

# JPMorgan Income & Capital Trust plc

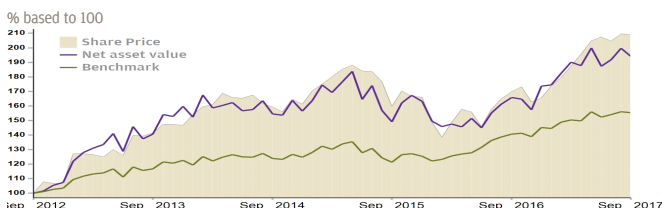
Monthly Update as at 30 September 2017

Ordinary Shares

## Management Commentary

The trust underperformed its benchmark during September. The key negative contributor was Indivior, a producer of pharmaceutical drugs, which reacted poorly to a ruling by a US court that a competitor company is not infringing its patents. Our holding in Carnival, a cruise operating company, also detracted from returns as it was feared that the hurricanes that ravaged the Caribbean would lead to a fall in bookings. WHSmith was one of the largest positive contributors: the share price rose strongly in the wake of a well-received trading statement at the end of August, in which the company spoke of strong performance from its shops in airports and railway stations.

### CUMULATIVE PERFORMANCE ENDING SEPTEMBER 2017



### QUARTERLY ROLLING 12M ENDING SEPTEMBER 2017

%	2016/17	2015/16	2014/15	2013/14	2012/13
Share Price	23.0	6.5	0.3	12.5	41.5
Net asset value <sup>A</sup>	17.0	11.2	-3.6	9.9	40.7
Benchmark	10.5	16.0	-2.2	6.1	16.8

### CUMULATIVE PERFORMANCE AS AT 30 SEPTEMBER 2017

%	1Y	3Y	5Y
Share price	23.0	31.3	109.1
Net asset value <sup>A</sup>	17.0	25.5	94.0
Benchmark	10.5	25.4	55.4

**Past performance is not a guide to the future.** J.P.Morgan/Morningstar. Net asset value performance data has been calculated on a NAV to NAV (using the cum income NAV with debt at fair) basis, including ongoing charges and any applicable fees, with any income reinvested, in GBP. Please note Benchmark Indices do not include fees or operating expenses and are not available for actual investment.

## COMPANY STRUCTURE

JPMorgan Income & Capital Trust plc (the Company) is a split-capital investment trust that invests in a broadly diversified portfolio investing principally in UK Equities and investment grade fixed interest securities. The Company may utilise gearing when appropriate to increase potential returns to shareholders. The Company has a fixed life which expires at the end of February 2018 unless, prior to that date, shareholders and unitholders approve alternative arrangements. The Ordinary Shares represent one class of shares issued by the Company and aim to provide regular quarterly income, together with the potential for capital growth. Ordinary Shareholders are entitled to all dividends paid by the Company and, on winding up, to all of the Company's surplus assets (including any growth in their value) after satisfying all liabilities of the Company and the accrued capital entitlement of the holders of the Zero Dividend Preference (ZDP) shares. The final capital entitlement per ZDP share due at the end of February 2018 is 192.13p (£89,557,000 based on the current ZDP shares in issue). It should be noted that Ordinary Shares rank behind any bank borrowings, other creditors and the ZDP shares and if the total assets of the Company do not exceed the prior ranking entitlements of the ZDP Shareholders, the Ordinary Shareholders will receive nothing upon the wind-up date. Ordinary shareholders should note that the Ordinary shares are considered to carry above-average risk. Please refer to the key facts below.

## KEY FACTS

Portfolio Manager(s)/Start date	John Baker (2008) Sarah Emly (2008)
Dividends Paid	January, April, July and October 90% FTSE 350 Index (ex investment trusts) and 10% Bloomberg Barclays Global Aggregate Corporate Bond Index (hedged) in sterling terms
Benchmark	Global Aggregate Corporate Bond Index (hedged) in sterling terms
Company Broker(s)	Winterflood Securities
Gross assets of the Company (as at 30/09/17)	GBP 155.0m
Share price (as at 31/10/17)	96.3p
Net asset value (NAV) (as at 31/10/17) <sup>A</sup>	101.5p
Discount(-)/Premium	-5.2%
Total dividend for last financial year (per share) <sup>B</sup>	7.40p
Financial year-end date	28 February
Prospective Dividend Yield <sup>C</sup>	8.3%
Potential gearing range	Not Disclosed
Actual gearing <sup>D</sup>	88.3%
<b>COMPANY FEES &amp; EXPENSES</b>	
Ongoing charges (comprises): <sup>E</sup>	1.23%
-Annual management fee	0.85% on net assets
-Operating & administrative expenses	0.38%
Performance fee	No

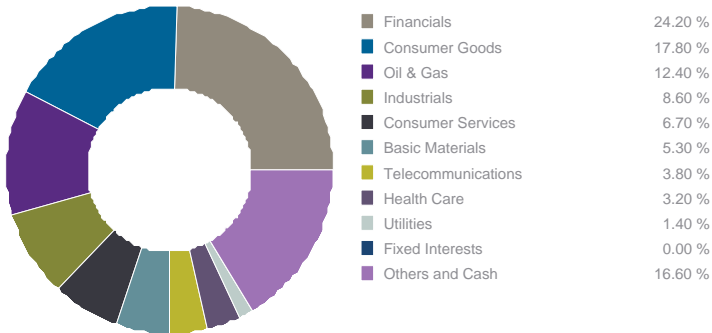
## KEY RISKS

The value of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. Please read the Risk Information, Explanatory Notes, Glossary of Terms and Important Information on the next page.

