

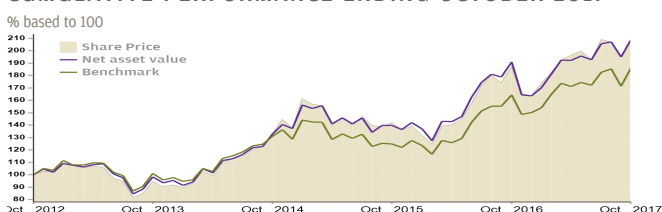
# JPMorgan Indian Investment Trust plc

Monthly Update as at 31 October 2017

## Management Commentary

The portfolio underperformed the benchmark during October. The longstanding zero weighting in Reliance Industries was the single largest detractor at stock level. Reliance Industries hit a record high during the month on the back of margin improvements for its refining and petrochemical businesses. The key event of the month, however, took place in the banking sector. Towards the end of October, India's government announced a \$32 billion recapitalization of the public sector (PSU) banks. While this is a significant and positive development for the banking industry and therefore for the broader economy, the portfolio has long been positioned in the higher quality private banks and has avoided the PSUs. The underweight in State Bank of India detracted from performance, as that stock rose; while longstanding overweights in HDFC Bank, IndusInd bank and Kotak Mahindra all lagged. While we believe that management and execution remain superior in the franchises that the fund owns, the recap could result in some shifting in market share: private sector banks have benefited from the near absence of PSU banks for the past couple of years as the latter sought to repair their balance sheets, and to some extent at the margin this seems likely to change now.

### CUMULATIVE PERFORMANCE ENDING OCTOBER 2017



### QUARTERLY ROLLING 12M ENDING SEPTEMBER 2017

%	2016/17	2015/16	2014/15	2013/14	2012/13
Share Price	12.0	25.8	12.9	44.4	-17.6
Net asset value <sup>b</sup>	9.0	27.9	14.0	38.9	-13.7
Benchmark	10.5	23.8	0.7	37.5	-12.7

### CUMULATIVE PERFORMANCE AS AT 31 OCTOBER 2017

%	1 Y	3 Y	5 Y
Share price	11.9	57.0	109.7
Net asset value <sup>b</sup>	9.5	57.1	108.9
Benchmark	13.3	41.9	86.1

**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
HDFC Bank	Financials	8.1%
Housing Development Finance	Financials	7.1%
Maruti Suzuki India	Consumer Discretionary	5.9%
IndusInd Bank	Financials	5.6%
Ashok Leyland	Industrials	5.0%
Kotak Mahindra Bank	Financials	4.8%
UltraTech Cement	Materials	4.8%
Bajaj Auto	Consumer Discretionary	4.0%
ACC	Materials	3.8%
ITC	Consumer Staples	3.7%

Overall Morningstar Rating™ (as at 31/10/17) <sup>A</sup> ★ ★ ★  
Morningstar Category™ India Equity

### INVESTMENT OBJECTIVE AND POLICY

Aims to provide capital growth from Indian investments by outperforming the MSCI India Index. The company will invest in a diversified portfolio of quoted Indian companies and companies that earn a material part of their revenues from India. The company will not invest in other countries of the Indian sub continent including Sri Lanka. The company has the ability to use borrowing to gear the portfolio to up to 15% of net assets where appropriate.

### KEY FACTS

Portfolio Manager(s)/Start date	Rajendra Nair (2003) Rukhshad Shroff (2003)
Dividends Paid	-
Benchmark	MSCI India Index (£)
Company Broker(s)	Numis Securities
Gross assets (as at 31/10/17)	GBP 978.6m
Share price (as at 30/11/17)	725.5p
Net asset value (NAV) (as at 30/11/17) <sup>b</sup>	827.3p
Discount(-)/Premium	-12.3%
Total dividend for last financial year (per share)	-
Financial year-end date	30 September
Prospective Dividend Yield <sup>c</sup>	-
Potential gearing range	Maximum 15%
Actual gearing <sup>d</sup>	7.3%

### COMPANY FEES & EXPENSES

Ongoing charges (comprises): <sup>e</sup>	1.22%
-Annual management fee	1.00% on gross assets
-Operating & administrative expenses	0.22%
Performance fee	No

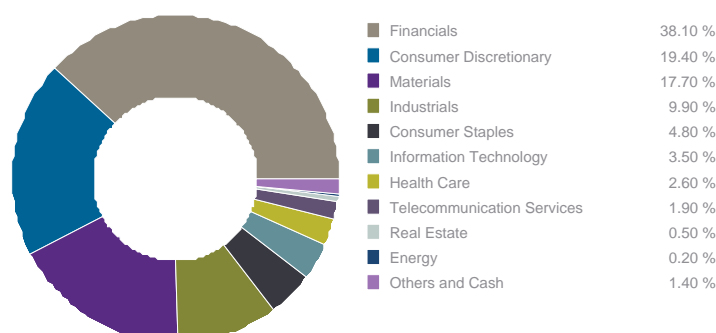
### KEY RISKS

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 Indian Investment 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.

## 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.
- 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 India, may be subject to particular political and economic risks and, as a result, the trust may be more volatile than more broadly diversified trusts.

## EXPLANATORY NOTES

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

<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	GB0003450359
Sedol	0345035
Bloomberg	JII LN
Reuters	JII.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.