1.3%
Share Issuance		0.2%
Management Fee/Expenses		-0.6%
Total		-2.3%

Source: J.P. Morgan Asset Management, © Morningstar. All Rights Reserved. All figures are on a total return basis. Performance attribution analyses how the Company achieved its recorded performance relative to its benchmark index. Past performance is not necessarily a reliable indicator for current and future performance.

JPMorgan American Investment Trust plc: 2016 performance attribution

For the twelve month period ending 31 December 2016
Excludes Cash & Gearing (USD)

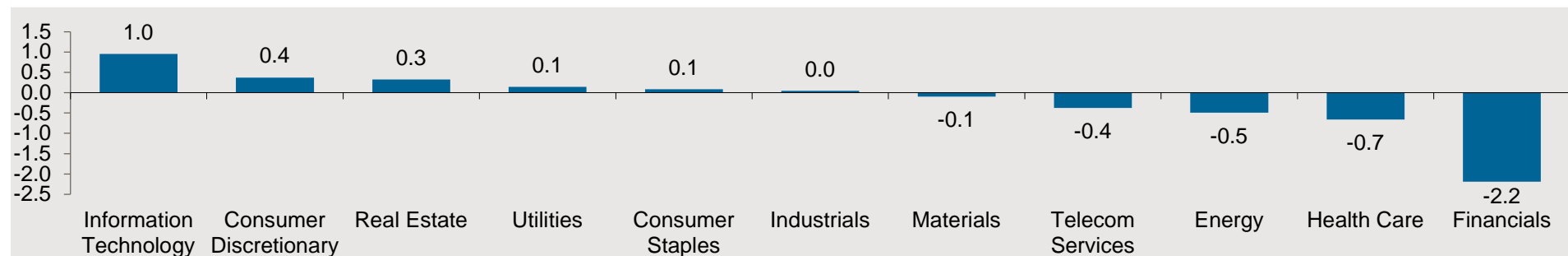
Attribution summary ¹	Stock: -1.04%
	Sector: -0.85%
Benchmark	S&P 500 Index

Stock attribution

Top Contributors	Relative weight (%)	Stock return (%)	Impact (%)
Qualcomm	2.17	35.11	0.45
UGI	1.70	39.51	0.35
Northrop	2.73	25.19	0.35
Allergan*	-0.41	-32.80	0.31
FMC Technologies	1.44	16.53	0.28

Top Detractors	Relative weight (%)	Stock return (%)	Impact (%)
Gilead Sciences	1.88	-27.61	-0.96
Voya Financial*	0.00	-36.02	-0.49
Bank of America*	-1.16	-13.17	-0.38
Cigna	0.42	-8.82	-0.30
JPMorgan Chase & Co. ²	-1.60	34.57	-0.30

Sector attribution (%)



Source: Wilshire. Excluding gearing and cash.

¹Attribution breakdown equates to the gross performance of the portfolio. ²Due to regulatory reasons, the portfolio is unable to hold JPMorgan Chase & Co. *Indicates stock was not held as of 31 December 2016. Stock attribution is based on stock selection to total return. 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. Past performance is not necessarily a reliable indicator for current and future performance.

JPMorgan American Investment Trust plc: Performance

As of 31 March 2017

Annualised performance in GBP (%)

	3 months	One year	Three years	Five years	Ten years*
JAMIT – NAV Cum Par (%)	5.10	33.82	19.79	17.61	12.36
Benchmark Return (%)	4.73	34.25	21.09	18.61	12.09
Geometric Excess Return (%)	+0.35%	-0.32%	-1.07%	-0.84%	+0.24%
Morningstar percentile ranking ¹	30	26	27	20	4
Number of Funds ¹	517	485	406	352	282

Source: J.P. Morgan Asset Management, Morningstar. Figures over 1 year are annualised.

Performance figures of those of the JPM American Investment Trust using NAV Cum Par Total Return in sterling versus the S&P 500 Total Return Index (net of 15% withholding Tax). *The ten year numbers are shown based on capital NAV Total Return. Excess Return is calculated geometrically.

¹ Competitive universe based on EAA OE US Large Cap Blend Morningstar category. © 2017 Morningstar. All Rights Reserved. The Morningstar information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is not necessarily a reliable indicator for current and future performance. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested.

Trading & Holdings Analysis

Matters considered:

Manager and Board reviewed the purchases and sales activity and analysed holdings of the Trust to identify any areas where the performance could be optimised.

Every trade analysed over Manager tenure (14 years)

- Buy timing
- Sell timing
- Holding period

Key findings and conclusions:

- New portfolio positions have typically performed well, therefore increase conviction in terms of initial position size
- Portfolio 'tail' too long and takes manager focus away from core portfolio, therefore reduce size of tail
- Some long term holdings have delivered dull returns, therefore reduce these and reinvest in higher conviction holdings

	June 30, 2016	December 31, 2016	March 31, 2017
Active share (%)	65.9	67.2	69.7
Beta	1.00	1.02	1.06
# of holdings	79	77	73
Tracking error	2.37	2.32	2.35

