



Half Year Report **2010**
JPMorgan Claverhouse Investment Trust plc

Half Year Report & Accounts for the six months ended 30th June 2010

Features

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Objective

Capital and income growth from UK investments.

Investment Policies

- To invest in a portfolio consisting mostly of leading UK companies.
- To use long-term gearing to increase potential returns to shareholders. The Company's gearing policy is to operate within a range of 95% to 120% invested in normal market conditions.
- To invest no more than 15% of gross assets in other UK listed investment companies (including investment trusts).
- To invest no more than 15% of gross assets in any individual investment (including unit trusts and open ended investment companies).

Benchmark

The FTSE All-Share Index.

Capital Structure

At 30th June 2010, 56,765,653 ordinary shares of 25p each were in issue including 1,003,870 shares held in Treasury.

Management Company

The Company employs JPMorgan Asset Management (UK) Limited ('JPMAM') to manage its assets.

Half Year Performance

Total Returns (capital plus income)

-7.6%

Return to shareholders^{1,3}

-6.2%

Return on net assets^{2,3}

-6.2%

Benchmark return⁴

Financial Data

	30th June 2010	31st December 2009	% change
Shareholders' funds (£'000)	229,606	254,330	-9.7
Number of shares in issue ⁵	55,761,783	56,357,053	-1.1
Share price	383.25p	425.0p	-9.8
Net asset value per share with debt at par value	411.8p	451.3p	-8.8
Net asset value per share with debt at fair value ⁶	402.9p	444.1p	-9.3
Share price discount to net asset value per share with debt at par value ⁷	6.0%	4.9%	
Share price discount to net asset value per share with debt at fair value ^{6,7}	5.7%	4.3%	
Actual gearing factor	111.3%	110.3%	

A glossary of terms and definitions is provided on page 16.

¹Source: Morningstar.

²Source: J.P. Morgan.

³These are total returns and assume that the 2009 fourth quarterly dividend of 6.4p and the 2010 first quarterly dividend of 3.5p were reinvested on the applicable ex-dividend dates.

⁴Source: FTSE/Datastream. The Company's benchmark is the FTSE All-Share Index.

⁵Excluding 1,003,870 (31st December 2009: 408,600) shares held in Treasury.

⁶The fair value of the £30m (2009: £30m) debenture issued by the Company has been calculated with reference to a similar dated gilt yield plus a margin based on the 5 year average for the AA Barclays Sterling Corporate Bond spread.

⁷Source: Bloomberg. The discount is calculated using the net asset value at 30th June 2010, excluding current year income.

Chairman's Statement



After the euphoria of stock markets from March to December 2009 it is no surprise that the first six months of 2010 have proved more sober in tone. Part of the 29.7% gain in net asset value in 2009 has been given up. However, there has been no return to the deep gloom of the winter of 2008/9.

Your Company's net asset value total return was -6.2% over the six months to 30th June 2010. This matched the total return on our benchmark index, the FTSE All-Share, of -6.2%. The total return to shareholders was -7.6%. A full review of the Company's performance for the first six months and the outlook for the remainder of the year is provided in the Investment Managers' Report on pages 4 to 6.

Revenue and Dividends

At 7.52p earnings per share for the six months to 30th June 2010 fell when compared to the 8.94p earned in the same period in 2009. Dividends remain under pressure and this has been compounded by BP's decision to suspend payments of dividends for the remainder of 2010, including cancelling that already announced for the second quarter, following the disaster in the Gulf of Mexico. The BP decision cost your Company 0.6p per share in the six months to 30th June and is expected to result in a further shortfall of 1.2p per share in the second half of the year.

The Directors have already declared two quarterly dividends of 3.50p each for the current financial year (2009: 3.50p). I advised shareholders in my March Statement that the Board hoped to be able at least to maintain the dividend of 16.9p per share and, if possible, to increase the total at least in line with the rate of inflation as long as inflation remains at or close to the Bank of England's target rate of 2.5%. This remains the Board's aspiration but it will carefully consider this matter once we see the outturn for our earnings for the financial year. Meanwhile the Company has a healthy revenue reserve of approximately 21.6p per share built up in better times. The ability to hold such a reserve and to use it to maintain or indeed increase dividends when times are hard is one of the advantages that investment trusts have over unit trusts and other similar open-ended vehicles.

