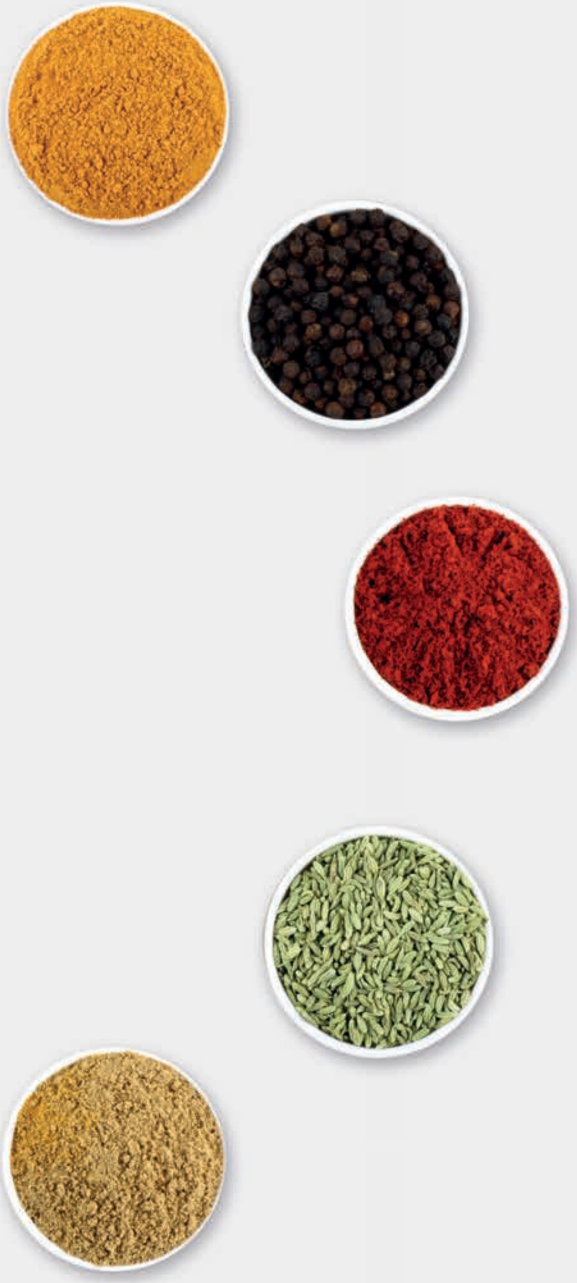
# JPMorgan Indian Investment Trust plc

Annual Report & Financial Statements for the year ended 30th September 2018



J.P.Morgan
Asset Management

# Your Company

## Objective

Capital growth from investments in India.

## Investment Policies

- To invest in a diversified portfolio of equity and equity-related securities of Indian companies.
- To invest also in companies which earn a material part of their revenues from India.
- The Company will not invest in the other countries of the Indian sub-continent nor in Sri Lanka.
- To invest no more than 15% of gross assets in other investment companies (including investment trusts).
- Gearing may be used when appropriate to increase potential returns to shareholders; the Company's gearing policy is to use short-term gearing for tactical purposes, up to a maximum level of 15% of shareholders' funds.

## Benchmark

MSCI India Index expressed in sterling terms.

## Risk

Investors should note that there can be significant economic and political risks inherent in investing in a single emerging economy such as India. As such, the Indian market can exhibit more volatility than developed markets and this should be taken into consideration when evaluating the suitability of the Company as a potential investment.

## Capital Structure

At 30th September 2018, the Company's share capital comprised 125,617,586 Ordinary shares of 25p each, including 21,042,646 shares held in Treasury.

## Accounting Policy Change

International Financial Reporting Standard ('IFRS') 10 was amended for reporting periods beginning on or after 1st January 2016. The amended IFRS 10 requires the Company as an 'investment entity' to account for its subsidiary as an 'investment held at fair value through profit or loss' rather than consolidating.

As a consequence of the amendment to IFRS 10, the financial statements in this Annual Report and Financial Statements are presented on a 'company-only' basis with comparatives also presented on a 'company-only' basis. Supplementary information is given where appropriate.

## Continuation Vote

The Company's Articles require that, at the Annual General Meeting to be held in 2019 and at every fifth year thereafter, the Directors propose a resolution that the Company continues as an investment trust.

## Management Company and Company Secretary

The Company employs JPMorgan Funds Limited ('JPMF' or the 'Manager') as its Alternative Investment Fund Manager and Company Secretary. JPMF delegates the management of the Company's portfolio to JPMorgan Asset Management (UK) Limited ('JPMAM').

## Financial Conduct Authority ('FCA') regulation of 'non-mainstream pooled investments'

The Company currently conducts its affairs so that the shares issued by JPMorgan Indian Investment Trust plc can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the FCA rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future.

The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

## AIC

The Company is a member of the Association of Investment Companies.

## Website

The Company's website, which can be found at www.jpmindian.co.uk, includes useful information on the Company, such as daily prices, factsheets and current and historic half year and annual reports.



# Why invest in the JPMorgan Indian Investment Trust

## Our heritage and our team

JPMorgan Indian Investment Trust plc is the largest London-listed Indian equity fund focussing purely on Indian companies. The Company provides exposure to a market that is difficult to gain access through a growth-orientated portfolio of Indian equities. Seasoned Indian equities experts, Rukhshad Shroff and Rajendra Nair, bring with them deep investment experience, complemented by the insights of J.P. Morgan Asset Management's extensive network of emerging markets specialists. Their on-the-ground experience and in-depth knowledge of local markets enable them to make longer-term appraisals of companies and not be side tracked by short-term noise.

## Our Investment Approach

The Company's managers invest in good quality businesses with superior growth prospects, holding them for the long-term to benefit from the growth potential of India. India presents opportunity for long-term growth, with an increasingly affluent population and companies supported by a young and educated workforce. The investment managers look to capitalise on this potential, concentrating on domestically-focused companies that are well-managed and benefit from the long-term growth opportunity of India.

| Nearly 50 | 95+ | 450+ | 64.6% |
|---|---|---|---|
| Years' of combined industry experience between the Investment Managers | Investment professionals across emerging markets and Asia | Meetings with companies in India in 2017 | Active share[1] |

[1] Active share is a measurement of the difference in the Company's portfolio compared to the benchmark index.

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# Strategic Report

## TOTAL RETURNS

| | 2018 | 2017 | 3 Year Cumulative | 5 Year Cumulative |
|---|---|---|---|---|
| Return to shareholders[1] | -10.9% | +12.0% | +25.5% | +104.6% |
| Return on net assets[2] | -7.7% | +9.0% | +28.6% | +103.6% |
| Benchmark return[3] | +4.0% | +10.5% | +42.3% | +97.0% |
| Net asset return performance against benchmark return | -11.7% | -1.5% | -13.7% | +6.6% |

[1] Source: Morningstar.

[2] Source: Morningstar/J.P.Morgan, using cum income net asset value per share.

[3] Source: MSCI. The Company's benchmark is the MSCI India Index expressed in sterling terms.

**A glossary of terms and alternative performance measures is provided on page 81.**

## SUMMARY OF RESULTS

| | 2018 | 2017 | % change |
|---|---|---|---|
| **Net asset value, share price, discount and market data at 30th September** | | | |
| Shareholders' funds (£'000) | 770,145 | 840,002 | -8.3 |
| Net asset value per share | 736.5p | 797.8p | -7.7 |
| Share price | 630.0p | 707.0p | -10.9 |
| Share price discount to net asset value per share | 14.5% | 11.4% | |
| Shares in issue – excluding shares held in Treasury | 104,574,940 | 105,287,615 | -0.7 |
| **Loss for the year ended 30th September[1]** | | | |
| Revenue loss attributable to shareholders (£'000) | 2,159 | 1,439 | |
| Revenue loss per share | 2.06p | 1.37p | |
| Total (loss)/profit attributable to shareholders (£'000) | (64,799) | 69,461 | |
| Total (loss)/earnings per share | (61.70)p | 65.97p | |
| **Gearing at 30th September[2]** | 0.3% | 7.4% | |
| **Ongoing charges[3]** | 1.09% | 1.19% | |

[1] Figures are calculated at the group level, which is consistent with prior year calculations. Details of the basis of calculation are given on page 68.

[2] Gearing is calculated at the group level, which is consistent with prior year calculations. Details of the basis of calculation are given on page 81.

[3] Ongoing charges are calculated at the group level, which is consistent with prior year calculations. Details of the basis of calculation are given on page 81.

A glossary of terms and alternative performance measures is provided on page 81.

**Richard Burns**
*Chairman*

## Results

The year to 30th September 2018 was a positive one for Indian investors, as measured by the Company's benchmark index, the MSCI India Index (in sterling terms), which returned +4.0%. Unfortunately, your Company's performance fell well short of the index, producing a return on net assets of -7.7% over the year. The return to shareholders was worse, at -10.9%, reflecting a widening of the discount over the year from 11.4% to 14.5%. The widening of the discount on our shares is consistent with our competitors.

It is always disappointing to report underperformance. As I have stated previously, the Board judges performance over the longer term and recent underperformance means that the Company has now underperformed the benchmark over three and ten years. However, it remains ahead over five years.

As you would expect, the Board has discussed with the Investment Managers the reasons for the Company's underperformance in great detail and in their report on pages 9 to 12, they set out the key factors affecting the portfolio's performance as well as the Indian economy and equity market over the financial year and give their view of the prospects for the future.

The table on page 11 analyses the performance of our portfolio over the year and shows that our decisions on sectoral weightings (described as 'asset allocation') were by far the most significant contributors to underperformance. Not holding Reliance Industries (energy), Infosys (information technology) and Hindustan Unilever (consumer staples) cost us nearly 7% of performance against the index and our overweight positions in the auto and cement sectors were also significantly unhelpful. Beneath all this, our portfolio has been constructed to take advantage of a cyclical upswing in the Indian economy which the Investment Managers have expected but which has yet to manifest itself.

## Tax

As I reported at the half year stage, the India-Mauritius tax treaty was amended in 2016 and the advantages of investing in India via Mauritius, whereby gains made on investments held for less than 12 months were not subject to capital gains tax, have been removed with effect from 2019. Having taken professional advice on this matter, the Board had planned that the Company would cease investing via its Mauritius subsidiary and transfer its assets to the UK parent company during the course of this financial year. However, the Indian government announced in its February 2018 budget the introduction of a 10% capital gains tax on realised gains from investments held for more than 12 months. Investments made before February 2018 are, however, protected from this charge and as a result it remains advantageous for the Company to hold its historic investments through the Mauritius subsidiary. The Board now envisages that the assets will move to the UK parent company over a period of years, as proceeds from sales made in the normal course of portfolio management are transferred from the subsidiary to the parent and then reinvested by the parent. This process is now underway as can be seen from the list of investments on page 14.

## IFRS 10

As I explained last year, an amendment to International Financial Reporting Standard 10 ('IFRS 10') came into effect for reporting periods beginning on or after 1st January 2016. The financial statements of the Company contained in this Annual Report have been prepared in accordance with the amended IFRS 10. This is explained in note 2(c) to the financial statements on page 49, informing shareholders that the financial statements do not consolidate our Mauritian subsidiary. As you know, this subsidiary holds most of our investment portfolio and therefore is the entity which pays almost 96% of the fee to JPMorgan for managing the Company's assets. The total fee paid by the Company and its subsidiary was £7.8 million.

