

Elect

Elect

# JPMorgan Elect plc

(formerly JPMorgan Fleming Elect plc)

INTERIM REPORT FOR THE SIX MONTHS ENDED 28th FEBRUARY 2006

# Chairman's Interim Statement

## Performance

With the market sustaining favourable conditions, I am delighted to report continued strong performance by your Company in the first six months of the year.

The Managed Growth portfolio produced a total return of +25.0% on net assets over the six months to 28th February 2006, compared with its composite benchmark, comprising 65% FTSE All Share Index and 35% FTSE World (ex UK) Index, which returned +13.1% over the same period.

The Managed Income portfolio produced a total return of +13.0% on net assets over the six months, which was also well ahead of its benchmark, a composite benchmark consisting of 85% FTSE 350 Higher Yield Index and 15% Merrill Lynch Sterling Corporate Bond Index, which returned +9.6%.

In accordance with its investment objective to preserve capital and deliver a yield based on short-term interest rates, the assets of the Managed Cash portfolio are invested in six sterling liquidity funds with a credit rating of AAA (or equivalent).

More details of the performance of, and investment activity within, each portfolio are given by the Investment Managers on the following pages.

## Dividends

### Managed Growth Shares

Interim dividends of 2.00 pence per Managed Growth share for the six months ended 28th February 2006 and 0.60 pence per share for the three months ending 31st May 2006 will be paid on 16th June 2006 to shareholders on the register on 26th May 2006. Dividends are paid on this share class in June and December each year.

### Managed Income Shares

Two quarterly interim dividends totalling 1.60 pence per Managed Income share have been paid to date in the current financial year. A third quarterly dividend of 1.40 pence per Managed Income share will be paid on 16th June 2006 to shareholders on the register on 26th May 2006. Dividends on the Managed Income shares are paid quarterly in March, June, September and December each year. Due to the frequency and timing of distributions from the underlying investments, it is unlikely that the quarterly dividends will be of equal amounts.

## Managed Cash Shares

Two quarterly interim dividends totalling 1.87 pence per Managed Cash share have been paid to date in the current financial year. A third quarterly dividend of 0.92 pence per Managed Cash share will be paid on 16th June 2006 to shareholders on the register on 26th May 2006.

Dividends on the Managed Cash shares are paid quarterly in March, June, September and December each year.

## Share Capital

The Company has authority to issue and repurchase new shares of each class. In the six months to 28th February 2006, the Company issued 100,000 Managed Growth shares and 224,438 Managed Income shares for cash and repurchased a total of 1,252,500 Managed Growth shares, 415,000 Managed Income shares and 270,000 Managed Cash shares for cancellation. These shares were issued at a premium, and repurchased at a discount, to net asset value, thereby enhancing net asset value and benefiting shareholders. Since the period end, the Company has repurchased a further 507,000 Managed Growth and 191,000 Managed Cash shares for cancellation.

The net effect of the 30th November conversion process was to reduce the share capital of Managed Growth by 927,114 shares and increase the share capital of Managed Income and Managed Cash by 1,727,500 shares and 1,298,970 shares respectively. A total of 488,310 Managed Cash shares were redeemed.

## Conversion Opportunities

I would like to remind shareholders of the opportunities to convert some or all of their holdings into the Company's other share classes on 31st May and 30th November each year. Details of the conversion process are given on page 22.

## Change of Name

Following shareholder approval at the 2005 Annual General Meeting, the Company changed its name from JPMorgan Fleming Elect plc to JPMorgan Elect plc.

**Ken Culley**  
Chairman

11th May 2006

# Six Month Performance

## TOTAL RETURNS

(for the six months to 28th February 2006)

## MANAGED GROWTH SHARE CLASS

**+25.0%** Return to shareholders<sup>1</sup>

**+25.0%** Net asset value return<sup>2</sup>

**+13.1%** Benchmark return<sup>3,4</sup>

<sup>1</sup>Change in share price with net dividends (if any) reinvested. (Source: Standard & Poor's – [www.funds-sp.com](http://www.funds-sp.com)).

<sup>2</sup>Change in net asset value ('NAV') per share with net dividends (if any) reinvested.

(Source: Fundamental Data – [www.funddata.com](http://www.funddata.com)).

NAV total returns are now calculated on a bid to bid basis. Historic NAVs have been adjusted to a bid basis by using an average factor compiled from the previous 12 month end valuations. This adjustment may vary from that shown in the accounts.

<sup>3</sup>The Company's benchmark is a composite comprising 65% FTSE All Share Index & 35% FTSE World (ex UK) Index.

This should not be taken wholly representative of the Company's investment universe. The Company's strategy does not track this benchmark and consequently there may be a degree of divergence between its performance and that of the Company.

<sup>4</sup>Source: FTSE.

	28th FEB 2006	31st AUG 2005 (RESTATED) <sup>5</sup>	% CHANGE
<b>FINANCIAL DATA</b>			
Total net assets (£'000)	201,664	170,065	+18.6
Number of shares in issue	54,321,356	56,400,970	-3.7
Net asset value per share	371.2p	301.5p	+23.1
Share price	364.0p	293.8p	+23.9
Discount of share price to net asset value	1.9%	2.6%	

<sup>5</sup>The results for the year ended 31st August 2005 have been restated in accordance with Financial Reporting Standard 21. More details are given in the Accounting Policies note on page 21.

# Investment Manager's Report

## MANAGED GROWTH

### Review

It has been an extremely strong start to the Company's financial year. Despite a deteriorating interest rate environment globally - four interest rate increases in the US, two rises in Europe and the beginnings of a less accommodative stance in Japan - equity markets have continued to move higher on the back of abundant financial liquidity. Quite why financial liquidity remains so buoyant at a time of a shift towards higher interest rates is not entirely clear. It may be due to the recycling of petrodollars (the increase in dollar balances as a result of higher energy prices) or the leveraged effects of the carry trade (the practice of borrowing in low interest rate currencies in order to invest in higher yield assets) which have yet to unwind. What is clear is that strong global liquidity has resulted in an increased appetite for risk and this is being reflected in rising asset prices across the board.

For a portfolio which invests principally in investment trusts, the increased appetite for risk has benefited us in a number of different ways. At the most obvious level it has powered substantial gains in the equity markets in which our trusts are invested - particularly in Japan and the emerging markets. It has also thrown the spotlight on medium and small sized companies, which are strongly represented in our portfolio. This is a sector where the momentum of growth has been stronger but where valuations until recently have been lower. As this has been recognised, portfolio investors and corporate and private equity buyers have become increasingly active in the sector. Finally, increased risk appetites have narrowed investment trust discounts still further, as discount arbitrageurs with ever larger asset pools have sought to extract value. Underlying market returns, the positive small company effect and the contraction of trust discounts have all played their part in boosting the net asset value of the portfolio.

