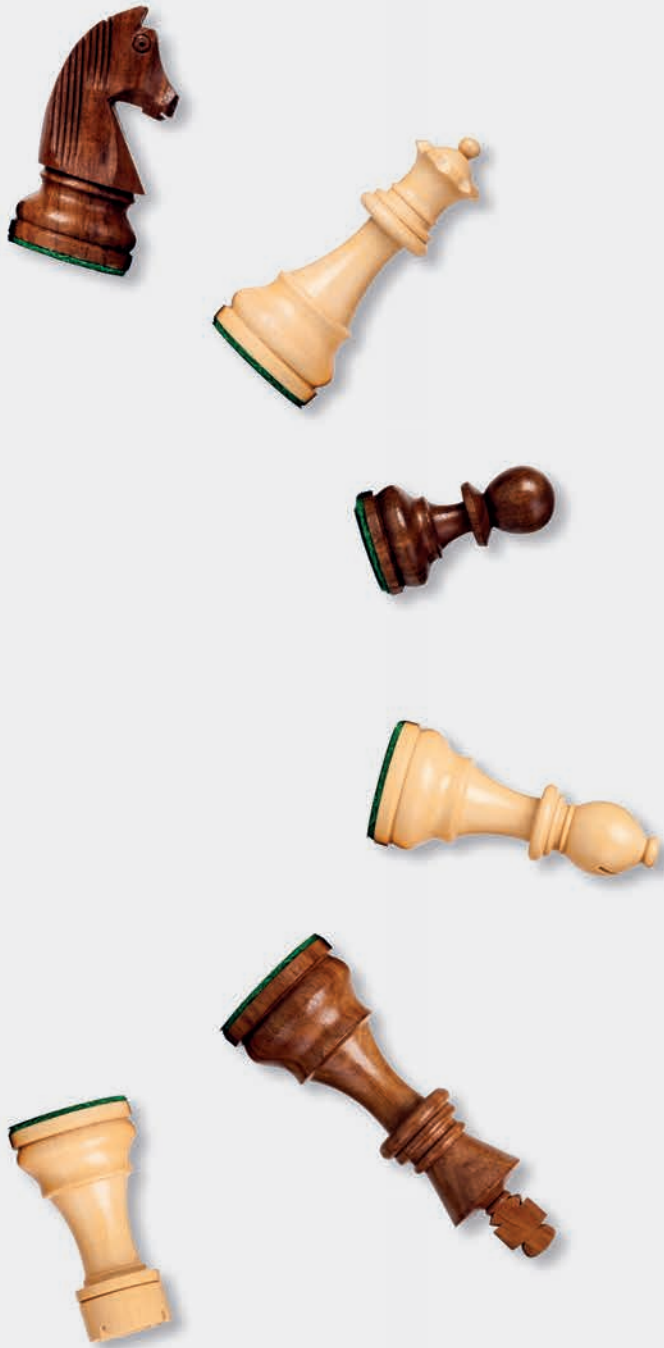


JPMorgan Elect plc

Half Year Report and Financial Statements for the six months ended 28th February 2018

- Managed Growth shares
- Managed Income shares
- Managed Cash shares



Features

JPMorgan Elect plc (the ‘Company’) has three share classes, each with distinct investment policies, objectives and underlying investment portfolios. Each share class is listed separately and traded on the London Stock Exchange. The Company’s capital structure means that shareholders may benefit from greater investment flexibility in a tax-efficient manner.

Objectives

Managed Growth

- Long term capital growth from investing in a range of investment trusts and open-ended funds managed principally by JPMorgan Asset Management.

Managed Income

- A growing income return with potential for long-term capital growth by investing in equities, investment companies and fixed income securities.

Managed Cash

- Preservation of capital with a yield based on short term interest rates by investing in a range of liquidity funds and short dated AAA-rated UK or G7 government securities hedged into sterling. Based on its return characteristics and the costs incurred in transacting in its shares, an investment in Managed Cash should only be considered by existing holders of Managed Growth and/or Managed Income shares who wish to switch into Managed Cash on the designated quarterly conversion dates. Further details are given on page 32.

Gearing

The Managed Income share class has the ability to use short-term gearing to increase potential returns to shareholders. The policy is to operate within a gearing range of 85% to 112.5%.

Investment Policies, Restrictions and Guidelines

More information on investment policies, risk management, restrictions and guidelines is given in the Business Review on pages 26 and 27 of the 2017 Annual Report and Accounts.

Benchmarks

Managed Growth

- A composite comprising 50% FTSE All-Share Index and 50% FTSE World Index (ex-UK).

Managed Income

- A composite comprising 85% FTSE All-Share Index and 15% Bloomberg Barclays Capital Global Corporate Bond Index (hedged) in sterling terms. (Changed to FTSE All-share Index with effect from 1st March 2018).

Managed Cash

- There is no benchmark for this portfolio. The Board’s aim is to maintain the net asset value as close to 100p per share as possible.

Capital Structure

At 28th February 2018, the following shares were in issue.

Managed Growth:

32,643,985 (31st August 2017: 33,725,314) Ordinary shares, excluding 5,533,238 (31st August 2017: 5,039,467) Treasury shares.

Managed Income:

73,644,599 (31st August 2017: 71,482,274) Ordinary shares, excluding 6,101,319 (31st August 2017: 4,555,996) Treasury shares.

Managed Cash:

5,050,668 (31st August 2017: 5,280,422) Ordinary shares. There were Nil shares held in Treasury (31st August 2017: Nil).

Conversions and Repurchase of Managed Cash Shares

Shareholders in any of the three share classes are able to convert some or all of their shares to the other classes on a quarterly basis without such conversion being treated, under current law, as a disposal for UK Capital Gains Tax purposes. It is also possible for holders of Managed Cash shares to elect to have all or part of their holding of those shares repurchased by the Company for cash at a price close to net asset value at each conversion date. Further details are given on page 30.

FCA Regulation of ‘Non-Mainstream Pooled Investments’ and ‘Complex Instruments’

The Company currently conducts its affairs so that the shares issued by JPMorgan Elect plc can be recommended by 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 COB sourcebook.

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 portfolios to JPMorgan Asset Management (UK) Limited (‘JPMAM’).

Association of Investment Companies

The Company is a member of the Association of Investment Companies (‘AIC’).

Website

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

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CHAIRMAN'S STATEMENT



Dear Shareholders,

I am very pleased to present my first statement to you since becoming Chairman of your Company in January this year. For the half year to 28th February, returns from the Managed Growth portfolio were positive, reflecting strong underlying fund performance. Returns from the Managed Income portfolio were marginally negative, as the UK market struggled to match performance internationally. The Managed Cash portfolio remained stable.

At the end of the half year period, markets weakened and volatility increased, as investors became more concerned about a range of issues, including US interest rates and the possibility of trade wars.

Managed Growth

The objective of the Managed Growth share class is long-term capital growth. The portfolio has delivered a total return on net assets of +4.6%, compared with the portfolio's benchmark which returned +0.7%. The share price total return was +3.8%. Details of the performance attribution analysis are set out in the Investment Managers' Report on pages 6 and 7.

For the half year ended 28th February 2018 the Board declared dividends of 5.70p per Managed Growth share compared to 5.45p for the half year ended 28th February 2017. Since this share class is a growth-oriented vehicle any income generated during the period is generally distributed in that period and investment decisions are not made with the objective of maintaining or growing income.

Managed Income

The Managed Income portfolio has delivered a total return on net assets of -1.6% just below the portfolio's benchmark which returned -0.9%. The share price total return was -0.6%. Details of the performance attribution analysis are set out in the Investment Managers' Report on pages 13 and 14.

The objective of the portfolio is to deliver a growing income return with the potential for long-term capital growth. It is also the Board's aim to increase the total dividends each year at least by inflation and to pay not less than 4.20p per share for the year ending 31st August 2018. In the absence of unforeseen circumstances the Board intends to declare the first three interim dividends for the year ending 31st August 2018 at 1.05p per share. The level of the fourth interim dividend will be determined by the Board towards the end of the Company's 2017/18 financial year and will depend on the level of dividends received and anticipated by the Company.