As a consequence of the non-consolidation of the Mauritian subsidiary's financial statements, it is the Board's view that these financial statements do not disclose the full cost of operating the enterprise or the total level of our liabilities. Therefore, we have again sought to provide shareholders with a fuller picture of the combined operations of the Company and its subsidiary during the year and their combined financial position as at 30th September 2018 by including in note 22 on pages 67 to 73 supplemental information and reconciliations to the statutory financial statements, i.e. figures which are comparable to those which have been reported in years prior to 2017. Unlike last year, these are now within the notes to the financial statements and therefore are audited by PricewaterhouseCoopers. The Board believes this treatment is preferable and urges shareholders to consider these figures if they want to judge how the Company has performed this year, alongside the statutory financial statements.

## Gearing

During the year, the Company had in place a three year floating rate £100 million loan facility with Scotiabank to provide the Investment Managers with the flexibility to gear the portfolio when they believe it is appropriate. In August this year the facility expired and was renewed for a further two years. At the end of the financial year £18 million was drawn by the Mauritian subsidiary and the portfolio was 0.3% geared (at the group level).

## The Board

In accordance with corporate governance best practice, an evaluation of the Board and its committees was undertaken during the year. The evaluation confirmed that there is an appropriate mix of skills and experience on the Board and that the Directors work together effectively. Consequently, all Directors will stand for reappointment at the forthcoming Annual General Meeting ('AGM'). We are aware of the forthcoming changes to be implemented by the revised UK Corporate Governance Code and, in due course, we will look to appoint a new Director in order to ensure orderly succession planning and continuity.

## Investment Manager

The Board has reviewed the investment management, company secretarial, sales and marketing services provided to the Company by JPMorgan Funds ('JPMF'). This annual review included the performance record, management processes, investment style, resources and risk control mechanisms. Notwithstanding the significant underperformance in the last financial year, the Board was satisfied with the results of the review and therefore in the opinion of the Directors, the continuing appointment of JPMF for the provision of these services, on the terms agreed, is in the best interests of shareholders as a whole.

## Share Issues and Repurchases

At the AGM held in February 2018 shareholders renewed the Directors' authority to repurchase up to 14.99% of the Company's shares for cancellation or into Treasury. The Company repurchased a total of 712,675 shares into Treasury during the year and as at the date of this report there is a total of 21,042,646 shares held in Treasury. The Board believes that such a facility is an important tool in the management of discount volatility and is, therefore, seeking approval from shareholders to renew the authority to repurchase the Company's shares at the forthcoming AGM.

Shareholders also granted the Directors authority to issue new ordinary shares. At various times in the past, the Company's shares have traded at a premium to net asset value ('NAV'), which has enabled the issue of new shares. The Board has established guidelines relating to the issue of shares and if these conditions are met, this authority will be utilised to enhance the Company's NAV per share and therefore benefit existing shareholders.

To supplement this authority, the Board will reissue shares from Treasury when appropriate. Issuing shares out of Treasury would be cheaper than issuing new shares since it avoids the necessity of the Company paying listing fees to the London Stock Exchange and the UK Listing Authority. The Board will only buy back shares at a discount to their prevailing NAV and issue new shares, or reissue Treasury shares, when they trade at a premium to their NAV, so as not to prejudice continuing shareholders.

## Continuation of the Company

In accordance with the Company's articles of association, an ordinary resolution will be put to shareholders at the forthcoming AGM that the Company continue in existence as an investment trust for a further five year period. If the resolution is not passed, the Company's articles of association require that the Directors shall within four months of the AGM convene a General Meeting of the Company at which a special resolution will be proposed, designed to result in the holders of shares in the Company receiving, in lieu of their shares, units in a unit trust scheme (or equivalent) or in the reorganisation of the Company's share capital in some other manner or which shall be a resolution requiring the Company to be wound up voluntarily. The Board believes that the long term outlook for India remains positive and that JPMAM has the resources and investment process to deliver returns for shareholders. Accordingly, the Board believes that the continuation of the Company is in the best interests of all shareholders and strongly recommends that shareholders vote in favour of the resolution, as they intend to do in respect of their own holdings.

In November 2013, the Board announced that it planned to introduce an obligation on the Board to make a tender offer to shareholders at NAV less costs if, over the three years from 1st October 2013, the Company underperformed its benchmark. Over the three years to 30th September 2016, the Company significantly outperformed its benchmark index and therefore no such tender offer was made. However, the Board renewed its commitment to shareholders by undertaking to offer a tender for up to 25% of the issued share capital, at NAV less costs, should the Company underperform the benchmark index over the three years to 30th September 2019.

## Annual General Meeting

This year's AGM will be held at JPMorgan's office at 60 Victoria Embankment, London EC4Y 0JP on Wednesday, 30th January 2019 at 12.30 p.m. As in previous years, in addition to the formal part of the meeting, there will be a presentation from one of the Investment Managers, who will answer questions on the Company's portfolio and performance. There will also be an opportunity to meet the Board and representatives of JPMorgan.

As we have done at previous AGMs, in order to prevent overcrowding, entry will be restricted to shareholders only and guests will not be admitted to the meeting.

If you have any detailed or technical questions, it would be helpful if you could raise them in advance with the Company Secretary at 60 Victoria Embankment, London EC4Y 0JP or via the 'Ask a Question' link on the Company's website. Shareholders who are unable to attend the AGM are encouraged to use their proxy votes.

## Outlook

My years in the investment world have taught me that forecasting the outlook for equity markets is an impossible task. Looking ahead, I have usually found it much easier to foresee problems than opportunities, particularly at the macro level, and there is certainly no shortage of such problems as 2018 draws to a close. However, despite its great challenges, India is a country enjoying rapid (even if inadequate) growth and has a stock market with a good choice of strong and successful companies which have excellent prospects for growth in sales and profits for many years ahead. Experience has taught me that it is much more rewarding to concentrate on such companies than try to make judgements about the broader economy or possible political developments.

In a year in which many developing countries have faced difficult challenges and poorly performing stock markets, India has performed relatively robustly, which gives me confidence that your Company's portfolio, which consists of the sort of companies I have described above, will perform well in the years ahead, despite the disappointing results which I have had to report to you on this occasion.

**Richard Burns**
*Chairman*

21st December 2018

**Rukhshad Shroff**
*Investment Manager*

**Rajendra Nair**
*Investment Manager*

## The year in review

A year ago, Indian stock market valuations were high and the outlook for equities was broadly positive, albeit with caveats. As well as a buoyant global economy, local factors (such as India's structural reform agenda) had contributed to a feeling of optimism for the year ahead. Now, after a year in which India's economy has continued to grow, the outlook is less certain. As well as domestic challenges which we will discuss later, last year's benign global investment landscape has become a distant memory since stock market volatility and investor unease have increased around the world as 2018 has unfolded.

Markets have been unsettled by economic and geopolitical worries this year. At the time of the Company's AGM in February this year, we referenced 'possible turbulence to absolute returns' because we were already aware of the difficulties the year could hold. Political instability affecting certain territories, rising US interest rates and oil prices recently hitting a 4-year high have been amongst concerns precipitating market corrections and a deterioration in sentiment. In fact, the Indian market had been one of the more robust Asian markets so far this year until a sharp correction in September pushed it back, partly because of negative news flow from India's financial sector.

This year's performance figures are very disappointing. While the market rose, the net asset value of your fund has declined. The Company's net asset value (NAV) return over the year to 30th September 2018 was –7.7%, underperforming its benchmark, the MSCI India Index, which rose by +4.0% (on a total return, net basis, in sterling terms).

In these pages, we will review the year, providing commentary on some of the factors that have affected the Company's performance and explain why we remain upbeat about investing for the long term in one of the world's largest economies – driven by confidence in both its future growth potential and the quality of its companies.

## Market Review: how India's mandate for reform is making a difference, but challenges remain

After years and years of India being known for its business bureaucracy, outdated and restrictive laws and poor infrastructure, the Indian government's reformist agenda is making a difference. It has been positive to see the government acting, including its fundamental structural reform to the economy.

***Landmark reform*** The Goods and Service Tax (GST) Act came into effect on 1st July 2017. After considerable uncertainty and initial teething problems this comprehensive, indirect tax levied on the supply of goods and services is now being implemented smoothly. GST is a huge step forward, in our view, as it greatly simplifies India's taxation regime, with the potential to boost tax collection, enhance productivity and ultimately contribute towards economic growth over the medium to long-term.

***Tackling bad debts*** In October 2017, the Indian government announced plans to recapitalise its Public Sector Banks (PSBs) which had been crippled by bad debts. The initial announcement triggered a sharp rally in relevant stocks at the time.

The recapitalisation is a positive development for the long-term health and governance of India's financial sector. However, the subsequent revelation of fraud involving Punjab National Bank (a PSB and the country's second largest lender) was a shock to the system and a stark reminder that governance standards at state-owned lenders remain inadequate. The scam, which involved over US$2 billion worth of fraudulent transactions, impacted sentiment.

The RBI has also been monitoring – and questioning – Chief Executive Officer (CEO) reappointments at several banks. As a direct result of RBI intervention, Axis Bank and ICICI have announced new CEOs and YES Bank is poised to do so. A more hands-on regulator is forcing companies and management to take greater responsibility for their actions.

*Addressing bad lending* In another streamlining reform, The National Company Law Tribunal's fast track Insolvency and Bankruptcy Code process is now operational, replacing an array of often conflicting laws and targeting the bad lending and borrowing practices that have plagued India for decades. As well as the introduction of expedited timeframes there is now a centralised, national database that can be searched by potential creditors.

*Work still to be done* More recently (and acting as a reality check that reform is still a 'work in progress'), the government had to step in and take over an unlisted Non-Bank Finance Company (NBFC) IL&FS after it defaulted on loans. Whilst it became apparent that the highly leveraged infrastructure conglomerate had been poorly managed, the crisis has raised broader concerns over the state of the financial sector, particularly the NBFCs. It was systemically important for the government to step in to restore confidence.

*Why the world's fastest growing large economy may not be growing fast enough* India may be the world's fastest growing large economy (with economic growth of 8.2% for the three months to 30th June 2018) but there is still apprehension that its fiscal and current account deficits ('twin deficits') and a persistently high level of inflation will slow down the economy and further weaken the rupee which has already depreciated markedly. India's growth rate would be impressive anywhere else in the world, but the domestic consensus is that it is underwhelming – neither helping tax collections and the fiscal deficit nor corporate earnings growth which, in aggregate, is tracking below real Gross Domestic Product growth. While there are pockets of growth and opportunity, the much expected, broad-based recovery remains elusive.

Meanwhile, monetary conditions have tightened all round: the RBI hiked its short-term lending rate to 6.25% in June, reflecting its formal mandate to target inflation; the rising oil price and weak export growth have expanded the current account deficit, putting pressure on the rupee; and events in the financial sector (described above) have added to the liquidity squeeze. Collectively, these factors have exerted downward pressure on equity prices and valuations.

## Spotlight on stocks and sectors

We look for superior 'all weather' growth stocks, compounders that can grow steadily over time, and which we hope to hold for long periods. Our portfolio is high conviction, research-based and relatively concentrated and our stock choices are not restricted by the Company's benchmark index. We believe that this process should produce good portfolio performance over the long term, whilst acknowledging that, this year, our stock choices have resulted in poor short-term performance in both absolute and relative terms.

The last 12 months have been a difficult period for us. The Index returns have been very narrow – and not owning three of the four big index heavyweight names that have made strong contributions (**Reliance Industries, Infosys** and **Hindustan Unilever**) hurt our relative performance; not holding those three stocks detracted by nearly 700 basis points. We chose not to hold those stocks on grounds of quality or valuation. On top of that, from a stock attribution standpoint, almost all the top 15 contributors in the Index are stocks that we do not own currently whilst many detractors are stocks that we do.