### Total Return Performance (to 28th February 2006)

	6 months	12 months	24 months	36 months
NAV Return	25.0	37.0	57.0	125.5
Benchmark	13.1	23.9	39.5	79.8
FTSE All Share	12.4	22.7	41.8	87.8
FTSE World ex UK	13.9	24.6	32.4	60.3

(Source: JPMAM, Fundamental Data, Bloomberg)

In a portfolio such as this we can aim to add value in three ways: firstly, through the choice of markets in which we invest; secondly, through the selection of underlying funds and ability of our managers to outperform their benchmarks; and thirdly, through the movement in trust discounts. Broadly speaking, all performance drivers have added some value over the period.

In terms of market positioning, our strongest relative bets have been the positive allocations made in favour of Continental Europe, Japan and the emerging markets at the expense of the UK and the US. Although all markets rose in both local currency and sterling terms over the period, the significant outperformance of Japan and the emerging markets were a particularly strong driver of portfolio returns.

In terms of fund net asset value ('NAV') performances it was a particularly fruitful period. All of our top ten holdings (accounting for 56% of the portfolio at the half year stage) outperformed their respective benchmarks - some significantly so. Particular note should be made of our largest holding, JPM UK Dynamic Fund, which outperformed its benchmark by 10% over the period. As an OEIC rather than an investment trust, neither portfolio gearing nor discount effects contributed to its strong return.

### MANAGED GROWTH

Finally, we benefited from the effects of continued discount narrowing. Here particular note should be taken of the share price performances of the JPMF Overseas and JPMF Continental European investment trusts. As a result of narrower discounts, NAV returns of 17.4% and 18.7% respectively translated into share price returns of 24.1% and 25.3% in turn.

#### Portfolio Activity

It has been a relatively quiet period for the portfolio. Following strong performance and narrowing discounts we have taken profits in selected holdings, for instance, JPM Mid Cap, JPMF American, JPM Emerging Markets and JPMF Overseas, in order to reinvest the proceeds into trusts with higher discounts, such as Scottish Mortgage. We have also continued the trend of broadening the portfolio away from JPMorgan trusts with a new investment into the Electric & General Investment Trust, managed by Taube Hodson Stonex Partners. At the end of February 2006, approximately [15%] of the portfolio was invested in third party funds.

#### Outlook

We once again find ourselves reporting on a period of strong performance. On the positive side, global growth remains robust and much better balanced than in recent years, price pressures – in spite of higher energy prices – continue to be biased downwards by the tailwinds of globalisation, and long term interest rates remain at relatively low levels. This backdrop, combined with reasonable equity valuations and positive corporate earnings, results in an attractive environment for equities.

However there is a caveat to this positive scenario. Investors remain highly complacent as measured by a variety of composite risk indicators, as a result of the abundant liquidity noted above and frenetic merger and acquisition activity. If global growth stumbles or this liquidity recedes – either as a result of higher global interest rates or a financial accident – risk embracing behaviour could quickly shift to risk aversion. A number of indicators such as the recent rise in commodity prices and the upturn in long term interest rates are indicative that we could be on the cusp of change.

**Jonathan Lowe**

11th May 2006

# Ten Largest Investments

as at 28th February 2006

Managed Growth	Value £'000	% <sup>1</sup>
JPM UK Dynamic 'A' <sup>2</sup>	20,269	10.0
JPMF Claverhouse Investment Trust	17,547	8.7
JPMF Continental European Investment Trust	17,226	8.5
JPMF Overseas Investment Trust	10,431	5.2
JPM UK Strategic Value (A) <sup>2</sup>	10,176	5.0
JPMF Mercantile Investment Trust	8,993	4.5
JPMF Japanese Investment Trust	8,166	4.0
JPM Emerging Markets Investment Trust	7,625	3.8
JPM Asian Investment Trust	6,616	3.3
JPMF European Fledgeling Investment Trust	6,410	3.2
<b>TOTAL<sup>3</sup></b>	<b>113,459</b>	<b>56.2</b>

<sup>1</sup>Based on total assets less current liabilities of £201.7m

<sup>2</sup>Open Ended Investment Companies

<sup>3</sup>As at 31st August 2005, the value of the ten largest holdings amounted to £99,741,000 representing 58.6% of total assets less current liabilities

# Analysis of the Portfolio

as at 28th February 2006

## Geographic Analysis

(look-through basis)

Managed Growth	28th February 2006 <sup>1</sup>		31st August 2005 <sup>1</sup>	
	Company	Benchmark	Company (Restated)	Benchmark
	%	%	%	%
UK Equities	55.2	65.0	56.9	65.0
Continental Europe	15.4	7.2	14.0	7.2
Japan	8.3	3.8	6.8	3.4
North America	8.1	21.3	11.5	21.0
Other	5.6	0.2	5.1	1.0
Net current assets	3.7	–	3.3	–
Other Pacific	3.7	2.5	2.4	2.4
	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup>Based on total assets less current liabilities of £201.7m (31st August 2005: £170.1m)

# Income Statement

(Unaudited)

for the six months ended 28th February 2006

	Six months to 28th February 2006			Six months to 28th February 2005 (Restated)			Year to 31st August 2005 (Restated)		
	Revenue Return £'000	Capital Return £'000	Total Return £'000	Revenue Return £'000	Capital Return £'000	Total Return £'000	Revenue Return £'000	Capital Return £'000	Total Return £'000
Realised gains on investments	–	1,595	1,595	–	1,690	1,690	–	3,010	3,010
Unrealised gains on investments	–	37,713	37,713	–	22,129	22,129	–	35,751	35,751
Currency loss on cash and short-term deposits held during the year	–	–	–	–	–	–	–	(7)	(7)
Other capital charges	–	–	–	–	–	–	–	(1)	(1)
Income from investments	1,145	–	1,145	1,065	–	1,065	2,093	–	2,093
Deposit interest	131	–	131	176	–	176	339	–	339
<b>Gross revenue and capital returns</b>	<b>1,276</b>	<b>39,308</b>	<b>40,584</b>	<b>1,241</b>	<b>23,819</b>	<b>25,060</b>	<b>2,432</b>	<b>38,753</b>	<b>41,185</b>
Management fee	(47)	(143)	(190)	(32)	(96)	(128)	(77)	(229)	(306)
Other administrative expenses	(162)	–	(162)	(124)	(49)	(173)	(379)	(53)	(432)
<b>Net return before taxation</b>	<b>1,067</b>	<b>39,165</b>	<b>40,232</b>	<b>1,085</b>	<b>23,674</b>	<b>24,759</b>	<b>1,976</b>	<b>38,471</b>	<b>40,447</b>
Taxation	48	–	48	67	–	67	131	–	131
<b>Net return after taxation</b>	<b>1,115</b>	<b>39,165</b>	<b>40,280</b>	<b>1,152</b>	<b>23,674</b>	<b>24,826</b>	<b>2,107</b>	<b>38,471</b>	<b>40,578</b>
<b>Return per ordinary share</b>	<b>2.02p</b>	<b>70.96p</b>	<b>72.98p</b>	<b>2.12p</b>	<b>43.61p</b>	<b>45.73p</b>	<b>3.82p</b>	<b>69.82p</b>	<b>73.64p</b>

The results for the year ended 31st August 2005 and for the six months ended 28th February 2005 have been restated in accordance with Financial Reporting Standard 21. More details are given in the notes to the accounts on page 21.

