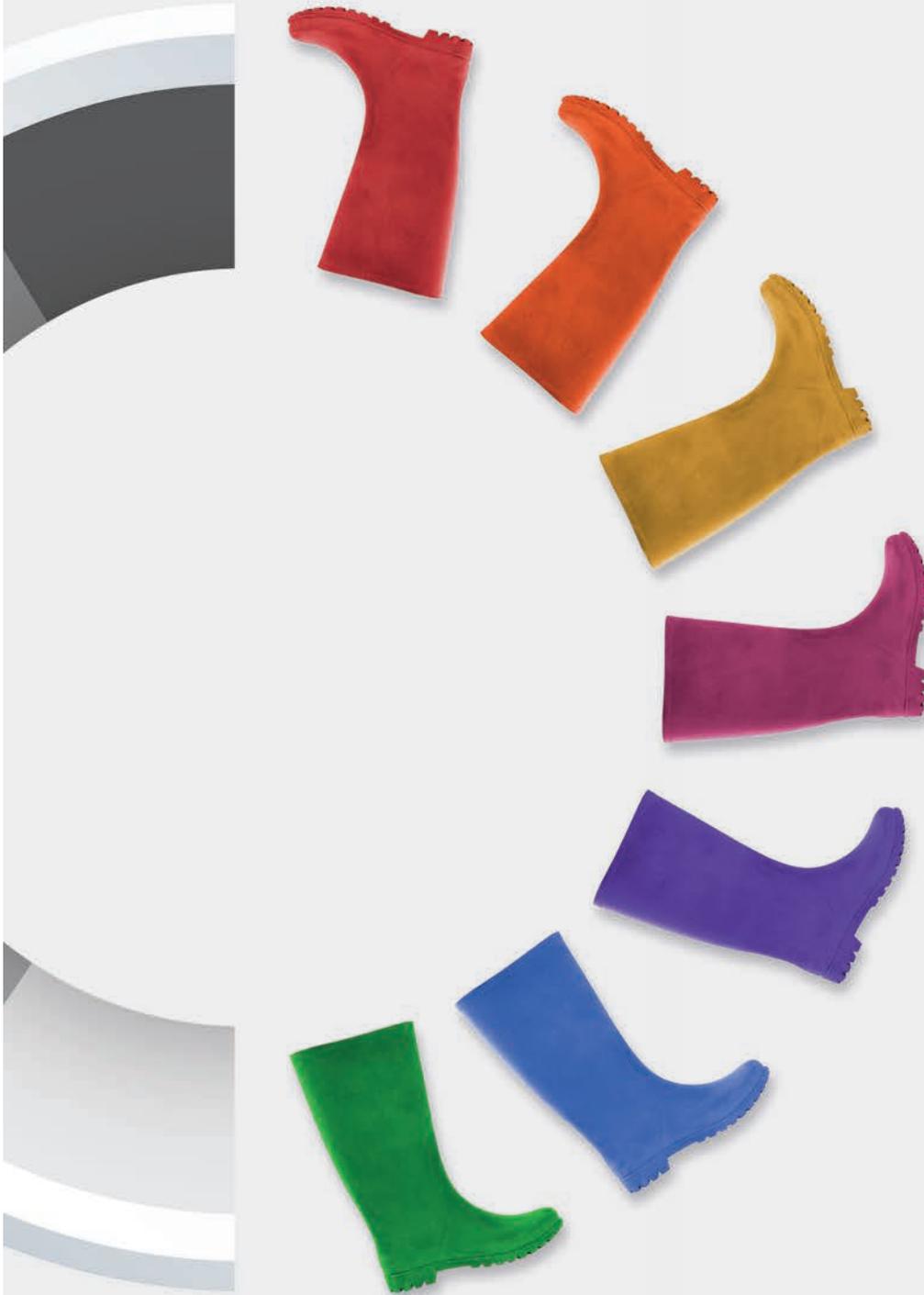


# JPMorgan Mid Cap Investment Trust plc

Half Year Report & Financial Statements for the six months ended 31st December 2017



# Features

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## Objective

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

## Investment Policies

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

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

## Benchmark

The FTSE 250 Index (excluding investment trusts).

## Capital Structure

- UK domiciled.
- Premium listing on the London Stock Exchange.
- As at 31st December 2017, the Company's issued share capital comprised 25,398,080 ordinary shares of 25p each including 1,585,400 shares held in Treasury.

## Management Company

The Company employs JPMorgan Funds Limited ('JPMF' or the 'Manager') as its Alternative Investment Fund Manager. JPMF delegates the management of the Company's portfolio to JPMorgan Asset Management ('JPMAM'). JPMAM is regulated by the Financial Conduct Authority.

## FCA regulation of 'non-mainstream pooled investments' and 'complex instruments'

The Company currently conducts its affairs so that the shares issued by JPMorgan Mid Cap 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.