The **Energy** sector rose overall and our performance suffered from our lack of exposure to it. Although the aforementioned **Reliance Industries'** core businesses are in the energy industry, the stock's success was driven by its telecoms arm **JIO**. This new entrant to the mobile telephony space gained market share above market expectations. Although we felt the stock was too expensive at the time, not holding it has been undeniably painful for overall performance. However, we did benefit from our underweight position in other **Telecommunications** players caught up in mobile handset price wars, such as **Bharti Airtel** and **Vodafone Idea**.

Our underweight exposure to **Information Technology** stocks, and **Infosys** in particular, was another source of pain as IT is one of India's few export-driven sectors and benefitted from the weaker rupee. However, we forecast headwinds for the Indian IT outsourcing companies as new technologies result in general downward pressure on corporate tech spending. At **Infosys** we felt this was compounded by turmoil within the senior management team. Within the space we prefer **Tata Consultancy Services (TCS)**.

More positively, our focus on quality within the **Financials** sector was vindicated. Stock selection was positive throughout the year. We have already commented on the speed bumps hit by parts of India's financial sector over the period. The term of **YES Bank**'s CEO was unexpectedly cut short, with the RBI citing a weak governance and compliance culture at the bank. We benefited from not owning the stock. Conversely, companies such as **HDFC**, **HDFC Bank** and **IndusInd Bank** remain amongst our favoured Financials. Penetration rates of financial services in India remain low and provide great growth potential. The PSB bank recapitalisation notwithstanding, India's quality banks will continue gaining market share, for the benefit of the overall economy.

We also enjoyed some success within the small cap space: **Jubilant Foodworks** was the portfolio's top performer over the year. India's demand for fast food pizza remains substantially unmet; management has impressed by striking a balance between store rollout and bolstering the strength of the existing franchise.

*Portfolio changes* Transactions over the year included adding to our holding in construction conglomerate **Larsen & Toubro** as a potential beneficiary of economic recovery. We initiated a position in jeweller and luxury goods company **Titan Industries**, which offers high quality exposure to long-term consumption trends and we were able to buy the shares when the stock was weak.

We exited **Tata Motors** due to concerns about global demand, competition and Brexit. We also sold communications infrastructure provider **Bharti Infratel** due to revenue headwinds.

Although our stock selection process is bottom up, in that we focus on the attributes of individual companies, an underlying theme to the portfolio is that the investment cycle and earnings in India will recover. This has not occurred - yet. However, as a result, some stocks where the key investment argument is a cyclical recovery in earnings have suffered - examples include motorcycle and scooter manufacturers **Bajaj Auto** and **Hero Motors**, cement producers **Ambuja** and **ACC**, India's largest power generation equipment maker **BHEL** and industrial manufacturer **Cummins**. While the recovery in investment is taking longer to materialise than we had hoped, we believe the ingredients are there for sustainable, long-term growth in all these stocks and that this will be supported by India's ongoing structural reforms.

*Gearing* Given the current uncertainty and volatility, we are cautious on the immediate prospects for markets and have reduced the Group's gearing level from 7.4% as at the last year end to just 0.3% as at 30th September 2018.

## PERFORMANCE ATTRIBUTION

FOR THE YEAR ENDED 30TH SEPTEMBER 2018

| | % | % |
|---|---|---|
| Contributions to total returns | | |
| Benchmark return | | 4.0 |
| Asset allocation | -11.1 | |
| Stock selection | -0.6 | |
| Currency effect | 0.8 | |
| Gearing/(net cash) | 0.2 | |
| Investment Manager contribution | | -10.7 |
| Portfolio return | | -6.7 |
| Management fee/other expenses | -1.1 | |
| Share buybacks/issuance | 0.1 | |
| Return on net assets | | -7.7 |
| Return to shareholders | | -10.9 |

Source: Factset, J.P. Morgan and Morningstar. All figures are on a total return basis.

Performance attribution analyses how the Company achieved its recorded performance relative to its benchmark.

**A glossary of terms and alternative performance measures is provided on page 81.**

## Outlook

At face value, our portfolio – and the fact that we are not holding the majority of the short-term index performers – may raise concerns. However, our strategy is an established one and structurally the portfolio retains its focus on high quality, fundamentally attractive franchises; cyclically we continue to believe that the Indian economy is picking up momentum and we are positioned accordingly.

We have close contacts with the companies we hold in the portfolio as well as those we have identified for possible future inclusion. Also, we actively engage with the large companies that we choose not to hold, in order to review these businesses on a regular basis and understand the risks of avoiding them. On top of this, we dedicate considerable time to building our knowledge by meeting companies up and down the supply chain (such as suppliers and customers) as well as competitors and policy makers. We believe that our diligent analysis and research will drive up portfolio performance over the long-term.

Our recent meetings in Mumbai and Delhi have reinforced our confidence that corporate sales growth is recovering generally, despite short-term headwinds such as the weaker rupee and rising oil prices. There is evidence of some return of pricing power, plus an increase in overall capital expenditure. Strong rural demand is a recurring theme and factors such as crop insurance, better digital connectivity, reduced leakage in subsidies and an improving road infrastructure are all contributing to a more sustained, positive rural outlook.

Politically, we are in an important election cycle, with both state and general elections looming. While we will not even begin to make any political predictions on the prospects for the ruling Bharatiya Janata Party, volatility is to be expected. However, investors have witnessed many election cycles in India and strong and agile businesses can always benefit from a challenging environment by gaining market share.

For some time now, we have expressed our optimism for a recovery in the Indian economy, whilst acknowledging the bumpy trajectory of that recovery. We also recognise that while India is most certainly a growth market, it is not cheap. However, underpinned by India's reform programme and by progress made in financial inclusion, we see many investment opportunities ahead. Further, while the country's twin deficits remain a headwind, unlike some other prominent Asian markets, India is not sensitive to any intensification in protectionism. While some of the rhetoric is undoubtedly of concern, any escalation should have a smaller impact for India than for many other Asian economies – a hidden benefit of India's underdeveloped export sector.

Investors know that, despite its many challenges, the business environment in India is fundamentally robust and the investment opportunities compelling. There will always be volatility when investing in a single country, but we are confident that our approach will reward our investors over the long term. We have a sound and disciplined investment process, patience and cool nerves – plus an overriding commitment to deliver strong, long-term returns by investing in fundamentally attractive companies at a reasonable price.

**Rukhshad Shroff, CFA**
**Rajendra Nair, CFA**
*Investment Managers*

21st December 2018

## TEN LARGEST INVESTMENTS
AS AT 30TH SEPTEMBER

| Company | Sector | 2018 Valuation £'000 | %[1] | 2017 Valuation £'000 | %[1] |
|---|---|---|---|---|---|
| HDFC Bank | Financials | 66,433 | 8.6 | 77,860 | 8.6 |
| Housing Development Finance | Financials | 65,301 | 8.5 | 69,737 | 7.7 |
| Tata Consultancy Services[2] | Information Technology | 53,640 | 6.9 | 31,348 | 3.5 |
| Maruti Suzuki India | Consumer Discretionary | 45,278 | 5.9 | 54,960 | 6.1 |
| Axis Bank[2] | Financials | 43,572 | 5.6 | 29,394 | 3.3 |
| IndusInd Bank | Financials | 40,529 | 5.3 | 55,901 | 6.2 |
| UltraTech Cement | Materials | 39,235 | 5.1 | 40,067 | 4.4 |
| ITC | Consumer Staples | 35,818 | 4.6 | 34,930 | 3.9 |
| Kotak Mahindra Bank | Financials | 34,489 | 4.5 | 45,422 | 5.0 |
| Bajaj Auto | Consumer Discretionary | 29,519 | 3.8 | 36,815 | 4.1 |
| **Total** | | **453,814** | **58.8** | | |

[1] Based on total investments at the group level of £772.2m (2017: £902.6m).

[2] Not held in the ten largest investments at 30th September 2017.

At 30th September 2017, the value of the ten largest investments amounted to £494.3 million representing 54.7% of total investments.

The above top ten has been prepared on a 'look-through' basis to include investments held by the subsidiary.

## SECTOR ANALYSIS
AS AT 30TH SEPTEMBER

| | 2018 Portfolio %[1] | 2018 Benchmark % | 2017 Portfolio %[1] | 2017 Benchmark % |
|---|---|---|---|---|
| Financials | 42.0 | 21.0 | 39.6 | 24.6 |
| Consumer Discretionary | 16.9 | 10.1 | 19.6 | 12.4 |
| Materials | 16.5 | 8.8 | 17.7 | 10.4 |
| Industrials | 10.8 | 5.3 | 9.9 | 6.2 |
| Information Technology | 6.9 | 18.4 | 3.5 | 13.9 |
| Consumer Staples | 5.6 | 10.7 | 4.7 | 9.0 |
| Real Estate | 0.6 | – | 0.4 | – |
| Health Care | 0.5 | 5.6 | 2.6 | 6.6 |
| Energy | 0.2 | 15.0 | 0.2 | 11.9 |
| Utilities | – | 3.1 | – | 2.1 |
| Telecommunication Services | – | 2.0 | 1.8 | 2.9 |
| **Total** | **100.0** | **100.0** | **100.0** | **100.0** |

[1] Based on total investments at the group level of £772.2m (2017: £902.6m).

The above sector analysis has been prepared on a 'look-through' basis to include investments held by the subsidiary.

## LIST OF INVESTMENTS AT 30TH SEPTEMBER 2018

| Company | Valuation £'000 |
|---|---|
| **INVESTMENTS HELD BY THE COMPANY** | |
| ***Real Estate*** | |
| Ascendas India Trust | 4,272 |
| | **4,272** |
| ***Information Technology*** | |
| Tata Consultancy Services | 1,521 |
| | **1,521** |
| ***Consumer Discretionary*** | |
| Endurance Technologies | 1,391 |
| | **1,391** |
| ***Industrials*** | |
| Larsen & Toubro | 1,178 |
| | **1,178** |
| **Total Investments held by the Company** | **8,362** |
| **INVESTMENTS HELD BY THE SUBSIDIARY** | |
| ***Financials*** | |
| HDFC Bank | 66,433 |
| Housing Development Finance | 65,301 |
| Axis Bank | 43,572 |
| IndusInd Bank | 40,529 |
| Kotak Mahindra Bank | 34,489 |
| Shriram Transport Finance | 21,708 |
| Mahindra & Mahindra Financial Services | 17,693 |
| State Bank of India | 12,514 |
| Motilal Oswal Financial Services | 8,451 |
| Multi Commodity Exchange of India | 8,247 |
| GRUH Finance | 3,516 |
| Bank of Baroda | 1,942 |
| | **324,395** |

| Company | Valuation £'000 |
|---|---|
| **INVESTMENTS HELD BY THE SUBSIDIARY *CONT.*** | |
| ***Consumer Discretionary*** | |
| Maruti Suzuki India | 45,278 |
| Bajaj Auto | 29,519 |
| Jubilant Foodworks | 18,216 |
| Hero MotoCorp | 15,943 |
| EIH | 8,349 |
| Titan | 5,400 |
| Bosch | 3,577 |
| Balkrishna Industries | 2,548 |
| Dc Design[1] | – |
| | **128,830** |
| ***Materials*** | |
| UltraTech Cement | 39,235 |
| ACC | 24,134 |
| Ambuja Cements | 22,563 |
| Shree Cement | 14,508 |
| Hindalco Industries | 11,453 |
| Godrej Industries | 10,714 |
| HeidelbergCement India | 4,563 |
| | **127,170** |
| ***Industrials*** | |
| Ashok Leyland | 25,129 |
| Larsen & Toubro | 20,920 |
| Bharat Heavy Electricals | 12,430 |
| Eicher Motors | 9,415 |
| Cummins India | 6,727 |
| Gujarat Pipavav Port | 6,570 |
| ABB India | 1,395 |
| | **82,586** |
| ***Information Technology*** | |
| Tata Consultancy Services | 52,119 |
| | **52,119** |