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

The Total Return column of this statement is the profit and loss account of the Company.

The results for the year ended 31st August 2005 are a non-statutory version of the full report and accounts for that year, which have been filed with the Registrar of Companies, on which the auditors reported under S235 of the Companies Act 1985. The report contained no qualifications or any statement under Section 237 (2) or (3) of the said Act.

# Reconciliation of Movement in Shareholders' Funds

(Unaudited)

for the six months ended 28th February 2006

	Share Capital £'000	Share premium account £'000	Other reserve £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000	Total £'000
<b>At 31st August 2004 (as restated)<sup>1</sup></b>	<b>18</b>	<b>4,690</b>	<b>166,910</b>	<b>(23,025)</b>	<b>(22,729)</b>	<b>1,412</b>	<b>127,276</b>
Shares bought back and cancelled	–	–	(7,585)	–	–	–	(7,585)
Shares issued	–	11,413	–	–	–	–	11,413
Net capital return from ordinary activities	–	–	–	(5,341)	43,812	–	38,471
Net revenue return from ordinary activities	–	–	–	–	–	2,107	2,107
Dividends appropriated in the year	–	–	–	–	–	(1,617)	(1,617)
<b>At 31st August 2005 (as restated)<sup>1</sup></b>	<b>18</b>	<b>16,103</b>	<b>159,325</b>	<b>(28,366)</b>	<b>21,083</b>	<b>1,902</b>	<b>170,065</b>
Adjustment to bid valuation	–	–	–	–	(767)	–	(767)
Shares bought back and cancelled	–	–	(7,209)	–	–	–	(7,209)
Shares issued	–	528	–	–	–	–	528
Net capital return from ordinary activities	–	–	–	3,202	35,963	–	39,165
Net revenue return from ordinary activities	–	–	–	–	–	1,115	1,115
Dividends appropriated in the year	–	–	–	–	–	(1,233)	(1,233)
<b>At 28th February 2006</b>	<b>18</b>	<b>16,631</b>	<b>152,116</b>	<b>(25,164)</b>	<b>56,279</b>	<b>1,784</b>	<b>201,664</b>

<sup>1</sup>Restatements and prior year adjustments resulting from the adoption of new accounting policies as detailed on page 21.

## Balance Sheet

(Unaudited)

as at 28th February 2006

	28th February 2006 £'000	28th February 2005 (Restated) <sup>1</sup> £'000	31st August 2005 (Restated) <sup>1</sup> £'000
<b>Assets</b>			
Investments at fair value through profit or loss	194,651	141,315	165,321
Net current assets	7,013	7,258	4,744
<b>Total net assets</b>	<b>201,664</b>	<b>148,573</b>	<b>170,065</b>
<b>Capital and Reserves</b>			
Share capital	18	18	18
Share premium	16,631	4,690	16,103
Other reserve	152,116	164,141	159,325
Capital reserve	31,115	(22,080)	(7,283)
Revenue reserve	1,784	1,804	1,902
<b>Total shareholders' funds</b>	<b>201,664</b>	<b>148,573</b>	<b>170,065</b>
<b>Net asset value per share</b>	<b>371.2p</b>	<b>276.1p</b>	<b>301.5p</b>
<b>Share price</b>	<b>364.0p</b>	<b>270.0p</b>	<b>293.8p</b>

<sup>1</sup>Restatements and prior year adjustments resulting from the adoption of new accounting policies as detailed in the accounting policies on page 21.

# Six Month Performance

## TOTAL RETURNS

(for the six months to 28th February 2006)

## MANAGED INCOME SHARE CLASS

**+14.8%** Return to shareholders<sup>1</sup>

**+13.0%** Net asset value return<sup>2</sup>

**+9.6%** Benchmark return<sup>3,4</sup>

<sup>1</sup>Change in share price with net dividends (if any) reinvested. (Source: Standard & Poor's – [www.funds-sp.com](http://www.funds-sp.com)).

<sup>2</sup>Change in net asset value ('NAV') per share with net dividends (if any) reinvested.  
(Source: Fundamental Data – [www.funddata.com](http://www.funddata.com)).

NAV total returns are now calculated on a bid to bid basis. Historic NAVs have been adjusted to a bid basis by using an average factor compiled from the previous 12 month end valuations. This adjustment may vary from that shown in the accounts.

<sup>3</sup>The Company's benchmark is a composite comprising of 85% FTSE 350 High Yield & 15% Merrill Lynch sterling corporate Bond Index. This benchmark should not be taken wholly representative of the Company's investment universe.

The Company's strategy does not track this benchmark and consequently there may be a degree of divergence between its performance and that of the Company.

<sup>4</sup>Source: WM (World Markets)/Bloomberg

	28th FEB 2006	31st AUG 2005 (RESTATED) <sup>5</sup>	% CHANGE
<b>FINANCIAL DATA</b>			
Total net assets (£'000)	63,064	54,691	+15.3
Number of shares in issue	57,801,082	56,264,144	+2.7
Net asset value per share	109.1p	97.2p	+12.2
Share price	108.3p	95.0p	+14.0
Discount of share price to net asset value	0.7%	2.3%	

<sup>5</sup>The results for the year ended 31st August 2005 have been restated in accordance with Financial Reporting Standard 21. More details are given in the Accounting Policies note on page 21.

# Investment Manager's Report

## MANAGED INCOME

As forecast in the Company's last annual report, the UK equity market overcame short term weakness in the autumn of 2005 thanks largely to a continuation of merger and acquisition activity. This has been encouraged by the low level of bond yields and strong corporate balance sheets and cash flows which have enabled companies to gear up and acquire competitors or expand into new territories in the case of overseas companies.

Consequently, the total return (i.e. including net income reinvested) from UK equities for the six months to 28th February 2006 was +10.8%, as measured by our benchmark index, the FTSE High Yield Index. Fixed income stocks, measured on the same basis, produced a more modest total return of just +1.9% as measured by our other benchmark index, the Merrill Lynch Sterling 5-10 year corporate bond index, as yields rose slightly over the period.

In terms of portfolio positioning, we started our new financial year with the portfolio biased towards equities and geared investment trusts and consequently we had a modest overweight exposure to equities on a look-through basis, after taking account of bond exposure within our investment trust holdings. In addition to this bond exposure, the investment trust holdings also give the portfolio a small amount of gearing which is estimated to have been approximately 5% over the six months, again on a look through basis.