The Company's ordinary shares are not considered to be 'complex instruments' under the FCA's 'Appropriateness' rules and guidance in the Conduct of Business sourcebook.

## AIC

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

## Website

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

# Contents

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## **HALF YEAR PERFORMANCE**

**2** Total Returns

## **ABOUT THE COMPANY**

**3** Chairman's Statement

**5** Investment Managers' Report

## **INVESTMENT REVIEW**

**7** List of Investments

**9** Portfolio Analyses

## **FINANCIAL STATEMENTS**

**10** Statement of Comprehensive Income

**11** Statement of Changes in Equity

**12** Statement of Financial Position

**13** Statement of Cash Flows

**14** Notes to the Financial Statements

## **17 INTERIM MANAGEMENT REPORT**

## **SHAREHOLDER INFORMATION**

**18** Glossary of Terms and Alternative Performance Measures ('APMs')

**20** Where to buy J.P. Morgan Investment Trusts

**21** Information about the Company

# Half Year Performance

## TOTAL RETURNS (INCLUDES DIVIDENDS REINVESTED) TO 31ST DECEMBER 2017

**+21.8%**

Return to shareholders<sup>1</sup>

**+13.5%**

Return on net assets<sup>2</sup>

**+9.1%**

Benchmark return<sup>3</sup>

**8.0p**

Interim Dividend (2016: 8.0p)

### Financial Data

	31st December 2017	30th June 2017	% change
Shareholders' funds (£'000)	308,457	275,936	+11.8
Number of shares in issue (excluding shares held in Treasury)	23,812,680	23,837,680	–
Net asset value per share	1,295.3p	1,157.6p	+11.9 <sup>4</sup>
Share price	1,203.0p	1,004.0p	+19.8 <sup>5</sup>
Share price discount to net asset value per share	7.1%	13.3%	
Gearing	2.8%	2.3%	
Ongoing charges ratio	0.81%	0.86%	

<sup>1</sup> Source: Morningstar.

<sup>2</sup> Source: Morningstar/J.P. Morgan, using cum income net asset value per share.

<sup>3</sup> Source: Morningstar. The Company's benchmark is the FTSE 250 Index (excluding investment trusts).

<sup>4</sup> This return excludes dividends reinvested. Including dividends reinvested the return would be +13.5%.

<sup>5</sup> This return excludes dividends reinvested. Including dividends reinvested the return would be +21.8%.

A glossary of terms and alternative performance measures is provided on pages 18 and 19.

# About the Company

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## CHAIRMAN'S STATEMENT



### Performance

In the year since I first wrote to you as Chairman of your Company, the UK stock market has continued on an upward trajectory. I am delighted to report that the Company has continued to outperform its benchmark. In the six months to 31st December 2017, the total return on net assets was +13.5%, which compares favourably with the +9.1% return from the Company's benchmark, the FTSE 250 Index (excluding investment trusts).

As appetite for the Company's shares recovered, the Company's share price discount to net asset value narrowed from the levels of last summer to 7.1%, giving shareholders a share price total return of +21.8%.

A review of the Company's performance for the period and the outlook for the remainder of the year is provided in the Investment Managers' Report.

### Revenue and Dividends

Net revenue after taxation for the six months to 31st December 2017 was £3.45 million (2016: £3.72 million) and earnings per share, calculated on the weighted average number of shares in issue, was 14.47p (2016: 15.51p). The Board has declared an interim dividend of 8.0p (2016: 8.0p) to be paid on 18th April 2018 to shareholders on the register at the close of business on 16th March 2018.

### Loan Facilities and Gearing

The Board has determined that in normal circumstances the Company's overall gearing range is 5% net cash to 25% geared. Within this range, after due consideration at each Board meeting, the Board normally sets a narrower, short term gearing range for the ensuing period. Changes in these guidelines between meetings may be undertaken after consultation with the Board. The Company ended the half year at 2.8% geared, reflecting the Investment Managers' ability to find attractively valued companies with good growth opportunities within their universe.

At the end of the reporting period, the Company had £20 million drawn out of loan facilities in place totalling £40 million. The loan facilities available to the Company are kept under review by the Board and will be increased should the Investment Managers wish to gear the portfolio beyond 10%.

### Management of the Discount

During the period under review, the Company repurchased 25,000 shares into Treasury, at a consideration of £259,000. The Board believes that the repurchase authority remains an important tool in the management of discount volatility and powers were again sought and approved by shareholders at the Company's 2017 Annual General Meeting. The Company will only repurchase shares at a discount to their prevailing net asset value.

## CHAIRMAN'S STATEMENT *CONTINUED*

### Regulation

Shareholders may be aware that the Regulator, the FCA, has recently introduced new rules (Packaged Retail and Insurance-based Investment Products Regulation (the 'PRIIPs Regulation')) that require the Manager, who is deemed to be the manufacturer of the investment product, in our case this investment trust, to prepare a Key Information Document (KID) in respect of the Company. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed. The KID is available on the Company's website. It is recommended that the KID is not considered in isolation but is read in conjunction with other documents published by the Company and its Manager.