Any reference to companies/securities mentioned in this document is for information use only and should not be interpreted as investment advice or recommendation on those companies/securities. Any forecasts, figures, opinions, statements of financial market trends or investment techniques and strategies expressed are unless otherwise stated, J.P. Morgan Asset Management's own at the date of this document.

# JPMorgan Income & Capital Trust plc

## SECTOR BREAKDOWN AS AT 31 OCTOBER 2017 <sup>F</sup>



The Trust is an actively managed portfolio, holdings, sector weights, allocations and leverage, as applicable are subject to change at the discretion of the Investment Manager without notice.

## GLOSSARY OF TERMS

**BENCHMARK COMPARISON** - Comparison of the Company's performance is made with the benchmark. 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 therefore there may be a degree of divergence between its performance and that of the Company.

**CASH** - Net current assets including investment in liquidity funds & treasury stocks (if held) and drawn revolving credit facilities (if any) with an original maturity of less than 1 year.

**DISCOUNT / PREMIUM** - If the share price of an investment company is lower than the net asset value (NAV) per share, the company is said to be trading at a discount. If the share price of an investment company is higher than the net asset value (NAV) per share, the company is said to be trading at a premium. The discount/premium is shown as a percentage of the NAV.

**GEARING** - Gearing represents the excess amount above shareholders' funds of total assets expressed as a percentage of the shareholders' funds. Total assets include total investments and net current assets/liabilities less cash/cash equivalents and excluding bank loans of less than one year. If the amount calculated is negative this is known as a 'net cash' position.

**SECTOR / GEOGRAPHICAL BREAKDOWNS** - These are expressed as a percentage of total portfolio and cash. Investments in liquidity funds will be shown as cash.

**TOP 10 HOLDINGS** - These are expressed as a percentage of total portfolio and cash. Investments in liquidity funds / treasury stocks will not be shown in the top 10 holdings.

## EXPLANATORY NOTES

<sup>A</sup>Cum income only NAV with debt at par, diluted for treasury and/or subscription shares if applicable

<sup>B</sup>This includes a special dividend of 0.25p.

<sup>C</sup>Source: Morningstar. Prospective dividend yield is indicative and based on mid market prices, and include the declared and net prospective dividends for the current financial year.

<sup>D</sup>Gearing represents the excess amount above shareholders' funds of total investments (excluding liquidity fund holdings) expressed as a percentage of the shareholders' funds. If the amount calculated is negative, this is known as a 'net cash' position.

<sup>E</sup>Ongoing charges are the management fee and all other operating expenses, excluding interest charges on any borrowing and any performance fee payable expressed as a percentage of the average daily net assets during the year. All figures are for the previous financial year.

<sup>F</sup>Non-Benchmark holdings (where held) are classified in the appropriate sector/region. Cash is net current assets and holdings used as cash substitutes if applicable.

## IMPORTANT INFORMATION

This factsheet is to provide you summary information about the Company and should not be taken as an advice or recommendation to buy or sell its shares. If you are not sure of suitability of our products for your investment needs, please contact a financial adviser. Please ensure reading important product documentation including Key Features and Terms and Conditions, Investor Disclosure Document and Annual Reports and Accounts.

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## COMPANY CODES

### ISIN

GB00B2NBJ068

### Sedol

B2NBJ06

### Bloomberg

JPI LN

### Reuters

JPIP.L

## RISK INFORMATION

- This trust may invest in non investment grade bonds which increases the capital risk and have an adverse effect on the performance of funds which invest in them.
- Where permitted, a trust may invest in other investment trusts that utilise gearing (borrowing) which will exaggerate market movements both up and down.
- For income funds/shares - Dividend income is not guaranteed and will fluctuate.
- Investing in high yielding stocks may involve higher degree of risk as high yields are not guaranteed and will fluctuate.
- External factors may cause an entire asset class to decline in value. Prices and values of all shares or all bonds could decline at the same time, or fluctuate in response to the performance of individual companies and general market conditions.
- This trust may utilise gearing (borrowing) which will exaggerate market movements both up and down.
- This trust may also invest in smaller companies which may increase its risk profile.
- The share price may trade at a discount to the Net Asset Value of the company.