The underlying performance of the portfolio was good, as asset allocation, exposure to geared investment trusts in a rising market and some good stock picking

in UK equities all helped to deliver a total return of +13.0%. This compared favourably with total returns of +9.6% on the same basis from our composite benchmark index, which is split 85%/15% respectively between the two equity and bond indices mentioned earlier. The return to shareholders, as measured by movements in the share price plus dividends, was even better at +14.8%, as the discount narrowed over the six months.

There was less restructuring within the portfolio this year aside from normal portfolio activity and the reinvestment of the cash that we raised from selling the EIB bonds towards the end of our last financial year and the beginning of this year. As some of those proceeds were directed towards equities and equity sensitive investment trusts, the subsequent strength in the market helped to deliver the strong performance detailed earlier in this report. However, after such strong returns a pause in the market may be seen in the second half of the Company's financial year, as the market seems to have entered a consolidation phase similar to that seen in the second half of our last financial year.

Nevertheless, we will continue to seek out the best income stocks which offer a combination of the value, growth and momentum characteristics that we seek when investing on your behalf. Your portfolio therefore remains well placed to offer a good yield, together with some prospect of income and capital growth in the long term.

**Jamieson Streeter**

11th May 2006

# Ten Largest Investments

as at 28th February 2006

Managed Income	Value £'000	% <sup>1</sup>
JPMF Income & Growth Investment Trust (Capital 2006)	6,189	9.8
JPMF Income & Growth Investment Trust (Income 2006)	4,297	6.8
Royal Dutch Shell	2,908	4.6
BP	2,885	4.6
HBOS	2,878	4.6
Barclays	1,959	3.1
HSBC	1,948	3.1
JPMF Income & Capital Investment Trust (Ords 2008)	1,860	2.9
Royal Bank of Scotland	1,365	2.2
Investors Capital Trust (Units 2007)	1,275	2.0
<b>TOTAL<sup>2</sup></b>	<b>27,564</b>	<b>43.7</b>

<sup>1</sup>Based on total assets less current liabilities of £63.1m

<sup>2</sup>As at 31st August 2005, the value of the ten largest holdings amounted to £23,688,000 representing 43.3% of total assets less current liabilities

## Analysis of the Portfolio

as at 28th February 2006

Managed Income	28th February 2006 <sup>1</sup>		31st August 2005 <sup>1</sup>	
	Company	Benchmark	Company (Restated)	Benchmark
	%	%	%	%
UK Equities	57.1	85.0	59.7	85.0
Investment Trusts	39.4	–	34.8	–
Corporate Bond Funds	0.9	15.0	3.3	15.0
Net current assets	2.6	–	2.2	–
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup>Based on total assets less current liabilities of £63.1m (2005: £54.7m)

## Sector Analysis

Managed Income	28th February 2006 <sup>1</sup>		31st August 2005 <sup>1</sup>
	Company	Benchmark	Company (Restated)
	%	%	%
Investment Trusts	38.7	–	34.2
Financials	21.0	29.3	17.2
Oil & Gas	9.2	23.0	10.3
Utilities	7.0	6.1	7.1
Consumer Goods	6.7	5.4	7.4
Consumer Services	5.6	5.1	7.2
Industrials	5.3	5.6	6.6
Net current assets	2.6	–	2.2
Telecommunications	1.1	1.6	2.0
Healthcare	1.0	7.8	1.0
Corporate Bond Funds	0.9	15.0	3.3
Basic Materials	0.9	1.1	1.5
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup>Based on total assets less current liabilities of £63.1m (2005: £54.7m)

No comparison to 2005 benchmark due to benchmark classification changes

# Income Statement

(Unaudited)

for the six months ended 28th February 2006

	Six months to 28th February 2006			Six months to 28th February 2005 (Restated)			Year to 31st August 2005 (Restated)		
	Revenue Return £'000	Capital Return £'000	Total Return £'000	Revenue Return £'000	Capital Return £'000	Total Return £'000	Revenue Return £'000	Capital Return £'000	Total Return £'000
Realised gains on investments	–	558	558	–	354	354	–	1,187	1,187
Unrealised gains on investments	–	6,396	6,396	–	4,334	4,334	–	6,522	6,522
Other capital items	–	10	10	–	3	3	–	(38)	(38)
Income from investments	1,125	–	1,125	801	–	801	2,040	–	2,040
Deposit interest	10	–	10	4	–	4	25	–	25
<b>Gross revenue and capital returns</b>	<b>1,135</b>	<b>6,964</b>	<b>8,099</b>	805	4,691	5,496	2,065	7,671	9,736
Management fee	(87)	(87)	(174)	(44)	(44)	(88)	(108)	(108)	(216)
Other administrative expenses	(46)	–	(46)	(18)	(6)	(24)	(83)	(17)	(100)
<b>Net return before taxation</b>	<b>1,002</b>	<b>6,877</b>	<b>7,879</b>	743	4,641	5,384	1,874	7,546	9,420
Taxation	19	–	19	7	–	7	26	–	26
<b>Net return after taxation</b>	<b>1,021</b>	<b>6,877</b>	<b>7,898</b>	750	4,641	5,391	1,900	7,546	9,446
<b>Return per ordinary share</b>	<b>1.79p</b>	<b>12.04p</b>	<b>13.83p</b>	2.04p	12.64p	14.68p	4.35p	17.29p	21.64p

The results for the year ended 31st August 2005 and for the six months ended 28th February 2005 have been restated in accordance with Financial Reporting Standard 21. More details are given in the notes to the accounts on page 21.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year. The Total Return column of this statement is the profit and loss account of the Company.

The results for the year ended 31st August 2005 are a non-statutory version of the full report and accounts for that year, which have been filed with the Registrar of Companies, on which the auditors reported under S235 of the Companies Act 1985. The report contained no qualifications or any statement under Section 237 (2) or (3) of the said Act.

# Reconciliation of Movement in Shareholders' Funds

(Unaudited)

for the six months ended 28th February 2006

	Share Capital £'000	Share premium account £'000	Other reserve £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000	Total £'000
<b>At 31st August 2004 (as restated)<sup>1</sup></b>	<b>4</b>	<b>3,878</b>	<b>25,222</b>	<b>116</b>	<b>(157)</b>	<b>502</b>	<b>29,565</b>
Shares bought back and cancelled	–	–	(1,118)	–	–	–	(1,118)
Shares issued	–	18,284	–	–	–	–	18,284
Net capital return from ordinary activities	–	–	–	812	6,734	–	7,546
Net revenue return from ordinary activities	–	–	–	–	–	1,900	1,900
Dividends appropriated in the year	–	–	–	–	–	(1,486)	(1,486)
<b>At 31st August 2005 (as restated)<sup>1</sup></b>	<b>4</b>	<b>22,162</b>	<b>24,104</b>	<b>928</b>	<b>6,577</b>	<b>916</b>	<b>54,691</b>
Adjustment to bid valuation	–	–	–	–	(280)	–	(280)
Shares bought back and cancelled	–	–	(1,619)	–	–	–	(1,619)
Shares issued	–	3,161	–	–	–	–	3,161
Net capital return from ordinary activities	–	–	–	1,429	5,448	–	6,877
Net revenue return from ordinary activities	–	–	–	–	–	1,021	1,021
Dividends appropriated in the year	–	–	–	–	–	(787)	(787)
<b>At 28th February 2006</b>	<b>4</b>	<b>25,323</b>	<b>22,485</b>	<b>2,357</b>	<b>11,745</b>	<b>1,150</b>	<b>63,064</b>

<sup>1</sup>Restatements and prior year adjustments resulting from the adoption of new accounting policies as detailed on page 21.