### Board of Directors

Following many years of service to the Company, Gordon McQueen retired as a Director and Chairman of the Audit Committee in October 2017. I am delighted that Margaret Littlejohns has taken over as Chairman of the Audit Committee.

The Board and the Company benefited greatly from Gordon's dedication and guidance over the years and we wish him well.

### Prospects

As the Investment Managers highlight in their report, in the 25 years since its inception the FTSE 250 Index has grown enormously and has in fact outperformed every other mainstream major global index. Your Board believes that the breadth of opportunity the Index offers and relative lack of research analyst coverage of the companies in the benchmark, give the Investment Managers a great opportunity not only to participate in one of the fastest growing markets in the world but to generate additional excess returns over the long run. After eight years of a bull market for equities and particularly after a year where the FTSE 250 has returned over 17%, a correction to market levels is not a particular surprise. However the reports from the companies in which the portfolio is invested provide reassurance that long term performance for shareholders should remain encouraging. Also the very nature of the Mid Cap sector, with its greater diversification than the large cap indices, its greater incidence of Merger and Acquisition ('M&A') activity and lower level of 'sell-side' analytical surveillance, continues to provide opportunities for the Investment Managers to outperform their benchmark.

As I said a year ago, the longer term consequences of the Brexit vote are still a source of uncertainty for the UK economy and financial markets. Despite the lack of clarity, the UK stock market has remained resilient, particularly in the Mid Cap companies that the Company is invested in. This is evidenced by the significant pick up in M&A in the FTSE 250 Index over the last 12 months. Given these uncertainties and the opportunities outlined above, I believe that active management of a portfolio remains essential, in order to react to news and events in the markets as they unfold.

The UK Mid Cap market does not appear to be overvalued given medium term expectations for growth and inflation and provides some support if European or indeed global events prove to be disruptive. In the last 18 months particularly, the Investment Managers have shown how active management can reward shareholders and the Board has every confidence that they will continue to navigate the market successfully.

**Michael Hughes**  
Chairman

28th February 2018

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## INVESTMENT MANAGERS' REPORT



Georgina Brittain



Katen Patel

### Performance and Market Background

The global recovery strengthened in 2017, and the consensus forecast for world GDP growth in 2018 now stands at 3.9%. Against this, the UK's GDP outcome of 1.7% in 2017 was pedestrian, but better than expected. This, combined with stubbornly strong inflation, led to a 25bp rise in interest rates in November 2017 (and the majority of economists are expecting further increases in 2018). Whilst consumer confidence appears to have improved in the most recent survey, it remains both negative and volatile, but unemployment remains very low. While real wage growth was negative in 2017, we hope to see this slowly reverse this calendar year.

Against this backdrop, the FTSE 250 (ex Investment Trusts) Index continued its strong run, and returned +9.1% in the six months (outperforming both the FTSE 100 and the FTSE small cap indices). We are pleased to report that your Company outperformed its benchmark and provided a total return on net assets of +13.5%. The share price total return bettered that, as the discount narrowed, producing a return of +21.8%.

### Portfolio

The strong performance of your Company in the first half of this year was largely due to stock selection. A number of the portfolio's key holdings continued to perform well, notably Ashtead, Plus500, Intermediate Capital and NMC Health. There was only one stock detractor of note, namely JD Sports. This large and long-term holding continued to deliver strong growth and profits, but market concerns over its exposure to the UK consumer led to a share price decline. In terms of sector attribution, the two stand-out sectors in your portfolio were Support Services and Financial Services. In the former we benefited not only from the Ashtead holding, but also by not owning Capita, Aggreko and the ill-fated Carillion. Our overweight position in the financial services sector also provided strong returns.

We have mentioned Mergers and Acquisitions ('M&A') many times over the last few years. In 2017, the number of M&A deals in the UK hit a record high. In the first half of this financial year, we received cash from three of these take-overs, and our holding in Aldermore also received a bid. In addition, it should be noted that in the first month of 2018, UBM (a FTSE 250 stock we did not own) received a bid, and Melrose, another FTSE 250 constituent, bid for a FTSE 100 company, GKN.

New additions to the portfolio included a number of mid-sized companies such as Jupiter Fund Management, SSP, a food & beverage operator in travel locations worldwide, and Victoria, a highly successful carpet manufacturer with an aggressive acquisition strategy. These were funded by the M&A cash, and certain sales, including two positions that were promoted into the FTSE 100, Micro Focus and G4S. There were fewer IPOs in 2017 than in previous years, and we declined to participate in any in the first half of the financial year.

## INVESTMENT MANAGERS' REPORT *CONTINUED*

### Outlook

2017 marked the 25th anniversary of the formation of the FTSE 250 Index. In 1992, the combined market capitalisation was just under £100 billion, while today that figure stands at over £450 billion, despite a significant number of the success stories now being constituents of the FTSE 100. We remain confident of the continuation of this strong growth trajectory, despite the tortuous on-going Brexit negotiations, buoyed in no small part by the backdrop of very strong global growth.

