

JPMorgan Claverhouse Investment Trust plc

Half Year Report & Financial Statements for the six months ended 30th June 2018



Awarded to investment companies that have increased their dividends each year for 20 years or more

Your Company

Objective

Capital and income growth from UK investments.

Investment Policies

- To invest in a portfolio consisting mostly of leading companies listed on the London Stock Exchange. The Company's portfolio consists typically of between 60 and 80 individual stocks in which the Manager has high conviction.
- To invest no more than 15% of gross assets in other UK listed investment companies (including investment trusts).
- To invest no more than 15% of gross assets in any individual investment (including unit trusts and open ended investment companies).
- The Company uses short and long term gearing to increase potential returns to shareholders. The Company's gearing policy is to operate within a range of 5% net cash to 20% geared in normal market conditions. The Investment Managers have discretion to vary the gearing level between 5% net cash and 17.5% geared.
- The Board permits the Manager to use FTSE index futures to effect changes in the level of the Company's gearing.

Benchmark

The FTSE All-Share Index.

Capital Structure

At 30th June 2018, the Company's share capital comprised 56,765,653 ordinary shares of 25p each, including 1,711,674 shares held in Treasury.

The Company has a £30 million debenture in issue, which carries a fixed interest rate of 7% per annum, repayable on 30th March 2020. The Company has agreed to issue £30 million fixed rate 25 year unsecured notes in March 2020 at an annualised coupon of 3.22%. These notes are intended to replace the debenture. The Company also has a £50 million floating rate loan facility with National Australia Bank, which expires on 27th April 2020.

Management Company and Company Secretary

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

FCA Regulation of 'Non-Mainstream Pooled Investments' and 'Complex Instruments'

The Company currently conducts its affairs so that the shares issued by the Company 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 COB sourcebook.

AIC

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

AIC Dividend Heroes

The AIC Dividend Hero emblem on the front cover indicates that the Company has increased its dividends each year for at least 20 years.

Website

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

Half Year Performance

- 3 Financial Highlights

Chairman's Statement

- 6 Chairman's Statement

Investment Review

- 9 Investment Managers' Report
- 12 List of Investments
- 13 Sector Analysis

Financial Statements

- 15 Statement of Comprehensive Income
- 16 Statement of Changes in Equity
- 17 Statement of Financial Position
- 18 Statement of Cash Flows
- 19 Notes to the Financial Statements