## Balance Sheet

(Unaudited)

as at 28th February 2006

	28th February 2006 £'000	28th February 2005 (Restated) <sup>1</sup> £'000	31st August 2005 (Restated) <sup>1</sup> £'000
<b>Assets</b>			
Investments at fair value through profit or loss	61,458	33,103	53,468
Net current assets	1,606	517	1,223
<b>Total net assets</b>	<b>63,064</b>	<b>33,620</b>	<b>54,691</b>
<b>Capital and Reserves</b>			
Share capital	4	4	4
Share premium	25,323	3,878	22,162
Other reserve	22,485	24,677	24,104
Capital reserve	14,102	4,600	7,505
Revenue reserve	1,150	461	916
<b>Total shareholders' funds</b>	<b>63,064</b>	<b>33,620</b>	<b>54,691</b>
<b>Net asset value per share</b>	<b>109.1p</b>	<b>92.7p</b>	<b>97.2p</b>
<b>Share price</b>	<b>108.3p</b>	<b>91.5p</b>	<b>95.0p</b>

<sup>1</sup>Restatements and prior year adjustments resulting from the adoption of new accounting policies as detailed in the accounting policies on page 21.

# Six Month Performance

## TOTAL RETURNS

(for the six months to 28th February 2006)

### MANAGED CASH SHARE CLASS

**+1.4%** Return to shareholders<sup>1</sup>

**+0.9%** Net asset value return<sup>2</sup>

As the Managed Cash share class is designed to preserve capital and deliver a yield based on short-term interest rates, there is no benchmark index for this share class.

<sup>1</sup>Change in share price with net dividends (if any) reinvested. (Source: Standard & Poor's – [www.funds-sp.com](http://www.funds-sp.com)).

<sup>2</sup>Change in net asset value ('NAV') per share with net dividends (if any) reinvested. (Source: Fundamental Data – [www.funddata.com](http://www.funddata.com)).

NAV total returns are now calculated on a bid to bid basis. Historic NAVs have been adjusted to a bid basis by using an average factor compiled from the previous 12 month end valuations. This adjustment may vary from that shown in the accounts.

	28th FEB 2006	31st AUG 2005 (RESTATED) <sup>3</sup>	% CHANGE
<b>FINANCIAL DATA</b>			
Total net assets (£'000)	<b>25,620</b>	25,091	+2.1
Number of shares in issue	<b>25,333,089</b>	24,792,429	+2.2
Net asset value per share	<b>101.1p</b>	101.2p	-0.1
Share price	<b>100.0p</b>	99.5p	+0.5
Discount of share price to net asset value	<b>1.1%</b>	1.7%	

<sup>3</sup>The results for the year ended 31st August 2005 have been restated in accordance with Financial Reporting Standard 21. More details are given in the Accounting Policies note on page 21.

# Investment Manager's Report

## MANAGED CASH

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### Portfolio Activity

The Managed Cash pool was created by an offer to holders of JPMorgan Chase loan notes in January 2004. The portfolio is invested into sterling liquidity funds in broadly equal amounts. The liquidity funds are selected on the basis of their credit ratings (all AAA) and the competitive nature of their management fees and yields. As at 28th February 2006, net yields to investors on these funds ranged from 4.57% to 4.69%.<sup>1</sup>

**Jonathan Lowe**

11th May 2006

<sup>1</sup>1 year returns to 28th February 2006. Source: IMMFA Money Fund Report, iMoneyNet

# Investments

as at 28th February 2006

Managed Cash	Yield <sup>1</sup> %	Rating <sup>2</sup>	Value £'000	% <sup>3</sup>
Fidelity Institutional Sterling Cash Fund	4.65	AAA	4,998	19.5
Barclays Global Investors Sterling Liquidity Fund	4.64	AAA	4,588	17.9
Royal Bank of Scotland Sterling Global Treasury	4.60	AAA	4,588	17.9
Scottish Widows Global Sterling Liquidity Fund	4.57	AAA	4,588	17.9
Standard Life Sterling Liquidity	4.69	AAA	4,588	17.9
Merrill Lynch Institutional Sterling Fund	4.58	AAA	2,376	9.3
<b>TOTAL<sup>4</sup></b>			<b>25,726</b>	<b>100.4</b>

<sup>1</sup>1 year returns to 28th February 2006. Source: IMMFA Money Fund Report, iMoneyNet

<sup>2</sup>Ratings given by recognised credit rating agencies

<sup>3</sup>Based on total assets less current liabilities of £25.6m

<sup>4</sup>As at 31st August 2005, the value of the ten largest holdings amounted to £25,230,000 representing 100.6% of total assets less current liabilities

## Analysis of the Portfolio

as at 28th February 2006

Managed Cash	28th February 2006 Company %	31st August 2005 Portfolio (Restated) %
Sterling Liquidity Funds	100.4	100.6
Net current (liabilities)	(0.4)	(0.6)
	<b>100.0</b>	<b>100.0</b>

<sup>1</sup>Based on total assets less current liabilities of £25.6m (2005: £25.1m)

# Income Statement

(Unaudited)

for the six months ended 28th February 2006

	Six months to 28th February 2006			Six months to 28th February 2005 (Restated)			Year to 31st August 2005 (Restated)		
	Revenue Return £'000	Capital Return £'000	Total Return £'000	Revenue Return £'000	Capital Return £'000	Total Return £'000	Revenue Return £'000	Capital Return £'000	Total Return £'000
Income from investments	551	–	551	499	–	499	1,088	–	1,088
Deposit interest	1	–	1	7	–	7	12	–	12
<b>Gross revenue and capital returns</b>	<b>552</b>	<b>–</b>	<b>552</b>	506	–	506	1,100	–	1,100
Other administrative expenses	(21)	–	(21)	(12)	–	(12)	(28)	–	(28)
<b>Net return before taxation</b>	<b>531</b>	<b>–</b>	<b>531</b>	494	–	494	1,072	–	1,072
Taxation	(67)	–	(67)	(74)	–	(74)	(157)	–	(157)
<b>Net return after taxation</b>	<b>464</b>	<b>–</b>	<b>464</b>	420	–	420	915	–	915
<b>Return per ordinary share</b>	<b>1.85p</b>	<b>–</b>	<b>1.85p</b>	1.96p	–	1.96p	3.97p	–	3.97p

The results for the year ended 31st August 2005 and for the six months ended 28th February 2005 have been restated in accordance with Financial Reporting Standard 21. More details are given in the notes to the accounts on page 21.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year. The Total Return column of this statement is the profit and loss account of the Company.