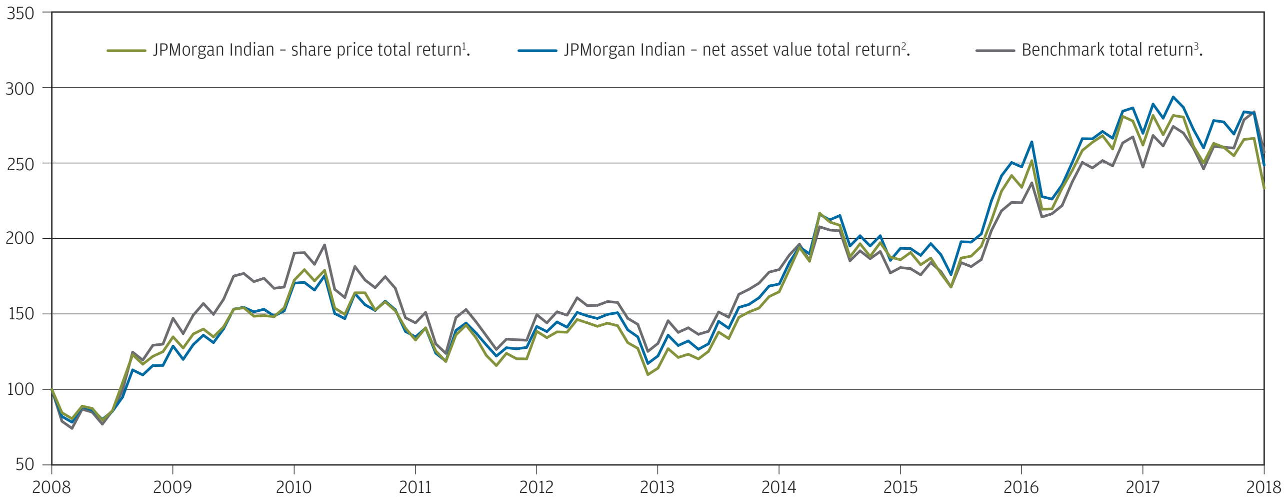
| Company | Valuation £'000 |
|---|---|
| **INVESTMENTS HELD BY THE SUBSIDIARY *CONT.*** | |
| ***Consumer Staples*** | |
| ITC | 35,818 |
| United Spirits | 7,540 |
| | **43,358** |
| ***Health Care*** | |
| Dr Lal PathLabs | 3,744 |
| | **3,744** |
| ***Energy*** | |
| Great Eastern Shipping | 1,643 |
| | **1,643** |
| **Total investments held by the subsidiary** | **763,845** |
| **TOTAL INVESTMENTS** | **772,207** |

[1] Unquoted investment.

The above has been prepared on a 'look through' basis to include investments held by the subsidiary.

## TEN YEAR PERFORMANCE

**FIGURES HAVE BEEN REBASED TO 100 AT 30TH SEPTEMBER 2008**



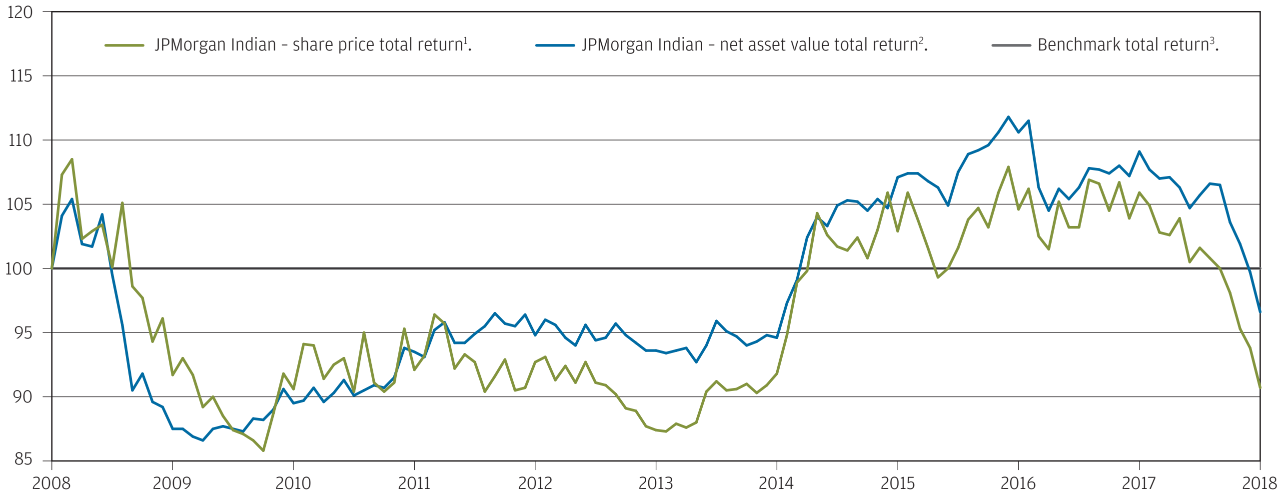

[1] Source: Morningstar.

[2] Source: Morningstar/J.P. Morgan, using cum income net asset value per share.

[3] Source: MSCI. The Company's benchmark is the MSCI India Index expressed in sterling.

## TEN YEAR PERFORMANCE RELATIVE TO BENCHMARK

**FIGURES HAVE BEEN REBASED TO 100 AT 30TH SEPTEMBER 2008**




[1] Source: Morningstar.

[2] Source: Morningstar/J.P. Morgan, using cum income net asset value per share.

[3] Source: MSCI. The Company's benchmark is the MSCI India Index expressed in sterling.

## TEN YEAR FINANCIAL RECORD

| At 30th September | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Shareholders' funds (£m) | 304.0 | 431.5 | 600.0 | 473.7 | 488.2 | 382.6 | 530.8 | 605.0 | 770.7 | 840.0 | 770.1 |
| Net asset value per share (p) | 295.8 | 380.7 | 504.0 | 398.7 | 419.1 | 361.6 | 502.2 | 572.3 | 731.8 | 797.8 | 736.5 |
| Share price (p) | 270.0 | 364.0 | 465.5 | 358.3 | 374.0 | 308.0 | 444.8 | 502.0 | 631.5 | 707.0 | 630.0 |
| Share price discount to net asset value per share | 8.7 | 4.4 | 7.6 | 10.1 | 10.8 | 14.8 | 11.4 | 12.3 | 13.7 | 11.4 | 14.5 |
| (Net cash)/gearing (%)[1] | (5.3) | (0.3) | (0.2) | (2.8) | (2.7) | (2.8) | 5.5 | 1.5 | 7.0 | 7.4 | 0.3 |
| £/INR exchange rate[2] | 83.7 | 76.9 | 70.0 | 76.3 | 85.6 | 101.1 | 99.9 | 99.6 | 86.4 | 87.6 | 94.5 |

| Year ended 30th September | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Gross revenue return (£'000)[3] | 3,856 | 3,955 | 6,273 | 7,201 | 6,333 | 5,886 | 6,676 | 6,137 | 6,759 | 9,353 | 8,340 |
| (Loss)/earnings per share (p)[3] | (2.29) | (0.78) | (1.51) | (1.36) | (0.66) | (1.21) | 0.53 | (2.21) | (1.75) | (1.37) | (2.06) |
| Ongoing charges (%)[1] | 1.8 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.3 | 1.2 | 1.2 | 1.2 | 1.1 |

| Rebased to 100 at 30th September 2008 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Total return to shareholders[4] | 100.0 | 134.8 | 172.4 | 132.7 | 138.5 | 114.1 | 164.7 | 185.9 | 233.9 | 261.9 | 233.3 |
| Total return on net assets[5] | 100.0 | 128.7 | 170.4 | 134.8 | 141.7 | 122.2 | 169.8 | 193.5 | 247.4 | 269.7 | 248.9 |
| Benchmark total return[6] | 100.0 | 147.1 | 90.3 | 144.1 | 149.5 | 130.5 | 179.4 | 180.7 | 223.7 | 247.3 | 257.2 |

[1] 2016 to 2018 figures are calculated at the group level, which is consistent with prior year calculations. Details of the basis of calculation are given on page 81.

[2] Source: Bloomberg.

[3] 2016 to 2018 figures are calculated at the group level, which is consistent with prior year calculations. Details of the basis of calculation are given on page 68.

[4] Source: Morningstar/J.P. Morgan.

[5] Source: Morningstar/J.P. Morgan, using cum income net asset value per share.

[6] Source: MSCI. The Company's benchmark is the MSCI India Index expressed in sterling terms.

**A glossary of terms and alternative performance measures is provided on page 81.**

## Business Review

The aim of the Strategic Report is to provide shareholders with the information to assess how the Directors have performed their duty to promote the success of the Company during the year under review. To assist shareholders with this assessment, the Strategic Report sets out the structure and objective of the Company, its investment policies and risk management, investment restrictions and guidelines, performance and key performance indicators, share capital, the Company's environmental, social and ethical policy, principal risks and how the Company seeks to manage those risks and finally its long term viability.

Following an amendment to International Financial Reporting Standard 10 ('IFRS 10'), since the last financial year, the Company has not been permitted to consolidate its subsidiary (see note 2(c) for details). The financial statements and accompanying notes presented are 'Company-only' financial statements with the subsidiary shown as an investment held at fair value through profit or loss in the Statement of Financial Position.

To allow shareholders to compare the Company's performance and financial position with historically published figures which were prepared on a consolidated basis, the Company has produced the supplemental information, and reconciliations between the statutory 'Company-only' financial statements presented in this section and figures that would have been published prior to the change to IFRS 10. These are disclosed in note 22 to the financial statements on pages 67 to 73. Performance measures referred to in this Business Review are shown on this consolidated basis.

## Structure and Objective of the Company

JPMorgan Indian Investment Trust plc is an investment trust company that has a Premium Listing on the London Stock Exchange. Its objective is to achieve capital growth from investments in India. In seeking to achieve this objective the Company employs JPMF to actively manage the Company's assets. The Board has determined an investment policy and related guidelines and limits, as described below. It aims to outperform the MSCI India Index (expressed in sterling terms).

The Company is subject to UK and European legislation and regulations including UK company law, Financial Reporting Standards, the UKLA Listing, Prospectus, Disclosure Guidance and Transparency Rules, Market Abuse Regulation, taxation law and the Company's own Articles of Association. The Company is an investment company within the meaning of Section 833 of the Companies Act 2006 and has been approved by HM Revenue & Customs as an investment trust (for the purposes of Sections 1158 and 1159 of the Corporation Tax Act 2010) for the year ended 30th September 2013 and future years. The Directors have no reason to believe that approval will not continue to be obtained. The Company is not a close company for taxation purposes.

The Company owns 100% of the share capital of its subsidiary undertaking JPMorgan Indian Investment Company (Mauritius) Limited, an investment holding company registered in Mauritius.

## Investment Policies and Risk Management

In order to achieve its investment objective and to seek to manage risk, the Company invests in a diversified portfolio and employs a Manager with a strong focus on research and company visits that enables it to identify what it believes to be the most attractive stocks in the market.

The Company does not invest more than 15% of its gross assets in other UK listed closed-ended investment funds (including investment trusts). The Company does not invest more than 10% of its gross assets in companies that themselves may invest more than 15% of their gross assets in UK listed closed-ended investment funds.

## Investment Restrictions and Guidelines

The Board seeks to manage the Company's risk by imposing various investment limits and restrictions:

- The Company can invest in companies that earn a material part of their revenues from India.
- The Company will not invest in the other countries of the Indian sub-continent nor in Sri Lanka.
- At the time of purchase, the maximum permitted exposure to any individual stock is 14.99% of total assets.
- No more than 10% of the Company's assets will be invested in unquoted investments.
- Gearing may be used when appropriate to increase potential returns to shareholders; the Company's gearing policy is to use short-term gearing for tactical purposes, up to a maximum level of 15% of shareholders funds.