Interim Management Report

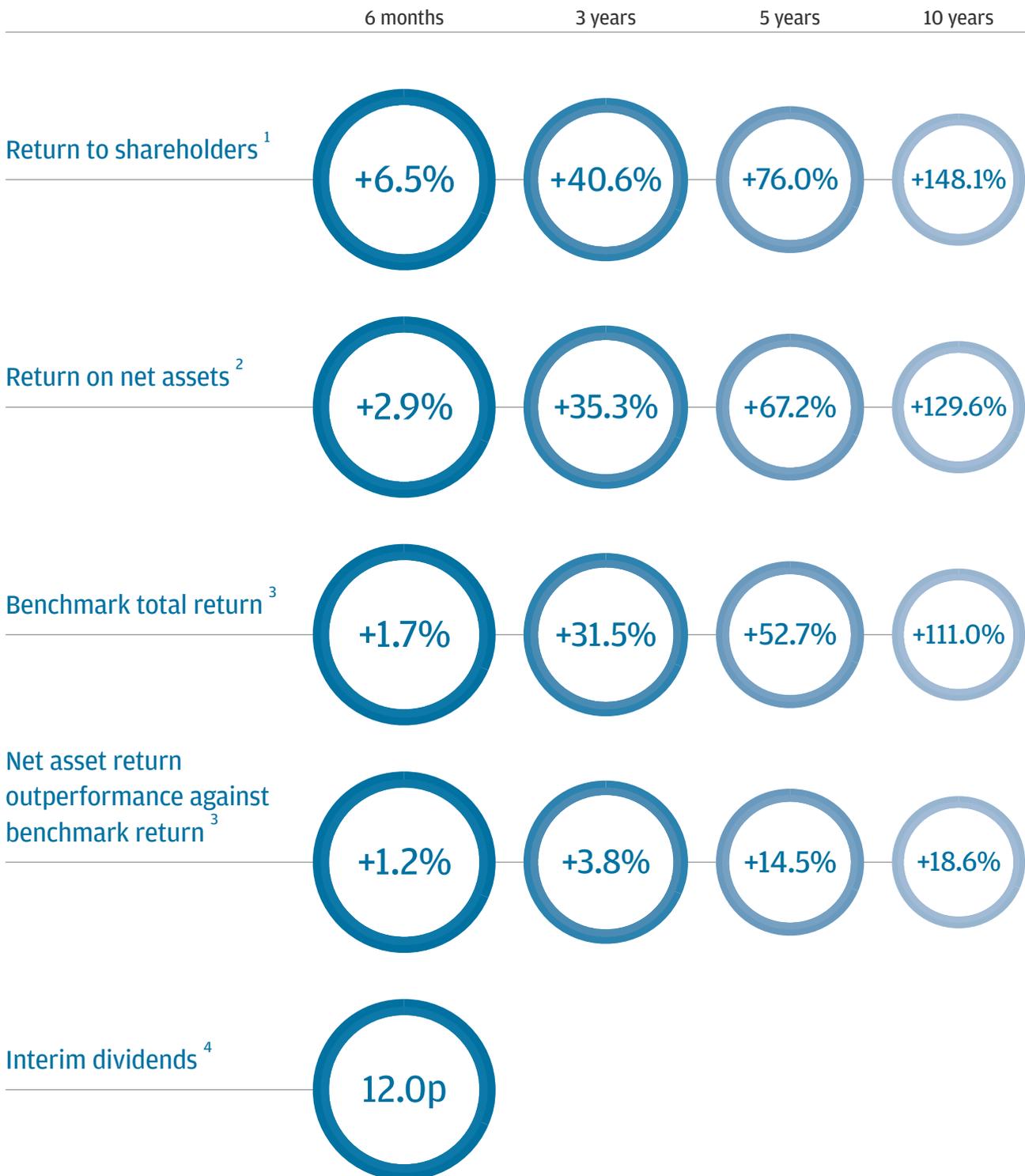
- 23 Report

Shareholder Information

- 25 Glossary of Terms and Alternative Performance Measures ('APMs')
- 27 Where to buy J.P. Morgan Investment Trusts
- 29 Information about the Company

Half Year Performance

TOTAL RETURNS (INCLUDING DIVIDENDS REINVESTED) TO 30TH JUNE 2018



¹ Source: Morningstar.

² Source: Morningstar/J.P. Morgan, using cum income net asset value with debt at par value.

³ Source: Morningstar. The Company's benchmark is the FTSE All-Share Index.

⁴ This figure comprises one interim dividend paid of 6.0p and one payable of 6.0p.

A glossary of terms and alternative performance measures is provided on pages 25 and 26.

FINANCIAL HIGHLIGHTS

SUMMARY OF RESULTS

	30th June 2018	31st December 2017
Net assets (£'000)	436,175	428,498
Number of shares in issue ¹	55,053,979	54,558,979
Share price	762.0p	730.5p
Net asset value per share with debt at par value ²	792.3p	785.4p
Net asset value per share with debt at fair value ^{2,3}	786.0p	777.3p
Share price discount to net asset value per share with debt at par value ⁴	2.4%	5.4%
Share price discount to net asset value per share with debt at fair value ⁵	1.7%	4.4%
Gearing	10.2%	11.3%
Ongoing charges	0.74%	0.77%

¹ Excluding 1,711,674 (31st December 2017: 2,206,674) shares held in Treasury.

² Includes the current year revenue account balance.

³ The fair value of the £30m (2017: £30m) debenture issued by the Company has been calculated using discounted cash flow techniques and the yield from a similarly dated gilt plus a margin based on the 5 year average for the AA Barclays Corporate Bond.

⁴ Source: Bloomberg. The discount is calculated using the net asset value at 30th June 2018 of 781.0p, which does not include the current year revenue account balance.

⁵ Source: Bloomberg. The discount is calculated using the net asset value at 30th June 2018 of 774.8p, which does not include the current year revenue account balance.

A glossary of terms and alternative performance measures is provided on pages 25 and 26.

Chairman's Statement



Andrew Sutch
Chairman

Performance remains strong over the short and long term

Performance

For the six months to 30th June 2018 I am pleased to report a total return on the Company's net assets of +2.9% and a share price total return of +6.5%. This result compares with a total return from the Company's benchmark index, the FTSE All-Share Index, of +1.7% over the same period, an outperformance of 1.2%.

Performance remains strong over the short and long term, for which the investment managers must be commended. Since the change in investment strategy in 2012 the Company has produced a total return on net assets of +103.9% compared with the benchmark index total return of +73.6% and for the last three, five and ten years to 30th June 2018 the Company's total return on net assets has exceeded the benchmark index by 3.8%, 14.5% and 18.6%, respectively.