For the half year ended 28th February 2018 the Board declared dividends of 2.10p per Managed Income share (2017: 1.70p).

With effect from 1st March 2018 the benchmark index against which performance is measured was changed. The 15% weighting to the Bloomberg Barclays Capital Global Corporate Bond Index was removed and the portfolio is now measured simply against the FTSE All-Share Index (total return). This brings the Managed Income share class into line with the vast majority of investment trusts in the AIC UK Equity Income Sector and better reflects what we do in the underlying portfolio where we now have very little exposure to bonds.

The Board has also negotiated a £10 million, two year reducing credit facility with Scotiabank and this is now available to the Manager for gearing.

Managed Cash

The Managed Cash portfolio delivered a total return on net assets of +0.1%. The share price total return was -0.5%.

The portfolio's primary objective remains capital preservation through investment in high quality liquidity funds. The Managed Cash portfolio is invested in liquidity funds with AAA ratings as measured by Standard & Poor's, or an equivalent rating agency. At the end of August 2017 the Bank of England increased interest rates by a quarter of a percentage point. There have been no further increases since then.

The Board considers this class to be an asset allocation tool which continues to benefit shareholders of the Company's other share classes, offering the opportunity to switch into a safer share class in times of market volatility.

Investment Manager

We were so sad to report on the untimely death of Sarah Emly in December at the Annual General Meeting in January this year. Sarah was an important member of the JPMorgan team and was also a friend to many of those involved with JPMorgan Elect. She will be very much missed.

Katen Patel has now been appointed as a co-investment manager on the Managed Income share class portfolio. Katen joined JPMorgan Asset Management in 2013 and is co-investment manager for JPMorgan Smaller Companies Investment Trust plc, JPMorgan Mid Cap Investment Trust plc and JPMorgan UK Equity Income Fund.

Board Appointment

With my appointment as Chairman Karl Sternberg has agreed to assume the role of Senior Independent Director. This appointment is with immediate effect.

PRIIPs/KID

You may be aware that the Regulator has recently introduced new rules (Packaged Retail and Insurance-based Investment Products Regulation (the 'PRIIPs Regulation')) that require the Investment 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 the law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed. The Board recommends that the KID should only be read in conjunction with other literature about the Company.

Outlook

Despite the recent volatility of markets, our Managers remain cautiously optimistic on equities. Robust global growth should support earnings and dividends are expected to continue to increase. However, interest rates are expected to rise in the US and UK, and markets are already highly rated.

Over the next six months, we will see some modest changes to the Managed Income portfolio, as it is adjusted to reflect the change in its benchmark and the availability of a loan facility. The Board hopes that this will deliver enhanced returns to shareholders in the longer term.

Alan Hodson
Chairman

25th April 2018

MARKET REVIEW

The six months under review saw strong returns for global equity markets in local currency, up around 9% in US Dollars, but Sterling strength eroded these for a UK investor so that in Sterling terms global markets finished up around 2%. In fact the market peak came in late January, and February saw a global correction accompanied by an increase in volatility.

Over the period in local currencies Japan was the strongest market, boosted by Prime Minister Shinzo Abe's convincing election win, which strengthened investor conviction about popular backing for his programme of domestic reforms. The US market also did well, boosted by a further strong showing from fast-growing companies such as Facebook, Alphabet (Google), Netflix and Amazon. Emerging Markets also outperformed. Returns for the UK and Europe excluding UK were slightly negative.

Currency news was dominated by a further weakening from the US Dollar, with its trade-weighted index falling by another 3%. This weakening of the US Dollar happened despite an expected re-acceleration of the US economy in 2018 driven by a programme of tax cuts which was passed by the US Congress late in 2017; and despite interest rate differentials which remain strongly in the US Dollar's favour. The change in Chair at the Federal Reserve from Janet Yellen to Jay Powell brought no change in policy, with the Fed committed to further interest rate rises in acknowledgement of the continued US expansion.

The strong economic growth picture in 2018 is expected to lead to another year of earnings improvement, with the US and Japan especially strong – in the US this is the product of tax cuts coming into effect, driving US profits up by around 20%, while in Japan operational leverage and increasing returns on capital to shareholders are expected to propel profits around 30% higher. For the UK and Europe corporate profits are expected to be up around 9%. Valuation is starting to be something of a concern, and there were signs in February during the market correction that higher costs of capital as the Fed tightens and as central banks reduce their rates of asset purchase (or in the case of the US start to sell assets outright) are increasingly being factored in by shareholders.

Managed Growth Share Class

HALF YEAR PERFORMANCE

+3.8%

Return to shareholders¹

+4.6%

Return on net assets²

+0.7%

Benchmark return³

5.7p

Dividend⁴

The above are total returns and include dividends reinvested.

Financial Data

	28th February 2018	31st August 2017
Shareholders' funds (£'000)	266,297	264,942
Net asset value per share	815.8p	785.6p
Share price	787.5p	764.0p
Share price discount to net asset value per share	3.5%	2.7%
Ongoing Charges	0.53%	0.55%
Net cash	1.7%	1.9%

¹ Source: Morningstar.

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

³ Source: J.P. Morgan/Bloomberg. The benchmark is a composite comprising 50% FTSE All-Share Index and 50% FTSE World Index (ex-UK).

⁴ Represents two quarterly dividends. Dividends are usually paid quarterly in March, June, September and December.

A glossary of terms and alternative performance measures is provided on page 33.

INVESTMENT MANAGER'S REPORT



Katy Thorneycroft

Performance Review

The Managed Growth portfolio outperformed its benchmark over the period, returning +4.6% versus the benchmark return of +0.7%. The return to shareholders was +3.8%.

Managed Growth	6 Mths	1 Yr	3 Yrs pa	5 Yrs pa	10 Yrs pa
Return on net assets (%)	4.6	12.4	11.2	12.6	9.7
Return to shareholders (%)	3.8	11.5	10.6	12.3	9.5
Benchmark return (%)	0.7	5.7	9.5	10.1	8.5
FTSE All-Share Index (%)	-0.9	4.4	5.9	7.3	6.6
FTSE World ex UK (%)	2.5	7.6	13.8	13.6	10.8

During the six month period the portfolio has outperformed the benchmark. A combination of strong stock selection from our portfolio holdings and regional asset allocation drove this outperformance.

Over the period macroeconomic data confirmed that global growth is robust and synchronised. We have seen strong performance from underlying portfolio holdings as the majority of our largest holdings outperformed their own benchmarks over the six month period.

We made no meaningful change to the asset allocation over the first half of the financial year. The portfolio has maintained a broad overweight stance to Japan, Emerging Markets, Europe ex UK and the US to reflect our positive outlook on global growth. This has certainly helped as correlations across equity markets remained low, suggesting a meaningful benefit of maintaining this equity diversification across regions. Elsewhere, the UK is our least preferred region and the portfolio also benefited from being underweight in UK equities. While the UK has been impacted by an inflationary squeeze on real incomes, the economy has proved more resilient than expected.

At the end of February the investment trust sector average discount was 5.5% (excluding private equity, hedge funds and direct property), compared with 5.1% at the end of August 2018 (Source: Winterflood). We estimate that discount narrowing contributed to the portfolio return.

Top 5 by absolute performance (%)	6 Mths to 28th February 2018
JPM Chinese	24.0
JPM Japan Smaller Companies	16.5
JPM Japan	13.1
JPM Asian	12.9
Allianz Technology Trust	12.1

Bottom 5 by absolute performance (%)	6 Mths to 28th February 2018
Edinburgh Investment Trust	-6.4
Perpetual Income & Growth	-5.0
Murray Income Trust	-3.2
Schroder UK Growth Fund	-2.0
City of London Investment Trust	-1.9

Outlook

The growth outlook for 2018 remains robust, but emergence of the risk of higher inflation, and moderation in the pace of growth and earnings revisions have led to a mild dip in confidence. We remain positive on equities albeit with a little more caution than previously.