Global stock markets have recently experienced a short period of notable volatility. In no way has this shaken our confidence in the outlook for our investments, and this is evidenced by our choosing to increase gearing levels post December 2017 to over 5% today.

**Georgina Brittain**

**Katen Patel**

Investment Managers

28th February 2018

# Investment Review

## LIST OF INVESTMENTS AS AT 31ST DECEMBER 2017

Company	Valuation £'000	Company	Valuation £'000
<b>Industrials</b>		<b>Consumer Services</b>	
Ashtead <sup>1</sup>	16,468	JD Sports Fashion	13,795
Electrocomponents	12,635	Wizz Air	6,806
Spirax-Sarco Engineering	5,902	Rightmove	6,070
Marshalls	5,812	B&M European Value Retail	5,691
Hill & Smith	5,357	Playtech	5,163
Melrose Industries	5,189	SSP	5,115
Renishaw	5,121	JustEat <sup>1</sup>	4,686
BBA Aviation	5,001	Auto Trader	4,410
IMI	4,732	WH Smith	3,806
RPC	4,231	Card Factory	3,683
Vesuvius	3,854	Ascential	3,106
Weir	3,609	National Express	3,085
Howden Joinery	3,524	Moneysupermarket.com	2,848
Hays	3,475	888	2,150
Bodycote	3,280		<b>70,414</b>
Coats	2,805	<b>Consumer Goods</b>	
Morgan Advanced Materials	2,718	Bellway	9,513
DS Smith <sup>1</sup>	2,717	Crest Nicholson	3,427
James Fisher & Sons	1,611	Greencore	2,527
Polypipe	1,605	Fevertree Drinks <sup>2</sup>	1,861
	<b>99,646</b>	Victoria <sup>2</sup>	1,650
<b>Financials</b>		Taylor Wimpey <sup>1</sup>	1,538
Intermediate Capital	11,793	Berkeley <sup>1</sup>	1,259
OneSavings Bank	9,663		<b>21,775</b>
BGEO	7,630	<b>Technology</b>	
Beazley	6,221	Sophos	6,885
Man	5,167	FDM	5,134
TP ICAP	5,107	Alfa Financial Software	2,923
Workspace	4,635	Softcat	1,870
Plus500 <sup>2</sup>	4,520		<b>16,812</b>
Jupiter Fund Management	4,274	<b>Health Care</b>	
Phoenix	3,832	NMC Health <sup>1</sup>	3,173
Close Brothers	3,794	Indivior	3,138
Shaftesbury	3,651	UDG Healthcare	3,127
Aldermore	3,561		<b>9,438</b>
Savills	3,325		
John Laing	2,820		
Tritax Big Box	2,774		
CLS	2,748		
TBC Bank	2,414		
	<b>87,929</b>		

## LIST OF INVESTMENTS AS AT 31ST DECEMBER 2017 *CONTINUED*

Company	Valuation £'000
<b>Basic Materials</b>	
KAZ Minerals	3,746
Ferrexpo	2,372
Hochschild Mining	1,845
	<b>7,963</b>
<b>Oil &amp; Gas</b>	
John Wood	1,364
Petrofac	1,018
	<b>2,382</b>
<b>Telecommunications</b>	
Inmarsat	588
	<b>588</b>
<b>Total Investments</b>	<b>316,947</b>

<sup>1</sup> FTSE 100 Index companies.

<sup>2</sup> AIM listed companies.

## PORTFOLIO ANALYSES AS AT 31ST DECEMBER 2017

### Investment Activity

	31st December 2017		30th June 2017	
	%		%	
FTSE 250 Index companies <sup>2</sup>	88.1		88.3	
FTSE 100 Index companies	9.4		9.7	
AIM listed companies	2.5		1.0	
Other investments <sup>2</sup>	–		1.0	
<b>Total</b>	<b>100.0</b>		<b>100.0</b>	

<sup>1</sup> Based on total investments of £316.9m (30th June 2017: £282.3m).

<sup>2</sup> Alfa Financial Software and 888 have been reclassified to FTSE 250 Index as at 31st December 2017. They were previously classified within Other investments.

### Sector

	31st December 2017		30th June 2017	
	Portfolio	Benchmark	Portfolio	Benchmark
	% <sup>1</sup>	%	% <sup>1</sup>	%
Industrials	31.4	28.4	32.1	30.5
Financials	27.7	25.1	23.7	24.3
Consumer Services	22.2	22.0	21.0	21.3
Consumer Goods	6.9	7.4	7.9	7.8
Technology	5.3	2.1	7.5	1.5
Health Care	3.0	5.0	4.5	4.6
Basic Materials	2.5	4.6	2.0	4.3
Oil & Gas	0.8	3.0	1.0	2.8
Telecommunications	0.2	1.1	0.3	1.5
Utilities	–	1.3	–	1.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup> Based on total investments of £316.9m (30th June 2017: £282.3m).