The net asset value has increased further since the period end by 1.1% as at 31st July 2018, compared to the benchmark index increase of 1.2% over the same period, and the share price has risen by 1.8%.

The Investment Managers' report on pages 9 to 11 reviews the market and provides more detail on performance.

Revenue and Dividends

Earnings per share for the six months to 30th June 2018 increased to 17.30p, compared to 16.21p earned in the same period in 2017.

A first quarterly dividend of 6.0p per share (2017: 5.5p) was paid on 1st June 2018. It remains the Board's intention that the first three quarterly dividends should be of an equal amount and the Board has declared a second quarterly dividend of 6.0p per share (2017: 5.5p) to be paid on 3rd September 2018 to shareholders on the register at the close of business on 10th August 2018. It continues to be the aim to increase the total dividend each year and, taking a run of years together, to pay dividends that are close to or above the rate of inflation. Over the last five years annual dividends have increased by 37.9%. The Company continues to benefit from a high level of revenue reserves and the ability to utilise these, if necessary, to support the dividend.

Discount and Share Issues and Repurchases

At the Annual General Meeting in April shareholders authorised the sale of shares from Treasury at a discount of no more than 2% to the prevailing NAV per share (cum income debt at par). The Company's discount has narrowed significantly over the period and as a result 495,000 shares have been issued from Treasury since the approval in April, at an average discount of 1.3%. 1,711,674 shares now remain in Treasury. As at 30th June 2018 the Company's discount (to its cum income net asset value with debt at par) was 2.4%. The Company intends in normal market conditions to repurchase shares offered in the market at prices representing discounts to NAV (capital only) of 5% or more.

Gearing

The Company's gearing policy is to operate within a range of 5% net cash and 20% geared and the investment managers have discretion to vary the gearing level between 5% net cash and 17.5% geared. The level of gearing reduced from 11.3% at the beginning of the year to 10.2% at 30th June 2018. In addition to its debenture the Company has a revolving credit facility of £50 million and as at 30th June 2018 £30 million was drawn down. Since 30th June 2018 £7.5 million of the facility has been repaid.

Board Apprentice

The Board has appointed Harish Bhayani as the new Board Apprentice and we hope that he will find the experience valuable.

Outlook

It is not surprising that my last annual and half-yearly statements have mentioned the uncertainty caused by the Brexit negotiations. This uncertainty has been ongoing and, with less than nine months left before the UK formally leaves the EU, it will be interesting to see how the market reacts as, hopefully, the exit arrangements become clearer. I make no predictions, as there remain too many different outcomes.

Away from the noise of domestic and international politics, the global economy is still growing and many UK listed companies continue to offer attractive investment opportunities at acceptable valuations.

A key differentiator of the Company is in its risk-controlled approach to portfolio construction, which maximises the chances of the portfolio outperforming in both good and bad market conditions. I am therefore confident that the Investment Managers' implementation of the Company's investment strategy will continue to provide long-term outperformance of the Company's benchmark index and of many of the Company's peers.

Andrew Sutch

Chairman

6th August 2018



William Meadon
Investment Manager



Callum Abbot
Investment Manager

Stock selection was good. Fever-Tree was again the fund's best performer

Investment Approach

We aim to construct a diversified portfolio of our best ideas, comprising both growth and value stocks. We also hold a small number of very large stocks by market capitalisation for risk-control reasons. For the patient investor, such an approach will, we believe, produce outperformance of the index in a steady, risk-controlled manner irrespective of market conditions. We also strive to maintain Claverhouse's enviable dividend record by biasing the portfolio towards stocks with growing dividends.

Market Review

The first six months of the year saw the FTSE All-Share index deliver a total return of +1.7%. The more internationally oriented FTSE100 large-cap index returned +1.7%, whilst the FTSE Mid 250 and FTSE Small Cap indices, returned +1.9% and +1.0% respectively. Although volatile, the pound was broadly flat over the period. At its peak, the pound rallied to \$1.43 but then sank 9.2% to a low of \$1.31. The UK Gilts market delivered a total return of +0.4%.

Politics, both domestic and international, have remained at the forefront of investors' minds. In the period there was little progress made on Brexit negotiations despite the initial positive transition deal announcement in March.

European politics has also been tumultuous. The Italian election has resulted in a surprise coalition of the alternative party Five Star and the right wing League. They have divergent views on some policies but both are anti-establishment and populist – their fiscal policy is likely to lead to clashes with their EU partners. Even in Germany, the heart of the EU, there has been instability. Crisis over immigration policy threatened to splinter Chancellor Merkel's coalition and lead Germany into populism, which has swept across so many countries globally.