Katy Thorneycroft
Investment Manager

25th April 2018

LIST OF INVESTMENTS AT 28TH FEBRUARY 2018

Company	Valuation £'000
JPMorgan Managed Investment Trusts	
JPMorgan Claverhouse	27,825
JPMorgan American	23,371
JPMorgan European (Growth Shares)	12,627
JPMorgan Japanese	11,737
Mercantile	8,118
JPMorgan European Smaller Companies	6,916
JPMorgan Asian	6,212
JPMorgan US Smaller Companies	5,708
JPMorgan Emerging Markets	5,324
JPMorgan Smaller Companies	4,932
JPMorgan Japan Smaller Companies	2,828
JPMorgan Indian	1,752
JPMorgan Income & Capital (ordinary shares)	1,197
JPMorgan Chinese	861
	119,408

JPMorgan Managed Open-Ended Investment Companies	
JPMorgan UK Dynamic ('C' shares) ¹	29,106
JPMorgan US Equity All Capital ('C' shares) ¹	22,197
JPMorgan US Select Equity ¹	21,440
	72,743

Company	Valuation £'000
Externally Managed Investment Trusts	
Finsbury Growth & Income Trust	19,099
Schroder UK Growth	7,716
Allianz Technology	7,495
Murray Income	7,321
Fidelity Special Values	5,342
Fidelity European Values	4,822
Impax Environmental Markets	4,370
Edinburgh	3,026
BlackRock Frontiers	2,480
BlackRock Smaller Companies	2,120
Jupiter European Opportunities	1,731
Perpetual Income and Growth	1,636
Worldwide Healthcare	1,317
City of London	1,169
	69,644
Total Investments	261,795

Derivative Instruments Futures²	
EURO STOXX 50 Index Mar 2018	170
FTSE 100 Index Mar 2018	(195)
S&P 500 Emini Index Mar 2018	(21)
TOPIX Index Mar 2018	(43)
Total Derivative Instruments	(89)
Total Investments and Derivatives	261,706

¹ Unlisted and represents a holding in an Open Ended Investment Company ('OEIC') or a Société d'investissements à Capital Variable ('SICAV').

² Representing unrealised gains and losses on futures contracts.

GEOGRAPHICAL ANALYSIS (ON A LOOK THROUGH BASIS)

	28th February 2018		31st August 2017	
	Portfolio ¹ %	Benchmark %	Portfolio ¹ %	Benchmark %
UK	46.2	50.0	47.0	50.0
North America	31.2	30.7	30.3	30.5
Continental Europe	8.9	8.6	10.2	8.9
Japan	7.7	4.9	6.7	4.7
Asia (excluding Japan)	4.4	3.2	4.2	3.2
Emerging Markets and others	1.6	2.6	1.6	2.7
Total	100.0	100.0	100.0	100.0

¹ Based on total portfolio of £261.7m (2017: £259.9m), including open exposure to futures contracts.

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE SIX MONTHS ENDED 28TH FEBRUARY 2018

	Six months ended 28th February 2018			Six months ended 28th February 2017			Year ended 31st August 2017		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss	–	10,158	10,158	–	24,480	24,480	–	40,930	40,930
Net foreign currency (losses)/gains	–	(6)	(6)	–	25	25	–	16	16
Income from investments	2,500	–	2,500	2,267	–	2,267	4,902	–	4,902
Interest receivable and similar income	6	–	6	8	–	8	17	–	17
Gross return	2,506	10,152	12,658	2,275	24,505	26,780	4,919	40,946	45,865
Management fee	(130)	(386)	(516)	(111)	(334)	(445)	(234)	(703)	(937)
Other administrative expenses	(188)	–	(188)	(217)	–	(217)	(418)	–	(418)
Net return on ordinary activities before finance costs and taxation	2,188	9,766	11,954	1,947	24,171	26,118	4,267	40,243	44,510
Finance costs	–	(1)	(1)	–	–	–	–	(1)	(1)
Net return on ordinary activities before taxation	2,188	9,765	11,953	1,947	24,171	26,118	4,267	40,242	44,509
Taxation credit	1	–	1	1	–	1	1	–	1
Net return on ordinary activities after taxation	2,189	9,765	11,954	1,948	24,171	26,119	4,268	40,242	44,510
Return per Managed Growth share	6.59p	29.39p	35.98p	5.78p	71.75p	77.53p	12.63p	119.11p	131.74p

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AT 28TH FEBRUARY 2018

	28th February 2018 £'000	28th February 2017 £'000	31st August 2017 £'000
Fixed assets			
Investments held at fair value through profit or loss	261,795	238,069	259,853
Current assets			
Derivative financial assets	170	495	119
Debtors	659	522	743
Cash and cash equivalents	4,001	6,871	4,392
	4,830	7,888	5,254
Current liabilities			
Creditors: amounts falling due within one year	(69)	(90)	(134)
Derivative financial liabilities	(259)	(198)	(31)
Net current assets	4,502	7,600	5,089
Net assets	266,297	245,669	264,942
Net asset value per Managed Growth share	815.8p	736.0p	785.6p

Managed Income Share Class

HALF YEAR PERFORMANCE

-0.6%

Return to shareholders¹

-1.6%

Return on net assets²

-0.9%

Benchmark return³

2.1p

Dividend⁴

The above are total returns and include dividends reinvested.

Financial Data

	28th February 2018	31st August 2017
Shareholders' funds (£'000)	82,994	83,784
Net asset value per share	112.7p	117.2p
Share price	110.0p	112.8p
Share price discount to net asset value per share	2.4%	3.8%
Net yield per share ⁵	3.8%	3.5%
Ongoing Charges	0.72%	0.71%
Net cash	2.2%	3.5%

¹ Source: Morningstar.

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

³ Source: J.P. Morgan/Bloomberg. The benchmark is a composite comprising 85% FTSE All-Share Index and 15% Barclays Global Aggregate Corporate Bond Index (hedged) in sterling terms.

⁴ Represents two quarterly dividends. Dividends are usually paid quarterly in March, June, September and December.

⁵ The net yield is based on prior year total dividends per share, expressed as a percentage of the closing share price.

A glossary of terms and alternative performance measures is provided on page 33.

INVESTMENT MANAGERS' REPORT



John Baker



Katen Patel

Dividend Review

The UK stock market registered dividend growth of 10.5% in 2017, a material acceleration on the 2.6% growth delivered in 2016. The weakness in sterling in the aftermath of the EU referendum in June 2016 continued to have a positive impact on some of the more important sources of UK dividends: companies which declare their dividends in US dollars, notably the major oil and pharmaceutical stocks. It is important to note that, although the annual effect was positive, the pound strengthened over the course of 2017 to the extent that by the fourth quarter it was having a negative impact with dividend growth slowing to just 1.1%.

Thirteen sectors grew their dividends year on year in 2017 versus six that experienced a fall. Mining companies disproportionately contributed to overall growth, accounting for half of the total as they reinstated previously cancelled dividends. Glencore and Evraz recommenced payments whilst Rio Tinto increased its pay out meaningfully. Housebuilders also increased their dividends sharply as profit growth continued unabated. Sectors that registered year on year dividend declines included media, information technology and pharmaceuticals.

The outlook for dividend growth is heavily influenced by currency fluctuations which are difficult to predict. We note that at the time of writing sterling has continued to strengthen, reducing the positive translation effect we highlight above. Corporate profitability is also key and here we are cautiously optimistic as UK companies are benefiting from positive, albeit slower, economic growth in the UK whilst strong global growth is supportive of export led profit expansion.

Performance Review

The Managed Income portfolio underperformed its composite benchmark, delivering a total return on net assets of -1.6%, in comparison with the benchmark return of -0.9%.