# Financial Statements

## STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31ST DECEMBER 2017

	(Unaudited) Six months ended 31st December 2017			(Unaudited) Six months ended 31st December 2016			(Audited) Year ended 30th June 2017		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Gains on investments held at fair value through profit or loss</b>	–	34,427	34,427	–	28,979	28,979	–	59,181	59,181
Net foreign currency (losses)/gains	–	(2)	(2)	–	11	11	–	7	7
Income from investments	4,052	–	4,052	4,247	–	4,247	8,433	–	8,433
Interest receivable and similar income	15	–	15	61	–	61	141	–	141
<b>Gross return</b>	<b>4,067</b>	<b>34,425</b>	<b>38,492</b>	<b>4,308</b>	<b>28,990</b>	<b>33,298</b>	<b>8,574</b>	<b>59,188</b>	<b>67,762</b>
Management fee	(287)	(671)	(958)	(232)	(542)	(774)	(497)	(1,158)	(1,655)
Other administrative expenses	(228)	–	(228)	(273)	–	(273)	(520)	–	(520)
<b>Net return on ordinary activities before finance costs and taxation</b>	<b>3,552</b>	<b>33,754</b>	<b>37,306</b>	<b>3,803</b>	<b>28,448</b>	<b>32,251</b>	<b>7,557</b>	<b>58,030</b>	<b>65,587</b>
Finance costs	(57)	(134)	(191)	(34)	(80)	(114)	(75)	(175)	(250)
<b>Net return on ordinary activities before taxation</b>	<b>3,495</b>	<b>33,620</b>	<b>37,115</b>	<b>3,769</b>	<b>28,368</b>	<b>32,137</b>	<b>7,482</b>	<b>57,855</b>	<b>65,337</b>
Taxation	(49)	–	(49)	(46)	–	(46)	(91)	–	(91)
<b>Net return on ordinary activities after taxation</b>	<b>3,446</b>	<b>33,620</b>	<b>37,066</b>	<b>3,723</b>	<b>28,368</b>	<b>32,091</b>	<b>7,391</b>	<b>57,855</b>	<b>65,246</b>
<b>Return per share</b> (note 3)	<b>14.47p</b>	<b>141.17p</b>	<b>155.64p</b>	<b>15.51p</b>	<b>118.22p</b>	<b>133.73p</b>	<b>30.88p</b>	<b>241.75p</b>	<b>272.63p</b>

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 net return on ordinary activities after taxation represents the profit for the period/year and also the Total Comprehensive Income.

## STATEMENT OF CHANGES IN EQUITY

### FOR THE SIX MONTHS ENDED 31ST DECEMBER 2017

	Called up share capital £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve <sup>1</sup> £'000	Total £'000
<b>Six months ended 31st December 2017 (Unaudited)</b>					
<b>At 30th June 2017</b>	6,350	3,650	254,676	11,260	275,936
Repurchase of shares into Treasury	–	–	(259)	–	(259)
Net return on ordinary activities	–	–	33,620	3,446	37,066
Dividends paid in the period (note 4)	–	–	–	(4,286)	(4,286)
<b>At 31st December 2017</b>	6,350	3,650	288,037	10,420	308,457
<b>Six months ended 31st December 2016 (Unaudited)</b>					
<b>At 30th June 2016</b>	6,350	3,650	198,298	9,976	218,274
Net return on ordinary activities	–	–	28,368	3,723	32,091
Dividends paid in the period (note 4)	–	–	–	(4,200)	(4,200)
<b>At 31st December 2016</b>	6,350	3,650	226,666	9,499	246,165
<b>Year ended 30th June 2017 (Audited)</b>					
<b>At 30th June 2016</b>	6,350	3,650	198,298	9,976	218,274
Repurchase of shares into Treasury	–	–	(1,477)	–	(1,477)
Net return on ordinary activities	–	–	57,855	7,391	65,246
Dividends paid in the period (note 4)	–	–	–	(6,107)	(6,107)
<b>At 30th June 2017</b>	6,350	3,650	254,676	11,260	275,936