Share Buy-backs and Discount

During the period under review the Company repurchased a total of 595,270 shares into Treasury. By comparison, during the six months to 30th June 2009, the Company repurchased 23,500 shares. The Company did not issue any new shares over the period. Any re-issue of shares from Treasury would only be made at a premium to net asset value. At 30th June 1,003,870 shares (1.8% of the total share capital) were held in Treasury. Unless it proves possible to reissue those shares it is the Board's intention to cancel a number of the Treasury shares such that the total held in Treasury will not exceed 10% of the issued share capital. Meanwhile for the purposes of calculating net asset values the holding of Treasury shares is treated notionally as already cancelled.

At the period end, the discount with debt at fair value was 5.7% (with debt valued at par it was 6.0%) and averaged 7.3% over the six months.

Gearing

As at 30th June 2010 the Company was 11.3% geared. During the period the gearing varied between 10.3% and 13.0%. It is the Board's current intention to keep gearing within the range of 0-15%; however this level is kept under regular review in conjunction with the Investment Managers and may be increased up to a maximum in normal circumstances of 20%.

The Future

Many of the uncertainties about which I wrote in my Statement in March remain. The world's economic and the UK's political uncertainties persist. Although fears about the Euro have subsided I find it difficult to understand how that currency can have a stable base unless and until there is a greater degree of political union between the countries that use the Euro. Whether that is possible I do not know. Although the UK is outside of the Eurozone any disruption to the Euro as a currency would inevitably be very unsettling for stock markets. However, any thoughts of the UK joining the Euro in the foreseeable future seem to have been shelved even by the most ardent supporters of the single currency and the UK economy can benefit from the devaluation of sterling which has taken place since early 2009.

Of course devaluation raises the risk of increased inflation and this risk is compounded by the unprecedented monetary policies that exist both in the UK and in the USA. There are few signs that inflation is a risk in the short term. But it is a risk that must be watched for the medium term. Any increase in inflation would be very bad news for bonds. But equities should provide protection for investors.

On the political front the new coalition government has, unfortunately, raised the rate of Capital Gains Tax ('CGT') to a level which may well result in less tax flowing into the Exchequer. At least, though, it has not been raised to the marginal rate of Income Tax which would certainly have resulted in a collapse of Government revenue from CGT together with very damaging ossification of the deployment of capital. Again investment trusts are at an advantage as your Company can change its investments within the portfolio, without incurring CGT.

The Government is intending to address its financial deficit with public sector cuts of a depth that has never been known in living memory. These will be very difficult to bring about given the level of active and passive resistance that will, no doubt, be deployed by those who are employed by the State or who rely upon it. It is very much to be hoped, though, that Herculean efforts will be made to ensure that the financial pressure will improve the efficiency of the public sector.

Meanwhile many companies are in good financial shape. The 100 biggest companies listed in London are very reliant on the health of the world economy which is being supported by emerging markets and by the beginnings of recovery in the USA and Europe. The Investment Managers' Report which follows discusses the risk of a 'double dip' recession. Whilst that cannot be ruled out it is my view that the chances are relatively small and that long-term investors should remain committed to equities which, by historic standards, do not look expensive.

Michael Bunbury
Chairman

4th August 2010

Investment Managers' Report



James Illsley



Sarah Emly

Market Review

After the strong gains of 2009, the UK stock market suffered a setback in the first half of 2010 amid concerns over sovereign debt levels in the Eurozone, the speed and scope of government deficit reduction programmes and the health of the global economy. The UK market was further hit by a sharp fall in the value of one of its largest companies, as oil producer BP struggled to stop a damaging oil leak from one of its platforms in the Gulf of Mexico following an explosion in April.