Global politics has not been smooth sailing either. President Trump has followed up his war of words on trade, with a real trade war, announcing significant tariffs against China. This spooked markets and led to a rally of defensive stocks and cyclical sell off, with basic resources being a major loser.

Despite this rather gloomy litany of political flare ups, the global economy maintained its robust growth with GDP remaining above trend in most parts of the world, which should support earnings growth this year.

Portfolio review

The total return on the net assets of the Company of +2.9% compared with the benchmark return of +1.7% over the first six months of 2018.

Stock selection was good. Fever-Tree, the fast growing premium mixer company, was again the fund's best performer, with its share price rising 49% over the six months. This remarkable company which only employs 60 people now has a market capitalisation of over £4 billion. Global demand for its suite of mixers continues to significantly beat expectations and the vast US drinks market means there is plenty of potential growth. Once again we top sliced the position for risk-control reasons, but it remains our biggest overweight position (it is quoted on AIM) and we continue to be very positive on the company's prospects. Softcat the IT services company was another significant contributor. The trend towards digitalisation is still accelerating with rapid changes in the industry presenting growth opportunities. The company has had to consistently upgrade guidance due to excellent trading during the period.

Our holdings in Softcat and Intermediate Capital Group were added to during the period. They continue to trade well and have delivered results ahead of expectations. We purchased a position in business to business funds platform Integrafina, which came to market in February of this year. We subsequently topped up this position as trading has been strong and the discount to its peer Hargreaves Lansdown looked unjustified. The stock has doubled since IPO. New purchases included real estate investment trust, Segro. The company specialises in industrial assets and warehouses and is a way of tapping into the trends of urbanisation and online retail. The Company benefited from its overweight position in Fenner, which was subject to a cash bid at a 30% premium by Michelin.

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The portfolio's underweight in tobacco benefited the fund and we continued to trim holdings in this sector. We also sold our holdings in Carnival, Inchcape and Sage, as trading in each has been challenging and we see the potential for further deterioration.

Being overweight Jupiter Fund Management was a detractor for returns. This international asset manager has struggled with outflows from funds, particularly their Dynamic Bond Fund, being worse than expected. This has been exacerbated by pressure on fee revenue.

Our overweight position in the package holiday company, Thomas Cook Group, was also detrimental to returns. The excellent weather in the UK has led to customers delaying holiday bookings and increasingly holidaying in the UK, which led to earnings downgrades.

Top Contributors and Detractors to Performance vs FTSE All-Share Index

Top Five Contributors		Top Five Detractors	
Fever-Tree	+0.75%	Jupiter Fund Management	-0.43%
Softcat	+0.44%	Thomas Cook Group	-0.24%
Fenner	+0.39%	Card Factory	-0.20%
Electrocomponents	+0.32%	Sky	0.18%
Evraz	+0.28%	Ocado	-0.15%

Top Over and Under-weight positions vs FTSE All-Share Index

Top Five Overweight Positions		Top Five Underweight Positions	
Fever-Tree	+2.1%	British American Tobacco	-1.7%
Electrocomponents	+2.1%	Reckitt Benckiser	-1.6%
Ashtead	+2.0%	Barclays	-1.3%
Legal & General	+1.8%	Vodafone	-1.3%
Softcat	+1.7%	AstraZeneca	-1.2%

Source: JPMAM, as at 30th June 2018.

Market outlook

Subsequent to the end of the period, Theresa May has unveiled the White Paper that will form the basis of negotiations on the relationship of the UK and EU after the planned exit in March 2019. The paper outlines staying close to the single market on goods guided by a set of common rules, with the intention to avoid a hard Irish border. It is proposed that the UK will follow EU law but not be directly affected by the

European Courts and freedom of movement will end. Mutual recognition on services is not being sought after, but given this is by far the largest constituent (circa 80%) of the UK economy, it is essential favourable terms are secured in the negotiations.

The White Paper has led to turmoil in the Conservative party as Brexiteers and Remainers have both aired grievances, with two pro-Brexit cabinet members resigning. However, Prime Minister May has not yet had a serious threat to her leadership as her party is acutely aware that a Conservative implosion could lead to losing power altogether.

The actual details are still far from decided and in fact it still remains to be seen if the EU believe this White Paper is a viable starting point to begin negotiations. As throughout the Brexit process uncertainty remains.

Globally, the escalation of trade wars, primarily between China and the US, is concerning. This threatens to destabilise global economic growth and could lead to investors becoming more risk averse. However, there is still time for tensions to be defused.