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

**STATEMENT OF FINANCIAL POSITION**  
AT 31ST DECEMBER 2017

	(Unaudited) 31st December 2017 £'000	(Unaudited) 31st December 2016 £'000	(Audited) 30th June 2017 £'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss	316,947	248,479	282,318
<b>Current assets</b>			
Debtors	5,349	674	1,347
Cash and cash equivalents	6,729	5,386	10,434
	<b>12,078</b>	<b>6,060</b>	<b>11,781</b>
<b>Current liabilities</b>			
<b>Creditors:</b> amounts falling due within one year	(568)	(374)	(163)
<b>Net current assets</b>	<b>11,510</b>	<b>5,686</b>	<b>11,618</b>
<b>Total assets less current liabilities</b>	<b>328,457</b>	<b>254,165</b>	<b>293,936</b>
<b>Creditors:</b> amounts falling due after more than one year	(20,000)	(8,000)	(18,000)
<b>Net assets</b>	<b>308,457</b>	<b>246,165</b>	<b>275,936</b>
<b>Capital and reserves</b>			
Called up share capital	6,350	6,350	6,350
Capital redemption reserve	3,650	3,650	3,650
Capital reserves	288,037	226,666	254,676
Revenue reserve	10,420	9,499	11,260
<b>Total shareholders' funds</b>	<b>308,457</b>	<b>246,165</b>	<b>275,936</b>
<b>Net asset value per share</b> (note 5)	<b>1,295.3p</b>	<b>1,025.8p</b>	<b>1,157.6p</b>

## STATEMENT OF CASH FLOWS

### FOR THE SIX MONTHS ENDED 31ST DECEMBER 2017

	(Unaudited) Six months ended 31st December 2017 £'000	(Unaudited) Six months ended 31st December 2016 £'000	(Unaudited) Year ended 30th June 2017 £'000
<b>Net cash outflow from operations before dividends and interest</b> (note 6)	(1,291)	(1,013)	(1,957)
Dividends received	4,588	4,490	7,862
Interest received	12	15	24
Overseas tax recovered	4	2	42
Interest paid	(117)	(113)	(248)
<b>Net cash inflow from operating activities</b>	<b>3,196</b>	<b>3,381</b>	<b>5,723</b>
Purchases of investments	(54,767)	(60,091)	(105,072)
Sales of investments	50,411	57,354	98,426
Settlement of forward currency contracts	–	(2)	(3)
<b>Net cash outflow from investing activities</b>	<b>(4,356)</b>	<b>(2,739)</b>	<b>(6,649)</b>
Dividends paid	(4,286)	(4,200)	(6,107)
Repurchase of shares into Treasury	(259)	–	(1,477)
Drawdown of bank loan	16,000	–	20,000
Repayment of bank loan	(14,000)	–	(10,000)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(2,545)</b>	<b>(4,200)</b>	<b>2,416</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(3,705)</b>	<b>(3,558)</b>	<b>1,490</b>
Cash and cash equivalents at start of period	10,434	8,957	8,957
Exchange movements	–	(13)	(13)
Cash and cash equivalents at end of period	6,729	5,386	10,434
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(3,705)</b>	<b>(3,558)</b>	<b>1,490</b>
<b>Cash and cash equivalents consist of:</b>			
Cash and short term deposits	347	323	30
Cash held in JPMorgan Sterling Liquidity Fund	6,382	5,063	10,404
<b>Total</b>	<b>6,729</b>	<b>5,386</b>	<b>10,434</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31ST DECEMBER 2017

### 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 Auditor.

The figures and financial information for the year ended 30th June 2017 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 Auditor which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

In the previous financial year, the Company elected not to prepare a Statement of Cash Flows, applying the exemption from disclosure available under FRS 102 Section 7.1A(c). The Company has since reviewed the application of the exemption and has resolved not to apply it this year as the inclusion of the Statement of Cash Flows supports fuller financial analysis for the benefit of all stakeholders.

### 2. Accounting policies

The financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' of the United Kingdom Generally Accepted Accounting Practice ('UK GAAP') and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the revised 'SORP') issued by the Association of Investment Companies in November 2014, and updated in January 2017.

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 31st December 2017.

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 30th June 2017.

### 3. Return per share

	(Unaudited) Six months ended 31st December 2017 £'000	(Unaudited) Six months ended 31st December 2016 £'000	(Audited) Year ended 30th June 2017 £'000
Return per share is based on the following:			
Revenue return	3,446	3,723	7,391
Capital return	33,620	28,368	57,855
<b>Total return</b>	<b>37,066</b>	<b>32,091</b>	<b>65,246</b>
Weighted average number of shares in issue	23,815,805	23,997,180	23,931,396
Revenue return per share	14.47p	15.51p	30.88p
Capital return per share	141.17p	118.22p	241.75p
<b>Total return per share</b>	<b>155.64p</b>	<b>133.73p</b>	<b>272.63p</b>

#### 4. Dividends paid

	(Unaudited) Six months ended 31st December 2017 £'000	(Unaudited) Six months ended 31st December 2016 £'000	(Audited) Year ended 30th June 2017 £'000
2017 Final dividend of 15.0p (2016: 13.0p) per share	3,572	3,120	3,120
2017 Special dividend of 3.0p (2016: 4.5p) per share	714	1,080	1,080
2017 Interim dividend of 8.0p per share	–	–	1,907
<b>Total dividends paid</b>	<b>4,286</b>	<b>4,200</b>	<b>6,107</b>

All dividends paid in the period/year have been funded from the revenue reserve.