Against this difficult backdrop, the FTSE All-Share Index fell 6.2% over the six months to 30th June 2010. Large cap stocks suffered the heaviest falls (impacted by the travails of BP), with the FTSE 100 Index down 7.4%. Mid cap stocks fared the best, with the FTSE 250 Index gaining 2.1% over the period, whilst the small cap index declined by 1.7%.

The UK stock market began the year in relatively strong shape, with the UK economy moving out of recession in the fourth quarter of 2009 and corporate earnings growth accelerating. However, the ebullient mood did not last, as a growing fiscal crisis in Greece sparked sovereign default fears that quickly spread to other highly indebted Eurozone countries including Portugal, Spain, Italy and Ireland.

The UK, which is also running an unsustainably high budget deficit, managed to avoid the Eurozone's woes, helped by its ability to devalue sterling and due to hopes that May's general election would return a government committed to significantly reducing the deficit. In June, the new Conservative/Liberal Democrat coalition placated markets by announcing plans for swingeing cuts to public spending and substantial tax rises to restore the country to a sustainable fiscal path. On a cyclically adjusted basis (after excluding the effects of the business cycle) overall net borrowing is expected to decline from 8.7% of GDP in 2009/10 to 0.8% by 2014/15, a contraction of 7.9 percentage points - a larger five-year adjustment than at any time in the past 40 years (including when the UK went to the IMF in 1976 and the early years of the Thatcher government).

With fiscal conditions tightening, the Bank of England's Monetary Policy Committee (MPC) kept interest rates on hold at a record low of 0.5% despite persistently high inflation, which remained well above the target rate of 2%. The MPC put its asset purchase programme on hold, but left the door open for more quantitative easing should the economic situation deteriorate.

In corporate news, the period was dominated by BP's battle to control the oil leak in the Gulf of Mexico. Its share price dropped 52% between 20th April, when its Deepwater Horizon platform exploded, and the end of June, amid uncertainty over the costs of the disaster, both in monetary terms and in the damage done to the company's reputation. The period also saw some significant merger and acquisition activity, as Cadbury's accepted an improved £11.5 billion takeover offer from US food company Kraft in January.

Portfolio Review

For the first six months of the year the total return on net assets for your Company was in line with the benchmark return. Although our financial gearing was detrimental over this period of negative returns, the underlying stock selection contributed positively, offsetting this negative impact.

During the first three months of the year, UK equities moved further forward and our investment process of ensuring that the Company is overweight in both value and growth stocks generated positive returns. As the more promising economic conditions encouraged investors back to the market, both cheap stocks and those stocks with improving corporate newsflow delivered strong returns. The mining sector performed particularly well over this initial period, as a result of the recovery in many commodity prices, whilst many of our growth stocks also outperformed the rising market as their profit announcements exceeded market forecasts leading to further earnings upgrades and strong share price performance. During the second quarter of the year however, UK equities suffered heavy falls as concerns grew over the possibility of a double-dip recession and the potential for the corporate profit recovery to falter. Over this more recent period returns to both growth and value were mixed, with many cheaply rated stocks such as the miners and oil stocks performing poorly (particularly BP), whilst others, such as the lowly rated tobacco stocks, outperformed the falling market.

Clearly the most significant event of the six month period has been BP's crisis in the Gulf of Mexico. At the time of the explosion the Company had a significant overweight holding in BP due to its then attractive valuation characteristics. However post the leak we actively lowered our exposure to BP, initially in April at an early stage of the crisis, and then further reduced the position in May and June. By the end of June the market value of BP had fallen by over £60 billion, and we began to rebuild our holding at much lower share prices. Despite the early reduction in our holdings, BP was the most negative stock contributor over the first half of our financial year.