The results for the year ended 31st August 2005 are a non-statutory version of the full report and accounts for that year, which have been filed with the Registrar of Companies, on which the auditors reported under S235 of the Companies Act 1985. The report contained no qualifications or any statement under Section 237 (2) or (3) of the said Act.

# Reconciliation of Movement in Shareholders' Funds

(Unaudited)

for the six months ended 28th February 2006

	Share Capital £'000	Share premium account £'000	Other reserve £'000	Revenue reserve £'000	Total £'000
<b>At 31st August 2004 (as restated)<sup>1</sup></b>	<b>2</b>	<b>71</b>	<b>21,450</b>	<b>201</b>	<b>21,724</b>
Shares bought back and cancelled	–	–	(1,420)	–	<b>(1,420)</b>
Shares issued	–	4,709	–	–	<b>4,709</b>
Net revenue return from ordinary activities	–	–	–	915	<b>915</b>
Dividends appropriated in the year	–	–	–	(837)	<b>(837)</b>
<b>At 31st August 2005 (as restated)<sup>1</sup></b>	<b>2</b>	<b>4,780</b>	<b>20,030</b>	<b>279</b>	<b>25,091</b>
Shares bought back and cancelled	–	–	(1,823)	–	<b>(1,823)</b>
Shares issued	–	2,373	–	–	<b>2,373</b>
Net revenue return from ordinary activities	–	–	–	464	<b>464</b>
Dividends appropriated in the year	–	–	–	(485)	<b>(485)</b>
<b>At 28th February 2006</b>	<b>2</b>	<b>7,153</b>	<b>18,207</b>	<b>258</b>	<b>25,620</b>

<sup>1</sup>Restatements and prior year adjustments resulting from the adoption of new accounting policies as detailed on page 21.

## Balance Sheet

(Unaudited)

as at 28th February 2006

	28th February 2006 £'000	28th February 2005 (Restated) <sup>1</sup> £'000	31st August 2005 (Restated) <sup>1</sup> £'000
<b>Assets</b>			
Investments at fair value through profit or loss	<b>25,726</b>	21,550	25,230
Net current (liabilities)/assets	<b>(106)</b>	37	(139)
<b>Total net assets</b>	<b>25,620</b>	21,587	25,091
<b>Capital and Reserves</b>			
Share capital	<b>2</b>	2	2
Share premium	<b>7,153</b>	71	4,780
Other reserve	<b>18,207</b>	21,280	20,030
Revenue reserve	<b>258</b>	234	279
<b>Total shareholders' funds</b>	<b>25,620</b>	21,587	25,091
<b>Net asset value per share</b>	<b>101.1p</b>	101.1p	101.2p
<b>Share price</b>	<b>100.0p</b>	100.0p	99.5p

<sup>1</sup>Restatements and prior year adjustments resulting from the adoption of new accounting policies as detailed in the accounting policies on page 21.

# Aggregated Income Statement

(Unaudited)

for the six months ended 28th February 2006

	Six months to 28th February 2006			Six months to 28th February 2005 (Restated)			Year to 31st August 2005 (Restated)		
	Revenue Return £'000	Capital Return £'000	Total Return £'000	Revenue Return £'000	Capital Return £'000	Total Return £'000	Revenue Return £'000	Capital Return £'000	Total Return £'000
Realised gains on investments	–	2,153	2,153	–	2,044	2,044	–	4,197	4,197
Unrealised gains on investments	–	44,109	44,109	–	26,463	26,463	–	42,273	42,273
Currency losses on cash and short term deposits held during the period	–	–	–	–	–	–	–	(7)	(7)
Other capital items	–	10	10	–	3	3	–	(39)	(39)
Income from investments	2,821	–	2,821	2,365	–	2,365	5,221	–	5,221
Deposit interest	142	–	142	187	–	187	376	–	376
<b>Gross revenue and capital returns</b>	<b>2,963</b>	<b>46,272</b>	<b>49,235</b>	<b>2,552</b>	<b>28,510</b>	<b>31,062</b>	<b>5,597</b>	<b>46,424</b>	<b>52,021</b>
Management fee	(134)	(230)	(364)	(76)	(140)	(216)	(185)	(337)	(522)
Other administrative expenses	(229)	–	(229)	(154)	(55)	(209)	(490)	(70)	(560)
<b>Net return before taxation</b>	<b>2,600</b>	<b>46,042</b>	<b>48,642</b>	<b>2,322</b>	<b>28,315</b>	<b>30,637</b>	<b>4,922</b>	<b>46,017</b>	<b>50,939</b>
Taxation	–	–	–	–	–	–	–	–	–
<b>Net return after taxation</b>	<b>2,600</b>	<b>46,042</b>	<b>48,642</b>	<b>2,322</b>	<b>28,315</b>	<b>30,637</b>	<b>4,922</b>	<b>46,017</b>	<b>50,939</b>
<b>Return per ordinary share:</b>									
Managed Growth share	2.02p	70.96p	72.98p	2.12p	43.61p	45.73p	3.82p	69.82p	73.64p
Managed Income share	1.79p	12.04p	13.83p	2.04p	12.64p	14.68p	4.35p	17.29p	21.64p
Managed Cash share	1.85p	–	1.85p	1.96p	–	1.96p	3.97p	–	3.97p

The results for the year ended 31st August 2005 and for the six months ended 28th February 2005 have been restated in accordance with Financial Reporting Standard 21. More details are given in the notes to the accounts on page 21.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year. Reserve accounts for the three classes are shown on page 6 (Managed Growth), 11 (Managed Income) and 16 (Managed Cash).

The total column of this statement is the profit and loss account of the Company.

The results for the year ended 31st August 2005 are a non-statutory version of the full report and accounts for that year, which have been filed with the Registrar of Companies, on which the auditors reported under S235 of the Companies Act 1985. The report contained no qualifications or any statement under Section 237 (2) or (3) of the said Act.