An interim dividend of 8.0p has been declared in respect of the six months ended 31st December 2017, to be paid on 18th April 2018.

#### 5. Net asset value per share

	(Unaudited) Six months ended 31st December 2017	(Unaudited) Six months ended 31st December 2016	(Audited) Year ended 30th June 2017
Net assets (£'000)	308,457	246,165	275,936
Number of shares in issue	23,812,680	23,997,180	23,837,680
<b>Net asset value per share</b>	<b>1,295.3p</b>	<b>1,025.8p</b>	<b>1,157.6p</b>

#### 6. Reconciliation of net return on ordinary activities before finance costs and taxation to net cash outflow from operations before dividends and interest

	(Unaudited) Six months ended 31st December 2017 £'000	(Unaudited) Six months ended 31st December 2016 £'000	(Unaudited) Year ended 30th June 2017 £'000
Net return on ordinary activities before finance costs and taxation	37,306	32,251	65,587
Less capital return on ordinary activities before finance costs and taxation	(33,754)	(28,448)	(58,030)
Scrip dividends received as income	–	(154)	(186)
Decrease/(Increase) in accrued income and other debtors	604	405	(309)
(Decrease)/Increase in accrued expenses	(108)	(33)	72
Management fee charged to capital	(671)	(542)	(1,158)
Overseas withholding tax	(66)	(13)	(70)
Dividends received	(4,588)	(4,490)	(7,862)
Interest received	(12)	(15)	(24)
Realised (losses)/gains on foreign currency transactions	(2)	26	23
<b>Net cash outflow from operations before dividends and interest</b>	<b>(1,291)</b>	<b>(1,013)</b>	<b>(1,957)</b>

## NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

### 7. Fair valuation of investments

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

	(Unaudited) Six months ended 31st December 2017		(Unaudited) Six months ended 31st December 2016		(Audited) Year ended 30th June 2017	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	316,947	–	248,479	–	282,318	–
<b>Total</b>	<b>316,947</b>	<b>–</b>	<b>248,479</b>	<b>–</b>	<b>282,318</b>	<b>–</b>

# Interim Management Report

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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 have not changed and fall into the following broad categories: investment and strategy; financial; accounting, legal and regulatory; corporate governance and shareholder relations and operational and cybercrime. Information on each of these areas is given in the Business Review within the Annual Report and Accounts for the year ended 30th June 2017.

## 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 during the period.

## Going Concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future and, more specifically, that there are no material uncertainties pertaining to the Company that would prevent its ability to continue in such operation existence for at least 12 months from the date of the approval of this half yearly financial report. For these reasons, they consider there is reasonable evidence to 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 31st December 2017, 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 Guidance 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

**Michael Hughes**  
Chairman

28th February 2018

# Shareholder Information

## GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES ('APMS')

### Return to Shareholders (APM)

Total return to the shareholder, on a last traded price to last traded price basis, assuming that all dividends received were reinvested, without transaction costs, into the shares of the Company at the time the shares were quoted ex-dividend.

Total return calculation	Page	Six months ended 31st December 2017	
Opening share price as at 30th June 2017	2	1,004.0p	
Closing share price as at 31st December 2017	2	1,203.0p	(a)
Reinvestment of dividend paid during the financial year			
Final and special dividend	15	18.0p	(b)
Share price on ex-dividend date 5th October 2017		1,103.5p	(c)
Total dividend adjustment factor (d = b / c + 1)		1.016312	(d)
Adjusted closing share price (e = a x d)		1,222.6p	(e)
<b>Total return to shareholder</b>		<b>21.8%</b>	

### Return on Net Assets (APM)

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 shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

Total return calculation	Page	Six months ended 31st December 2017	
Opening cum-income NAV per share as at 30th June 2017	2	1,157.6p	
Closing cum-income NAV per share as at 31st December 2017	2	1,295.3p	(a)
Reinvestment of dividend paid during the financial year			
Final and special dividend	15	18.0p	(b)
Cum-income NAV per share on ex-dividend date 5th October 2017		1,237.3p	(c)
Total dividend adjustment factor (d = b / c + 1)		1.014548	(d)
Adjusted closing cum-income NAV per share (e = a x d)		1,314.1p	(e)
<b>Total return on net assets</b>		<b>13.5%</b>	

### Benchmark Return

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

The benchmark is a recognised index of stocks which should not be taken as wholly representative of the Company's investment universe. The Company's investment strategy does not 'track' this index and consequently, there may be some divergence between the Company's performance and that of the benchmark.

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### Gearing/Net Cash (APM)

Gearing represents the excess amount above shareholder's 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.

Gearing calculation	Page	31st December 2017 £'000	30th June 2017 £'000	
Investments held at fair value through profit or loss	12	316,947	282,318	(a)
Net assets	12	308,457	275,936	(b)
<b>Gearing (c = a / b - 1)</b>		<b>2.8%</b>	<b>2.3%</b>	<b>(c)</b>

### Ongoing Charges Ratio (APM)

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

The figure as at 31st December 2017 is an estimated annualised figure based on the numbers for the six months ended 31st December 2017.