We have recently taken gearing down by selling cyclicals and financials to control risk. At the time of writing, gearing is 9.0%.

We have taken gearing down to control risk

William Meadon
Callum Abbot
Investment Managers

6th August 2018

LIST OF INVESTMENTS

LIST OF INVESTMENTS

AT 30TH JUNE 2018

Company	Valuation £'000	Company	Valuation £'000	Company	Valuation £'000
FINANCIALS		INDUSTRIALS		BASIC MATERIALS	
HSBC	28,475	Ashtead	10,821	Rio Tinto	12,002
JPMorgan Smaller Companies IT	19,738	Electrocomponents	9,667	Glencore	9,291
Prudential	12,786	Smurfit Kappa	8,146	BHP Billiton	8,593
Lloyds Banking	11,756	Morgan Sindall	6,200	Anglo American	6,262
Legal & General	10,661	DS Smith	5,702	Synthomer	3,892
Royal Bank of Scotland	6,455	Bodycote	5,285	Evraz	2,497
Scottish Mortgage	6,206	BAE Systems	5,255		42,537
3i	5,641	Renishaw	4,409	HEALTH CARE	
Aviva	5,129	Melrose Industries	4,192	GlaxoSmithKline	18,020
Intermediate Capital Group	5,116	lbstock	3,675	Shire	8,097
Direct Line Insurance	5,013	Spirax-Sarco Engineering	2,541	AstraZeneca	6,800
Jupiter Fund Management	4,257		65,893		32,917
Beazley	4,043	OIL & GAS		TECHNOLOGY	
John Laing	3,941	Royal Dutch Shell	46,663	Softcat	7,704
IntegraFin	3,900	BP	17,283	Computacenter	3,449
Segro	3,044		63,946		11,153
Burford Capital ¹	2,284	CONSUMER SERVICES		TELECOMMUNICATIONS	
Savills	2,157	International Consolidated Airlines	7,645	Vodafone	3,061
Amigo	1,586	ITV	6,704		3,061
	142,188	Thomas Cook	6,568	TOTAL INVESTMENTS	
CONSUMER GOODS		RELX	6,021	480,505	
Diageo	14,545	JD Sports Fashion	5,700		
Unilever	9,865	Tesco	5,154		
Imperial Brands	9,594	Wizz Air	2,571		
Fevertree Drinks ¹	9,188	easyJet	2,552		
British American Tobacco	8,142	SSP	2,219		
Taylor Wimpey	5,415	Ocado	1,795		
Persimmon	4,334	Next	1,537		
Bellway	4,005		48,466		
Burberry	2,769				
Barratt Developments	2,487				
	70,344				

¹ AIM listed companies.

SECTOR ANALYSIS

	30th June 2018		31st December 2017	
	Portfolio % ¹	Benchmark %	Portfolio % ¹	Benchmark %
Financials ²	29.6	25.7	29.9	26.6
Consumer Goods	14.6	13.8	18.4	15.6
Industrials	13.7	11.4	13.0	10.8
Oil & Gas	13.3	14.2	11.1	12.9
Consumer Services	10.1	11.8	8.7	11.1
Basic Materials	8.9	7.8	11.4	7.6
Health Care	6.9	8.8	3.8	8.0
Technology	2.3	0.9	2.8	1.2
Telecommunications	0.6	2.9	0.9	3.6
Utilities	–	2.7	–	2.6
Total	100.0	100.0	100.0	100.0

¹ Based on total investments of £480.5m (31st December 2017: £476.8m).

² Includes the Company's investment in JPMorgan Smaller Companies Investment Trust plc: 4.1% (31st December 2017: 3.8%) of the portfolio.

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30TH JUNE 2018

	(Unaudited) Six months ended 30th June 2018			(Unaudited) Six months ended 30th June 2017			(Audited) Year ended 31st December 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	–	4,639	4,639	–	18,476	18,476	–	47,672	47,672
Net foreign currency (losses)/gains	–	(12)	(12)	–	(3)	(3)	–	17	17
Income from investments	10,739	–	10,739	10,042	–	10,042	18,484	–	18,484
Interest receivable and similar income	46	–	46	15	–	15	47	–	47
Gross return	10,785	4,627	15,412	10,057	18,473	28,530	18,531	47,689	66,220
Management fee	(418)	(776)	(1,194)	(400)	(743)	(1,143)	(813)	(1,511)	(2,324)
Other administrative expenses	(348)	–	(348)	(350)	–	(350)	(780)	–	(780)
Net return on ordinary activities before finance costs and taxation	10,019	3,851	13,870	9,307	17,730	27,037	16,938	46,178	63,116
Finance costs	(466)	(865)	(1,331)	(451)	(838)	(1,289)	(921)	(1,711)	(2,632)
Net return on ordinary activities before taxation	9,553	2,986	12,539	8,856	16,892	25,748	16,017	44,467	60,484
Taxation	(88)	–	(88)	(12)	–	(12)	(20)	–	(20)
Net return on ordinary activities after taxation	9,465	2,986	12,451	8,844	16,892	25,736	15,997	44,467	60,464
Return per share (note 3)	17.30p	5.46p	22.76p	16.21p	30.95p	47.16p	29.32p	81.50p	110.82p