Managed Income	6 Mths	1 Yr	3 Yrs pa	5 Yrs pa	10 Yrs pa
Return on net assets (%)	-1.6	4.7	5.5	8.1	6.4
Return to shareholders (%)	-0.6	5.7	5.4	6.8	6.6
Benchmark return (%)	-0.9	4.0	5.8	8.3	6.2

Mezzanine finance provider and asset manager, Intermediate Capital Group, was one of the best performing stocks in the portfolio in the first half of the financial year. The stock rose 20% as assets under management grew strongly, cementing strong profit growth, which in turn is supporting 6 - 8% dividend growth. Evraz, an iron ore and coal miner, contributed positively to returns as its shares rose 27% as a result of rising commodity prices. WH Smith also performed strongly as earnings are increasingly being driven by sales growth in its outlets in train stations and airports, offsetting a gentle decline from its high street operations.

Value greetings card retailer, Card Factory, detracted from returns as the shares plummeted 37% due to weaker than expected sales and profit growth. Returns were also negatively impacted by GlaxoSmithKline. Its third quarter report was poorly received as the company indicated that margins in 2018 could be under pressure. Our holding in National Grid performed poorly due to a mix of regulatory risk, dollar weakness, rising interest rates and, above all, nationalisation risk in the UK.

INVESTMENT MANAGERS' REPORT *CONTINUED*

Portfolio Review

There was no meaningful change to the asset allocation of the portfolio during the half year. The portfolio remained overweight equities relative to its composite benchmark.

We assess individual investment opportunities on whether earnings estimates are being revised up, whether the valuation is attractive and whether the balance sheet and forecast cash flows allow for dividend growth. As such portfolio construction is determined by bottom up stock selection with a focus on potential and sustainable dividend growth.

During the six month period we bought three new positions. The first was Just Group, a specialist retirement annuity provider with a competitive advantage deriving from ownership of detailed lifestyle and medical data. This allowed them to provide better prices for non-standard risks. Dividends are forecast to grow by 6.5% over the next 12 months. Secondly, we bought bus and train operator National Express following a positive trading update. The company reported strong performance from its overseas divisions and showed signs of a turnaround in its UK operations. Good free cash flow generation supports a dividend yield of 3.5% which is forecast to grow by 4.7%. Finally, educational material publisher Pearson was bought as it reversed a multi period run of negative earnings surprises by reporting stronger than expected organic growth in the third quarter leading to earnings upgrades.

We sold our position in Weir Group, a manufacturer of pumps for mining and oil companies. Their third quarter trading statement included a downgrade to guidance due to project phasing and increased costs. We also sold our holding in Card Factory. As noted above, the company reported weaker than expected sales growth and earnings forecasts fell. We reduced our position in house builder Berkeley Group which we believe is more exposed to 'Brexit' risks given its exposure to the premium London market. However, we remain comfortable with a continued position given the commitment by management to return excess cash to shareholders through dividends.

Outlook

The current bull market, which has been running since March 2009, is one of the longest on record. Moreover, the exceptional returns that equity investors have enjoyed recently have been delivered with very little volatility. For example, the MSCI World Index rose in every month last year, which is without precedent. This benign backdrop will not last. Global inflation and growth are both picking up with long bond yields rising in response. After almost a decade of continuous monetary stimulus, central banks are beginning to pull in their horns and starting to pass risk from themselves to investors. Short-term interest rates are starting to nudge up in the UK and even more so in the US. Moreover, President Trump has announced tariffs and other measures designed to punish China, who has promised to retaliate. This will cause some degree of volatility in equity prices, which investors should be prepared for. Moreover, the continuing Brexit negotiations and a politically fragile government at home are both likely to magnify the volatility in UK equities in the year ahead. We aim, however, to use such volatility to our advantage by picking up more of the shares we like at lower prices. The yield and growth in dividends on UK equities continue to appeal.

The change in the portfolio's benchmark from a composite of bonds and equities to just equities (FTSE All-Share Index) allows us the opportunity to capitalise on these opportunities going forward.

John Baker
Katen Patel
Investment Managers

25th April 2018

LIST OF INVESTMENTS AT 28TH FEBRUARY 2018

Company	Valuation £'000	Company	Valuation £'000
UK Equities		Forterra	798
Royal Dutch Shell	7,770	DCC	752
HSBC	5,277	DS Smith	747
BP	4,395	Booker	726
British American Tobacco	3,461	PageGroup	681
Rio Tinto	3,222	AIB	656
Lloyds Banking	3,030	Just	656
Vodafone	2,689	Costain	643
GlaxoSmithKline	2,539	Morgan Advanced Materials	634
Prudential	2,252	National Express	629
Aviva	2,180	Jupiter Fund Management	622
Beazley	1,768	Berkeley	619
Diageo	1,675	Schroders	606
Glencore	1,568	B&M European Value Retail	592
Electrocomponents	1,535	Sabre Insurance	563
Legal & General	1,479	Severn Trent	477
BAE Systems	1,444	Headlam	439
Intermediate Capital	1,393	Lancashire	437
Phoenix	1,382	Bellway	430
Imperial Brands	1,361	Morgan Sindall	396
WH Smith	1,313	SThree	332
Persimmon	1,301	IntegraFin	177
National Grid	1,269		77,482
Taylor Wimpey	1,215	JPMorgan Managed Investment Trusts	
Mondi	1,199	JPMorgan European (Income Shares)	1,105
Direct Line Insurance	1,125		1,105
Carnival	1,123	JPMorgan Managed Bond Funds	
ITV	1,026	JPM Global High Yield Bond Fund ('A' - Income shares) ¹	2,572
Evraz	1,011		2,572
Games Workshop	996	Total Investments	81,159
888	994		
Pearson	982		
Anglo American	896		

¹ Unlisted and represents a holding in an Open Ended Investment Company ('OEIC').

TEN LARGEST INCOME PAYERS¹ FOR THE SIX MONTHS ENDED 28TH FEBRUARY 2018

Company	£'000
Royal Dutch Shell	212
HSBC	165
BP	119
GlaxoSmithKline	82
JPM Global High Yield Bond Fund ('A' - Income shares)	73
Imperial Brands	62
Phoenix	52
Vodafone	44
Card Factory	39
Aviva	36
Total (65.9%)²	884

¹ In terms of amounts of income received by the Managed Income portfolio.

² Represents the total ten largest dividend payments expressed as a percentage of income from investments.

SECTOR ANALYSIS

	28th February 2018		31st August 2017	
	Portfolio ¹ %	Benchmark %	Portfolio ¹ %	Benchmark %
Financials	29.0	20.9	29.3	20.2
Oil & Gas	15.0	10.7	11.5	9.7
Consumer Goods	14.2	12.4	18.7	13.8
Industrials	9.8	9.1	10.1	9.5
Basic Materials	9.7	6.8	6.1	6.5
Consumer Services	9.1	10.0	7.1	9.3
Telecommunications	3.3	2.8	4.1	3.1
Health Care	3.1	6.7	5.6	7.2
Utilities	2.2	2.1	2.9	2.7
Technology	–	1.0	–	0.7
Total UK Equities	95.4	82.5	95.4	82.7
Investment Trusts	1.4	2.5	1.4	2.3
Bond Funds	3.2	15.0	3.2	15.0
Total	100.0	100.0	100.0	100.0

¹ Based on total investments of £81.2m (2017: £80.8m).