Compliance with the Board's investment restrictions and guidelines is monitored regularly by the Manager and is reported to the Board on a monthly basis.

These limits and restrictions may be varied by the Board at any time at its discretion.

## Performance

In the year to 30th September 2018, the Company produced a total return to shareholders of -10.9% (2017: +12.0%), and a total return on net assets of -7.7% (2017: +9.0%). This compares with the total return on the Company's benchmark index of +4.0% (2017: +10.5%). At 30th September 2018, the value of the investment portfolio at the group level was £772.2 million (2017: £902.6 million). The Investment Managers' Report on pages 9 to 12 includes a review of developments during the year as well as information on investment activity within the

Company's portfolio and the factors likely to affect the future performance of the Company.

## Total Income and Profit (Group Level)

Total loss for the year amounted to £51.2 million (2017: £80.3 million income) and the net loss after deducting administration expenses, interest and taxation, amounted to £64.8 million (2017: £69.5 million profit). Net revenue loss for the year amounted to £2.2 million (2017: £1.4 million).

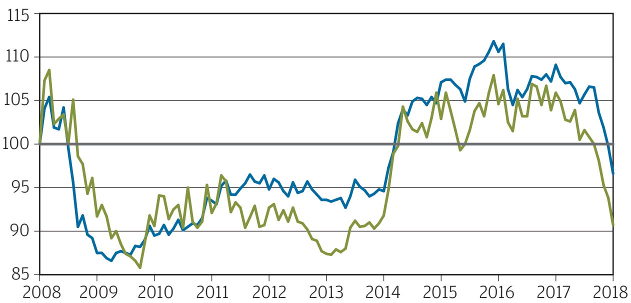
## Key Performance Indicators ('KPIs')

The Board uses a number of financial KPIs to monitor and assess the performance of the Company. The principal KPIs are:

- **Performance against the benchmark index**
  The principal objective is to achieve capital growth and out-performance relative to the benchmark. This is the most important KPI by which performance is judged.

### Performance Relative to Benchmark Index

FIGURES HAVE BEEN REBASED TO 100 AT 30TH SEPTEMBER 2008

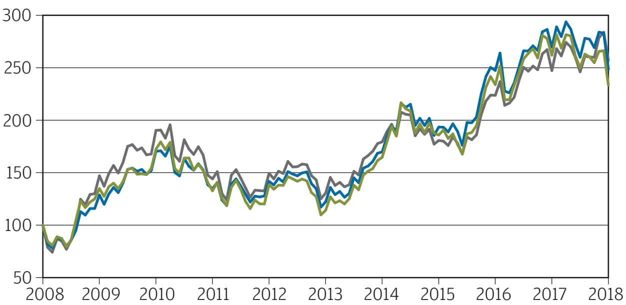



Source: Morningstar/J.P.Morgan/MSCI.

JPMorgan Indian - total return to shareholders.
JPMorgan Indian - total return on net assets.
The benchmark total return is represented by the grey horizontal line.

### Ten Year Performance

FIGURES HAVE BEEN REBASED TO 100 AT 30TH SEPTEMBER 2008




Source: Morningstar/J.P.Morgan/MSCI.

JPMorgan Indian - total return to shareholders.
JPMorgan Indian - total return on net assets.
Benchmark total return.

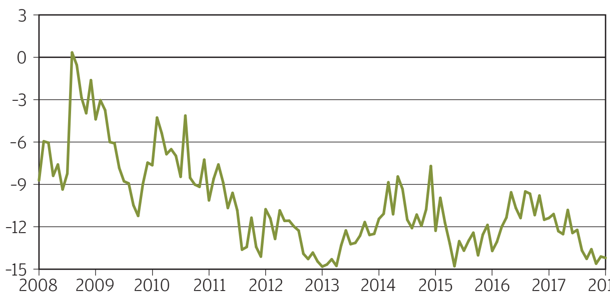
- **Performance against the Company's peers**
  The Board also monitors the performance relative to a broad range of competitor funds.

- **Performance attribution**
  The purpose of performance attribution analysis is to assess how the Company achieved its performance relative to its benchmark index, i.e. to understand the impact on the Company's relative performance of the various components such as asset allocation, stock selection and gearing. Details of the attribution analysis for the year ended 30th September 2018 are given in the Investment Managers' Report on page 11.

- **Share price discount to cum income net asset value ('NAV') per share**
  The Board has for several years operated a share repurchase programme which seeks to address imbalances in supply of and demand for the Company's shares within the market and thereby seeks to reduce the volatility and absolute level of the share price discount to NAV per share at which the Company's shares trade. In the year to 30th September 2018, the shares traded between a discount of 10.8% and 14.6% (based on month end data).

The Board has the ability to repurchase shares into Treasury and to issue them at a later date at a premium to NAV.

### (Discount)/Premium




Source: Morningstar/J.P.Morgan.

JPMorgan Indian - share price (discount)/premium to cum income net asset value per share (based on month end data).

- **Ongoing charges**
  The ongoing charges are calculated at the group basis and represent the management fee and all other operating expenses, excluding finance costs, expressed as a percentage of the average daily net assets during the year. The ongoing charges for the year ended 30th September 2018 were 1.09% (2017: 1.19%). The Board reviews each year an analysis which shows a comparison of the ongoing charges and its main expenses with those of its competitors.

## Share Capital

The Directors have, on behalf of the Company, authority to issue new shares and shares out of Treasury, to repurchase shares to be held in Treasury and to repurchase shares for cancellation.

During the year to 30th September 2018 the Company repurchased a total of 712,675 shares into Treasury (2017: 29,000). No shares have been repurchased into Treasury since the year end.

The Board will seek shareholder approval at the forthcoming Annual General Meeting to renew the Directors' authority to issue new shares and repurchase shares into Treasury or for cancellation. More details are given on pages 25 and 26 and the full text of the resolutions is set out on pages 78 and 79.

## Board Diversity

When recruiting a new Director, the Board's policy is to appoint individuals on merit. Diversity is important in bringing an appropriate range of skills and experience to the Board. At 30th September 2018, there were three male Directors and two female Directors on the Board.

## Employees, Social, Community and Human Rights Issues

The Company has a management contract with JPMF. It has no employees and all of its Directors are non-executive, the day to day activities being carried out by third parties. There are therefore no disclosures to be made in respect of employees. The Board notes the JPMorgan Asset Management ('JPMAM') policy statements in respect of Social, Community, Environmental and Human Rights issues, as outlined below in italics.

*The Manager believes that companies should act in a socially responsible manner. Although our priority at all times is the best economic interests of our clients, we recognise that, increasingly, non-financial issues such as social and environmental factors have the potential to impact the share price, as well as the reputation of companies. Specialists within the Manager's environmental, social and governance ('ESG') team are tasked with assessing how companies deal with and report on social and environmental risks and issues specific to their industry.*

*The Manager is also a signatory to the United Nations Principles of Responsible Investment, which commits participants to six principles, with the aim of incorporating ESG criteria into their processes when making stock selection decisions and promoting ESG disclosure. Our detailed approach to how we implement the principles is available on request.*

The Manager has implemented a policy which seeks to restrict investments in securities issued by companies that have been identified by an independent third party provider as being involved in the manufacture, production or supply of cluster munitions, depleted uranium ammunition and armour and/or anti-personnel mines. Shareholders can obtain further details on the policy by contacting the Manager.

## Greenhouse Gas Emissions

The Company has no premises, consumes no electricity, gas or diesel fuel and consequently does not have a measurable carbon footprint. *JPMAM is also a signatory to Carbon Disclosure Project. JPMorgan Chase is a signatory to the Equator Principles on managing social and environmental risk in project finance.*

## The Modern Slavery Act 2015 (the 'MSA')

The MSA requires companies to prepare a slavery and human trafficking statement for each financial year of the organisation. As the Company has no employees and does not supply goods and services, the MSA does not apply directly to it. The MSA requirements more appropriately relate to JPMF and JPMAM. JPMorgan's statement on the MSA can be found on the following website: https://www.jpmorganchase.com/corporate/Corporate-Responsibility/document/modern-slavery-act.pdf

## Criminal Corporate Offence

The Company has zero tolerance for tax evasion. Shares in the Company are purchased through intermediaries or brokers, therefore no funds flow directly into the Company. As the Company has no employees, the Board's focus is to ensure that the risk of the Company's service providers facilitating tax evasion is also low. To this end it seeks assurance from its service providers that effective policies and procedures are in place to prevent this.

## Principal Risks

The Directors confirm that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The risks identified and the ways in which they are managed or mitigated are summarised as follows.

With the assistance of the Manager, the Board has drawn up a risk matrix, which identifies the key risks to the Company. In assessing risks and how they can be mitigated, the Board has given particular attention to those risks that might threaten viability. These key risks fall broadly under the following categories:

- **Investment and Strategy**

  An inappropriate investment strategy, or poor execution of that strategy, for example stock selection, asset allocation or the level of gearing, may lead to under-performance against the Company's benchmark index and competitor funds.

  The Board manages these risks by diversification of investments through its investment restrictions and guidelines which are monitored and reported by the Manager. JPMF also provides the Directors with timely and accurate management information, including performance data and attribution analyses, revenue estimates, liquidity reports and shareholder analyses. The Board monitors the implementation and results of the investment process with the Investment Managers, who attend all Board meetings, and review data which show statistical measures of the Company's risk profile.

The Investment Managers employ gearing within a strategic range set by the Board.

- **Market**
  Market risk arises from uncertainty about the future prices of the Company's investments. It represents the potential loss that the Company might suffer through holding investments in the face of negative market movements. The Board monitors performance regularly as set out in the 'Investment Strategy' section above.

- **Legal and Regulatory**
  In order to qualify as an investment trust, the Company must comply with Section 1158 of the Corporation Tax Act 2010 ('Section 1158'). Details of the Company's approval are given under 'Business of the Company' above. Were the Company to breach Section 1158, it would lose its investment trust status and, as a consequence, gains within the Company's portfolio would be subject to Capital Gains Tax. The Section 1158 qualification criteria are continually monitored by the Manager and the results reported to the Board each month.

  The Company must also comply with the provisions of the Companies Act and, since its shares are listed on the London Stock Exchange, the UKLA Listing Rules and Disclosure Guidance and Transparency Rules ('DTRs'). A breach of the Companies Act could result in the Company and/or the Directors being fined or the subject of criminal proceedings. Breach of the UKLA Listing Rules or DTRs could result in the Company's shares being suspended from listing which in turn would breach Section 1158.

  The Board relies on the services of its Company Secretary and its professional advisers to ensure compliance with the Companies Act and the UKLA Listing Rules and DTRs.

- **Taxation**
  Since the Company's launch in 1994, it has held the majority of its investments through its Mauritius based subsidiary company, thereby benefitting from the India/Mauritius Double Tax Treaty (the 'Treaty').

  The Board has stated previously that there could be no assurance that the Company's subsidiary would continue to qualify for or receive the benefits of the Treaty or that the terms of the Treaty would not be changed and, in May 2016 it was announced that the Treaty was to be amended. The advantages of investing in India via Mauritius, whereby gains made on investments held for less than 12 months are not currently subject to capital gains tax, will be removed as a result. Earlier this year, the Indian government announced the introduction of a 10% capital gains tax on realised gains from investments held for more than 12 months. However, investments made before January 2018 are protected from this charge and as a result it is advantageous for the Company to continue to hold its historic investments through the Mauritian company. The Board envisages that the assets will move to the UK parent company over the coming years, through natural trading. Our Investment Managers tend to hold investments for longer than 12 months and hence, in the normal course of business, it is not expected that the amendments to the Treaty will have a material effect on the Company.

