

# JPMorgan European Investment Trust plc - Income Shares

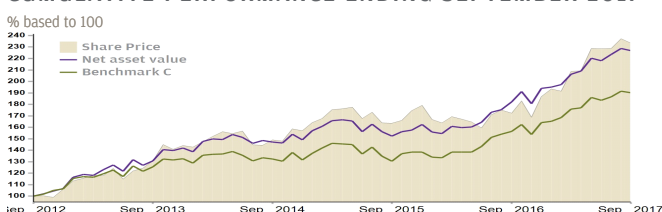
Monthly Update as at 30 September 2017

Overall Morningstar Rating™ (as at 31/10/17) <sup>A</sup> ★★★★★  
Morningstar Category™ Europe ex-UK Large-Cap Equity

## Management Commentary

In September Europe excl UK finished around 4% higher, up nearly 14% year-to-date and up 20% over the last 12 months. The euro lost a little ground against the US dollar and sterling bounced around 5% against the euro, so in sterling terms the index return was very slightly negative. Confidence indicators for manufacturing and services remained very strong, and global activity is also above trend in many geographies, meaning that we are experiencing a synchronised global recovery for the first time in many years. The Income class net asset value underperformed the market and stock selection was negative. The main contributors were large cyclicals which we do not own because they do not qualify on yield grounds: Airbus, Bayer, ASML, SAP and LVMH, all of which are seeing reasonable business developments both at home and overseas. At the other end of the scale many of our holdings performed well after publishing good quarterly results - Ence and Altri in the paper sector, for instance, or Nobina in transportation - but they were not able to outweigh the negatives at the other end of the scale.

## CUMULATIVE PERFORMANCE ENDING SEPTEMBER 2017 <sup>B</sup>



## QUARTERLY ROLLING 12M ENDING SEPTEMBER 2017 <sup>B</sup>

%	2016/17	2015/16	2014/15	2013/14	2012/13
Share Price	35.4	5.3	9.8	14.1	30.7
Net asset value <sup>D</sup>	24.6	19.5	3.5	12.5	30.9
Benchmark <sup>C</sup>	21.4	20.0	-1.6	5.6	25.5

## CUMULATIVE PERFORMANCE AS AT 30 SEPTEMBER 2017 <sup>B</sup>

%	1 Y	3 Y	5 Y
Share price	35.4	56.6	133.6
Net asset value <sup>D</sup>	24.6	54.1	126.9
Benchmark <sup>C</sup>	21.4	43.4	90.1

**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.

## INVESTMENT OBJECTIVE AND POLICY

Aims to provide a dividend income, together with the potential for long-term capital growth from Continental European investments by outperformance of the MSCI Europe ex-UK Index. The company will predominantly invest in quoted companies with a record of paying sustainable high dividends. Currency exposure is predominantly hedged back towards the benchmark. The company has the ability to use borrowing to gear the portfolio within the range of 10% net cash to 20% geared in normal market conditions.

## KEY FACTS

Portfolio Manager(s)/Start date	Stephen Macklow-Smith (2006) Alexander Fitzalan Howard (2006) Michael Barakos (2006) Thomas Buckingham (2016)
Dividends Paid	January, April, July and October
Benchmark <sup>C</sup>	MSCI Europe ex UK
Company Broker(s)	Winterflood Securities
Gross assets (as at 30/09/17)	GBP 193.0m
Share price (as at 31/10/17)	168.0p
Net asset value (NAV) (as at 31/10/17) <sup>D</sup>	181.1p
Discount(-)/Premium	-7.2%
Total dividend for last financial year (per share)	5.00p
Financial year-end date	31 March
Prospective Dividend Yield <sup>E</sup>	3.0%
Potential gearing range	-10% to 20%
Actual gearing <sup>F</sup>	7.8%

## COMPANY FEES & EXPENSES

Ongoing charges (comprises): <sup>G</sup>	1.05%
- Annual management fee	0.75% on gross assets
- Operating & administrative expenses	0.30%
Performance fee	No

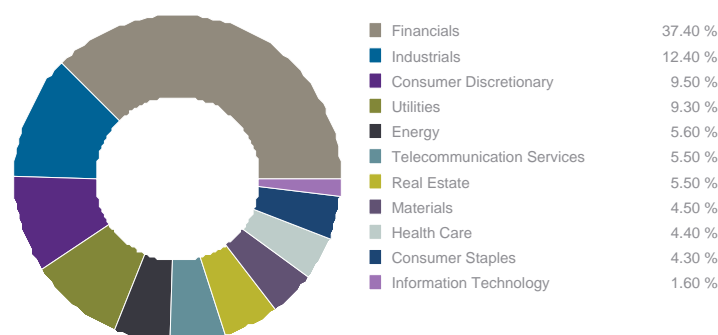
## KEY RISKS

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 European Investment Trust plc - Income Shares

## SECTOR BREAKDOWN AS AT 31 OCTOBER 2017 <sup>H</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.
- 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.
- 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.
- 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.

## EXPLANATORY NOTES

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<sup>B</sup> Past performance figures for this fund are shown to illustrate its performance since its launch in 2006 and investment decisions should not be based on its short term performance. - Total return - using capital only NAVs with net dividend (if any) reinvested, in sterling, unless otherwise stated. Source: J.P. Morgan/Morningstar ([www.morningstar.co.uk](http://www.morningstar.co.uk))

<sup>C</sup> On 26/03/13 the benchmark for the Trust was changed from MSCI Europe Index to MSCI Europe ex UK Index.

<sup>D</sup> Cum income NAV with debt at fair value, diluted for treasury and/or subscription shares if applicable, with any income reinvested.

<sup>E</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>F</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>G</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>H</sup> Based on total investments, which include investment of any borrowings to gear the portfolio and excludes liquidity fund holdings and net current assets.

## 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	GB00B17XWW44
Sedol	B17XWW4
Bloomberg	JETI LN
Reuters	JETI.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.