# Reconciliation of Movements in Shareholders' Funds

(Unaudited)

for the six months ended 28th February 2006

	Share Capital £'000	Share premium account £'000	Other reserve £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000	Total £'000
<b>At 31st August 2004 (as restated)<sup>1</sup></b>	<b>24</b>	<b>8,639</b>	<b>213,582</b>	<b>(22,909)</b>	<b>(22,886)</b>	<b>2,115</b>	<b>178,565</b>
Shares issued	–	34,406	–	–	–	–	34,406
Shares bought back and cancelled	–	–	(10,123)	–	–	–	(10,123)
Net capital return from ordinary activities	–	–	–	(4,529)	50,546	–	46,017
Net revenue return from ordinary activities	–	–	–	–	–	4,922	4,922
Dividends appropriated in the year	–	–	–	–	–	(3,940)	(3,940)
<b>At 31st August 2005 (as restated)<sup>1</sup></b>	<b>24</b>	<b>43,045</b>	<b>203,459</b>	<b>(27,438)</b>	<b>27,660</b>	<b>3,097</b>	<b>249,847</b>
Shares issued	–	6,062	–	–	–	–	6,062
Shares bought back and cancelled	–	–	(10,651)	–	–	–	(10,651)
Adjustment to bid valuation	–	–	–	–	(1,047)	–	(1,047)
Net capital return from ordinary activities	–	–	–	4,631	41,411	–	46,042
Net revenue return from ordinary activities	–	–	–	–	–	2,600	2,600
Dividends appropriated in the year	–	–	–	–	–	(2,505)	(2,505)
<b>At 28th February 2006</b>	<b>24</b>	<b>49,107</b>	<b>192,808</b>	<b>(22,807)</b>	<b>68,024</b>	<b>3,192</b>	<b>290,348</b>

<sup>1</sup>Restatements and prior year adjustments resulting from the adoption of new accounting policies as detailed on page 21.

# Aggregated Balance Sheet

(Unaudited)

as at 28th February 2006

	28th February 2006 £'000	28th February 2005 (Restated) <sup>1</sup> £'000	31st August 2005 (Restated) <sup>1</sup> £'000
<b>Assets</b>			
Investments at fair value through profit or loss			
Managed Growth	194,651	141,315	165,321
Managed Income	61,458	33,103	53,468
Managed Cash	25,726	21,550	25,230
Net current assets/(liabilities)			
Managed Growth	7,013	7,258	4,744
Managed Income	1,606	517	1,223
Managed Cash	(106)	37	(139)
<b>Total net assets</b>	<b>290,348</b>	<b>203,780</b>	<b>249,847</b>
<b>Capital and Reserves</b>			
Share capital	24	24	24
Share premium	49,107	8,639	43,045
Other reserve	192,808	210,098	203,459
Capital reserve	45,217	(17,480)	222
Revenue reserve	3,192	2,499	3,097
<b>Total shareholders' funds</b>	<b>290,348</b>	<b>203,780</b>	<b>249,847</b>
<b>Attributable to:</b>			
Ordinary shareholders – equity	290,335	203,767	249,834
Founder shareholders – non-equity	13	13	13
<b>Total shareholders' funds</b>	<b>290,348</b>	<b>203,780</b>	<b>249,847</b>
<b>Net asset value per</b>			
<b>Managed Growth share</b>	<b>371.2p</b>	<b>276.1p</b>	<b>301.5p</b>
<b>Net asset value per</b>			
<b>Managed Income share</b>	<b>109.1p</b>	<b>92.7p</b>	<b>97.2p</b>
<b>Net asset value per</b>			
<b>Managed Cash share</b>	<b>101.1p</b>	<b>101.1p</b>	<b>101.2p</b>
<b>Share price – Managed Growth</b>	<b>364.0p</b>	<b>270.0p</b>	<b>293.8p</b>
<b>Share price – Managed Income</b>	<b>108.3p</b>	<b>91.5p</b>	<b>95.0p</b>
<b>Share price – Managed Cash</b>	<b>100.0p</b>	<b>100.0p</b>	<b>99.5p</b>
<b>Discount – Managed Growth</b>	<b>1.9%</b>	<b>2.2%</b>	<b>2.6%</b>
<b>Discount – Managed Income</b>	<b>0.7%</b>	<b>1.3%</b>	<b>2.3%</b>
<b>Discount – Managed Cash</b>	<b>1.1%</b>	<b>1.1%</b>	<b>1.7%</b>

<sup>1</sup>The results for the year ended 31st August 2005 and for the six months ended 28th February 2005 have been restated in accordance with Financial Reporting Standard 21. More details are given in the Accounting policies notes on page 21.

# Aggregated Cash Flow Statement

(Unaudited)

for the six months ended 28th February 2006

	Six months to 28th February 2006 £'000	Six months to 28th February 2005 £'000	Year ended 31st August 2005 £'000
Net cash inflow from operating activities	2,276	2,049	4,331
Taxation received/(paid)	24	(11)	–
Net cash inflow/(outflow) from capital expenditure and financial investment	7,092	3,672	(4,401)
Equity dividends paid	(2,505)	(1,939)	(3,940)
Net cash (outflow)/inflow from financing	(4,517)	(3,425)	1,486
<b>Increase/(decrease) in cash for the period</b>	<b>2,370</b>	<b>346</b>	<b>(2,524)</b>

# Notes to the Accounts

## Accounting Policies

These interim financial statements have been prepared on the basis of the accounting policies set out in the Company's Annual Report and Accounts dated 31st August 2005, except as stated below.

Modifications to UK GAAP as a result of the issue of new Financial Reporting Standards ('FRS') have been applied to all periods being reported in these accounts. The effects of the restatements on prior results are as follows:

## Valuation of Investments

Investments are designated as held at fair value through Profit or Loss in accordance with FRS 26: Financial Investments "Measurement". Listed investments are valued at bid market prices. Investments in open ended investment companies are valued at their relevant net asset value at the period end. This represents a change in accounting policy, however in accordance with the exemption conferred by paragraph 108D of FRS 26, comparatives have not been restated. In prior periods listed investments were valued at mid market prices although for much of the portfolio this was last traded price which is the same as bid price. As a consequence the adoption of bid prices on 1st February 2005 decreased the value of investments by £767,000 on the Managed Growth pool and £280,000 on the Managed Income pool.

## Transaction Costs

For the purpose of these accounts, transaction costs are defined as costs such as stamp duty and broker commissions incurred in the sale and purchase of investments. FRS26 requires that where investments are designated as 'fair value through the profit and loss account' the transaction costs should be disclosed.

The transaction costs on purchases for the six months to 28th February 2006 are £89,000 (31st August 2005: £216,000; 28th February 2005: £124,000). The transaction costs on sales for the six months to 28th February 2006 are £29,000 (31st August 2005: £61,000; 28th February 2005: £50,000). These costs include stamp duty and broker commission and are included in purchases and netted off against sales.