- **Corporate Governance and Shareholder Relations**
  If the Company's share price lags the NAV by a significant level, this will result in lower returns to shareholders. The Board seeks to manage the volatility and absolute level of the discount by judicious use of its share repurchase authority, taking account of market conditions and its peer group discounts.

  Details of the Company's compliance with Corporate Governance best practice, including information on relations with shareholders, are set out in the Corporate Governance report on pages 26 to 28.

- **Operational, including Cyber Crime**
  Loss of key staff by the Manager, such as the Investment Managers, could affect the performance of the Company. In this respect the Board receives information on contingency and succession planning from JPMF. Disruption to, or failure of, the Manager's accounting, dealing or payments systems or the Depositary's or Custodian's records could prevent accurate reporting and monitoring of the Company's financial position.

  Details of how the Board monitors the services provided by the Manager and its associates and the key elements designed to provide effective internal control are included in the Risk Management and Internal Control section of the Corporate Governance statement on page 28.

  The threat of cyber attack, in all its guises, is regarded as at least as important as more traditional physical threats to business continuity and security. The Board has received a summary of the cyber security policies of its key third party service providers and JPMF has confirmed that the Company benefits directly or indirectly from all elements of JPMorgan's Cyber Security programme. The information technology controls around the physical security of JPMorgan's data centres, security of its networks and security of its trading applications are tested by independent review and reported on every six months against the Audit and Assurance Faculty ('AAF') standard.

The risk of fraud or other control failures or weaknesses within the Manager or other service providers could result in losses to the Company. The Audit and Risk Committee receives independently audited reports on the Manager's and other service providers' internals controls, as well as a report from the Manager's Compliance function. The Company's management agreement obliges the Manager to report on the detection of fraud relating to the Company's investments and the Company is afforded protection through its various contracts with suppliers, including the Depositary's indemnification for loss or misappropriation of the parent Company's assets held in custody. The Company's Mauritian subsidiary company is not subject to the Alternative Investment Fund Managers Directive and therefore it has not appointed a depositary, but has its own custody agreement with similar indemnity provisions.

- **Financial**
  The financial risks faced by the Company include market price risk, currency risk, interest rate risk, liability risk, credit risk and borrowing default risk. Further details are disclosed in note 20 on pages 61 to 66. The Company has exposure to foreign currency as part of the risk reward profile inherent in a company that invests overseas. The income and capital value of the Company's investments are affected by exchange rate movements.

- **Political and Economic**
  The Company faces risks from possible policy changes including the imposition of restrictions on the free movement of capital.

## Long Term Viability

Taking account of the Company's current position, the principal risks that it faces and their potential impact on its future development and prospects, the Directors have assessed the prospects of the Company, to the extent that they are able to do so, over the next five years. They have made that assessment by considering those principal risks, the Company's investment objective and strategy, the investment capabilities of the Manager and the current outlook for the Indian economy and equity market. They have also taken into account the proposal to move the assets from the Mauritian subsidiary to the UK parent company through natural trading over the coming years, the fact that the Company has a continuation vote at the 2019 AGM and, with input from the Company's major shareholders and its brokers, the likelihood of shareholders voting in favour of continuation.

In determining the appropriate period of assessment the Directors had regard to their view that, given the Company's objective of achieving long term capital growth, shareholders should consider the Company as a long term investment proposition. This is consistent with advice provided by investment advisers, that investors should consider investing in equities for a minimum of five years. Thus the Directors consider five years to be an appropriate time horizon to assess the Company's viability.

The Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five year period of assessment.

By order of the Board
Jonathan Latter, for and on behalf of
JPMorgan Funds Limited
Company Secretary

21st December 2018

# Directors' Report

**Richard Burns*†‡ (Chairman of the Board and Nomination Committee)**
A Director since December 2006.
Last re-elected to the Board: 2018.
Remuneration: £34,000.
Former Joint Senior Partner and Head of Investment at Baillie Gifford. He is Chairman of Aberdeen Standard Equity Income Trust plc and was formerly Chairman of Mid Wynd International Investment Trust plc.
Connections with Manager: None.
Shared directorships with other Directors: None.
Shareholding in Company: 110,000 Ordinary shares.

**Jasper Judd*†‡ (Chairman of the Audit and Risk Committee)**
A Director since January 2015.
Last re-elected to the Board: 2018.
Remuneration: £29,000.
A qualified chartered accountant. He latterly spent ten years at Brambles Limited, an Australian headquartered multinational company listed on the Australian Stock Exchange (and formerly on the London Stock Exchange), where he held senior finance and strategy roles, including global head of strategy, and was a member of the global Executive Committee. He is a Non-Executive Director of Dunedin Income Growth Investment Trust plc.
Connections with Manager: None.
Shared directorships with other Directors: None.
Shareholding in Company: 3,000 Ordinary shares.

**Rosemary Morgan*†‡**
A Director since December 2013.
Last re-elected to the Board: 2018.
Remuneration: £24,500.
Formerly a manager of Japanese equity portfolios at AIB Govett, she worked in institutional marketing and client liaison at Fidelity International and was Head of Asia and Emerging Markets (Multi Manager Funds) at Royal Bank of Scotland. Director of Schroder Asia Pacific Fund plc, Landau Forte Charitable Trust and a trustee of the London Library Pension Fund.
Connections with Manager: None.
Shared directorships with other Directors: None.
Shareholding in Company: 2,978 Ordinary shares.

**Nimi Patel*†‡**
A Director since December 2011.
Last re-elected to the Board: 2018.
Remuneration: £24,500.
Director, Squire Patton Boggs LLP. Until June 2015, a member of Herbert Smith LLP's corporate division and Head of Herbert Smith India Group. She assisted a number of Indian corporates, including the Tata Group, Reliance Industries and ICICI Limited, public sector undertakings and financial institutions on transactions in and outside India. With over 30 years' experience, Nimi now advises global investors on investment in and outside India, on strategy, governance and business issues.
Connections with Manager: None.
Shared directorships with other Directors: None.
Shareholding in Company: 46,737 ordinary shares.

**Hugh Sandeman*†‡ (Senior Independent Director)**
A Director since October 2010.
Last re-elected to the Board: 2018.
Remuneration: £24,500.
Over 25 years experience in investment banking, based in New York, Tokyo, London and Frankfurt principally with Dresdner Kleinwort. He is Senior Adviser to Langham Capital Limited and a Visiting Senior Fellow at LSE IDEAS.
Connections with the Manager: None.
Shared directorships with other Directors: None.
Shareholding in Company: 19,000 ordinary shares.

*** Member of the Audit and Risk Committee**
**† Considered independent of the Manager**
**‡ Considered by the Board to be independent**

The Directors present their report and the financial statements for the year ended 30th September 2018.

## Management of the Company

The Manager and Company Secretary is JPMorgan Funds Limited ('JPMF'), a company authorised and regulated by the FCA. The active Management of the Company's assets is delegated by JPMF to an affiliate JPMorgan Asset Management (UK) Limited ('JPMAM'). The Manager is a wholly-owned subsidiary of JPMorgan Chase Bank which, through other subsidiaries, also provides marketing, banking, dealing and custodian services to the Company.

The Manager is employed under a contract which can be terminated on six months' notice for performance reasons and 12 months for all other reasons, without penalty. If the Company wishes to terminate the contract on shorter notice, the balance of remuneration is payable by way of compensation.

The Board conducts a formal evaluation of the performance of, and contractual relationship with, the Manager on an annual basis. No separate management engagement committee has been established as all of the Directors are considered to be independent of the Manager. The Board has evaluated the performance of the Manager and confirms that it is satisfied that the continuing appointment of the Manager is in the interests of shareholders as a whole. In arriving at this view, the Board considered the investment strategy and process of the Manager, noting performance against the benchmark over the long term and the quality of the support that the Company receives from JPMF.

## The Alternative Investment Fund Managers Directive ('AIFMD')

JPMF is the Company's alternative investment fund manager ('AIFM'). It is approved as an AIFM by the Financial Conduct Authority ('FCA'). For the purposes of the AIFMD the Company is an alternative investment fund ('AIF'). JPMF has delegated responsibility for the day to day management of the Company's portfolio to JPMAM. The Company has appointed The Bank of New York Mellon (International) Limited ('BNY') as its depositary. BNY has appointed JPMorgan Chase Bank, N.A. as the Company's custodian. BNY is responsible for the oversight of the custody of the Company's assets and for monitoring its cash flows.

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the annual report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information is available on the Company's website at www.jpmindian.co.uk There have been no material changes (other than those reflected in these financial statements) to this information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a primary information provider.

The Company's leverage and JPMF's remuneration disclosures are set out on page 75.

## Management Fee

Until 30th September 2017, the management fee was charged at the rate of 1.0% of the Group's assets less current liabilities. With effect from 1st October 2017 this was reduced to 1% on the first £300 million and 0.75% thereafter. Fees are paid monthly in arrears. Investments in funds managed or advised by the Manager or any of its associated companies are excluded from the calculation and therefore attract no additional management fee.

## Directors

The Directors of the Company who held office at the end of the year are detailed on pages 22 and 23. There were no changes of Directors during the year.

Details of Directors' beneficial shareholdings may be found in the Directors' Remuneration Report on page 34.

In accordance with corporate governance best practice, all Directors will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for reappointment. The Nomination Committee, having considered their qualifications, performance and contribution to the Board and its Committees, confirms that each Director standing for reappointment continues to be effective and to demonstrate commitment to the role. The Board recommends to shareholders that they be reappointed.

## Director Indemnification and Insurance

As permitted by the Company's Articles of Association, each Director has the benefit of an indemnity which is a qualifying third party indemnity, as defined by Section 234 of the Companies Act 2006. The indemnities were in place during the year and as at the date of this report.

An insurance policy is maintained by the Company which indemnifies the Directors of the Company against certain liabilities arising in the conduct of their duties. There is no cover against fraudulent or dishonest actions.

## Disclosure of information to Auditors

In the case of each of the persons who are Directors of the Company at the time when this report was approved:

(a) so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditors are unaware, and

(b) each of the Directors has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information.

The above confirmation is given and should be interpreted in accordance with the provision of Section 418(2) of the Companies Act 2006.

## Independent Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as Auditors to the Company and a resolution proposing their reappointment and authorising the Directors to determine their remuneration for the ensuing year will be put to shareholders at the Annual General Meeting.

## Section 992 Companies Act 2006

The following disclosures are made in accordance with Section 992 Companies Act 2006.

## Capital Structure and Voting Rights

**Capital Structure**
The Company's capital structure is summarised on the inside cover of this report.

**Voting Rights in the Company's shares**
Details of the voting rights in the Company's shares as at the date of this report are given in note 16 to the Notice of Annual General Meeting on page 80.

## Notifiable Interests in the Company's Voting Rights

At the year end, the following had declared a notifiable interest in the Company's voting rights:

| Shareholders | Number of voting rights | % |
|---|---|---|
| City of London Investment Management Company Limited | 22,001,931 | 21.0 |

No changes have been disclosed since the year end.

The Company is also aware that approximately 7.4% of the Company's total voting rights were held by individuals through the savings products managed by JPMAM and registered in the name of Chase Nominees Limited as at the year end. If those voting rights are not exercised by the beneficial holders, in accordance with the terms and conditions of the savings products, under certain circumstances, JPMAM has the right to exercise those voting rights. That right is subject to certain limits and restrictions and falls away at the conclusion of the relevant general meeting.

The rules concerning the appointment and replacement of Directors, amendment of the Articles of Association and powers to issue or buy back the Company's shares are contained in the Articles of Association of the Company and the Companies Act 2006.