All revenue and capital items in the above statement derive from continuing operations.

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 30TH JUNE 2018

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve ¹ £'000	Total £'000
Six months ended 30th June 2018						
(Unaudited)						
At 31st December 2017	14,192	149,641	6,680	235,667	22,318	428,498
Issue of shares from Treasury	–	1,462	–	2,220	–	3,682
Net return on ordinary activities	–	–	–	2,986	9,465	12,451
Dividends paid in the period (note 4)	–	–	–	–	(8,456)	(8,456)
At 30th June 2018	14,192	151,103	6,680	240,873	23,327	436,175
Six months ended 30th June 2017						
(Unaudited)						
At 31st December 2016	14,192	149,641	6,680	192,118	19,676	382,307
Repurchase of the Company's shares into Treasury	–	–	–	(918)	–	(918)
Net return on ordinary activities	–	–	–	16,892	8,844	25,736
Dividends paid in the period (note 4)	–	–	–	–	(7,354)	(7,354)
At 30th June 2017	14,192	149,641	6,680	208,092	21,166	399,771
Year ended 31st December 2017						
(Audited)						
At 31st December 2016	14,192	149,641	6,680	192,118	19,676	382,307
Repurchase of the Company's shares into Treasury	–	–	–	(918)	–	(918)
Net return on ordinary activities	–	–	–	44,467	15,997	60,464
Dividends paid in the year (note 4)	–	–	–	–	(13,355)	(13,355)
At 31st December 2017	14,192	149,641	6,680	235,667	22,318	428,498

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 30TH JUNE 2018

	(Unaudited) 30th June 2018 £'000	(Unaudited) 30th June 2017 £'000	(Audited) 31st December 2017 £'000
Fixed assets			
Investments held at fair value through profit or loss	480,505	450,374	476,819
Current assets			
Debtors	6,852	1,941	877
Cash and cash equivalents	11,049	13,125	16,489
	17,901	15,066	17,366
Current liabilities			
Creditors: amounts falling due within one year	(2,299)	(764)	(768)
Net current assets	15,602	14,302	16,598
Total assets less current liabilities	496,107	464,676	493,417
Creditors: amounts falling due after more than one year	(59,932)	(64,905)	(64,919)
Net assets	436,175	399,771	428,498
Capital and reserves			
Called up share capital	14,192	14,192	14,192
Share premium	151,103	149,641	149,641
Capital redemption reserve	6,680	6,680	6,680
Capital reserves	240,873	208,092	235,667
Revenue reserve	23,327	21,166	22,318
Total shareholders' funds	436,175	399,771	428,498
Net asset value per share (note 5)	792.3p	732.7p	785.4p

STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30TH JUNE 2018

	(Unaudited) 30th June 2018 £'000	(Unaudited) 30th June 2017 £'000	(Audited) 31st December 2017 £'000
Net cash outflow from operations before dividends received and interest (note 6)	(1,511)	(1,468)	(3,055)
Dividends received	9,391	8,914	18,422
Interest received	44	18	43
Interest paid	(1,349)	(1,254)	(2,560)
Overseas tax recovered	87	61	37
Net cash inflow from operating activities	6,662	6,271	12,887
Purchases of investments	(85,553)	(56,966)	(135,101)
Sales of investments	83,226	53,311	134,197
Settlement of foreign currency contracts	1	3	8
Net cash outflow from investing activities	(2,326)	(3,652)	(896)
Dividends paid	(8,456)	(7,354)	(13,355)
Issue of shares from Treasury	3,682	–	–
Repurchase of the Company's shares into Treasury	–	(918)	(918)
Repayment of bank loan	(5,000)	–	–
Drawdown of bank loan	–	7,000	7,000
Net cash outflow from financing activities	(9,774)	(1,272)	(7,273)
(Decrease)/increase in cash and cash equivalents	(5,438)	1,347	4,718
Cash and cash equivalents at start of period/year	16,489	11,771	11,771
Exchange movements	(2)	7	–
Cash and cash equivalents at end of period/year	11,049	13,125	16,489
(Decrease)/increase in cash and cash equivalents	(5,438)	1,347	4,718
Cash and cash equivalents consist of:			
Cash and short term deposits	250	254	302
Cash held in JPMorgan Sterling Liquidity Fund	10,799	12,871	16,187
Total	11,049	13,125	16,489

FOR THE SIX MONTHS ENDED 30TH JUNE 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 December 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, including 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 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 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 30th June 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 December 2017.