Resulting portfolio evolution 

Source: J.P. Morgan Asset Management

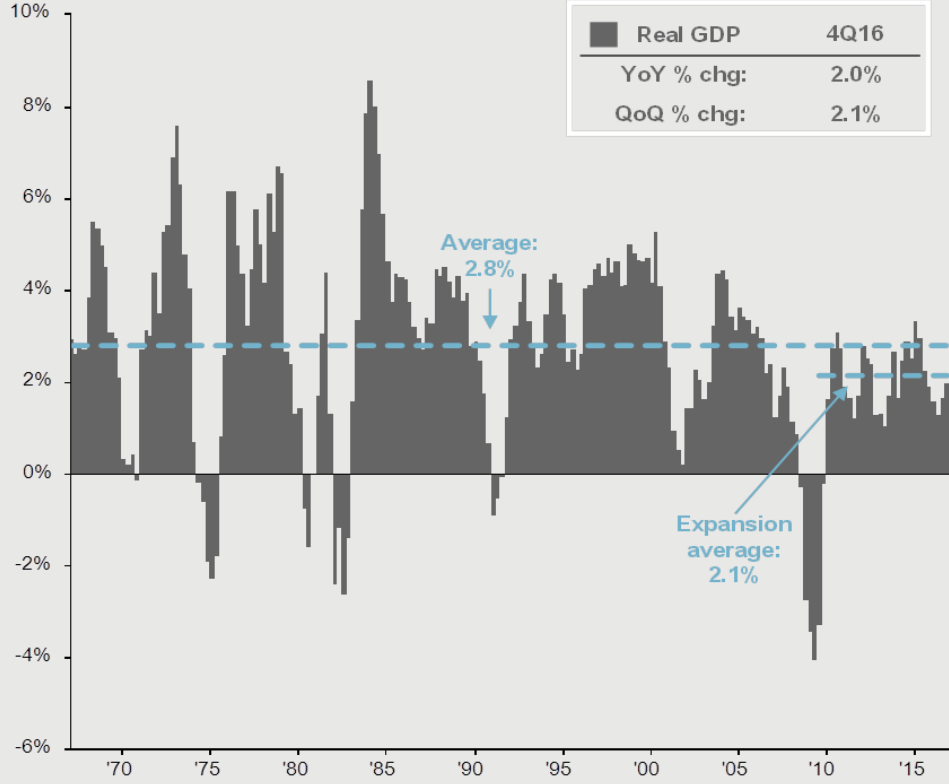
Agenda

- Performance Review
- **Current Economic and Market Data**
 - Corporate America and the US consumer remain in healthy shape
 - It is still early days into the new Presidential administration
- Current Asset Allocation and Fund Structure

Economic growth and the composition of GDP

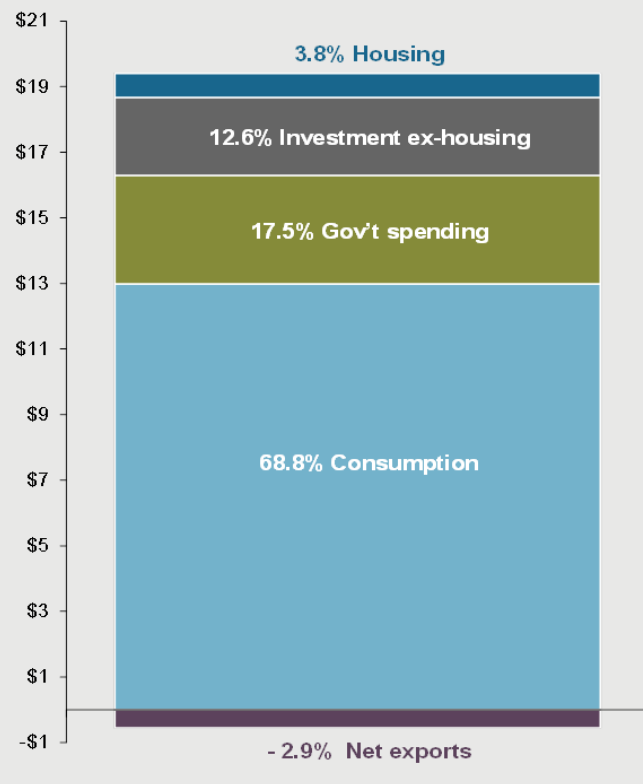
Real GDP

Year-over-year % change



Components of GDP

4Q16 nominal GDP, USD trillions



MARKET INSIGHTS

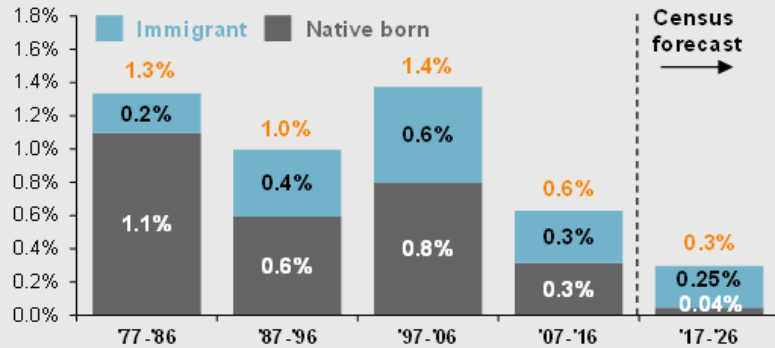
GTM – U.S. | Page 19

Source: BEA, FactSet, J.P. Morgan Asset Management.
 Values may not sum to 100% due to rounding. Quarter-over-quarter percent changes are at an annualized rate. Average represents the annualized growth rate for the full period. Expansion average refers to the period starting in the second quarter of 2009.
 Guide to the Markets – U.S. Data are as of March 31, 2017.