There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; no agreements which the Company is party to that affect its control following a takeover bid; and no agreements between the Company and its directors concerning compensation for loss of office.

## Listing Rule 9.8.4R

Listing Rule 9.8.4R requires the Company to include certain information in the identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no such disclosures to be made in this report.

## Annual General Meeting

NOTE: THIS SECTION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor or other financial advisor authorised under the Financial Services and Markets Act 2000.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting ('AGM'):

**(i) Continuation Vote (resolution 10)**

The Company's articles of association require that shareholder approval is sought for the Company to continue in existence as an investment trust for a further five year period. More detail is set out in the Chairman's Statement on page 8.

**(ii) Authority to issue relevant securities and disapply pre-emption rights (resolutions 11 and 12)**

The Directors will seek renewal of the authority at the AGM to issue up to 10,457,494 new shares or shares held in Treasury other than by a pro rata issue to existing shareholders up to an aggregate nominal amount of £2,614,374, such amount being equivalent to approximately 10% of the present issued share capital. The full text of the resolutions is set out in the Notice of Meeting on page 78.

It is advantageous for the Company to be able to issue new shares to investors purchasing shares through the JPMorgan savings products and also to other investors when the Directors consider that it is in the best interests of shareholders to do so. Any such issues would only be made at prices greater than the NAV, thereby increasing the assets underlying each share and spreading the Company's administrative expenses, other than the management fee which is charged on the value of the Company's assets, over a greater number of shares. The issue proceeds would be available for investment in line with the Company's investment policies.

**(iii) Authority to repurchase the Company's shares (resolution 13)**

The authority to repurchase up to 14.99% of the Company's issued share capital, renewed by shareholders at the 2018 Annual General Meeting, will expire on 31st July 2019 unless renewed at the forthcoming Annual General Meeting. The Directors consider that the renewal of the authority is in the interests of shareholders as a whole as the repurchase of shares at a discount to NAV enhances the NAV of the remaining shares. The Board will therefore seek shareholder approval at the Annual General Meeting to renew this authority, which will last until 29th July 2020 or until the whole of the 14.99% has been acquired, whichever is the earlier. The full text of the resolution is set out in the Notice of Meeting on pages 78 and 80. Repurchases will be made at the discretion of the Board, and will only be made in the market at prices below the prevailing NAV per share, thereby enhancing the NAV of the remaining shares, as and when market conditions are appropriate.

### Recommendation

The Board considers that resolutions 10 to 13 are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions as they intend to do, where voting rights are exercisable, in respect of their own beneficial holdings which amount in aggregate to 181,715 shares representing approximately 0.17% of the existing issued share capital of the Company.

## Corporate Governance Statement

### Compliance

The Company is committed to high standards of corporate governance. This statement, together with the Statement of Directors' Responsibilities on page 35, indicates how the Company has applied the principles of good governance of the Financial Reporting Council 2016 UK Corporate Governance Code (the 'UK Corporate Governance Code') and the AIC's Code of Corporate Governance (the 'AIC Code'), which complements the UK Corporate Governance Code and provides a framework of best practice for investment trusts.

The Board is responsible for ensuring the appropriate level of corporate governance and considers that the Company has complied with the best practice provisions of the UK Corporate Governance Code and the AIC Code throughout the year under review.

### Role of the Board

A management agreement between the Company and JPMF sets out the matters over which the Manager has authority. This includes management of the Company's assets and the provision of accounting, company secretarial, administration and some marketing services. All other matters are reserved for the approval of the Board. A formal schedule of matters reserved to the Board for decision has been approved. This includes determination and monitoring of the Company's investment objectives and policy and its future strategic direction, gearing policy, management of the capital structure, appointment and removal of third party service providers, review of key investment and financial data and the Company's corporate governance and risk control arrangements.

The Board has procedures in place to deal with potential conflicts of interest and, following the introduction of The Bribery Act 2010, has adopted appropriate procedures designed to prevent bribery. It confirms that the procedures have operated effectively during the year under review.

The Board meets at least quarterly during the year and additional meetings are arranged as necessary. Full and timely information is provided to the Board to enable it to function effectively and to allow Directors to discharge their responsibilities.

There is an agreed procedure for Directors to take independent professional advice if necessary and at the Company's expense. This is in addition to the access that every Director has to the advice and services of the Company Secretary, JPMF, which is responsible to the Board for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with.

### Board Composition

The Board, chaired by Richard Burns, consists entirely of non-executive Directors, all of whom are considered to be independent of the Company's Manager, including the Chairman. The Directors have a breadth of investment knowledge, business and financial skills and experience relevant to the Company's business. Brief biographical details of each Director are set out on pages 22 and 23.

The Board does not feel that it would be appropriate to adopt a policy whereby Directors serve for a limited period of time, given the specialist nature of the Company's investment universe. However, in order to achieve a balance of skills, experience, length of service and ages, it is the Board's policy to induct new

Directors to provide an orderly succession over time and it will revisit its succession planning policy following the implementation of the new UK Corporate Governance Code.

A review of Board composition and balance is included as part of the annual performance evaluation of the Board, details of which may be found below. Hugh Sandeman, the Senior Independent Director, is available to shareholders if they have concerns that cannot be resolved through discussion with the Chairman.

The Board is responsible for ensuring an appropriate level of corporate governance and considers that the Company has complied with the best practice provisions of the UK Corporate Governance Code and the AIC Code, insofar as they are relevant to the Company's business, throughout the year under review.

## Tenure

Directors are initially appointed until the following Annual General Meeting when, under the Company's Articles of Association, it is required that they be reappointed by shareholders. Thereafter, a Director's reappointment is subject to the performance evaluation carried out each year and the approval of shareholders at each annual general meeting, in accordance with corporate governance best practice. The Board does not believe that length of service in itself necessarily disqualifies a Director from seeking reappointment but, when making a recommendation, the Board will take into account the requirements of the UK Corporate Governance Code, including the need to refresh the Board and its Committees.

The terms and conditions of Directors' appointments are set out in formal letters of appointment, copies of which are available for inspection on request at the Company's registered office and at the Annual General Meeting.

## Induction and Training

On appointment, the Manager and Company Secretary provide all Directors with induction training. Thereafter regular briefings are provided on changes in regulatory requirements that affect the Company and Directors, who are encouraged to attend industry and other seminars covering issues and developments relevant to investment trusts. A review of the Directors' training needs are carried out as part of the annual evaluation process.

## Meetings and Committees

The Board delegates certain responsibilities and functions to committees. Details of membership of committees are shown with the Directors' profiles on pages 22 and 23. Directors who are not members of committees may attend by invitation.

The table below details the number of Board, Audit and Risk Committee and Nomination Committee meetings attended by each Director. During the year there were four Board meetings, three Audit and Risk Committee meetings and one meeting of the Nomination Committee:

**Meetings Attended**

| Director | Board Meetings Attended | Audit and Risk Committee Meetings Attended | Nomination Committee Meetings Attended |
|---|---|---|---|
| Richard Burns | 4 | 3 | 1 |
| Jasper Judd | 4 | 3 | 1 |
| Rosemary Morgan | 4 | 3 | 1 |
| Nimi Patel | 4 | 3 | 1 |
| Hugh Sandeman | 4 | 3 | 1 |

## Board Committees

**Nomination Committee**

The Nomination Committee, chaired by Richard Burns, consists of all of the Directors and meets at least annually to ensure that the Board has an appropriate balance of skills and experience to carry out its fiduciary duties and to select and propose suitable candidates for appointment when necessary.

The Committee conducts an annual performance evaluation to ensure that all members of the Board have devoted sufficient time and contributed adequately to the work of the Board. The Committee also reviews Directors' fees and makes recommendations to the Board as and when required.

**Audit and Risk Committee**

The report of the Audit and Risk Committee is set out on page 30.

## Terms of Reference

Both the Nomination Committee and the Audit and Risk Committee have written terms of reference which define clearly their respective responsibilities, copies of which are available on the Company's website and for inspection on request at the Company's registered office and at the Company's Annual General Meeting.

## Relations with Shareholders

The Board regularly monitors the shareholder profile of the Company. It aims to provide shareholders with a full understanding of the Company's activities and performance and reports formally to shareholders twice a year by way of the half year and annual report and financial statements. This is supplemented by the daily publication, through the London Stock Exchange, of the net asset value of the Company's shares.

All shareholders have the opportunity and are encouraged to attend the Company's Annual General Meeting at which the Directors and representatives of the Manager are available in person to meet shareholders and answer their questions. In addition, a presentation is given by the Investment Managers who review the Company's performance. The Company's brokers, the Investment Managers and the Manager hold regular discussions with larger shareholders. The Directors are made fully aware of their views. The Chairman and Directors make themselves available as and when required to address shareholder queries. The Directors may be contacted through the Company Secretary whose details are shown on page 85.

The Company's annual report and financial statements is published in time to give shareholders at least 20 working days' notice of the Annual General Meeting. Shareholders wishing to raise questions in advance of the meeting are encouraged to submit questions via the Company's website or write to the Company Secretary at the address shown on page 85.

Details of the proxy voting position on each resolution will be published on the Company website shortly after the Annual General Meeting.

## Risk Management and Internal Control

The UK Corporate Governance Code requires the Directors, at least annually, to review the effectiveness of the Company's system of risk management and internal control and to report to shareholders that they have done so. This encompasses a review of all controls, which the Board has identified as including business, financial, operational, compliance and risk management.

The Directors are responsible for the Company's system of risk management and internal control, which is designed to safeguard the Company's assets, maintain proper accounting records and ensure that financial information used within the business, or published, is reliable. However, such a system can only be designed to manage rather than eliminate the risk of failure to achieve business objectives and therefore can only provide reasonable, but not absolute, assurance against fraud, material misstatement or loss.

Since investment management, custody of assets and all administrative services are provided to the Company by JPMF and its associates, the Company's system of risk management and internal control mainly comprises monitoring the services provided by JPMF and its associates, including the operating controls established by them, to ensure they meet the Company's business objectives. There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company (see Principal Risks on pages 19 to 20). This process, which was in place during the year under review, accords with the Financial Reporting Council's guidance. The Company does not have an internal audit function of its own, but relies on the internal audit department of the Manager which reports any material failings or weaknesses. This arrangement is kept under review.

The key elements designed to provide effective risk management and internal control are as follows:

- **Financial Reporting**

  Regular and comprehensive review by the Board of key investment and financial data, including management accounts, revenue projections, analysis of transactions and performance comparisons.

- **Information Technology Systems**

  The Manager and the Company's other suppliers have security systems in place to protect the Company's information. Information technology controls are tested and reported on regularly by independent third parties.

- **Management Agreement**

  Appointment of a manager and custodian regulated by the FCA, whose responsibilities are clearly defined in a written agreement.

- **Management Systems**

  The Manager's system of risk management and internal control includes organisational agreements which clearly define the lines of responsibility, delegated authority, control procedures and systems. These are monitored by the Manager's Compliance department which regularly monitors compliance with FCA rules.

- **Investment Strategy**

  Authorisation and monitoring of the Company's investment strategy and exposure limits by the Board.

  The Board, either directly or through the Audit and Risk Committee, keeps under review the effectiveness of the Company's system of risk management and internal control by monitoring the operation of the key operating controls of the Manager and its associates as follows:

  - reviews the terms of the management agreement and receives regular reports from the Manager's Compliance department;
  - reviews reports on the internal controls and the operations of its custodian, JPMorgan Chase Bank, which is itself independently reviewed;
  - reviews every six months an independent report on the internal controls and the operations of the Manager; and
  - reviews quarterly reports from the Company's Depositary.