3. Return per share

	(Unaudited) Six months ended 30th June 2018 £'000	(Unaudited) Six months ended 30th June 2017 £'000	(Audited) Year ended 31st December 2017 £'000
Return per share is based on the following:			
Revenue return	9,465	8,844	15,997
Capital return	2,986	16,892	44,467
Total return	12,451	25,736	60,464
Weighted average number of shares in issue	54,705,913	54,570,913	54,564,897
Revenue return per share	17.30p	16.21p	29.32p
Capital return per share	5.46p	30.95p	81.50p
Total return per share	22.76p	47.16p	110.82p

4. Dividends paid

	(Unaudited) Six months ended 30th June 2018 £'000	(Unaudited) Six months ended 30th June 2017 £'000	(Audited) Year ended 31st December 2017 £'000
Unclaimed dividends refunded to the Company	(8)	(12)	(13)
2017 fourth quarterly dividend of 9.5p (2016: 8.0p) paid in March	5,183	4,365	4,365
First quarterly dividend of 6.0p (2017: 5.5p) paid in June	3,281	3,001	3,001
Second quarterly dividend of 5.5p paid in September	n/a	n/a	3,001
Third quarterly dividend of 5.5p paid in December	n/a	n/a	3,001
Total dividends paid in the period	8,456	7,354	13,355

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

A second quarterly dividend of 6.0p (2017: 5.5p) per share, amounting to £3,303,000 (2017: £3,001,000) has been declared payable in respect of the year ending 31st December 2018. It will be paid on 3rd September 2018 to shareholders on the register at the close of business on 10th August 2018.

5. Net asset value per share

	(Unaudited) Six months ended 30th June 2018	(Unaudited) Six months ended 30th June 2017	(Audited) Year ended 31st December 2017
Net assets (£'000)	436,175	399,771	428,498
Number of shares in issue at period/year end	55,053,979	54,558,979	54,558,979
Net asset value per share	792.3p	732.7p	785.4p

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

	(Unaudited) Six months ended 30th June 2018 £'000	(Unaudited) Six months ended 30th June 2017 £'000	(Audited) Year ended 31st December 2017 £'000
Net return on ordinary activities before finance costs and taxation	13,870	27,037	63,116
Less capital return on ordinary activities before finance costs and taxation	(3,851)	(17,730)	(46,178)
Increase in accrued income and other debtors	(1,259)	(1,120)	(32)
Increase in accrued expenses	39	45	26
Management fee charged to capital	(776)	(743)	(1,511)
Overseas withholding tax	(88)	(12)	(20)
Dividends received	(9,391)	(8,914)	(18,422)
Interest received	(44)	(18)	(43)
Realised (losses)/gains on foreign currency transactions	(11)	(13)	9
Net cash outflow from operations before dividends received and interest	(1,511)	(1,468)	(3,055)

7. Fair valuation of instruments

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

	(Unaudited) Six months ended 30th June 2018		(Unaudited) Six months ended 30th June 2017		(Audited) Year ended 31st December 2017	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	480,505	–	450,374	–	476,819	–
Total value of investments	480,505	–	450,374	–	476,819	–

Regulatory Disclosures

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

Principal Risks and Uncertainties

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

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 twelve months from the date of the approval of this half yearly financial report. For these reasons, they consider that there is sufficient 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 year financial report has been prepared in accordance with FRS 104 'Interim Financial Reporting' and gives a true and fair view of the state of affairs of the Company, and of the assets, liabilities, financial position and net return of the Company as at 30th June 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 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
Andrew Sutch
Chairman

6th August 2018

Shareholder Information

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	6 months ended 30th June 2018	
Opening share price as at 31st December 2017 (p)	4	730.5	
Closing share price as at 30th June 2018 (p)	4	762.0	(a)
Total dividend adjustment factor ¹		1.021281	(b)
Adjusted closing share price (c = a x b)		778.2	(c)
Total return to shareholder		6.5%	

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 with Debt at Par Value (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	6 months ended 30th June 2018	
Opening cum-income NAV per share with debt at par value as at 31st December 2017 (p)	4	785.4	
Closing cum-income NAV per share with debt at par value as at 30th June 2018 (p)	4	792.3	(a)
Total dividend adjustment factor ²		1.020496	(b)
Adjusted closing share price (c = a x b)		808.5	(c)
Total return on net assets with debt at par value		2.9%	

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.

