

# JPMorgan Chinese Investment Trust plc

Monthly Update as at 31 May 2017

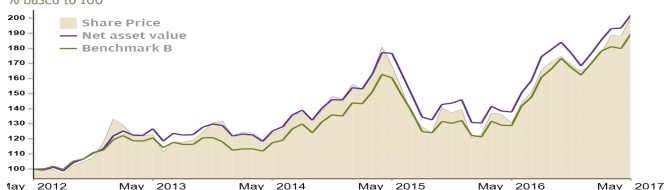
Overall Morningstar Rating™ (as at 31/05/17) <sup>A</sup> ★ ★ ★ ★ ★  
Morningstar Category™ Greater China Equity

## Management Commentary

The Company's share price outperformed the benchmark, while the net asset value underperformed. Our overweight in AAC Technologies was by far the biggest detractor on the back of negative headlines stemming from a short seller's report. We believe the allegations to be broadly unsubstantiated and are keeping an eye on further developments. Our Taiwanese technology holding, Largan Precision, corrected on some profit-taking given its strong run. Our zero weight in China Evergrande also hurt returns as the stock rallied on potential restructuring catalysts. On the positive side, stock selection in Chinese financials worked well, notably China Merchants Bank and Ping An Insurance. A lack of exposure to large-cap banking names ICBC and China Construction Bank also helped. Core internet holding JD.com added value as the stock delivered solid beats on all fronts. In addition, Jiangsu Hengrui added value on the back of a growing top line.

### CUMULATIVE PERFORMANCE ENDING MAY 2017

% based to 100



### QUARTERLY ROLLING 12M ENDING MARCH 2017

%	2016/17	2015/16	2014/15	2013/14	2012/13
Share Price	37.5	-15.9	31.7	1.5	16.5
Net asset value <sup>C</sup>	36.3	-13.0	32.8	0.0	18.1
Benchmark <sup>B</sup>	37.6	-12.8	33.1	-4.5	13.1

### CUMULATIVE PERFORMANCE AS AT 31 MAY 2017

%	1 Y	3 Y	5 Y
Share price	53.8	62.4	100.9
Net asset value <sup>C</sup>	46.8	61.5	102.3
Benchmark <sup>B</sup>	47.2	61.3	89.7

**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.

### TOP 10 HOLDINGS AS AT 31 MAY 2017

Holding	Sector	Weight
Alibaba	Information Technology	9.0%
Tencent	Information Technology	8.9%
Ping An Insurance	Financials	7.3%
China Merchants Bank	Financials	5.9%
Bank of China	Financials	4.1%
JD.com	Consumer Discretionary	4.0%
Ctrip.com International	Consumer Discretionary	2.5%
AAC Technologies	Information Technology	2.1%
CNOOC	Energy	2.0%
Baidu	Information Technology	1.9%

## INVESTMENT OBJECTIVE AND POLICY

The Company aims to provide long term capital growth by investment in companies which are quoted on the stock exchanges of Hong Kong, China and Taiwan or which derive a substantial part of their revenues or profits from these territories. The Company has the ability to use borrowing to gear the portfolio within the range of 10% net cash to 15% geared in normal market conditions.

## KEY FACTS

Portfolio Manager(s)/Start date	Howard Wang (2005) Emerson Yip (2006) Shumin Huang (2006)
Dividends Paid	February
Benchmark <sup>B</sup>	MSCI China (Net Dividends Reinvested)
Company Broker(s)	Winterflood Securities
Gross assets (as at 31/05/17)	GBP 215.6m
Share price (as at 31/05/17)	239.5p
Net asset value (NAV) (as at 31/05/17) <sup>C</sup>	272.0p
Discount(-)/Premium	-12.0%
Total dividend for last financial year (per share)	1.8p
Financial year-end date	30 September
Prospective Dividend Yield <sup>D</sup>	0.7%
Potential gearing range	-10% to 20%
Actual gearing (as at 31/05/17) <sup>E</sup>	6.0%

## COMPANY FEES & EXPENSES

Ongoing charges (comprises): <sup>F</sup>	1.44%
-Annual management fee	1.00% on gross assets
-Operating & administrative expenses	0.44%
Performance fee	No

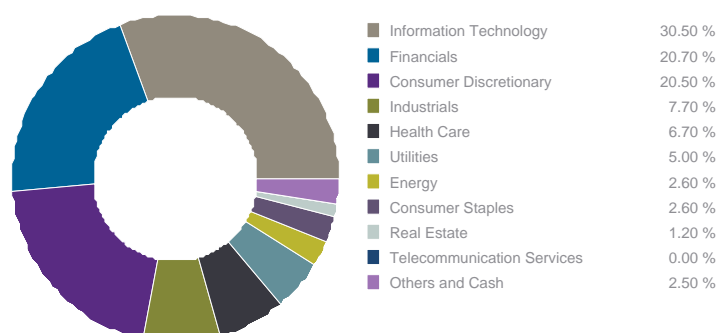
## KEY RISKS

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 Chinese Investment Trust plc

SECTOR BREAKDOWN AS AT 31 MAY 2017 <sup>6</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.

## RISK INFORMATION

- Exchange rate changes may cause the value of underlying overseas investments to go down as well as up.
- Investments in emerging markets may involve a higher element of risk due to political and economic instability and underdeveloped markets and systems. Shares may also be traded less frequently than those on established markets. This means that there may be difficulty in both buying and selling shares and individual share prices may be subject to short-term price fluctuations.
- This fund may use derivatives for investment purposes or for efficient portfolio management.
- 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.
- The single market in which the Trust primarily invests, in this case China, may be subject to particular political and economic risks and, as a result, the trust may be more volatile than more broadly diversified trusts.
- The Trust may invest in China A-Shares through the Shanghai-Hong Kong Stock Connect program which is subject to regulatory change, quota limitations and also operational constraints which may result in increased counterparty risk.

## EXPLANATORY NOTES

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<sup>8</sup>Prior to 01/02/16 the benchmark was MSCI Golden Dragon Index (€).

<sup>5</sup>Cum income only NAV with debt at par, diluted for treasury and/or subscription shares if applicable

<sup>9</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>6</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>7</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>6</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	GB0003435012
Sedol	0343501
Bloomberg	JMC LN
Reuters	JMC.L

## 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.