By contrast, our overweight positions in some of the lowly rated stocks that also delivered favourable newsflow were positive contributors to performance. Our overweight position in the pharmaceutical stock AstraZeneca was the largest positive contributor, whilst the mobile phone operator Vodafone was also a strong performer. Some of our more growth oriented stocks delivered very strong returns over the six month period with Aggreko, the specialist provider of power and temperature control equipment, rising by 52% over the period and IMI, the industrial engineering group, rising by 33% as both stocks continued to deliver positive earnings surprises to the market. However, not owning BSKyB was detrimental to performance as it received a bid approach from its largest shareholder, News Corporation, and consequently outperformed the falling market. Being underweight in Royal Bank of Scotland was also unhelpful over the period, although our long term overweight position in Barclays Bank partially offset this.

The dramatic events surrounding BP even managed to over shadow Prudential's abortive bid for the Asian assets of AIG and the planned rights issue to raise funds to part finance the acquisition. Ultimately the board of Prudential was forced to withdraw the proposal and the holding of Prudential shares was sold after the share price recovered, with the proceeds reinvested into Legal & General, whose UK operations were performing strongly.

Whilst there has been a lot of commentary on the impact of any double-dip recession and the fiscal austerity measures, at the individual company level profit delivery has generally been ahead of expectations. Such corporates have benefited from the stimulus of a lower level of sterling and the continuing recovery of the global economy. For the Company, this has meant that we have maintained our exposure

Investment Managers' Report

continued

to under-valued industrial companies such as IMI, Weir, Spirax-Sarco and Tomkins, whilst adding to positions in companies such as DS Smith and Electrocomponents. As the stock market has recovered since the nadir of March 2009, a number of stable defensive companies have seen their share prices underperform. Where this has opened up a valuation opportunity, we have selectively added to holdings, e.g. British American Tobacco and Vodafone.

Market outlook

UK equities are likely to remain volatile in the short term, given uncertainty about the economic outlook. Investors are worried that the Government's fiscal austerity measures will undermine the nascent economic recovery, casting some doubt over forecasts for corporate profits. If we enter a double dip recession, equity markets will undoubtedly fall further and a base level for stock prices will be hard to predict. However, only three of the last thirty-eight recessions have been double dips and recent economic data suggest that the rate of recovery is slowing rather than reversing. The Bank of England is also likely to keep interest rates at record lows and resort to more monetary policy support if necessary to underwrite the fiscal tightening. Therefore we could see a resumption of quantitative easing and perhaps a further bout of sterling weakness if economic conditions worsen.

UK equity valuations, meanwhile, remain attractive, with the UK market currently yielding more than the ten-year gilt and trading at just 10.3 times one year forward earnings compared to a five-year average of 11.7 times. The majority of UK companies are continuing to report results in line or ahead of expectations and we will continue to track the development of the corporate earnings outlook closely.

James Illsley

Sarah Emly

Investment Managers

4th August 2010

Ten Largest Investments¹

at 30th June 2010

Company	Sub-Sector	Valuation £'000	Total Assets % ²
Royal Dutch Shell	Oil & Gas Producers	21,968	8.3
Vodafone	Mobile Telecommunications	16,121	6.1
HSBC	Banks	13,874	5.2
AstraZeneca	Pharmaceuticals & Biotechnology	13,005	4.9
British American Tobacco	Tobacco	12,181	4.6
BP	Oil & Gas Producers	11,503	4.4
GlaxoSmithKline	Pharmaceuticals & Biotechnology	11,024	4.2
BHP Billiton	Mining	9,189	3.5
Rio Tinto	Mining	7,764	2.9
Unilever	Food Producers	7,305	2.8
Total³		123,934	46.9

¹Does not include the Company's investment in the JPMorgan Sterling Liquidity Fund.

²Based on total assets less current liabilities of £264.3m. The £5.0m drawn down on the Company's loan facility has been treated as a long term liability for the purpose of this analysis.

³At 31st December 2009, the value of the ten largest investments amounted to £137.7m representing 48.5% of total assets less current liabilities.

