

JPMorgan European Smaller Companies Trust plc

Monthly Update as at 31 October 2017

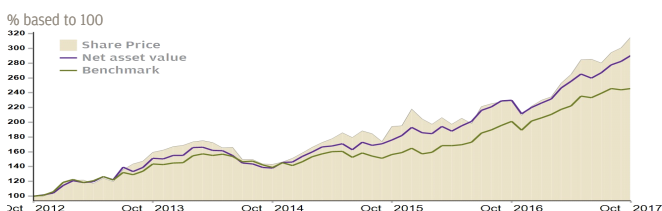
Management Commentary

The fund outperformed a rising benchmark during October. Top performers included Swiss semiconductor developer AMS, as management gave a very positive outlook for growth driven by products such as 3D sensing; Italian logistics solutions provider Datalogic, as third-quarter results showed continued strong operational momentum; and French computer game publisher Ubisoft, due to an improving revenue mix as high margin digital sales continued to grow.

Detractors from performance included Norwegian specialty chemicals producer Borregaard, as higher supply in the European market pressured pricing; Norwegian internet bank Skandiabanken, due to profit-taking after a strong run; and German industrial automation specialist Aumann, following a weak third-quarter earnings release as a result of phasing of orders.

Our outlook for European smaller company equities remains positive, driven by continued synchronised global economic expansion, supportive central banks and strong forecast earnings growth.

CUMULATIVE PERFORMANCE ENDING OCTOBER 2017



QUARTERLY ROLLING 12M ENDING SEPTEMBER 2017

%	2016/17	2015/16	2014/15	2013/14	2012/13
Share Price	32.1	31.1	21.0	-2.5	55.6
Net asset value ^B	23.3	34.0	23.0	-0.1	43.4
Benchmark	24.6	29.4	6.4	6.2	36.6

CUMULATIVE PERFORMANCE AS AT 31 OCTOBER 2017

%	1 Y	3 Y	5 Y
Share price	38.3	120.4	215.8
Net asset value ^B	26.3	110.2	190.4
Benchmark	22.3	77.2	145.8

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 OCTOBER 2017

Holding	Sector	Weight
TKH	Industrials	2.9%
ams AG	Information Technology	2.8%
Amplifon	Health Care	2.6%
Remy Cointreau	Consumer Staples	2.5%
IMCD	Industrials	2.5%
Sopra Steria	Information Technology	2.4%
Trigano	Consumer Discretionary	2.4%
Skandiabanken	Financials	2.4%
Huhtamaki	Materials	2.3%
Ursvarna	Consumer Discretionary	2.2%

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.

Overall Morningstar Rating™ (as at 31/10/17) ^A ★ ★ ★ ★ ★
Morningstar Category™ Europe ex-UK Small/Mid-Cap Equity

INVESTMENT OBJECTIVE AND POLICY

The Company aims to provide capital growth from a diversified portfolio of smaller European companies (excluding the United Kingdom). As the emphasis is on capital growth rather than income, shareholders should expect the dividend to vary from year to year. The company has the ability to use borrowing to gear the portfolio within the range of 20% net cash to 20% geared in normal market conditions.

KEY FACTS

Portfolio Manager(s)/Start date	Francesco Conte (1998) Jim Campbell (1995) Edward Greaves (2016)
Dividends Paid	January and July
Benchmark	Euromoney Smaller European Companies ex UK Index (Net)
Company Broker(s)	Cenkos Securities
Gross assets (as at 31/10/17)	GBP 786.8m
Share price (as at 30/11/17)	417.5p
Net asset value (NAV) (as at 30/11/17) ^B	438.2p
Discount(-)/Premium	-4.7%
Total dividend for last financial year (per share)	4.70p
Financial year-end date	31 March
Prospective Dividend Yield ^C	1.1%
Potential gearing range	-20% to 20%
Actual gearing ^D	5.2%

COMPANY FEES & EXPENSES

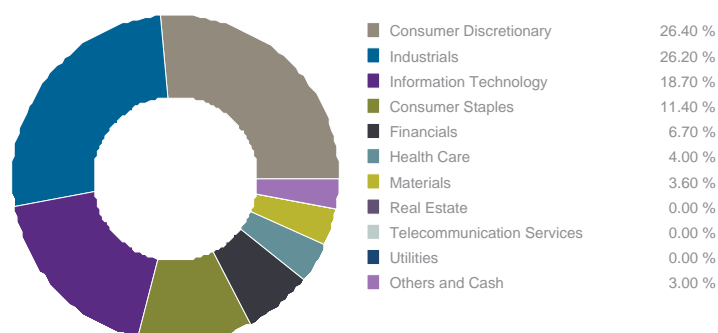
Ongoing charges (comprises): ^E	1.13%
-Annual management fee	1.0% on Net Assets up to £400m and 0.85% on Net Assets above £400m
-Operating & administrative expenses	0.13%
Performance fee	No

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.

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SECTOR BREAKDOWN AS AT 31 OCTOBER 2017 ^F



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.
- 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.

EXPLANATORY NOTES

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^BCum income only NAV with debt at par, diluted for treasury and/or subscription shares if applicable

^CSource: 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.

^DGearing 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.

^EOngoing 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.

^FNon-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.

COMPANY CODES

ISIN	GB00BMTS0Z37
Sedol	BMTS0Z3
Bloomberg	JESC LN
Reuters	JESC.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.