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS ENDED 28TH FEBRUARY 2018

	Six months ended 28th February 2018			Six months ended 28th February 2017			Year ended 31st August 2017		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments held at fair value through profit or loss	–	(2,368)	(2,368)	–	4,775	4,775	–	7,726	7,726
Net foreign currency gains	–	2	2	–	1	1	–	2	2
Income from investments	1,341	–	1,341	1,222	–	1,222	3,517	–	3,517
Interest receivable and similar income	4	–	4	2	–	2	5	–	5
Gross return/(loss)	1,345	(2,366)	(1,021)	1,224	4,776	6,000	3,522	7,728	11,250
Management fee	(117)	(117)	(234)	(80)	(80)	(160)	(191)	(191)	(382)
Other administrative expenses	(65)	–	(65)	(65)	–	(65)	(135)	–	(135)
Net return/(loss) on ordinary activities before finance costs and taxation	1,163	(2,483)	(1,320)	1,079	4,696	5,775	3,196	7,537	10,733
Finance costs	–	–	–	(1)	(1)	(2)	(1)	(1)	(2)
Net return/(loss) on ordinary activities before taxation	1,163	(2,483)	(1,320)	1,078	4,695	5,773	3,195	7,536	10,731
Taxation credit/(charge)	8	–	8	–	–	–	(9)	–	(9)
Net return/(loss) on ordinary activities after taxation	1,171	(2,483)	(1,312)	1,078	4,695	5,773	3,186	7,536	10,722
Return/(loss) per Managed Income share	1.62p	(3.43)p	(1.81)p	1.79p	7.81p	9.60p	4.83p	11.43p	16.26p

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AT 28TH FEBRUARY 2018

	28th February 2018 £'000	28th February 2017 £'000	31st August 2017 £'000
Fixed assets			
Investments held at fair value through profit or loss	81,159	74,813	80,810
Current assets			
Debtors	484	763	858
Cash and cash equivalents	1,510	1,882	2,163
	1,994	2,645	3,021
Current liabilities			
Creditors: amounts falling due within one year	(159)	(441)	(47)
Net current assets	1,835	2,204	2,974
Net assets	82,994	77,017	83,784
Net asset value per Managed Income share	112.7p	111.9p	117.2p

Managed Cash Share Class

HALF YEAR PERFORMANCE

-0.5%

Return to shareholders¹

+0.1%

Return on net assets²

The above are total returns and include dividends reinvested.

Financial Data

	28th February 2018	31st August 2017
Shareholders' funds (£'000)	5,153	5,398
Net asset value per share	102.0p	102.2p
Share price	100.5p	101.0p
Share price discount to net asset value per share	1.5%	1.2%
Ongoing Charges	0.00%	0.02%

¹ Source: Morningstar.

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

A glossary of terms and alternative performance measures is provided on page 33.

INVESTMENT MANAGER'S REPORT



Katy Thorneycroft

It was once more a period of low returns for the Managed Cash portfolio. The Bank of England's Monetary Policy Committee (MPC) voted to maintain interest rates at 0.5% and keep the Asset Purchasing Program at £445billion. The Bank of England (BOE) upgraded its forecast for the UK economy marginally in its latest set of projections. It now expects annual GDP growth to be steady at 1.8%. The upgrade was largely due to the strength in activity elsewhere in the world. It was noted that global growth is now at the strongest pace in seven years and this is supporting UK activity. The two interest rate increases by the end of 2020 that the market had priced in prior to the November inflation report were now not deemed by the MPC as likely to be sufficient to bring inflation back to target. Policy will now need to be tightened somewhat earlier and by a somewhat greater extent than had been expected in November.

The Managed Cash portfolio returned 0.1% for the period, as interest rates remain low. The portfolio continues to retain its broad diversification across a range of the UK's leading AAA-rated sterling liquidity funds, each selected to provide a high level of capital security for shareholders.

If events unfold as the MPC currently expects, with growth of 0.4% in the first quarter, then we should expect a 25bps increase in interest rates in May and another 25bps before the end of the year. However, the Governor of the BoE has been keen to temper expectations, reinforcing the message that the peak of rates is still expected to be well below the 5.0% we had been used to before the crisis.

Katy Thorneycroft
Investment Manager

25th April 2018

LIST OF INVESTMENTS AT 28TH FEBRUARY 2018

	Yield % ¹	Rating ²	Value £'000	%
BlackRock ICS Institutional Sterling Fund	0.35	AAA	863	16.8
Insight Sterling Liquidity Fund	0.35	AAA	862	16.7
JPMorgan Sterling Liquidity Fund	0.38	AAA	862	16.7
Fidelity Institutional Sterling Liquidity Fund	0.34	AAA	857	16.6
Aberdeen Sterling Liquidity Fund	0.35	AAA	854	16.6
Deutsche Global Liquidity Fund	0.36	AAA	854	16.6
Total Investments			5,152	100.0

¹ 1 year gross return to 28th February 2018. Source: IMMFA Money Fund Report, iMoneyNet.

² Ratings are given by recognised credit rating agencies as at 28th February 2018.

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS ENDED 28TH FEBRUARY 2018

	Six months ended 28th February 2018			Six months ended 28th February 2017			Year ended 31st August 2017		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income from investments	7	–	7	6	–	6	12	–	12
Gross return	7	–	7	6	–	6	12	–	12
Other administrative expenses	–	–	–	–	–	–	(1)	–	(1)
Net return on ordinary activities before taxation	7	–	7	6	–	6	11	–	11
Taxation charge	(1)	–	(1)	(1)	–	(1)	(1)	–	(1)
Net return on ordinary activities after taxation	6	–	6	5	–	5	10	–	10
Return per Managed Cash share	0.11p	0.00p	0.11p	0.13p	0.00p	0.13p	0.22p	0.00p	0.22p

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AT 28TH FEBRUARY 2018

	28th February 2018 £'000	28th February 2017 £'000	31st August 2017 £'000
Fixed assets			
Investments held at fair value through profit or loss	5,152	4,166	5,008
Current assets			
Debtors	–	1	386
Cash and cash equivalents	293	24	7
	293	25	393
Current liabilities			
Creditors: amounts falling due within one year ¹	(292)	(24)	(3)
Net current assets	1	1	390
Net assets	5,153	4,167	5,398
Net asset value per Managed Cash share	102.0p	101.5p	102.2p

¹ Includes any amounts payable in respect of Managed Cash shares redeemed in the February opportunity.

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 28TH FEBRUARY 2018

	(Unaudited) Six months ended 28th February 2018			(Unaudited) Six months ended 28th February 2017			(Audited) Year ended 31st August 2017		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss	–	7,790	7,790	–	29,255	29,255	–	48,656	48,656
Net foreign currency (losses)/gains	–	(4)	(4)	–	26	26	–	18	18
Income from investments	3,848	–	3,848	3,495	–	3,495	8,431	–	8,431
Interest receivable and similar income	10	–	10	10	–	10	22	–	22
Gross return	3,858	7,786	11,644	3,505	29,281	32,786	8,453	48,674	57,127
Management fee	(247)	(503)	(750)	(191)	(414)	(605)	(425)	(894)	(1,319)
Other administrative expenses	(253)	–	(253)	(282)	–	(282)	(554)	–	(554)
Net return on ordinary activities before finance costs and taxation	3,358	7,283	10,641	3,032	28,867	31,899	7,474	47,780	55,254
Finance costs	–	(1)	(1)	(1)	(1)	(2)	(1)	(2)	(3)
Net return on ordinary activities before taxation	3,358	7,282	10,640	3,031	28,866	31,897	7,473	47,778	55,251
Taxation credit/(charge)	8	–	8	–	–	–	(9)	–	(9)
Net return on ordinary activities after taxation	3,366	7,282	10,648	3,031	28,866	31,897	7,464	47,778	55,242
Return/(loss) per share (note 3):									
Managed Growth	6.59p	29.39p	35.98p	5.78p	71.75p	77.53p	12.63p	119.11p	131.74p
Managed Income	1.62p	(3.43)p	(1.81)p	1.79p	7.81p	9.60p	4.83p	11.43p	16.26p
Managed Cash	0.11p	0.00p	0.11p	0.13p	0.00p	0.13p	0.22p	0.00p	0.22p