## Dividends

FRS 21: "Events after the Balance Sheet Date" states that final dividends approved by shareholders after the balance sheet date should not be recognised as a liability of the Company at the balance sheet date. In respect of the year ended 31st August 2005, dividends of 2.22 pence per share (£1,252,000) on the Managed Growth pool, 0.65 pence per share (£366,000) on the Managed Income pool and 1.05 pence per share (£260,000) on the Managed Cash pool were approved in the following year. Prior results have accordingly been restated and this has led to an increase in net assets attributable to shareholders of £1,252,000 on Managed Growth pool, £366,000 on Managed Income pool and £260,000 on the Managed Cash pool at 31st August 2005. Interim dividends do not require shareholder approval and they are therefore brought into account in the period in which they are paid. In respect of the six months ended 28th February 2005, the Company subsequently paid dividends of 1.50 pence per share (£807,000) on the Managed Growth pool, 0.40 pence per share (£326,000) on the Managed Income pool and 0.95 pence per share (£203,000) on the Managed Cash pool. Prior results have been restated accordingly and this has led to an increase in net assets attributable to shareholders of £807,000 on the Managed Growth pool, £326,000 on the Managed Income pool and £203,000 on the Managed Cash pool at 28th February 2005.

# Capital Structure and Conversion between Share Classes

JPMorgan Elect plc was formed as a result of the combination of JPMorgan Managed Growth plc and JPMorgan Managed Income plc and the subsequent capital reorganisation. The Company's new name represents the new capital structure and the investment flexibility it offers to shareholders.

There are three share classes, each with distinct investment policies, objectives and underlying asset pools. Each share class is listed separately and traded on the London Stock Exchange. This capital structure means that shareholders may benefit from greater investment flexibility in a tax-efficient manner.

## Capital Structure

### • Managed Growth Shares

Designed to provide a high return predominantly in the form of long-term capital growth by investing in a range of closed and open-ended funds managed principally by JPMorgan.

### • Managed Income Shares

Designed to provide a growing income together with the potential for long-term capital growth by investing in equities and higher yielding shares of investment trusts and fixed income securities.

### • Managed Cash Shares

Designed to preserve capital and deliver a yield based on short term interest rates by investing in five or more AAA rated sterling liquidity funds.

## Conversion Opportunities

Shareholders in any of the three share classes are able to convert some or all of their shares into shares of the other classes without such conversion being treated, under current law, as a disposal for UK capital gains tax purposes.

The conversion mechanism allows shareholders to alter their investment profile to match their changing investment needs in a tax-efficient manner.

Conversion dates will arise every six months on 30th November and 31st May (if such a date is not a business day, then the conversion date will move to the next business day). It is also possible for holders of Managed Cash shares to elect to have all or part of their holding of such shares repurchased by the Company for cash at a price close to net asset value.

The Company, or its Manager, will make no administrative charge for any of the above conversions.

## Conversion between the share classes

Those who hold shares through the JPM Investment Trust Share Plan/PEP/ISA or Pension Account must submit a conversion instruction form which can be found at [www.jpmelect.com](http://www.jpmelect.com). Instructions for CREST holders can also be found at this address. Those who hold shares in certificated form on the main register must complete the conversion notice printed on the reverse of their certificate.

Instructions must be received no earlier than 60 and no later than 30 days before a chosen conversion date.

The number of shares that will arise upon conversion will be determined on the basis of the relative net asset values of each share class.

With regard to those who hold shares through the JPM Investment Trust Share Plan/PEP/ISA or Pension Account, the minimum number of shares of any class which may be converted is 1,000 shares (to a minimum value of £500). Conversion of fewer shares may only take place if the number to be converted constitutes the shareholder's entire holding in that class. Please note that shareholders cannot convert into Managed Cash shares within the Pension Account.

Shareholders who hold shares in certificated form on the main register or those who hold their shares in electronic form through CREST may convert a minimum of 1,000 shares or, if lower, their entire holding.

More details concerning conversion dates and conversion instruction forms can be found on the Company's web site: [www.jpmelect.com](http://www.jpmelect.com).

# Information about the Company

## FINANCIAL CALENDAR

<b>Financial year end</b>	31st August
<b>Interim results announced</b>	April/May
<b>Final results announced</b>	October
<b>Conversion dates</b>	31st May, 30th November
<b>Dividends payable (if any)</b>	
<b>Managed Growth</b>	June/December
<b>Managed Income and Managed Cash</b>	March/June/September/December
<b>Annual General Meeting</b>	December

## History

The Company was incorporated on 16th September 1999 and launched as an investment trust on 24th November 1999 with assets of £28m. The Company changed its name to JPMorgan Fleming Managed Growth plc on 5th December 2002 and to JPMorgan Fleming Elect plc on 14th January 2004 following the capital reorganisation and combination of JPMorgan Fleming Managed Growth plc and JPMorgan Fleming Managed Income plc. The Company adopted its present name on 2nd February 2006.

## Company Numbers

Company registration number: 3845060  
London Stock Exchange code: 0852814  
Bloomberg Code: JPEI

## Directors

Kenneth Culley CBE (*Chairman*)  
Simon Miller (*Deputy Chairman*)  
Robert Ottley  
Nigel Sidebottom (*Chairman of the Audit Committee*)

## Manager and Secretary

JPMorgan Asset Management (UK) Limited

## Company's Registered Office

Finsbury Dials, 20 Finsbury Street, London EC2Y 9AQ  
*Please contact Jonathan Latter for company secretarial and administrative matters at the above address, or telephone 020 7742 6000.*

## Market Information

The Company's net asset values are published daily, via the London Stock Exchange.

The Company's shares are listed on the London Stock Exchange. The market prices are shown daily in The Daily Telegraph, the Financial Times, The Independent, The Herald, The Times, on BBC Ceefax and on the Company website at [www.jpmelect.com](http://www.jpmelect.com), where the share prices are updated every fifteen minutes during trading hours.

## Share Transactions

The Company's 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), Personal Equity Plan (PEP) and Pension Account.

## Savings Plan Administrators

*For queries on the JPMorgan ISA, PEP, Share Plan or Pension Account, see contact details overleaf.*

## Registrars

### Lloyds TSB Registrars

Reference 2018,  
The Causeway, Worthing, West Sussex BN99 6DA  
Telephone 0870 600 3984  
*Notifications of changes of address and enquiries regarding certificates or dividend cheques should be made in writing to the Registrar quoting reference 2018.*

*Registered shareholders can obtain further details on individual holdings on the internet by visiting [www.shareview.co.uk](http://www.shareview.co.uk)*

## Brokers

### Winterflood Securities

The Atrium Building, Cannon Bridge, 25 Dowgate Hill, London EC4R 2GA  
Telephone 020 7621 0004

## Independent Auditors

### Ernst & Young LLP

1 More London Place, London SE1 2AF



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OF INVESTMENT TRUST COMPANIES







## **JPMorgan Helpline**

**Freephone 0800 40 30 30** or 0207 742 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 service if you have any queries relating to the Pension Account.

Your telephone call may be recorded for your security.

**[www.jpmelect.com](http://www.jpmelect.com)**