Sector Analysis

	at 30th June 2010		at 31st December 2009	
	Portfolio %	Benchmark %	Portfolio %	Benchmark %
Financials ¹	22.1	23.4	23.9	22.8
Oil & Gas	14.1	15.4	20.7	18.2
Basic Materials	13.0	11.5	13.1	12.0
Consumer Goods	12.1	12.0	10.6	11.9
Consumer Services	10.0	10.2	7.5	9.7
Health Care	9.5	8.1	9.1	8.0
Industrials	7.5	7.7	6.2	6.8
Telecommunications	6.6	6.1	5.5	5.8
Utilities	1.0	3.9	0.6	3.4
Technology	0.8	1.7	1.6	1.4
Net Current Assets ²	3.3	–	1.2	–
Total	100.0	100.0	100.0	100.0

Based on total assets less current liabilities of £264.3m (2009: £284.0m). The £5.0m drawn down on the Company's loan facility at 30th June 2010 has been treated as a long term liability for the purpose of this analysis.

¹Includes the Company's investments in the JPMorgan UK Smaller Companies Fund and JPMorgan Smaller Companies Investment Trust plc of 1.9% and 1.8% of the portfolio respectively.

²Includes the Company's investment in the JPMorgan Sterling Liquidity Fund.

Income Statement

for the six months ended 30th June 2010

	(Unaudited) Six months ended 30th June 2010			(Unaudited) Six months ended 30th June 2009			(Audited) Year ended 31st December 2009		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments held at fair value through profit or loss	–	(19,680)	(19,680)	–	(6,097)	(6,097)	–	50,088	50,088
Income from investments	5,130	–	5,130	5,974	–	5,974	10,228	–	10,228
Other interest receivable and similar income	41	–	41	23	–	23	97	–	97
Gross return/(loss)	5,171	(19,680)	(14,509)	5,997	(6,097)	(100)	10,325	50,088	60,413
Management fee	(215)	(399)	(614)	(170)	(316)	(486)	(369)	(685)	(1,054)
Other administrative expenses	(341)	–	(341)	(331)	–	(331)	(759)	–	(759)
Net return/(loss) on ordinary activities before finance costs and taxation	4,615	(20,079)	(15,464)	5,496	(6,413)	(917)	9,197	49,403	58,600
Finance costs	(390)	(725)	(1,115)	(392)	(727)	(1,119)	(776)	(1,441)	(2,217)
Net return/(loss) on ordinary activities before taxation	4,225	(20,804)	(16,579)	5,104	(7,140)	(2,036)	8,421	47,962	56,383
Taxation	(4)	–	(4)	(29)	–	(29)	(44)	–	(44)
Net return/(loss) on ordinary activities after taxation	4,221	(20,804)	(16,583)	5,075	(7,140)	(2,065)	8,377	47,962	56,339
Return/(loss) per share (note 4)	7.52p	(37.08)p	(29.56)p	8.94p	(12.58)p	(3.64)p	14.77p	84.54p	99.31p

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period.

The 'Total' column of this statement is the profit and loss account of the Company and the 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies. The Total column represents all the information that is required to be disclosed in a Statement of Total Recognised Gains and Losses ('STRGL'). For this reason a STRGL has not been presented.

Reconciliation of Movements in Shareholders' Funds

Six months ended 30th June 2010 (Unaudited)	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31st December 2009	14,192	149,641	6,680	68,504	15,313	254,330
Repurchase of shares into Treasury	–	–	–	(2,576)	–	(2,576)
Net (loss)/return on ordinary activities	–	–	–	(20,804)	4,221	(16,583)
Dividends appropriated in the period	–	–	–	–	(5,565)	(5,565)
At 30th June 2010	14,192	149,641	6,680	45,124	13,969	229,606

Six months ended 30th June 2009 (Unaudited)	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31st December 2008	14,198	149,641	6,674	22,291	18,283	211,087
Repurchase and cancellation of the Company's own shares	(6)	–	6	(82)	–	(82)
Net (loss)/return on ordinary activities	–	–	–	(7,140)	5,075	(2,065)
Dividends appropriated in the period	–	–	–	–	(7,377)	(7,377)
At 30th June 2009	14,192	149,641	6,680	15,069	15,981	201,563

Year ended 31st December 2009 (Audited)	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31st December 2008	14,198	149,641	6,674	22,291	18,283	211,087
Repurchase and cancellation of the Company's own shares	(6)	–	6	(83)	–	(83)
Repurchase of shares into Treasury	–	–	–	(1,666)	–	(1,666)
Net return on ordinary activities	–	–	–	47,962	8,377	56,339
Dividends appropriated in the year	–	–	–	–	(11,347)	(11,347)
At 31st December 2009	14,192	149,641	6,680	68,504	15,313	254,330

Balance Sheet

at 30th June 2010

	(Unaudited) 30th June 2010 £'000	(Unaudited) 30th June 2009 £'000	(Audited) 31st December 2009 £'000
Fixed assets			
Investments held at fair value through profit or loss	255,598	224,689	280,531
Investments in liquidity funds held at fair value through profit or loss	7,661	11,039	3,571
	263,259	235,728	284,102
Current assets			
Debtors	1,428	1,181	932
Cash and short term deposits	278	96	174
	1,706	1,277	1,106
Creditors: amounts falling due within one year	(5,642)	(5,752)	(1,174)
Net current liabilities	(3,936)	(4,475)	(68)
Total assets less current liabilities	259,323	231,253	284,034
Creditors: amounts falling due after more than one year	(29,717)	(29,690)	(29,704)
Total net assets	229,606	201,563	254,330
Capital and reserves			
Called up share capital	14,192	14,192	14,192
Share premium	149,641	149,641	149,641
Capital redemption reserve	6,680	6,680	6,680
Capital reserves	45,124	15,069	68,504
Revenue reserve	13,969	15,981	15,313
Shareholders' funds	229,606	201,563	254,330
Net asset value per share (note 5)	411.8p	355.1p	451.3p

Cash Flow Statement

for the six months ended 30th June 2010

	(Unaudited) Six months ended 30th June 2010 £'000	(Unaudited) Six months ended 30th June 2009 £'000	(Audited) Year ended 31st December 2009 £'000
Net cash inflow from operating activities (note 6)	3,675	4,939	8,390
Net cash outflow from returns on investments and servicing of finance	(1,102)	(1,099)	(2,189)
Tax recovered	5	–	–
Net cash inflow/(outflow) from capital expenditure and financial investment	1,092	(1,338)	6,591
Dividends paid	(5,565)	(7,377)	(11,347)
Net cash inflow/(outflow) from financing	1,999	4,885	(1,357)
Increase in cash for the period	104	10	88
Reconciliation of net cash flow to movement in net debt			
Net cash movement	104	10	88
Net loans drawn down in the period	(5,000)	(5,000)	–
Other movements	(13)	(13)	(27)
Movement in net debt in the period	(4,909)	(5,003)	61
Net debt at the beginning of the period	(29,530)	(29,591)	(29,591)
Net debt at the end of the period	(34,439)	(34,594)	(29,530)
Represented by:			
Cash and short term deposits	278	96	174
Bank loans falling due within one year	(5,000)	(5,000)	–
Debenture falling due after more than five years	(29,717)	(29,690)	(29,704)
	(34,439)	(34,594)	(29,530)

Notes to the Accounts

for the six months ended 30th June 2010

1. Financial statements

The information contained within the Financial Statements in this half year report has not been audited or reviewed by the Company's auditors.

The figures and financial information for the year ended 31st December 2009 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting policies

The accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice ('UK GAAP') and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in January 2009.

All of the Company's operations are of a continuing nature.

The accounting policies applied to these half year accounts are consistent with those applied in the accounts for the year ended 31st December 2009.

3. Dividends

	(Unaudited) Six months ended 30th June 2010 £'000	(Unaudited) Six months ended 30th June 2009 £'000	(Audited) Year ended 31st December 2009 £'000
Unclaimed dividends refunded to the Company	(1)	(2)	(2)
2009 Fourth quarterly dividend of 6.4p (2008: 5.9p) paid in March	3,607	3,349	3,349
2008 Special dividend of 3.6p paid in March 2009 in respect of the VAT recovery	—	2,043	2,043
First quarterly dividend of 3.5p (2009: 3.5p) paid in June	1,959	1,987	1,987
Second quarterly dividend of 3.5p paid in September	n/a	n/a	1,987
Third quarterly dividend of 3.5p paid in December	n/a	n/a	1,983
	5,565	7,377	11,347

A second quarterly dividend of 3.5p (2009: 3.5p) per share, amounting to £1,952,000 (2009: £1,987,000), has been declared payable in respect of the year ending 31st December 2010.

4. Return/(loss) per share

	(Unaudited) Six months ended 30th June 2010 £'000	(Unaudited) Six months ended 30th June 2009 £'000	(Audited) Year ended 31st December 2009 £'000
Return/(loss) per share is based on the following:			
Revenue return	4,221	5,075	8,377
Capital (loss)/return	(20,804)	(7,140)	47,962
Total (loss)/return	(16,583)	(2,065)	56,339
Weighted average number of shares in issue	56,111,039	56,765,653	56,730,311
Revenue return per share	7.52p	8.94p	14.77p
Capital (loss)/return per share	(37.08)p	(12.58)p	84.54p
Total (loss)/return per share	(29.56)p	(3.64)p	99.31p

5. Net asset value per share

Net asset value per share is calculated by dividing shareholders' funds by the number of shares in issue at 30th June 2010 of 55,761,783 (30th June 2009: 56,765,653 and 31st December 2009: 56,357,053), excluding shares held in Treasury.

6. Reconciliation of total (loss)/return on ordinary activities before finance costs and taxation to net cash inflow from operating activities

	(Unaudited) Six months ended 30th June 2010 £'000	(Unaudited) Six months ended 30th June 2009 £'000	(Audited) Year ended 31st December 2009 £'000
Total (loss)/return on ordinary activities before finance costs and taxation	(15,464)	(917)	58,600
Less capital loss/(return) before finance costs and taxation	20,079	6,413	(49,403)
(Increase)/decrease in net debtors and accrued income	(505)	(212)	76
Overseas withholding tax and UK income tax	(11)	(24)	(38)
Scrip dividends received as income	(25)	(5)	(160)
Expenses charged to capital	(399)	(316)	(685)
Net cash inflow from operating activities	3,675	4,939	8,390

Interim Management Report

The Company is required to make the following disclosures in its half year report.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company fall into six broad categories: investment and strategy; market; accounting, legal and regulatory; corporate governance and shareholder relations; operational and financial. Information on each of these areas is given in the Business Review within the Annual Report and Accounts for the year ended 31st December 2009.

Related Parties Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or the performance of the Company.

Directors' Responsibilities

The Board of Directors confirms that, to the best of its knowledge:

- (i) the condensed set of financial statements contained within the half year financial report has been prepared in accordance with the Accounting Standards Board's Statement 'Half Year Financial Reports'; and
- (ii) the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure and Transparency Rules.

For and on behalf of the Board

Sir Michael Bunbury
Chairman

4th August 2010

Glossary of Terms and Definitions

Return to Shareholders

Total return to the investor, on a mid-market price to mid-market price basis, assuming that all dividends received were reinvested, without transaction costs, in the shares of the Company at the time the shares were quoted ex-dividend.

Return on Net Assets

Total return on net asset value ('NAV') per share, on a bid value to bid value basis, assuming that all dividends paid out by the Company were reinvested, without transaction costs, in the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

In accordance with industry practice, dividends payable which have been declared but which are unpaid at the balance sheet date are deducted from the NAV when calculating the total return on net assets.

Benchmark Return

Total return on the benchmark, on a mid-market value to mid-market value basis, assuming that all dividends received were reinvested in the shares of the underlying companies at the time the shares were quoted ex-dividend.

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 consequently there may be some divergence between the Company's performance and that of the benchmark.

Actual Gearing Factor

Investments excluding holding in liquidity funds, expressed as a percentage of shareholders' funds. This shows the effect of gearing on the NAV if the market value of the portfolio were to increase by 100%.

Share Price Discount to Net Asset Value Per Share

If the share price of an investment company is lower than the NAV per share, the company's shares are said to be trading at a discount. The discount is shown as a percentage of the NAV. The opposite of a discount is a premium. It is more common for the shares of an investment company to trade at a discount than at a premium.

Information about the Company

Financial Calendar

Financial year end	31st December
Final results announced	March
Half year end	30th June
Half year results announced	August
Interim Management Statements announced	April and October
Quarterly interim dividends on ordinary shares paid	First business day of June, September, December, March
7% Debenture Stock 2020 interest paid	30th September, 30th March
Annual General Meeting	April

History

The Company was launched as Claverhouse Investment Trust Limited in 1963 with assets of £5 million and managed by Robert Fleming & Co. The Company took its name from Viscount Claverhouse ('Bonnie Dundee') who was killed at the Battle of Killiecrankie in 1689 whilst leading a rebellion against William and Mary. The name was chosen to commemorate the Company's link with Dundee, where Flemings originated in 1873. The Company changed its name to The Fleming Claverhouse Investment Trust plc in 1983, to JPMorgan Fleming Claverhouse Investment Trust plc in 2003 and adopted its present name in 2007.

Directors

Sir Michael Bunbury Bt., KCVO, DL (Chairman)
Virginia Holmes
Humphrey van der Klugt
Anne McMeehan
John Scott

Company Numbers

Company registration number: 754577
London Stock Exchange Sedol number: 0342218
ISIN: GB0003422184
Bloomberg code: JCH LN
Reuters code: JCH. L

Market Information

The Company's net asset value ('NAV') is published daily, via the London Stock Exchange. The Company's ordinary shares are listed on the London Stock Exchange and are quoted daily in the Financial Times, The Times, The Daily Telegraph, The Independent and on the JPMorgan Internet site at www.jpoclaverhouse.co.uk, where the ordinary share price is updated every fifteen minutes during trading hours.

Website

www.jpoclaverhouse.co.uk

Share Transactions

The Company's shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf. They may also be purchased and held through the J.P. Morgan Investment Account, J.P. Morgan ISA and J.P. Morgan SIPP. These products are all available on the online wealth manager service, J.P. Morgan WealthManager+ available at www.jpomorganwealthmanagerplus.co.uk

Taxation

For capital gains tax purposes, the base cost of the Company's shares at 31st March 1982 was 32.125p. This figure has been adjusted for the subdivision of each 50 pence share into two 25 pence shares on 4th March 1986 and the capitalisation issue on 25th March 1993 whereby shareholders were issued with one extra share for each share they held.

Manager and Company Secretary

JPMorgan Asset Management (UK) Limited

Company's Registered Office

Finsbury Dials
20 Finsbury Street
London EC2Y 9AQ
Telephone number: 020 7742 6000

For company secretarial and administrative matters please contact Jonathan Latter or Alison Vincent.

Registrars

Equiniti
Reference 1079
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone number: 0871 384 2318

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrars quoting reference 1079. Registered shareholders can obtain further details on individual holdings on the internet by visiting www.shareview.co.uk

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Brokers

JPMorgan Cazenove
10 Aldermanbury
London EC2V 7RF

Savings Product Administrators

For queries on the J.P. Morgan Investment Account, J.P. Morgan ISA and J.P. Morgan SIPP, see contact details on the back cover of this report.



The Association of
Investment Companies

A member of the AIC

JPMorgan Helpline
Freephone 0800 20 40 20 or +44 (0)20 7742 9995

Your telephone call may be recorded for your security

www.jpmlaverhouse.co.uk