Ongoing charges calculation	Page	31st December 2017 £'000	30th June 2017 £'000	
Management fee	10	1,916	1,655	
Other administrative expenses	10	456	520	
Total management fee and other administrative expenses		2,372	2,175	(a)
Average daily cum-income net assets		292,800	253,125	(b)
<b>Ongoing Charges Ratio (c = a / b)</b>		<b>0.81%</b>	<b>0.86%</b>	<b>(c)</b>

### Share Price Discount/Premium to Net Asset Value ('NAV') per Share (APM)

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 (see page 2).

## 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](http://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 2017/18 tax year, from 6th April 2017 and ending 5th April 2018, the total ISA allowance is £20,000. 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](http://am.jpmorgan.co.uk/investor)

### 2. Via a third party provider

Third party providers include:

AJ Bell	Hargreaves Lansdown
Alliance Trust Savings	Interactive Investor
Barclays Stockbrokers	James Brearley
Bestinvest	James Hay
Charles Stanley Direct	Selftrade
FundsNetwork	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](http://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](http://fca.org.uk)

## Be ScamSmart

### Investment scams are designed to look like genuine investments

#### Spot the warning signs

Have you been:

- contacted out of the blue
- promised tempting returns and told the investment is safe
- called repeatedly, or
- told the offer is only available for a limited time?

If so, you might have been contacted by fraudsters.

### Avoid investment fraud

#### 1 Reject cold calls

If you've received unsolicited contact about an investment opportunity, chances are it's a high risk investment or a scam. You should treat the call with extreme caution. The safest thing to do is to hang up.

#### 2 Check the FCA Warning List

The FCA Warning List is a list of firms and individuals we know are operating without our authorisation.

#### 3 Get impartial advice

Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

**Remember: if it sounds too good to be true, it probably is!**

### Report a Scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at [www.fca.org.uk/consumers/report-scam-unauthorised-firm](http://www.fca.org.uk/consumers/report-scam-unauthorised-firm). You can also call the FCA Consumer Helpline on **0800 111 6768**

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at [www.actionfraud.police.uk](http://www.actionfraud.police.uk)

**Find out more at**  
[www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)



# Information about the Company

## FINANCIAL CALENDAR

Financial year end	30th June
Interim results announced	February/March
Final results announced	October
Half yearly dividends on ordinary shares paid	November, April
Annual General Meeting	November

## History

JPMorgan Mid Cap Investment Trust plc was launched in 1972 as Crossfriars Trust Limited. The Company changed its name to The Fleming Enterprise Investment Trust plc in 1982. It adopted its current investment policy of concentrating on FTSE 250 companies in 1993. The Company changed its name to The Fleming Mid Cap Investment Trust plc in October 1998, JPMorgan Fleming Mid Cap Investment Trust plc in October 2001 and adopted its present name on 9th November 2005.

## Directors

Michael Hughes (Chairman)  
John Evans  
Richard Gubbins  
Richard Huntingford (Senior Independent Director)  
Margaret Littlejohns (Chairman of the Audit Committee)

## Company Numbers

Company registration number: 1047690  
London Stock Exchange Sedol number: 0235761  
Bloomberg code: JMF LN549300QED7IGEP4UFN49  
LEI: 549300QED7IGEP4UFN49

## Market Information

The Company's net asset value ('NAV') is published daily via the London Stock Exchange. The Company's shares are listed on the London Stock Exchange and the price is noted daily in the Financial Times, The Times, The Daily Telegraph, The Scotsman and on the J.P. Morgan website at [www.jpmmidcap.co.uk](http://www.jpmmidcap.co.uk), where the share price is updated every fifteen minutes during trading hours.

## Website

[www.jpmmidcap.co.uk](http://www.jpmmidcap.co.uk)

## Share Transactions

The Company's shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf. They may also be purchased and held through the J.P. Morgan Investment Account, J.P. Morgan ISA and J.P. Morgan Junior ISA. These products are all available on the online service at [jpmorgan.co.uk/online](http://jpmorgan.co.uk/online)

## Manager and Company Secretary

JPMorgan Funds Limited  
Company's Registered Office  
60 Victoria Embankment  
London EC4Y 0JP  
Telephone number: 020 7742 4000

For company secretarial and administrative matters please contact Alison Vincent.

## Depositary

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

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

## Registrars

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

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

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

Registered shareholders can obtain further details on individual holdings on the internet by visiting [www.shareview.co.uk](http://www.shareview.co.uk)

## Independent Auditors

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

## Brokers

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

## Savings Product Administrators

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

**aic**

The Association of  
Investment Companies

A member of the AIC

[www.jpmmidcap.co.uk](http://www.jpmmidcap.co.uk)

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**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.