Return on Net Assets with Debt at Fair Value (APM)

The Company's debt (debenture) is valued in the Statement of Financial Position (within Creditors: amounts falling due after more than one year) at amortised cost, £29,932,000, which is materially equivalent to the repayment value of the debt on the assumption that it is held to maturity. This is often referred to as "Debt at Par Value". The current replacement or market value of the debt, which assumes it is repaid and renegotiated under current market conditions, is often referred to as the "Debt at Fair Value". The difference between fair and par values of the debt is subtracted from the NAV to derive the NAV with debt at fair value.

The fair value of the £30,000,000 Debenture issued by the Company has been calculated using discounted cash flow techniques, using the yield from a similar dated gilt plus a margin based on the five year average for the AA Barclays Sterling Corporate Bond spread. As at 30th June 2018, the cum income NAV with debt at fair value was £432,793,000 or 786.0p per share.

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.

Gearing/Net Cash (APM)

Gearing represents the excess amount above net assets of total investments, expressed as a percentage of net assets. If the amount calculated is negative, this is shown as a 'net cash' position.

		6 months ended 30th June 2018 £'000	Year ended 31st December 2017 £'000	
Gearing calculation	Page			
Investments held at fair value through profit or loss	4	480,505	476,819	(a)
Net assets	4	436,175	428,498	(b)
Gearing (c = a / b - 1)		10.2%	11.3%	(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 30th June 2018 is an estimated annualised figure based on the numbers for the six months ended 30th June 2018.

		6 months ended 30th June 2018 £'000	Year ended 31st December 2017 £'000	
Ongoing charges calculation	Page			
Management Fee	15	2,388	2,324	
Other administrative expenses	15	696	780	
Total management fee and other administrative expenses		3,084	3,104	(a)
Average daily cum-income net assets		418,982	405,373	(b)
Ongoing charges (c = a / b)		0.74%	0.77%	(c)

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, meaning there are more sellers than buyers.

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 4).

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



FINANCIAL CALENDAR

Financial year end	31st December
Final results announced	March
Half year end	30th June
Half year results announced	August
Quarterly interim dividends on ordinary shares paid	First business day of June, September, December, March
7% Debenture Stock 2020 interest paid	30th September, 30th March
Annual General Meeting	April

History

The Company was launched as Claverhouse Investment Trust Limited in 1963 with assets of £5 million and managed by Robert Fleming & Co. The Company took its name from Viscount Claverhouse ('Bonnie Dundee') who was killed at the Battle of Killiecrankie in 1689 whilst leading a rebellion against William and Mary. The name was chosen to commemorate the Company's link with Dundee, where Flemings originated in 1873. The Company changed its name to The Fleming Claverhouse Investment Trust plc in 1983, to JPMorgan Fleming Claverhouse Investment Trust plc in 2003 and adopted its present name in 2007.

Directors

Andrew Sutch (Chairman)
David Fletcher
Humphrey van der Klugt
Jill May
Jane Tufnell

Company Numbers

Company registration number: 754577
LEI: 549300NFZYFSCD52W53
London Stock Exchange Sedol number: 0342218
ISIN: GB0003422184
Bloomberg code: JCH LN
Reuters code: JCH. L

Market Information

The Company's net asset value ('NAV') is published daily, via the London Stock Exchange. The Company's ordinary shares are listed on the London Stock Exchange and are quoted daily in the Financial Times, The Times, The Daily Telegraph and on the JPMorgan Internet site at www.jpoclaverhouse.co.uk, where the ordinary share price is updated every fifteen minutes during trading hours.

Website

www.jpoclaverhouse.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 (International) Limited
1 Canada Square
London E14 5AL

Registrars

Equiniti
Reference 1079
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone number: 0371 384 2318

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 1079. Registered shareholders can obtain further details on individual holdings on the internet by visiting www.shareview.co.uk

Auditor

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

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.jpmlclaverhouse.co.uk

J.P. MORGAN HELPLINE

Freephone **0800 20 40 20** or +44 (0) 1268 444470.
Telephone lines are open Monday to Friday,
9am to 5.30pm.

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