Long-term drivers of economic growth

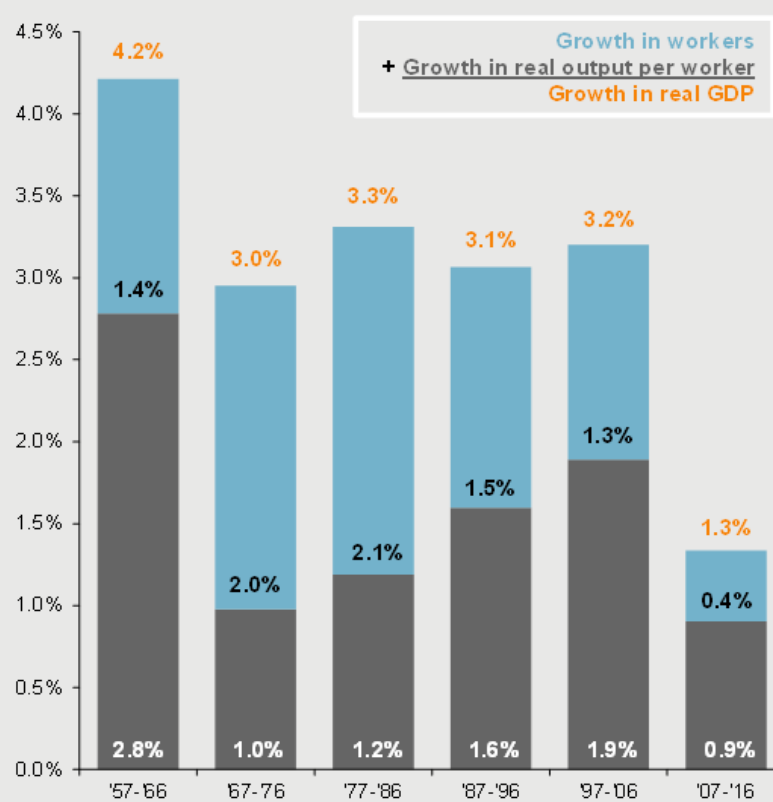
Growth in working-age population

Percent increase in civilian non-institutional population ages 16-64



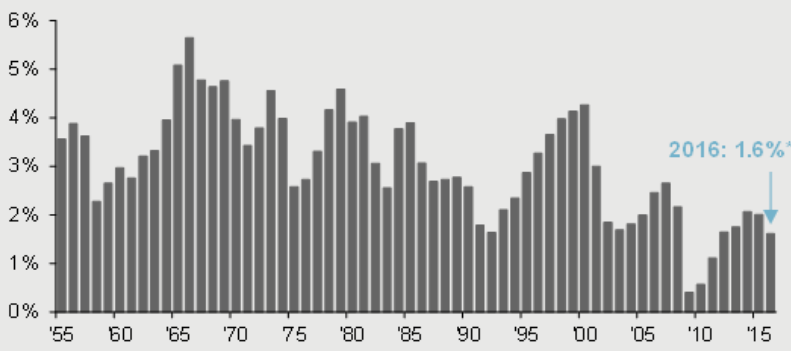
Drivers of GDP growth

Average year-over-year percent change



Growth in private non-residential capital stock

Non-residential fixed assets, year-over-year % change

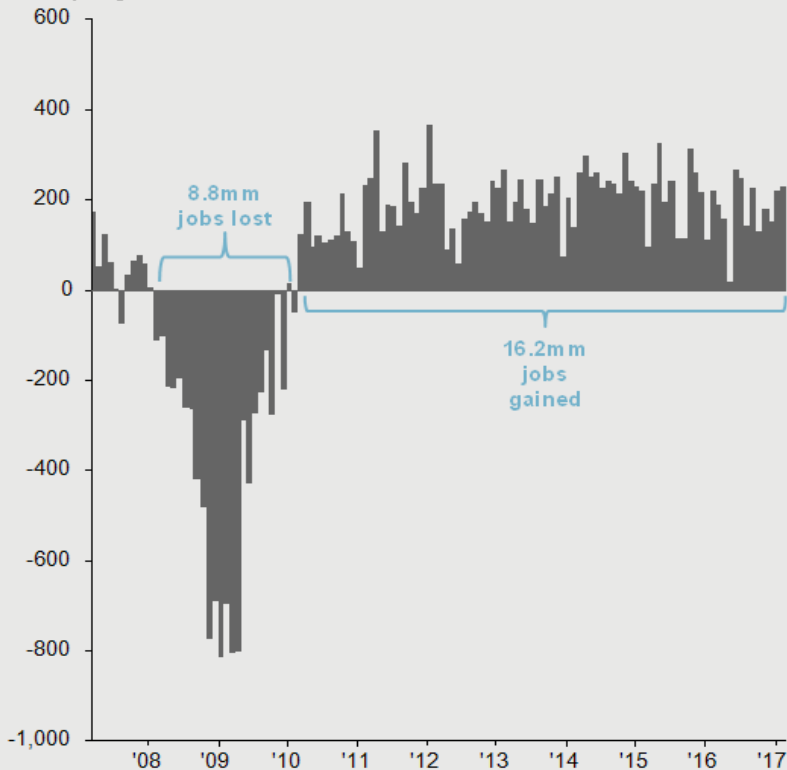


Source: J.P. Morgan Asset Management; (Top left) Census Bureau, DOD, DOJ; (Top left and right) BLS; (Right and bottom left) BEA. GDP drivers are calculated as the average annualized growth between 4Q of the first and last year. Future working age population is calculated as the total estimated number of Americans from the Census Bureau, controlled for military enrollment, growth in institutionalized population and demographic trends. Growth in working age population does not include illegal immigration; DOD Troop Readiness reports used to estimate percent of population enlisted. *J.P. Morgan Asset Management estimate. *Guide to the Markets – U.S.* Data are as of March 31, 2017.

Labor market perspectives

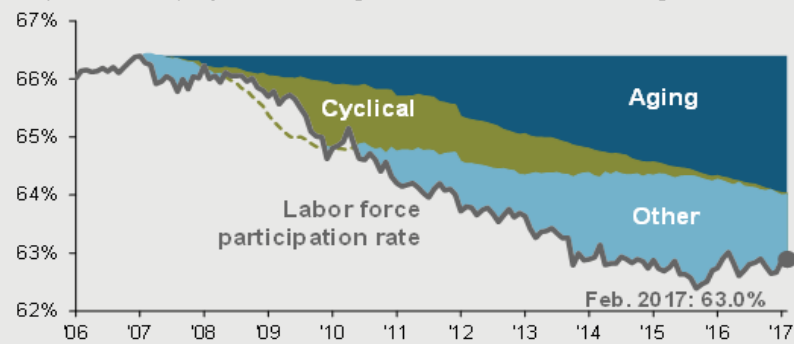
Employment – Total private payroll

Total job gain/loss, thousands



Labor force participation rate decline since 2007 peak*

Population employed or looking for work as a % of total, ages 16+

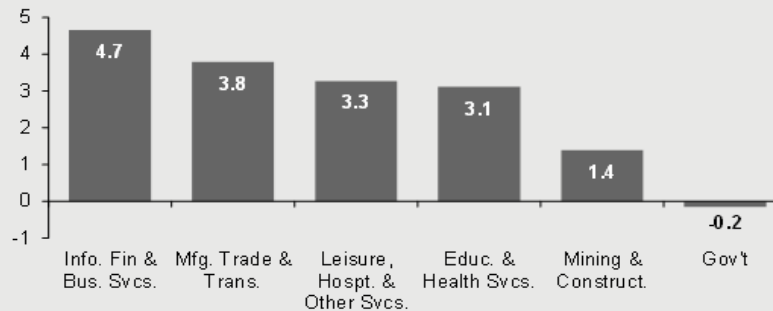


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Net job creation since February 2010

Millions of jobs



Source: BLS, FactSet, J.P. Morgan Asset Management. (Bottom right) Info. fin. & bus. svcs. = Information, financial activities and professional and business services; Mfg. trade & trans. = Manufacturing, trade, transportation and utilities; Leisure, hospt. & other svcs. = Leisure, hospitality and other services; Educ. & health svcs. = Education & health services; Mining and construct = Natural resources mining & construction; Gov't = Government. *Aging effect on the labor force participation rate is the estimated number of people who are no longer employed or looking for work because they are retired. Cyclical effect is the estimated number of people who lose their jobs and stop looking for work or do not look for work because of the economic conditions. Other represents the drop in labor force participation from the prior expansion peak that cannot be explained by age or cyclical effects. Estimates for reason of decline in labor force participation rate are made by J.P. Morgan Asset Management. *Guide to the Markets* – U.S. Data are as of March 31, 2017.