By means of the procedures set out above, the Board confirms that it has reviewed the effectiveness of the Company's system of risk management and internal control for the year ended 30th September 2018 and to the date of approval of this Annual Report and Financial Statements.

During the course of its review of the system of risk management and internal control, the Board has not identified or been advised of any failings or weaknesses which it has determined to be significant.

## Corporate Governance and Voting Policy

The Company delegates responsibility for voting to the Manager. The following text in italics is a summary of the Manager's policy statements on corporate governance, voting policy and social and environmental issues, which has been reviewed and noted by the Board. Details on social and environmental issues are included in the Strategic Report on page 19.

***Corporate Governance***

*JPMAM believes that corporate governance is integral to our investment process. As part of our commitment to delivering superior investment performance to our clients, we expect and encourage the companies in which we invest to demonstrate the highest standards of corporate governance and best business practice. We examine the share structure and voting structure of the companies in which we invest, as well as the board balance, oversight functions and remuneration policy. These analyses then form the basis of our proxy voting and engagement activity.*

***Proxy Voting***

*JPMAM manages the voting rights of the shares entrusted to it as it would manage any other asset. It is the policy of JPMAM to vote in a prudent and diligent manner, based exclusively on our reasonable judgement of what will best serve the financial interests of our clients. So far as is practicable, we will vote at all of the meetings called by companies in which we are invested.*

***Stewardship/Engagement***

*JPMAM recognises its wider stewardship responsibilities to its clients as a major asset owner. To this end, we support the introduction of the FRC Stewardship Code, which sets out the responsibilities of institutional shareholders in respect of investee companies. Under the Code, managers should:*

- *publicly disclose their policy on how they will discharge their stewardship responsibilities to their clients;*
- *disclose their policy on managing conflicts of interest;*
- *monitor their investee companies;*
- *establish clear guidelines on how they escalate engagement;*
- *be willing to act collectively with other investors where appropriate;*
- *have a clear policy on proxy voting and disclose their voting record; and*
- *report to clients.*

*JPMAM endorses the FRC Stewardship Code for its UK investments and supports the principles as best practice elsewhere. We believe that regular contact with the companies in which we invest is central to our investment process and we also recognise the importance of being an 'active' owner on behalf of our clients.*

*The Manager's Voting Policy and Corporate Governance Guidelines are available on request from the Company Secretary or can be downloaded from JPMAM's website: http://www.jpmorganinvestmenttrusts.co.uk/governance, which also sets out its approach to the seven principles of the FRC Stewardship Code, its policy relating to conflicts of interest and its detailed voting record.*

## Events after the reporting period

**Share buyback**

The Company's Mauritian subsidiary bought back 211,988 of its own shares from the parent at a price of GBP£108.50 per share on 19th December 2018 for a total sale proceeds of GBP£23 million.

## Audit and Risk Committee Report

### Role and Composition

The Audit and Risk Committee, chaired by Jasper Judd and comprising all of the Directors, meets at least twice each year. The members of the Audit and Risk Committee consider that at least one member has recent and relevant financial experience and that the Committee as a whole has competency relevant to the sector in which the Company operates.

The Committee reviews the actions and judgements of the Manager in relation to the half year and annual financial statements and the Company's compliance with the UK Corporate Governance Code. It examines the effectiveness of the Company's risk management and internal control systems, receives information from the Manager's Compliance department and reviews the scope and results of the external audit, its effectiveness and cost effectiveness, the balance of audit and non-audit services and the independence and objectivity of the external Auditors. In the Directors' opinion the Auditors are considered independent. In order to safeguard the Auditors' objectivity and independence, any significant non-audit services are carried out through a partner other than the audit engagement partner. The Audit and Risk Committee also receives confirmations from the Auditors, as part of their reporting, with regard to their objectivity and independence. The Audit and Risk Committee also has a primary responsibility for making recommendations to the Board on the reappointment and removal of external auditors.

### Risk Management and Internal Control

The Audit and Risk Committee also examines the effectiveness of the Company's risk management and internal control systems and the Directors' statement on this is set out on page 28.

### Auditor Appointment and Tenure

Representatives of the Company's Auditors attend the Audit and Risk Committee meeting at which the draft annual report and financial statements are considered and also engage with Directors as and when required. Having reviewed the performance of the external Auditors, including assessing the quality of their work, timing and communications and work with the Manager, the Committee considered it appropriate to recommend their reappointment. The Board supported this recommendation which will be put to shareholders at the forthcoming Annual General Meeting.

The Board reviews and approves the Auditors' fees and any non-audit services provided by the independent auditors and assesses the impact of any non-audit work on the ability of the auditor to remain independent. No non-audit work was provided to the Company in the year. Details of the Auditors' fees are disclosed in note 6 on page 53. PricewaterhouseCoopers LLP were appointed on 29th January 2015. The audit engagement partner rotates every five years in accordance with ethical guidelines and 2018 is the fourth year for the current partner.

### Financial Statements and Significant Accounting Matters

During its review of the Company's financial statements for the year ended 30th September 2018, the Audit and Risk Committee considered the following significant issues, in particular those communicated by the Auditors during their reporting:

| Significant issue | How the issue was addressed |
|---|---|
| Valuation, existence and ownership of investments | The valuation of investments is undertaken in accordance with the accounting policies, disclosed in note 2(e) to the financial statements on page 50. Controls are in place to reconcile regularly records to custodian books. |
| Recognition of investment income | The recognition of investment income is undertaken in accordance with accounting policy note 2(f) to the financial statements on page 50. |
| Compliance with Sections 1158 and 1159 Corporation Tax Act 2010 ('Section 1158 and 1159') | Approval for the Company as an investment trust under Sections 1158 and 1159 for financial years commencing on or after 1st October 2013 has been obtained and ongoing compliance with the eligibility criteria is monitored on a regular basis. |
| Amendment to International Financial Reporting Standard 10 ('IFRS 10') | To allow shareholders to compare the Company's performance and financial position with historically published figures which were prepared on a consolidated basis, the Company has produced the reconciliations between the statutory 'Company-only' financial statements and figures that would have been published prior to the change to IFRS 10. These reconciliations are disclosed in note 22 to the financial statements on pages 67 to 73. |

The Board was made fully aware of any significant financial reporting issues and judgements made in connection with the preparation of the financial statements.

### Going Concern

The Directors believe that, having considered the Company's investment objective (see page 17), risk management policies (see pages 19 to 20), capital management policies and procedures (see page 19), the nature of the portfolio and expenditure projections, the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. For these reasons, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the Company's financial statements. They have not identified any material uncertainties to the Company's ability to continue to do so over a period of at least 12 months from the date of approval of these financial statements.

## Fair, Balanced and Understandable

As a result of the work performed, the Committee has concluded that the Annual Report for the year ended 30th September 2018, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy, and has reported on these findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 36.

By order of the Board
Jonathan Latter, for and on behalf of
JPMorgan Funds Limited,
Secretary

21st December 2018

# Directors’ Remuneration Report

The Board presents the Directors' Remuneration Report for the year ended 30th September 2018, which has been prepared in accordance with the requirements of Section 421 of the Companies Act 2006.

The law requires the Company's Auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditors' opinion is included in the Independent Auditors' Report on pages 37 to 43.

## Directors' Remuneration Policy

The law requires that the Directors' Remuneration Policy is subject to a triennial binding vote. However the Board has decided to seek approval annually and therefore an ordinary resolution to approve this policy will be put to shareholders at the forthcoming Annual General Meeting. The policy subject to the vote is set out in full below and is currently in force.

The Board's policy for this and subsequent years is that Directors' fees should properly reflect the time spent by the Directors on the Company's business and should be at a level to ensure that candidates of a high calibre are recruited to the Board. The Chairman of the Board and the Chairman of the Audit and Risk Committee are paid higher fees than the other Directors, reflecting the greater time commitment involved in fulfilling those roles.

As all of the Directors are non-executive, the Board has not established a Remuneration Committee. Instead, the Nomination Committee reviews Directors' fees on a regular basis and makes recommendations to the Board as and when appropriate. Reviews are based on information provided by the Manager and industry research carried out by third parties on the level of fees paid to the directors of the Company's peers and within the investment trust industry generally. The involvement of remuneration consultants has not been deemed necessary as part of this review. The Company has no Chief Executive Officer and no employees and therefore there was no consultation of employees, and there is no employee comparative data to provide, in relation to the setting of the remuneration policy for Directors.

There are no performance-related elements to their fees and the Company does not operate any type of incentive, share scheme, award or pension scheme and therefore no Directors receive bonus payments or pension contributions from the Company or hold options to acquire shares in the Company. The Directors do not have service contracts with the Company, they are not granted exit payments and are not paid compensation for loss of office. No other payments are made to Directors, other than the reimbursement of reasonable out-of-pocket expenses incurred in connection with attending the Company's business.

In the year under review Directors' Fees were paid at the following rates: Chairman £34,000; Audit and Risk Committee Chairman £29,000; and other Directors £24,500. The Directors reviewed fee levels during the year and with effect from 1st October 2018, fees were increased to £36,000, £31,000 and £26,000 respectively. This is the first increase since October 2016.

The Company's articles of association provide that any increase in the maximum aggregate annual limit on Directors' fees, currently £200,000, requires both Board and shareholder approval.

The Company has not sought shareholder views on its remuneration policy. The Nomination Committee considers any comments received from shareholders on remuneration policy on an ongoing basis as well as receiving outside advice from suitable consultants as appropriate.

The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for review at the Company's Annual General Meeting and the Company's registered office. Details of the Board's policy on tenure are set out on page 27.

The Company's Remuneration policy also applies to new Directors.

## Directors' Remuneration Policy Implementation

The Directors' Remuneration Report, which includes details of the Directors' remuneration and its implementation, is subject to an annual advisory vote and therefore an ordinary resolution to approve this report will be put to shareholders at the forthcoming Annual General Meeting. There have been no changes to the policy compared with the year ended 30th September 2017 and no changes are proposed for the year ending 30th September 2019.

At the Annual General Meeting held on 6th February 2018, of votes cast, 99.7% of votes cast were in favour of (or granted discretion to the Chairman who voted in favour of) the remuneration report and 0.3% voted against. Abstentions were received from less than 0.1% of the votes cast.

Details of voting on both the Remuneration Policy and the Directors' Remuneration Report from the 2019 Annual General Meeting will be given in the annual report for the year ending 30th September 2019.

Details of the implementation of the Company's remuneration policy are given below.

## Single total figure of remuneration

A single figure for the total remuneration of each Director is set out in the table below, together with the prior year comparative.

### Single total figure table[1]

| | 2018 | | | 2017 | | |
|---|---|---|---|---|---|---|
| | Fees | Taxable expenses[2] | Total | Fees | Taxable expenses[2] | Total |
| **Directors' Name** | **£** | **£** | **£** | **£** | **£** | **£** |
| Richard Burns | 34,000 | – | 34,000 | 34,000 | – | 34,000 |
| Jasper Judd | 29,000 | – | 29,000 | 29,000 | 358 | 29,358 |
| Rosemary Morgan | 24,500 | – | 24,500 | 24,500 | – | 24,500 |
| Nimi Patel | 24,500 | – | 24,500 | 24,500 | – | 24,500 |
| Hugh Sandeman | 24,500 | – | 24,500 | 24,500 | – | 24,500 |
| Total | 136,500 | – | 136,500 | 136,500 | 358 | 136,858 |

[1] Audited information. Other subject headings for the single figure table as prescribed by regulation are not included because there is nothing to disclose in relation thereto.

[2] Taxable travel and subsistence expenses incurred in attending Board and Committee meetings.

A table showing the total remuneration for the Chairman over the five years ended 30th September 2018 is below:

### Remuneration for the Chairman over the five years ended 30th September 2018

| Year ended 30th June | Fees | