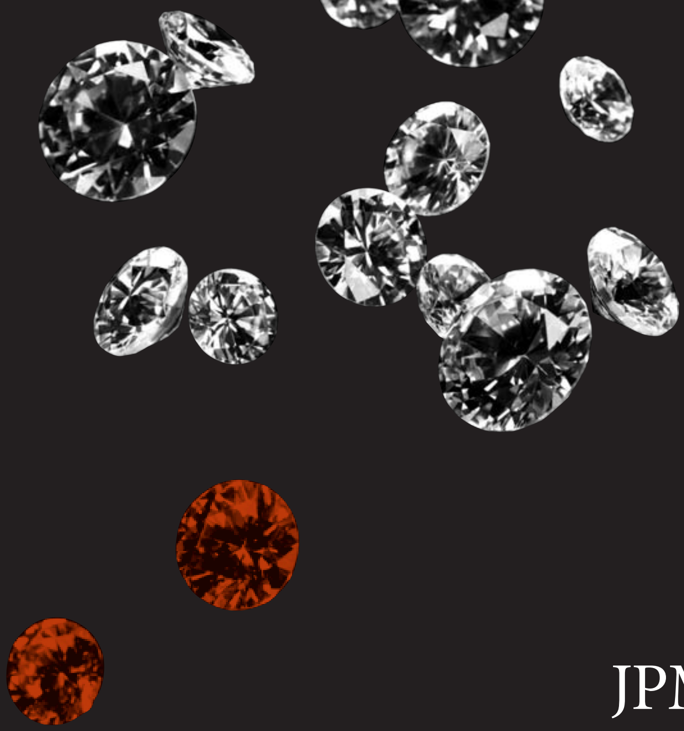

Half Year Report 09

JPMorgan Smaller Companies Investment Trust plc

Half Year Report & Accounts for the six months ended 31st January 2009

JPMorgan Asset Management

Features

Contents

Objective
Capital growth from UK listed smaller companies.

Investment Policies
- To provide capital appreciation for shareholders from a diversified portfolio of UK listed small companies, emphasising capital rather than income growth.
- To invest no more than 15% of its gross assets in other listed investment companies (including investment trusts).
- Liquidity and borrowings are managed with the aim of increasing returns to shareholders.

Benchmark
The FTSE Small Cap Index (excluding investment trusts).

Capital Structure
The Company has an authorised share capital of 56,000,000 ordinary shares of 25p each, of which 19,665,222 were in issue at the period end.

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

Half Year Performance

Total Returns (capital plus income)

–39.0%
Return to shareholders[1]

–37.6%
Return on net assets

–37.6%
Benchmark return[2]

Financial Data

	31st January 2009	31st July 2008	% change
Shareholders' funds (£'000)	56,133	96,035	–41.5
Number of shares in issue	19,665,222	20,025,322	–1.8
Net asset value per share	285.4p	479.6p	–40.5
Share price	229.5p	391.3p	–41.3
Discount of share price to net asset value	19.6%	18.4%	

A glossary of terms and definitions is provided on page 14.

[1]Source: Standard & Poor's – www.funds.morningstar.com
[2]Source: MSCI – The Company's benchmark is the FTSE Small Cap Index (excluding investment trusts).

Chairman's Statement

Strone Macpherson

Performance

The six months period to 31st January 2009 has been a most extraordinarily difficult period for investors in UK equity markets, with the global economy sliding into recession and the world financial system in difficulties. Dominated by the credit crunch, UK smaller companies in particular, have produced extremely disappointing results. Against this backdrop, the Company produced a negative return of 39.0% for shareholders in the six months period. The total return on net assets was negative 37.6% compared with the FTSE Small Cap Index (excluding investment trusts) return of negative 37.6%. The Investment Manager's report gives a more detailed commentary about the unprecedented market conditions experienced during this period.

Share Buybacks

During the half year, the Company repurchased a total of 360,100 ordinary shares for cancellation for a total consideration of £864,178 representing 1.85% of the issued share capital at the beginning of the year. The shares were repurchased at an average discount of 17% and added approximately 1p per share to the net asset value for continuing shareholders.

The Board's objective remains to use this policy of utilising share buybacks to help maintain an orderly market for the Company's shares, thereby reducing the volatility of the discount.

Gearing and New Loan Facility

Gearing at 31st January 2009 was at 104.3%. A flexible loan facility of £13.5 million is currently in place with Bank of Ireland, which expires in April 2009. I am pleased to report that the Board is in the process of arranging a new loan facility to be made available when the current facility expires, which can continue to be used tactically as investment opportunities present themselves, with the aim of enhancing returns. At the end of January 2009, £5 million had been drawn on the current facility.

VAT and Special Interim Dividend

The Board announced on 8th January 2009 that an agreement with JPMorgan on the recovery of past VAT had been executed. Following receipt of the payment of the VAT recovery and interest announced on 24th December 2008, the Directors declared a special one-off interim dividend of 3p per share for the year ending 31st July 2009, and paid that on 30 January 2009 to shareholders on the register at the close of business on 16th January 2009. The ex-dividend date was 14th January 2009.

Outlook

The Board remains cautious in its outlook and expects 2009 to be a difficult year for investors, as Governments worldwide take drastic measures to counter the global recession. However, there will come a point when these initiatives start to become effective and investors' confidence is regained, with re-rating of the value of many stocks. As highlighted in her report, the Investment Manager continues to take advantage of the excellent opportunity in these markets to invest in companies that will survive the recession and are also likely to grow their market share. The Board is confident that the Company's portfolio is well positioned to survive the turmoil and benefit strongly from any upturn in the market when it happens.

Strone Macpherson
Chairman

18th March 2009

Investment Managers' Report

Georgina Brittain

Kent Kwan

Market Background

The Autumn of 2008 will be hard for any investor to forget. The banking crisis which began in the summer of 2007 reached a climax in this reporting period, and during these six months the crisis expanded out of the financial sector and into the real economy.

As has been well documented, the collapse of Lehman Brothers brought panic to markets around the world. Banks refused to lend to each other, for fear of counterparty risk, and in turn this led to a collapse in orders in the fourth quarter of 2008. The speed of the contraction took most companies and commentators by surprise. While GDP in the UK turned negative in Q3 2008, down 0.6%, it was the fourth quarter that saw the full impact of the crisis, leading to a GDP decline of 1.5% quarter on quarter – which was the largest quarterly decline since 1980.

As fears of an outright depression, rather than short term recession, gathered pace, and the inflationary threat of early 2008 turned to concerns over deflation, governments around the world reacted. The dramatic policy response in the UK led to the slashing of interest rates to the unprecedented level of 1.5% by January 2009 (now at 0.5% in March 2009). This, allied with further aggressive Government measures, has since December led to a slow and gradual easing in credit markets.

Portfolio Review

In the stockmarket turmoil of the last six months, company fundamentals were ignored. Smaller companies were aggressively sold off, on account of three factors: risk aversion, deleveraging by hedge funds/redemptions by investors, and derating/downgrading of forecasts. Against this backdrop, your company delivered a flat return on net assets against the benchmark, which itself was down a staggering 37.6%.

Over the last twelve months, the portfolio had become more defensive, and this trend continued in the period. This can be seen in the sector analysis, where the most notable change was the reduction in the Industrials overweight position, and most recently a small increase in the Financials holdings, although we remain very significantly underweight this area of the market. In terms of sector performance, the underweight position in Real Estate was the single most notable contributor to relative performance, followed by the overweight position in Technology. Overall, stock selection was the main positive.

Avoiding losers was as important as holding winners in the period. While we clearly did not avoid them all, there were over 40 stocks in the small cap arena that lost 75% of their value in the last six months. A few notable outperformers within the portfolio included long-time holding Chemring, Micro Focus (tech) and the positions in Axon and Imperial Energy, both of which were acquired in the period. The small amount of gearing that was in place at the worst of market declines cost your company approximately 2%.

It is important to emphasise that during this extraordinarily volatile period, the investment process which underlies the fund did not change. The methodology uses a quantitative screen which breaks down the individual stocks in the investible universe and ranks them according to four factors: value, earnings momentum, price momentum and growth. After fundamental research to check the data, the balance sheet and the market environment, the portfolio is constructed around stocks which demonstrate these tilts. This aims to ensure not only that the portfolio is constructed around our underlying philosophy of fast-growing cheap stocks with good newsflow, but also that the portfolio has both growth and value signatures,

Investment Managers' Report continued

which academic evidence has demonstrated to be the two long-term drivers of outperformance in the stockmarket. This quantitative approach is the starting point for the stock selection that is the bedrock of the portfolio; it is then overlaid by the fund managers' extensive knowledge of individual companies and their markets, and their own research efforts.

Market Outlook

It is all too easy to paint a picture of unrelenting gloom – and indeed, the newspapers currently are full of little else. 2009 is going to see recessions in the UK, US, Germany, France and Japan to name but a few. Unemployment is rising, orders in a large number of industries are declining, and companies are unable to forecast accurately, or at all, given the speed of the recent declines.

Against this bleak backdrop, there are reasons for optimism. The emphatic and on-going policy response of governments is helping the credit markets to begin to recover. President Obama's economic stimulus plan and the Chinese reflationary package should help to kick-start the US economy and return China to its 8% annual growth target. In the UK, the decline in input costs and the weakness of sterling over the last several months will prove to be of huge benefit to our exporters.

Most compelling of all is the valuation argument. Stockmarkets are pre-emptive, and a very significant amount of the poor economic outlook is currently priced into UK equities. Among small cap companies, which were worst hit in the flight from risk seen in 2008, there are some compelling bargains. It is currently possible to invest in certain companies with an enterprise value of less than one times EBITDA. What this means is that these businesses are currently being valued, netting out the cash which they own, on less than one year's cashflow. Such bargains cannot last, and these stocks should at some point be comprehensively rerated. While we currently remain defensive in our overall positioning, and are focussing on companies that will not only survive but should grow market share in this recession, we are also selectively buying into certain higher risk situations where we believe the eventual rewards will far outweigh the current risk.

Georgina Brittain
Kent Kwan
Investment Managers

18th March 2009

Ten Largest Equity Investments

at 31st January 2009

Company	Sector	Valuation £'000	Total Assets %[1]
Hill & Smith	Industrials	1,423	2.5
Premier Foods	Consumer Goods	1,418	2.5
Dechra Pharmaceuticals	Healthcare	1,296	2.3
James Fisher	Industrials	1,262	2.2
Chemring	Industrials	1,252	2.2
Micro Focus	Technology	1,240	2.2
Telecom Plus	Telecommunications	1,214	2.2
Brewin Dolphin	Financials	1,210	2.2
Babcock International	Industrials	1,208	2.2
Hilton Food	Consumer Goods	1,205	2.2
Total[2]		12,728	22.7

[1]Based on total assets less current liabilities of £56.1m.

[2]As at 31st July 2008, the value of the ten largest equity investments amounted to £21.9m representing 22.8% of total assets less current liabilities.

Portfolio Analysis

	31st January 2009		31st July 2008	
Sector	Portfolio %	Benchmark %	Portfolio %	Benchmark %
Industrials	44.6	31.1	55.3	28.1
Technology	12.5	11.1	9.4	11.5
Consumer Services	10.3	10.7	10.2	12.5
Financials	9.7	19.5	7.6	22.1
Consumer Goods	9.3	7.5	6.5	6.5
Healthcare	6.8	11.3	3.5	10.5
Oil & Gas	5.6	2.4	7.7	1.4
Telecommunications	3.6	0.7	2.3	2.6
Basic Materials	1.7	5.7	2.7	4.8
Utilities	0.2	—	0.4	—
Liquidity funds	4.1	—	4.7	—
Net current liabilities	(8.4)	—	(10.3)	—
Total portfolio	100.0	100.0	100.0	100.0

Based on total assets less current liabilities of £56.1m (31st July 2008: £96.0m).

Income Statement

for the six months ended 31st January 2009

	(Unaudited) Six months ended 31st January 2009			(Unaudited) Six months ended 31st January 2008			(Audited) Year ended 31st July 2008		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses from investments held at fair value through profit or loss	—	(38,688)	(38,688)	—	(37,870)	(37,870)	—	(41,818)	(41,818)
Net foreign currency gains	—	—	—	—	1	1	—	1	1
Income from investments	1,226	—	1,226	1,259	—	1,259	2,943	—	2,943
Other interest receivable and similar income (note 3)	145	—	145	20	—	20	34	—	34
Gross return/(loss)	1,371	(38,688)	(37,317)	1,279	(37,869)	(36,590)	2,977	(41,817)	(38,840)
Management fee	(168)	(168)	(336)	(307)	(307)	(614)	(533)	(533)	(1,066)
VAT recoverable (note 3)	488	466	954	—	—	—	—	—	—
Other administrative expenses	(156)	—	(156)	(144)	—	(144)	(314)	—	(314)
Net return/(loss) on ordinary activities before finance costs and taxation	1,535	(38,390)	(36,855)	828	(38,176)	(37,348)	2,130	(42,350)	(40,220)
Finance costs	(93)	(93)	(186)	(178)	(178)	(356)	(335)	(335)	(670)
Net return/(loss) on ordinary activities before taxation	1,442	(38,483)	(37,041)	650	(38,354)	(37,704)	1,795	(42,685)	(40,890)
Taxation	(2)	—	(2)	—	—	—	(10)	—	(10)
Net return/(loss) on ordinary activities after taxation	1,440	(38,483)	(37,043)	650	(38,354)	(37,704)	1,785	(42,685)	(40,900)
Return/(loss) per share (note 5)	7.23p	(193.32)p	(186.09)p	3.11p	(183.54)p	(180.43)p	8.67p	(207.22)p	(198.55)p

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 31st January 2009 (unaudited)

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31st July 2008	5,006	18,360	1,660	68,853	2,156	96,035
Shares bought back and cancelled	(90)	—	90	(869)	—	(869)
Net (loss)/return from ordinary activities	—	—	—	(38,483)	1,440	(37,043)
Dividends appropriated in the period	—	—	—	—	(1,990)	(1,990)
At 31st January 2009	4,916	18,360	1,750	29,501	1,606	56,133

Six months ended 31st January 2008 (unaudited)

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31st July 2007	5,312	18,360	1,354	117,213	1,418	143,657
Shares bought back and cancelled	(186)	—	186	(3,704)	—	(3,704)
Net (loss)/return from ordinary activities	—	—	—	(38,354)	650	(37,704)
Dividends appropriated in the period	—	—	—	—	(1,047)	(1,047)
At 31st January 2008	5,126	18,360	1,540	75,155	1,021	101,202

Year ended 31st July 2008 (audited)

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31st July 2007	5,312	18,360	1,354	117,213	1,418	143,657
Shares bought back and cancelled	(306)	—	306	(5,675)	—	(5,675)
Net (loss)/return from ordinary activities	—	—	—	(42,685)	1,785	(40,900)
Dividends appropriated in the year	—	—	—	—	(1,047)	(1,047)
At 31st July 2008	5,006	18,360	1,660	68,853	2,156	96,035

Balance Sheet

as at 31st January 2009

	(Unaudited) 31st January 2009 £'000	(Unaudited) 31st January 2008 £'000	(Audited) 31st July 2008 £'000
Fixed assets			
Investments at fair value through profit or loss	58,520	104,297	101,394
Investments in liquidity funds at fair value through profit or loss	2,305	6,620	4,535
Total investments	60,825	110,917	105,929
Current assets			
Debtors	342	1,696	237
Cash at bank and in hand	288	225	99
	630	1,921	336
Creditors: amounts falling due within one year	(5,322)	(11,636)	(10,230)
Net current liabilities	(4,692)	(9,715)	(9,894)
Total assets less current liabilities	56,133	101,202	96,035
Total net assets	56,133	101,202	96,035
Capital and reserves			
Called up share capital	4,916	5,126	5,006
Share premium	18,360	18,360	18,360
Capital redemption reserve	1,750	1,540	1,660
Capital reserves	29,501	75,155	68,853
Revenue reserve	1,606	1,021	2,156
Shareholders' funds	56,133	101,202	96,035
Net asset value per share (note 6)	285.4p	493.5p	479.6p

Cash Flow Statement

for the six months ended 31st January 2009

	(Unaudited) Six months ended 31st January 2009 £'000	(Unaudited) Six months ended 31st January 2008 £'000	(Audited) Year ended 31st July 2008 £'000
Net cash inflow from operating activities (note 7)	1,956	541	1,443
Net cash outflow from returns on investments and servicing of finance	(214)	(415)	(788)
Net cash inflow from capital expenditure and financial investment	6,342	5,006	7,225
Dividends paid	(1,990)	(1,047)	(1,047)
Net cash outflow from financing	(5,905)	(3,704)	(6,578)
Increase in cash for the period	189	381	255
Reconciliation of net cash flow to movement in net debt			
Net cash movement	189	381	255
Cash outflow from changes in debt	5,000	—	1,000
Exchange movements	—	1	1
Movement in net debt in the period	5,189	382	1,256
Net debt at the beginning of the period	(9,901)	(11,157)	(11,157)
Net debt at the end of the period	(4,712)	(10,775)	(9,901)
Represented by:			
Cash at bank and in hand	288	225	99
Debt due within one year	(5,000)	(11,000)	(10,000)
Net debt	(4,712)	(10,775)	(9,901)

Notes to the Accounts

for the six months ended 31st January 2009

1. Financial statements

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

The figures and financial information for the year ended 31st July 2008 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' 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 July 2008.

3. VAT recoverable

No VAT has been charged on management fees since November 2007 when HM Revenue & Customs announced acceptance that VAT was not chargeable on investment trust management fees. The Company has since recovered VAT amounting to £954,000 and interest of £139,000 in respect of VAT paid in the past. The VAT recovered has been allocated between income and capital in the proportions in which it was originally expensed to income and capital. The interest has been credited wholly to income and is included within 'Other interest receivable and similar income'.

4. Dividends

	(Unaudited) Six months ended 31st January 2009 £'000	(Unaudited) Six months ended 31st January 2008 £'000	(Audited) Year ended 31st July 2008 £'000
Final dividend in respect of the year ended 31st July 2008 of 7.0p (2007: 5.0p)	1,399[1]	1,047	1,047
Special dividend in respect of the year ending 31st July 2009 of 3.0p (2008: nil)	591[2]	—	—

[1]The Company declared a dividend of £1,402,000 but the dividend paid amounted to £1,399,000 as a result of share buybacks.

[2]The Company paid a Special dividend of 3.0p in January 2009 representing the amount of VAT recovered and the associated interest taken to income.

No interim dividend has been declared in respect of the six months ended 31st January 2009 (2008: nil).

5. Return/(loss) per share

	(Unaudited) Six months ended 31st January 2009 £'000	(Unaudited) Six months ended 31st January 2008 £'000	(Audited) Year ended 31st July 2008 £'000
Return per share is based on the following:			
Revenue return	1,440	650	1,785
Capital loss	(38,483)	(38,354)	(42,685)
Total loss	(37,043)	(37,704)	(40,900)
Weighted average number of shares in issue:	19,906,185	20,896,483	20,598,483
Revenue return per share	7.23p	3.11p	8.67p
Capital loss per share	(193.32)p	(183.54)p	(207.22)p
Total loss per share	(186.09)p	(180.43)p	(198.55)p

6. Net asset value per share

Net asset value per share is calculated by dividing shareholders' funds by the number of shares in issue at 31st January 2009 of 19,665,222 (31st January 2008: 20,504,983 and 31st July 2008: 20,025,322).

7. Reconciliation of net loss on ordinary activities before finance costs and taxation to net cash inflow from operating activities

	(Unaudited) Six months ended 31st January 2009 £'000	(Unaudited) Six months ended 31st January 2008 £'000	(Audited) Year ended 31st July 2008 £'000
Net loss before finance cost and taxation	(36,855)	(37,348)	(40,220)
Add back capital loss before finance costs and taxation	38,390	38,176	42,350
Scrip dividends received as income	(8)	—	—
Decrease/(increase) in accrued income	129	46	(98)
Decrease/(increase) in other debtors	8	(3)	(13)
Decrease in accrued expenses	(4)	(23)	(33)
Tax on unfranked investment income	(2)	—	(10)
VAT recoverable included in capital	466	—	—
Expenses charged to capital	(168)	(307)	(533)
Net cash inflow from operating activities	1,956	541	1,443

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 five broad categories: investment and strategy; 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 July 2008.

During the market turmoil in the latter part of 2008, JPMAM reacted with heightened management scrutiny of counterparty risk. In addition, reviews were initiated of exposures, policies, procedures and legal arrangements applicable to the major sources of counterparty exposure.

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 during the period.

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-yearly financial report has been prepared in accordance with the Accounting Standards Board's Statement 'Half Yearly 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

Strone Macpherson
Chairman

18th March 2009

Information about the Company

Financial Calendar

Financial year end	31st July
Final results announced	September
Half year end	31st January
Half year results announced	March
Interim Management Statements announced	May/November
Dividend on ordinary shares paid	Annually in December
Annual General Meeting	November/December

History

The Company was formed in June 1990 as River & Mercantile Smaller Companies Trust plc and raised £25 million by a public offer of shares. Its original policy was to invest in a diversified portfolio of investments in UK and foreign smaller companies. Its name was changed to The Fleming Smaller Companies Investment Trust plc in April 1996, and again in November 2002 to JPMorgan Fleming Smaller Companies Investment Trust plc. The Company adopted its present name in 2006.

Directors

Strone Macpherson (Chairman)
Ivo Coulson
Richard Fitzalan Howard
Michael Quicke
Andrew Robson

Company Numbers

Company registration number: 2515996
London Stock Exchange number: 0741600
Bloomberg code: JMI LN

Market Information

The Company's shares are listed on the London Stock Exchange. The market price is shown daily in the Financial Times, The Times, the Daily Telegraph, The Scotsman, The Independent and on the JPMorgan website at www.jpmsmallercompanies.co.uk, where the share price is updated every fifteen minutes during trading hours.

Website

www.jpmsmallercompanies.co.uk

Share Transactions

The shares may be dealt in directly through a stockbroker or through a professional adviser acting on an investor's behalf. They may also be purchased and held through the Investment Trust Share Plan, Individual Savings Account (ISA) and the Pensions Account.

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 Divya Amin.

Registrars

Equiniti
Reference 1139
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone number: 0871 384 2341

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrars quoting reference 1139. Registered shareholders can obtain further details on individual holdings on the internet by visiting www.shareview.co.uk.

Savings Product Administrators

For queries on the JPMorgan ISA, Share Plan or Pension Account, see contact details on the back cover of this report.

Auditors

Deloitte LLP
Stonecutter Court
1 Stonecutter Street
London EC4A 4TR

Brokers

Winterflood Securities
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2GA

aic
The Association of Investment Companies
A member of the AIC

Glossary of Terms

Return to shareholders

Total return to the investor, on a mid-market price to midmarket price basis, assuming that all dividends received were reinvested in the shares of the Company at the time the shares were quoted ex-dividend. Transaction costs of reinvestment are not taken into account.

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 in the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

Benchmark return

Total return on the benchmark, on a mid-market value to mid-market value basis, assuming that all dividends received(net of tax) 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 stated index.

Discount/Premium

If the share price of an investment company is lower than the NAV per share, the trust is 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 an investment company's shares to trade at a discount than a premium.

Enterprise Value

Enterprise value (EV), is calculated as the market capitalisation (number of outstanding shares times the current share price), plus debt, and minus cash.

EBITDA

Earnings before interest, tax, depreciation, and amortisation (EBITDA) has two main uses. Firstly, as a comparison over time of the profitability of a company's operations without the potentially distorting effects of changes in depreciation, amortisation, interest and tax. And secondly, to calculate EV/EBITDA, a valuation ratio free of these distortions, allowing fair comparisons of companies with different capital structures. EBITDA can also be regarded as a measure of underlying cashflow. It is closely related to operating cash flow.

JPMorgan Helpline
Freephone 0800 20 40 20 or 020 7742 9999
8.30 am to 6.00 pm Monday to Friday

JPMorgan Pension Helpline
Freephone 0800 41 31 76 or 0172 241 4888
9.00 am to 5.00 pm Monday to Friday
Please use this number if you have any queries relating to the Pension Account.

Your telephone call may be recorded for your security

www.jpmsmallercompanies.co.uk