S&P 500 valuation measures

S&P 500 Index: Forward P/E ratio



Source: FactSet, FRB, IBES, Robert Shiller, Standard & Poor's, J.P. Morgan Asset Management.

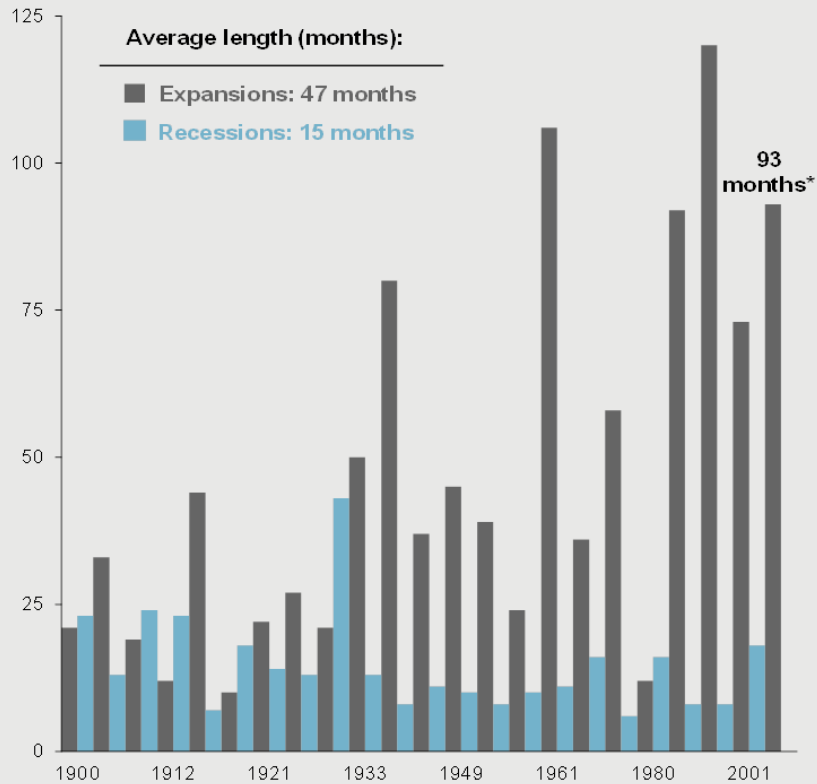
Price to earnings is price divided by consensus analyst estimates of earnings per share for the next 12 months as provided by IBES since December 1989, and FactSet for March 31, 2017. Average P/E and standard deviations are calculated using 25 years of FactSet history. Shiller's P/E uses trailing 10-years of inflation-adjusted earnings as reported by companies. Dividend yield is calculated as the next 12-month consensus dividend divided by most recent price. Price to book ratio is the price divided by book value per share. Price to cash flow is price divided by NTM cash flow. EY minus Baa yield is the forward earnings yield (consensus analyst estimates of EPS over the next 12 months divided by price) minus the Moody's Baa seasoned corporate bond yield. Std. dev. over-/under-valued is calculated using the average and standard deviation over 25 years for each measure.

^AP/CF is a 20-year average due to cash flow data availability.

Guide to the Markets – U.S. Data are as of March 31, 2017.

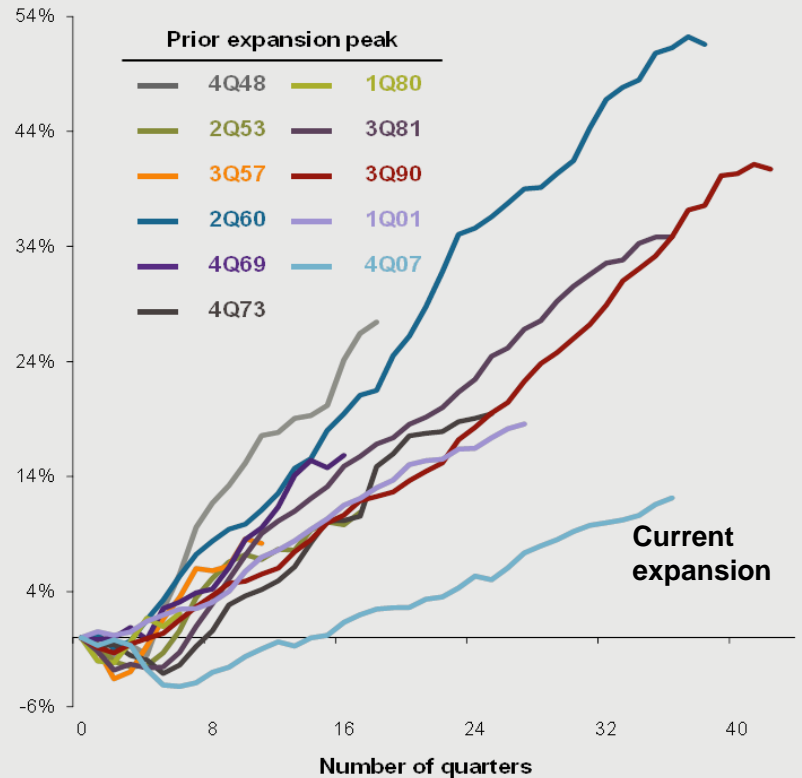
The length and strength of expansions

Length of economic expansions and recessions



Strength of economic expansions

Cumulative real GDP growth since prior peak, percent

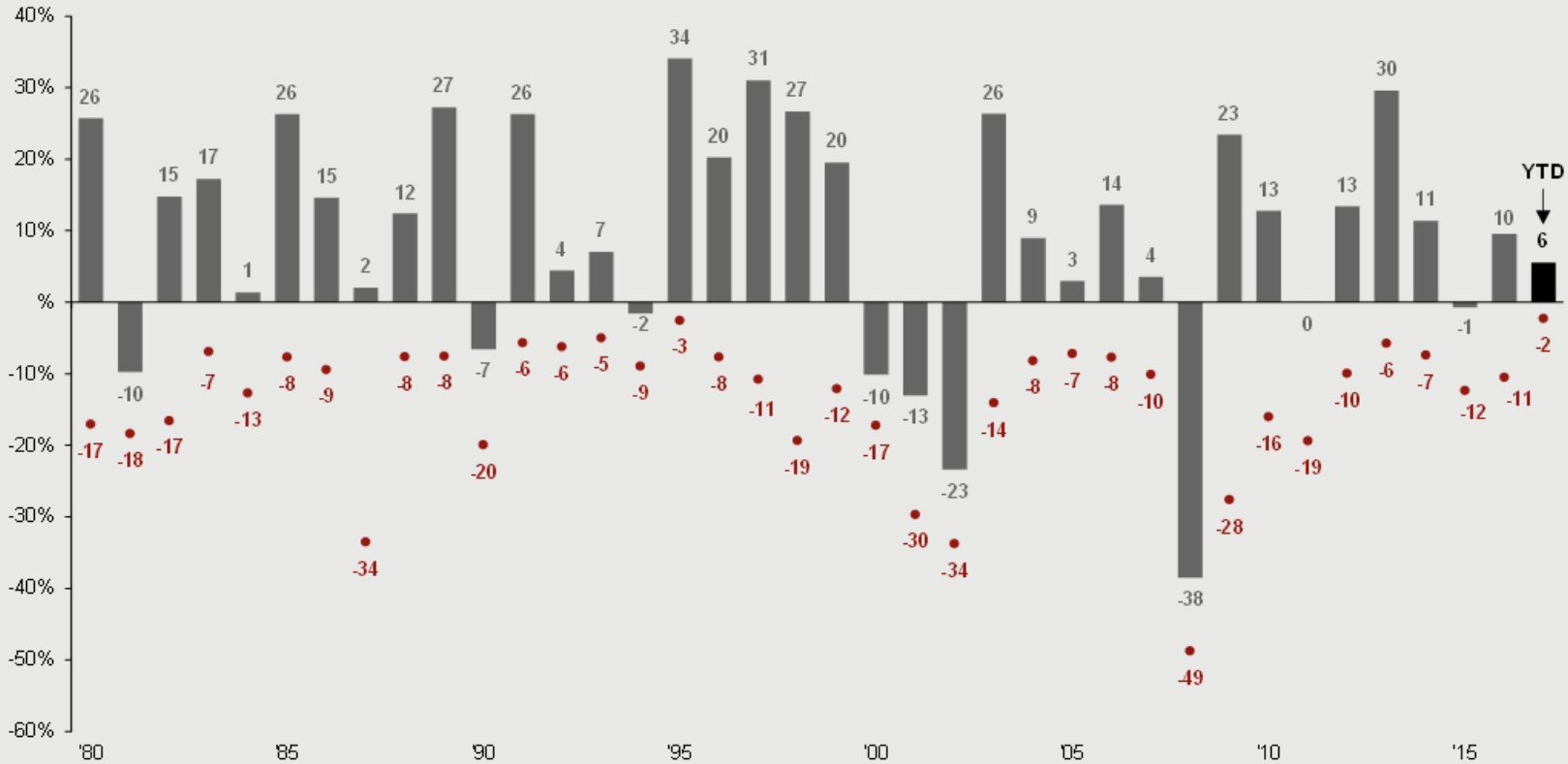


Source: BEA, NBER, J.P. Morgan Asset Management. *Chart assumes current expansion started in July 2009 and continued through March 2017, lasting 93 months so far. Data for length of economic expansions and recessions obtained from the National Bureau of Economic Research (NBER). These data can be found at www.nber.org/cycles/ and reflect information through March 2017. *Guide to the Markets – U.S.* Data are as of March 31, 2017.

Annual returns and intra-year declines

S&P 500 intra-year declines vs. calendar year returns

Despite average intra-year drops of 14.1%, annual returns positive in 28 of 37 years

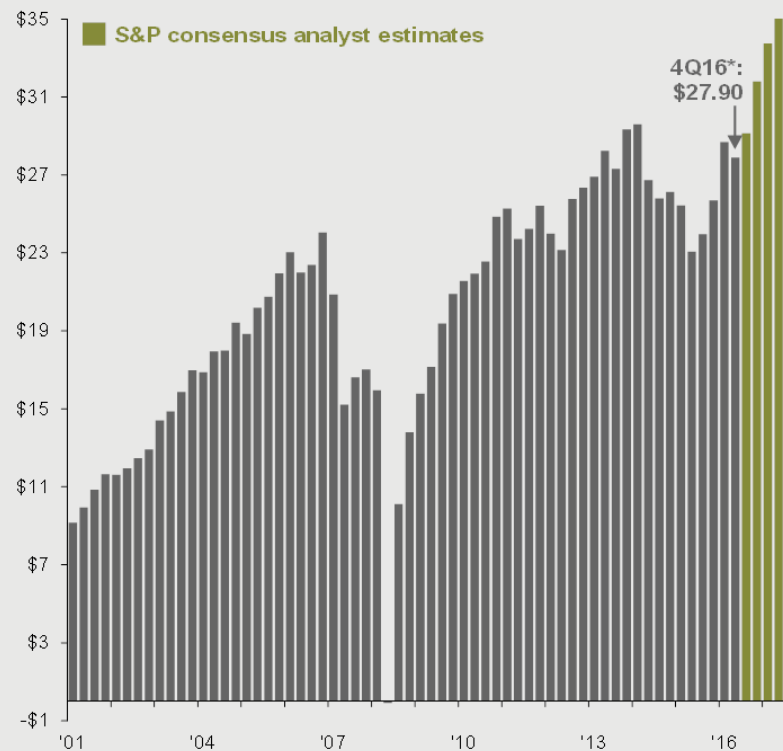


Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management. Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1980 to 2016, over which time period the average annual return was 8.5%. The 2017 bar represents the year-to-date return and is not included in the average annual return calculation. *Guide to the Markets – U.S.* Data are as of March 31, 2017.

Corporate profits

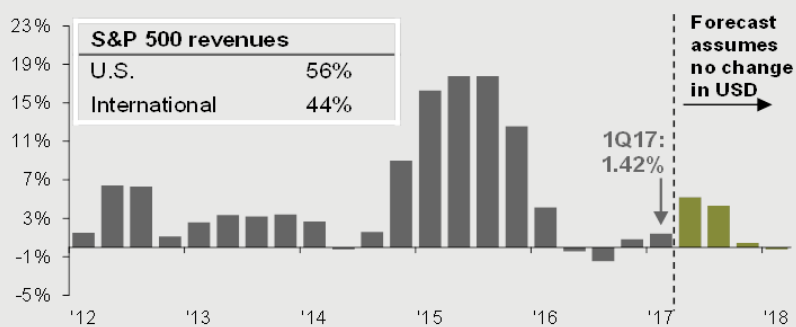
S&P 500 earnings per share

Index quarterly operating earnings



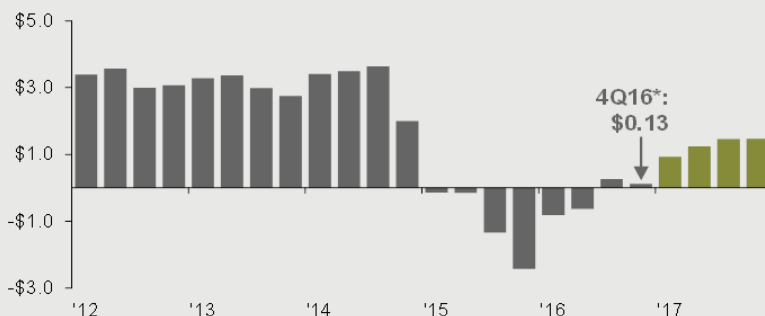
U.S. dollar

Year-over-year % change**, quarterly, USD major currencies index



Energy sector earnings

Energy sector contribution to S&P 500 EPS, quarterly



Source: Compustat, FactSet, Standard & Poor's, J.P. Morgan Asset Management; (Top right) Federal Reserve, S&P 500 individual company 10k filings, S&P Index Alert.

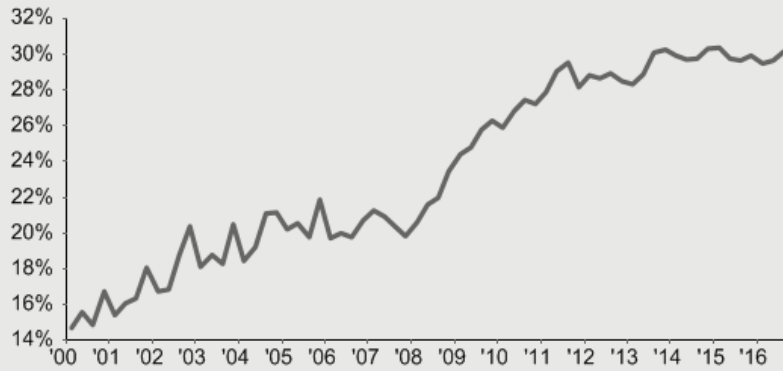
EPS levels are based on operating earnings per share. Earnings estimates are Standard & Poor's consensus analyst expectations. Past performance is not indicative of future returns. Currencies in the Trade Weighted U.S. Dollar Major Currencies Index are: British pound, euro, Swedish krona, Australian dollar, Canadian dollar, Japanese yen and Swiss franc. *4Q16 earnings are calculated using actual earnings for 98.2% of S&P 500 market cap and earnings estimates for the remaining companies. **Year-over-year change is calculated using the quarterly average for each period. USD forecast assumes no change in the U.S. dollar from its March 31, 2017 level.

Guide to the Markets – U.S. Data are as of March 31, 2017.

Corporate financials

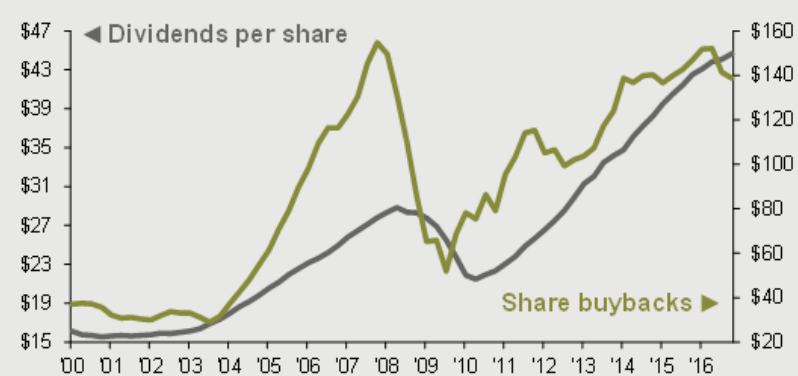
Corporate cash as a % of current assets

S&P 500 companies – cash and cash equivalents, quarterly



Cash returned to shareholders

S&P 500 companies, rolling 4-quarter averages, \$bn

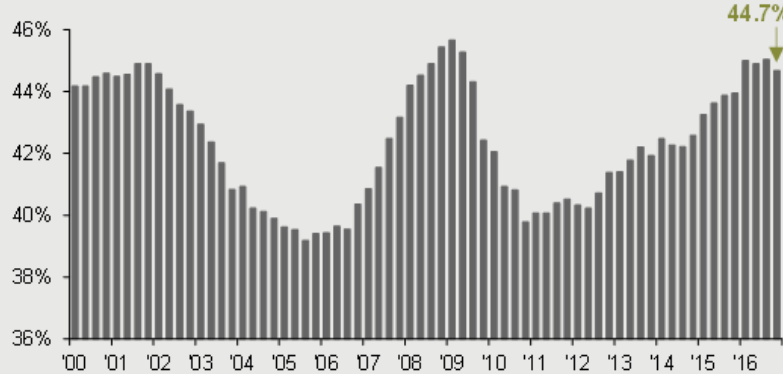


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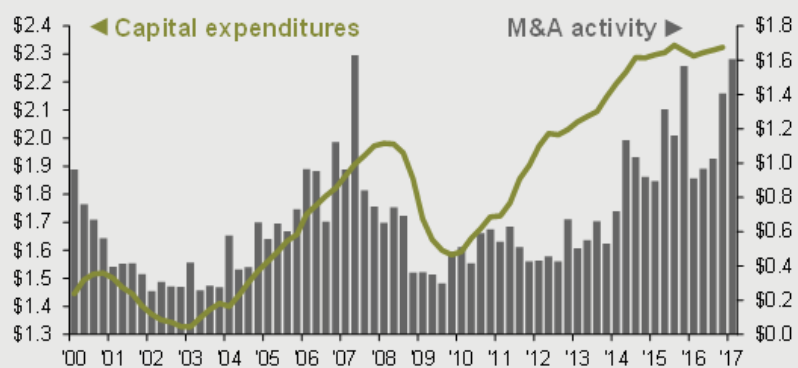
Nonfinancial corporate debt

U.S. nonfinancial corporations, % of GDP



Corporate growth

Private nonresidential fixed investment, value of deals announced, \$tn

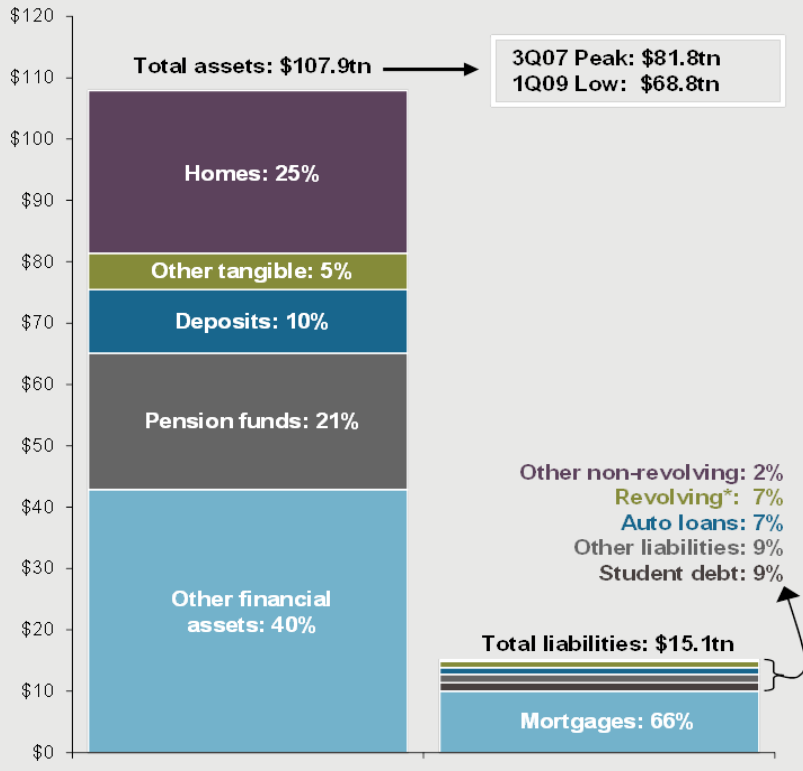


Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management; (Bottom left) BEA, Federal Reserve; (Bottom right) Bloomberg, BEA.
M&A activity is the quarterly value of officially announced transactions, and capital expenditures are private nonresidential fixed domestic investment.
Guide to the Markets – U.S. Data are as of March 31, 2017.

Consumer finances

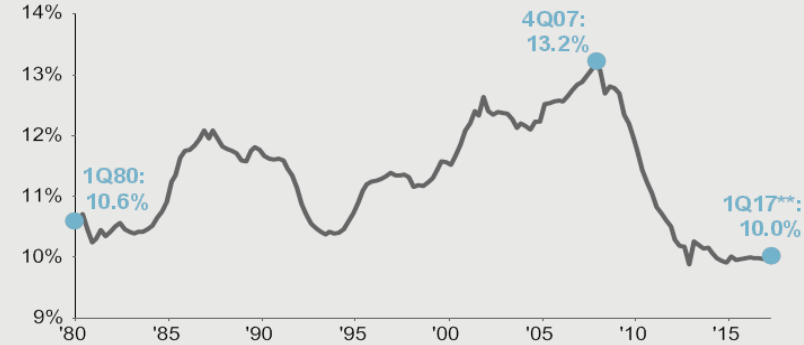
Consumer balance sheet

4Q16, trillions of dollars outstanding, not seasonally adjusted



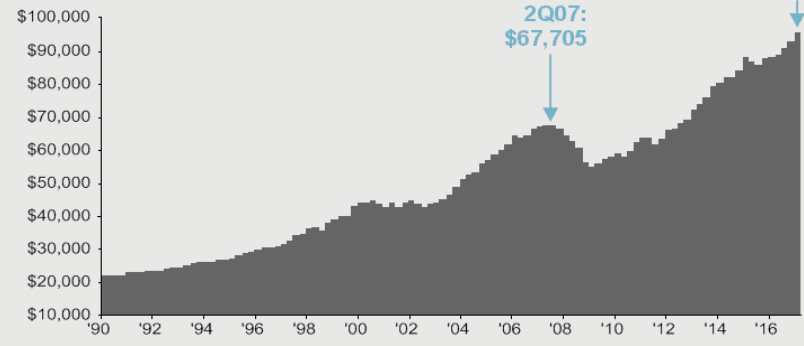
Household debt service ratio

Debt payments as % of disposable personal income, SA



Household net worth

Not seasonally adjusted, USD billions



Source: FactSet, FRB, J.P. Morgan Asset Management; (Top and bottom right) BEA.

Data include households and nonprofit organizations. SA – seasonally adjusted.

*Revolving includes credit cards. Values may not sum to 100% due to rounding. **1Q17 are J.P. Morgan Asset Management estimates.

Guide to the Markets – U.S. Data are as of March 31, 2017.