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 28TH FEBRUARY 2018

	Called up share capital £'000	Share premium £'000	Capital Redemption Reserve £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve ¹ £'000	Total £'000
Six months ended 28th February 2018 (Unaudited)							
At 31st August 2017	16	122,868	8	29,237	196,085	5,910	354,124
Repurchase and cancellation of the Company's own shares	–	–	–	(739)	–	–	(739)
Repurchase of shares into Treasury	–	–	–	(5,621)	–	–	(5,621)
Share conversions during the period	–	6,854	–	(6,854)	–	–	–
Project costs in relation to shares as a result of Company rollover	–	(41)	–	–	–	–	(41)
Net return on ordinary activities	–	–	–	–	7,282	3,366	10,648
Dividends paid in the period (note 4)	–	–	–	–	–	(3,927)	(3,927)
At 28th February 2018	16	129,681	8	16,023	203,367	5,349	354,444
Six months ended 28th February 2017 (Unaudited)							
At 31st August 2016	24	85,425	–	44,694	148,307	4,550	283,000
Repurchase and cancellation of the Company's own shares	–	–	–	(23)	–	–	(23)
Repurchase of shares into Treasury	–	–	–	(6,134)	–	–	(6,134)
Share conversions during the period	–	420	–	(420)	–	–	–
Shares issued as a result of Company rollover (net of costs)	2	21,294	–	–	–	–	21,296
Net return on ordinary activities	–	–	–	–	28,866	3,031	31,897
Dividends paid in the period (note 4)	–	–	–	–	–	(3,183)	(3,183)
At 28th February 2017	26	107,139	–	38,117	177,173	4,398	326,853
Year ended 31st August 2017 (Audited)							
At 31st August 2016	24	85,425	–	44,694	148,307	4,550	283,000
Repurchase and cancellation of the Company's own shares	–	–	–	(816)	–	–	(816)
Repurchase of shares into Treasury	–	–	–	(12,388)	–	–	(12,388)
Shares issued as a result of Company rollovers (net of costs)	–	35,190	–	–	–	–	35,190
Share conversions during the year	–	2,253	–	(2,253)	–	–	–
Adjustment on repurchase of deferred shares issued arising from share conversions	(8)	–	8	–	–	–	–
Net return on ordinary activities	–	–	–	–	47,778	7,464	55,242
Dividends paid in the year (note 4)	–	–	–	–	–	(6,104)	(6,104)
At 31st August 2017	16	122,868	8	29,237	196,085	5,910	354,124

¹ 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 28TH FEBRUARY 2018

	(Unaudited) 28th February 2018				(Unaudited) 28th February 2017 Total £'000	(Audited) 31st August 2017 Total £'000
	Growth £'000	Income £'000	Cash £'000	Total £'000		
Fixed assets						
Investments held at fair value through profit or loss	261,795	81,159	5,152	348,106	317,048	345,671
Current assets						
Derivative financial assets	170	–	–	170	495	119
Debtors	659	484	–	1,143	1,286	1,987
Cash and cash equivalents	4,001	1,510	293	5,804	8,777	6,562
	4,830	1,994	293	7,117	10,558	8,668
Current liabilities						
Creditors: amounts falling due within one year	(69)	(159)	(292)	(520)	(555)	(184)
Derivative financial liabilities	(259)	–	–	(259)	(198)	(31)
Net current assets	4,502	1,835	1	6,338	9,805	8,453
Net assets	266,297	82,994	5,153	354,444	326,853	354,124
Capital and reserves						
Called up share capital	15	1	–	16	26	16
Share premium	39,961	66,342	23,378	129,681	107,139	122,868
Capital redemption reserve	3	3	2	8	–	8
Other reserve	34,961	(645)	(18,293)	16,023	38,117	29,237
Capital reserves	189,580	13,798	(11)	203,367	177,173	196,085
Revenue reserve	1,777	3,495	77	5,349	4,398	5,910
Total shareholders' funds	266,297	82,994	5,153	354,444	326,853	354,124

	28th February 2018		28th February 2017		31st August 2017	
	Net asset value (pence)	Net assets (£'000)	Net asset value (pence)	Net assets (£'000)	Net asset value (pence)	Net assets (£'000)
Net asset value per share (note 5)						
Managed Growth	815.8	266,297	736.0	245,669	785.6	264,942
Managed Income	112.7	82,994	111.9	77,017	117.2	83,784
Managed Cash	102.0	5,153	101.5	4,167	102.2	5,398

STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 28TH FEBRUARY 2018

	(Unaudited) Six months ended 28th February 2018 £'000	(Unaudited) Six months ended 28th February 2017 £'000	(Unaudited) Year ended 31st August 2017 £'000
Net cash outflow from operations before dividends and interest (note 6)	(1,130)	(1,010)	(1,779)
Dividends received	4,137	3,407	8,019
Interest received	17	15	34
Interest paid	(1)	(2)	(3)
Overseas tax recovered	41	20	20
Net cash inflow from operating activities	3,064	2,430	6,291
Purchases of investments and derivatives	(14,299)	(57,946)	(73,865)
Sales of investments and derivatives	20,081	37,698	43,766
Settlement of future contracts	38	1,299	1,549
Settlement of forward currency contracts	5	(18)	(13)
Net cash inflow/(outflow) from investing activities	5,825	(18,967)	(28,563)
Dividends paid	(3,927)	(3,183)	(6,104)
Repurchase of shares into Treasury	(5,618)	(6,134)	(12,388)
Repurchase and cancellation of the Company's own shares	(63)	(2)	(1,201)
Shares issued as a result of Company rollovers (net of costs)	–	21,296	35,190
Project costs in relation to shares as a result of Company rollover	(41)	–	–
Net cash (outflow)/inflow from financing activities	(9,649)	11,977	15,497
Decrease in cash and cash equivalents	(760)	(4,560)	(6,775)
Cash and cash equivalents at start of period/year	6,562	13,334	13,334
Exchange movements	2	3	3
Cash and cash equivalents at end of period/year	5,804	8,777	6,562
Decrease in cash and cash equivalents	(760)	(4,560)	(6,775)
Cash and cash equivalents consist of:			
Cash and short term deposits	3,405	4,188	1,435
Cash held in JPMorgan Sterling Liquidity Fund	2,399	4,589	5,127
Total	5,804	8,777	6,562

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 28TH FEBRUARY 2018

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 August 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 includes 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 and updated in February 2018.

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 28th February 2018.

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 August 2017.

3. Return per share

	(Unaudited) Six months ended 28th February 2018 £'000	(Unaudited) Six months ended 28th February 2017 £'000	(Audited) Year ended 31st August 2017 £'000
Managed Growth			
Return per Managed Growth share is based on the following:			
Revenue return	2,189	1,948	4,268
Capital return	9,765	24,171	40,242
Total return	11,954	26,119	44,510
Weighted average number of shares in issue	33,232,060	33,686,904	33,786,098
Revenue return per share	6.59p	5.78p	12.63p
Capital return per share	29.39p	71.75p	119.11p
Total return per share	35.98p	77.53p	131.74p
Managed Income			
(Loss)/return per Managed Income share is based on the following:			
Revenue return	1,171	1,078	3,186
Capital (loss)/return	(2,483)	4,695	7,536
Total (loss)/return	(1,312)	5,773	10,722
Weighted average number of shares in issue	72,336,512	60,098,880	65,954,477
Revenue return per share	1.62p	1.79p	4.83p
Capital (loss)/return per share	(3.43)p	7.81p	11.43p
Total (loss)/return per share	(1.81)p	9.60p	16.26p
Managed Cash			
Return per Managed Cash share is based on the following:			
Revenue return	6	5	10
Capital return	–	–	–
Total return	6	5	10
Weighted average number of shares in issue	5,125,076	3,937,661	4,527,799
Revenue return per share	0.11p	0.13p	0.22p
Capital return per share	0.00p	0.00p	0.00p
Total return per share	0.11p	0.13p	0.22p

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

4. Dividends

	(Unaudited) Six months ended 28th February 2018 £'000	(Unaudited) Six months ended 28th February 2017 £'000	(Audited) Year ended 31st August 2017 £'000
Dividends paid			
Managed Growth 2017 2nd interim dividend of 2.55p	–	–	855
Managed Growth 2017 3rd interim dividend of 2.55p	–	–	869
Managed Growth 2017 4th interim dividend of 3.00p (2016: 3.15p)	1,011	1,066	1,066
Managed Growth 2018 1st interim dividend of 2.90p (2017: 2.90p)	971	974	974
Managed Income 2017 2nd interim dividend of 0.85p	–	–	584
Managed Income 2017 3rd interim dividend of 0.85p	–	–	614
Managed Income 2017 4th interim dividend of 1.65p (2016: 1.35p)	1,182	692	692
Managed Income 2018 1st interim dividend of 1.05p (2017: 0.85p)	746	437	436
Managed Cash 2017 interim dividend of 0.35p (2016: 0.35p)	17	14	14
Total dividends paid in the period¹	3,927	3,183	6,104
Dividends proposed			
Managed Growth 2017 4th interim dividend of 3.00p	–	–	1,012
Managed Growth 2018 2nd interim dividend of 2.80p (2017: 2.55p)	919	855	–
Managed Income 2017 4th interim dividend of 1.65p	–	–	1,182
Managed Income 2018 2nd interim dividend of 1.05p (2017: 0.85p)	765	584	–
Managed Cash 2017 interim dividend of 0.35p	–	–	17
Total dividends proposed²	1,684	1,439	2,211

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

² In accordance with the accounting policy of the Company, these dividends will be reflected in the financial statements of the following period.

5. Net asset value per share

The net asset values per share are calculated as follows:

	(Unaudited) 28th February 2018		
	Managed Growth	Managed Income	Managed Cash
Net assets attributable (£'000)	266,297	82,994	5,153
Number of shares in issue, (excluding shares held in Treasury)	32,643,985	73,644,599	5,050,668
Net asset value per share (pence)	815.8	112.7	102.0

	(Unaudited) 28th February 2017		
	Managed Growth	Managed Income	Managed Cash
Net assets attributable (£'000)	245,669	77,017	4,167
Number of shares in issue, (excluding shares held in Treasury)	33,380,291	68,847,963	4,106,040
Net asset value per share (pence)	736.0	111.9	101.5

	(Audited) 31st August 2017		
	Managed Growth	Managed Income	Managed Cash
Net assets attributable (£'000)	264,942	83,784	5,398
Number of shares in issue, (excluding shares held in Treasury)	33,725,314	71,482,274	5,280,422
Net asset value per share (pence)	785.6	117.2	102.2

6. Reconciliation of total return on ordinary activities before taxation to net cash outflow from operating activities before dividends and interest

	(Unaudited) Six months ended 28th February 2018 £'000	(Unaudited) Six months ended 28th February 2017 £'000	(Unaudited) Year ended 31st August 2017 £'000
Net return on ordinary activities before taxation	10,641	31,899	55,254
Less capital return before taxation	(7,283)	(28,867)	(47,780)
Decrease/(increase) in accrued income	275	(222)	(396)
(Decrease)/increase in accrued expenses	(94)	(6)	62
Management fee charged to capital	(503)	(414)	(894)
Dividends received	(4,137)	(3,407)	(8,019)
Interest received	(17)	(15)	(34)
Realised (loss)/gain on foreign exchange transactions	(12)	22	28
Net cash outflow from operations before dividends and interest	(1,130)	(1,010)	(1,779)

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

7. Fair valuation of financial investments

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

	(Unaudited)		(Unaudited)		(Audited)	
	Six months ended		Six months ended		Year ended	
	28th February 2018		28th February 2017		31st August 2017	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000	£000	£000
Level 1 ¹	272,961	(259)	242,646	(198)	268,641	(31)
Level 2 ²	75,315	–	74,897	–	77,149	–
Total	348,276	(259)	317,543	(198)	345,790	(31)

¹ Includes liquidity funds and future currency contracts.

² Includes investments in Open Ended Investment Schemes (OEIC's) and Société d'investissement à Capital Variable (SICAV).

Interim Management Report

The Company is required to make the following disclosures in its half-yearly financial report.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company fall into the following broad categories: investment strategy; market; accounting, legal and regulatory; corporate governance and shareholder relations; operational, cybercrime and financial. Information on each of these areas is given in the Business Review within the 2017 Annual Report and Accounts.

Related Party Transactions

During the half year to 28th February 2018, no new agreements were entered into with related parties 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 pertaining to the Company that would prevent its ability to continue in such operational 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 adopt the going concern basis in preparing the financial statements.

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 28th February 2018, as required by the UK Listing Authority Disclosure Guidance and Transparency Rules 4.2.4R; and
- (ii) the interim Management report includes a fair review of the information required by 4.2.7R (important events that have occurred since inception, their impact on these financial statements and a description of the principal risks facing the Company) and 4.2.8R (related party transactions since inception that have materially affected the financial position or performance of the Company) 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 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

Alan Hodson
Chairman

25th April 2018

Shareholder Information

CAPITAL STRUCTURE AND CONVERSION BETWEEN SHARE CLASSES

The name JPMorgan Elect plc reflects the capital structure and the investment flexibility the Company offers to shareholders.

Capital Structure

- **Managed Growth Shares**
Designed to provide long-term capital growth by investing in a range of closed and open-ended funds managed principally by JPMAM.
- **Managed Income Shares**
Designed to provide a growing income together with the potential for long-term capital growth by investing in equities, investment trusts and fixed income securities.
- **Managed Cash Shares**
Designed to preserve capital with a yield based on short term interest rates by investing in a range of liquidity funds, selected for their yield and credit rating, and short dated AAA- rated UK or G7 government securities hedged into sterling.

Investing in Managed Cash Shares

Based on its return characteristics and the costs incurred in transacting in its shares, an investment in Managed Cash should only be considered by existing holders of Managed Growth and/or Managed Income who wish to switch into Managed Cash on the designated quarterly conversion dates. Accordingly, Managed Cash shares are not available for purchase through the J.P. Morgan Investment Account, J.P. Morgan ISA or on J.P. Morgan WealthManager+.

Repurchase of Managed Cash Shares

In order to mitigate the impact of the market spread on the Managed Cash shares it is possible for holders of Managed Cash shares to elect to have all or part of their holding of such shares repurchased by the Company for cash at a price close to net asset value on each conversion date (see below).

The amount payable per Managed Cash share on repurchase is the net asset value of a Managed Cash share at the date of the relevant conversion calculation, less the applicable stamp duty at a rate of 0.5%.

Conversion Opportunities

Shareholders in any of the three share classes are able to convert some or all of their shares into shares of the other classes on a quarterly basis 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 dates arise every three months on 28th/29th February, 31st May, 31st August and 30th November (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, will make no administrative charge for any of the above conversions.

Conversion Between the Share Classes

Those who hold shares through the J.P. Morgan Investment Account or J.P. Morgan ISA must complete and submit a conversion instruction form which can be found at www.jpmelect.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 and send it to the Company's Registrars at the following address:

Equiniti Limited
Repayments Team
Corporate Actions
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Instructions must be received no earlier than 45 and no later than 16 calendar days before the chosen conversion date.

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, taking into account the costs of the conversion process. Conversion will not affect the net asset value per share of those shares held by any shareholder who does not convert.

With regard to those who hold shares through the J.P. Morgan Investment Account or J.P. Morgan ISA, the minimum number of shares of any class which may be converted is 1,000 shares (subject to a minimum value of £500). Conversion of fewer shares may only take place if the number to be converted constitutes the shareholder's entire holding in that class.

Shareholders who hold shares in certificated form on the main register or those who hold their shares in electronic form through CREST may convert a minimum of 1,000 shares or, if lower, their entire holding.

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

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 28th February 2018
Managed Growth		
Opening share price as at 31st August 2017 (p)	5	764.0
Closing share price as at 28th February 2018 (p)	5	787.5 (a)
Total dividend adjustment factor ¹		1.007274 (b)
Adjusted closing share price (c = a x b)		793.23 (c)
Total return to shareholder		3.8%
Managed Income		
Opening share price as at 31st August 2017 (p)	12	112.8
Closing share price as at 28th February 2018 (p)	12	110.0 (a)
Total dividend adjustment factor ¹		1.019146 (b)
Adjusted closing share price (c = a x b)		112.11 (c)
Total return to shareholder		(0.6)%
Managed Cash		
Opening share price as at 31st August 2017 (p)	18	101.0
Closing share price as at 28th February 2018 (p)	18	100.5 (a)
Total dividend adjustment factor ¹		1.000000 (b)
Adjusted closing share price (c = a x b)		100.50 (c)
Total return to shareholder		(0.5)%

¹ The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the last traded price quoted at the ex-dividend date.

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, without transaction costs, 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 28th February 2018
Managed Growth		
Opening cum-income NAV per share with debt at par value as at 31st August 2017 (p)	5	785.6
(-) the 2017 4th interim dividend of 3.0p declared but not paid pre 31st August 2017		(3.0)
Adjusted opening cum-income NAV per share with debt at par value as at 31st August 2017 (p)		782.6
Closing cum-income NAV per share with debt at par value as at 28th February 2018 (p)	5	815.8
(-) the 2018 2nd interim dividend of 2.80p declared but not paid pre 28th February 2018		(2.8)
Adjusted closing cum-income NAV per share with debt at par value as at 28th February 2018 (p)		813.0 (a)
Total dividend adjustment factor ²		1.007110 (b)
Adjusted closing cum-income NAV per share (c = a x b)		818.78 (c)
Total return on net assets with debt at par value		4.6%

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES ('APMs') CONTINUED

Total return calculation	Page	Six months ended 28th February 2018	
Managed Income			
Opening cum-income NAV per share with debt at par value as at 31st August 2017 (p)	12	117.2	
(-) the 2017 4th interim dividend of 1.65p declared but not paid pre 31st August 2017		(1.65)	
Adjusted opening cum-income NAV per share with debt at par value as at 31st August 2017 (p)		115.6	
Closing cum-income NAV per share with debt at par value as at 28th February 2018 (p)	12	112.7	
(-) the 2018 2nd interim dividend of 1.05p declared but not paid pre 28th February 2018		(1.05)	
Adjusted closing cum-income NAV per share with debt at par value as at 28th February 2018 (p)		111.7	(a)
Total dividend adjustment factor ²		1.018692	(b)
Adjusted closing cum-income NAV per share (c = a x b)		113.74	(c)
Total return on net assets with debt at par value		(1.6%)	
Managed Cash			
Opening cum-income NAV per share with debt at par value as at 31st August 2017 (p)	18	102.2	
(-) the 2017 interim dividend of 0.35p declared but not paid pre 31st August 2017		(0.35)	
Adjusted opening cum-income NAV per share with debt at par value as at 31st August 2017 (p)		101.9	
Closing cum-income NAV per share with debt at par value as at 28th February 2018 (p)	18	102.0	
Total dividend adjustment factor ²		1.000000	(b)
Adjusted closing cum-income NAV per share (c = a x b)		102.00	(c)
Total return on net assets with debt at par value		0.1%	

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.

² The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the cum-income NAV at the ex-dividend date.

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 follow or 'track' this index and consequently, there may be some divergence between the Company's performance and that of the benchmark.

Gearing/Net Cash (APM)

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.

Gearing calculation	Page	28th February 2018 £'000	31st August 2017 £'000	
Managed Growth				
Investments held at fair value through profit or loss	11	261,795	259,853	(a)
Net assets	11	266,297	264,942	(b)
Gearing/(Net Cash) (c = a / b - 1)		(1.7%)	(1.9%)	(c)

Gearing calculation	Page	28th February 2018 £'000	31st August 2017 £'000	
Managed Income				
Investments held at fair value through profit or loss	17	81,159	80,810	(a)
Net assets	17	82,994	83,784	(b)
Gearing/(Net Cash) (c = a / b - 1)		(2.2)%	(3.5)%	(c)

Ongoing Charges (APM)

The ongoing charges represent 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 28th February 2018 is an estimated annualised figure based on the numbers for the six months ended 28th February 2018.

Ongoing charges calculation	Page	28th February 2018 £'000	31st August 2017 £'000	
Managed Growth				
Management Fee	10	1,032	937	
Other administrative expenses	10	376	418	
Total management fee and other administrative expenses		1,408	1,355	(a)
Average daily cum-income net assets		267,729	245,831	(b)
Ongoing Charges (c = a / b)		0.55%	0.55%	(c)
Managed Income				
Management Fee	17	468	382	
Other administrative expenses	17	130	135	
Total management fee and other administrative expenses		598	517	(a)
Average daily cum-income net assets		83,546	73,260	(b)
Ongoing Charges (c = a / b)		0.72%	0.71%	(c)
Managed Cash				
Management Fee	21	–	–	
Other administrative expenses	21	–	1	
Total management fee and other administrative expenses		–	1	(a)
Average daily cum-income net assets		5,229	4,605	(b)
Ongoing Charges (c = a / b)		0.00%	0.02%	(c)

Share Price Discount / Premium to Net Asset Value 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 pages 5, 12 and 18).

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 2018/19 tax year, from 6th April 2018 and ending 5th April 2019, 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

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

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

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. 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

Find out more at
www.fca.org.uk/scamsmart



Information about the Company

FINANCIAL CALENDAR

Financial year end	31st August
Final results announced	November
Half year end	28th February
Half year results announced	April
Dividends payable (if any)	March, June, September and December
Annual General Meeting	December

History

The Company was incorporated on 16th September 1999 and launched as an investment trust on 24th November 1999 with assets of £28 million. The Company changed its name to JPMorgan Fleming Managed Growth plc on 5th December 2002. The Company's name was changed to JPMorgan Fleming Elect plc on 14th January 2004 following the capital reorganisation and combination of JPMorgan Fleming Managed Growth plc and JPMorgan Fleming Managed Income plc. The Company adopted its present name on 2nd February 2006.

Directors

Alan Hodson (Chairman)
James Robinson (Chairman of the Audit Committee)
Carla Stent
Roger Yates
Karl Sternberg

Company Numbers

Company registration number: 3845060
LEI: 549300FIUYKKL39ILD07

London Stock Exchange Sedol numbers:
Managed Growth: 0852814
Managed Income: 3408021
Managed Cash: 3408009

ISIN numbers:
Managed Growth: GB0008528142
Managed Income: GB0034080217
Managed Cash: GB0034080092

Bloomberg Codes:
Managed Growth: JPE LN
Managed Income: JPEI LN
Managed Cash: JPEC LN

Market Information

Net asset values per share for each share class are published daily via the London Stock Exchange. The Company's shares are listed on the London Stock Exchange. The market price is shown daily in the Financial Times, The Times, The Daily Telegraph, The Scotsman and on the JPMorgan internet site at www.jpmelect.co.uk, where the share prices are updated every fifteen minutes during trading hours.

Website

www.jpmelect.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

For company secretarial and administrative matters, please contact Faith Pengelly.

Depository

The Bank of New York Mellon (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 2018
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone number: 0371 384 2530

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 Registrars quoting reference 2018.

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 Auditors

Ernst & Young LLP
Chartered Accountants and Statutory Auditor
25 Churchill Place
Canary Wharf
London E14 5EY

Brokers

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



The Association of
Investment Companies

A member of the AIC

www.jpmelect.co.uk

J.P. MORGAN HELPLINE

Freephone **0800 20 40 20** or +44 (0) 1268 444470.

Telephone lines are open Monday to Friday,
9.00am to 5.30pm.

Telephone calls may be recorded and monitored for security and training purposes.