Agenda

- Performance Review
- Current Economic and Market Data
- **Current Asset Allocation and Fund Structure**
 - Asset Allocation
 - Sector Weights
 - Stock Weights

JPMorgan American Investment Trust plc: Asset Allocation – Trailing three years

As of 31 March 2017

	31-Mar 17	31-Dec 16	30-Sep 16	30-Jun 16	31-Mar 16	31-Dec 15	30-Sep 15	30-Jun 15	31-Mar 15
Large Cap Portfolio	92.5%	94.1%	93.5%	93.1%	94.9%	94.0%	93.7%	93.5%	94.0%
Small Cap Growth Portfolio	6.2%	4.8%	5.9%	5.3%	3.8%	4.1%	4.0%	4.9%	4.7%
Liquidity	1.2%	1.0%	0.6%	1.8%	1.2%	2.0%	2.3%	1.2%	1.4%
Unrealized Hedge Value	0.1%	0.0%	-0.1%	-0.3%	0.0%	-0.2%	-0.1%	0.3%	-0.1%
Total*	100%	100%	100%	100%	100%	100%	100%	100%	100%
Actual Gearing	9%	9%	8%	8%	8%	8%	9%	9%	9%

Source: J.P. Morgan Asset Management as at 31 March 2017.

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.

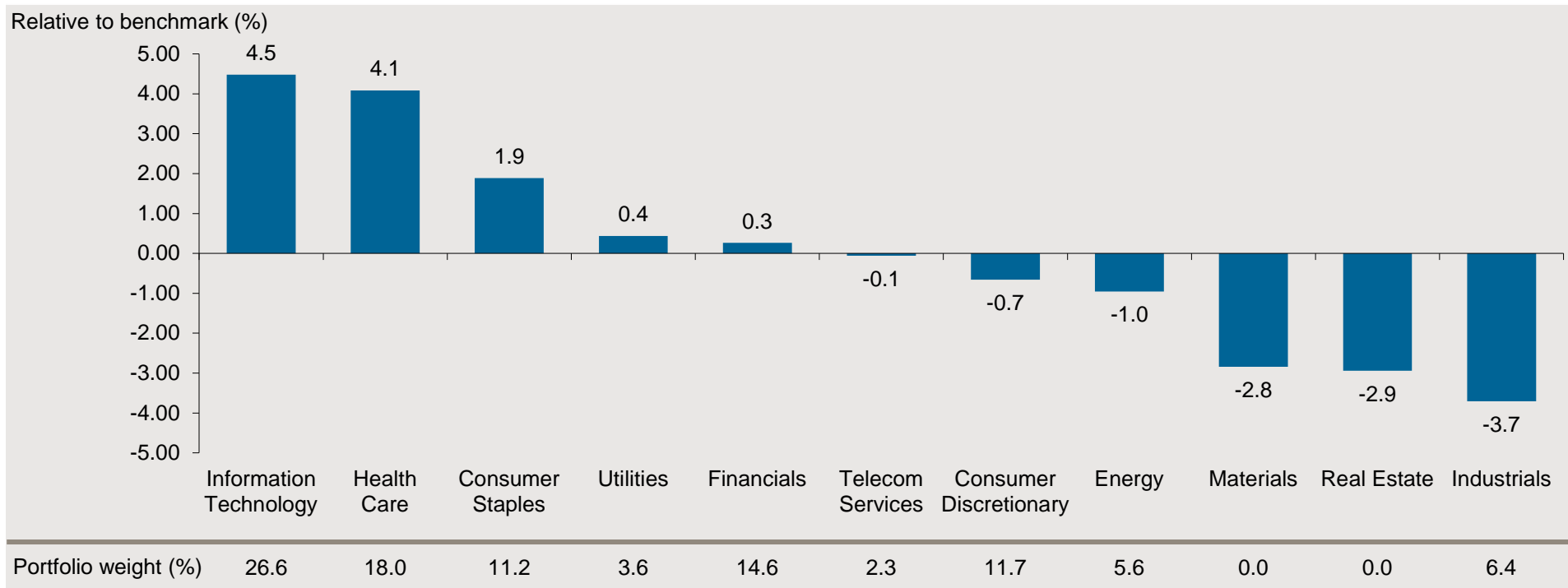
*Figures may not add up to 100% due to the removal of the allocation to the US Small & Micro Cap and unquoted portions of the Investment Trust.

Sector breakdown

JPMorgan American Investment Trust plc
As of 31 March 2017

Benchmark S&P 500 Index

Active and absolute sector positions



Source: Wilshire. Excludes gearing and cash. 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.

JPMorgan American Investment Trust plc: Portfolio Positions

As of 31 March 2017

Top 10 Holdings	(%)
Apple	6.8
Microsoft	5.5
Citigroup	3.3
McDonalds	2.1
Amgen	2.1
Walgreens Boots	2.1
Humana	2.0
Qualcomm	2.0
Gilead Sciences	2.0
AIG	2.0

Top 5 Overweights ¹	(%)
Apple	3.1
Microsoft	3.0
Citigroup	2.4
Humana	1.9
UGI	1.8
Top 5 Underweights ¹	(%)
Amazon*	-1.7
Exxon Mobil*	-1.7
Johnson & Johnson*	-1.7
Facebook*	-1.7
Berkshire Hathaway*	-1.6

Source: Wilshire.

¹Relative to the S&P 500 Index. *Indicates a stock not held as of 31 March 2017. 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.

Conclusions

- Valuations are high but not alarming
- The US continues its modest growth trajectory
- Corporate America continues to prudently manage its capital
- It is early days into the new Presidential administration

Investment objective and policy

Investment objective and policy

Aims to achieve capital growth from North American investments by outperformance of the S&P 500 index. The company will predominantly invest in quoted companies including, when appropriate, exposure to smaller capitalisation companies. The company has the ability to use borrowing to gear the portfolio within the range of 5% net cash to 20% geared in normal market conditions.

Risk information

- The investment objective of a trust may allow some flexibility in terms in portfolio composition.
- Exchange rate changes may cause the value of underlying overseas investments to go down as well as up.
- Investments in smaller companies may involve a higher degree of risk as these are usually more sensitive to price movements.
- Shares in smaller companies and emerging markets are generally traded less frequently than those in larger companies and established markets.
- This means that there may be difficulty in both buying and selling shares and individual share prices may be subject to short-term price fluctuations.
- 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.
- The Company may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that a relatively small movement, down or up, in the value of the Company's assets will result in a magnified movement, in the same direction, of that NAV.

J.P. Morgan Asset Management

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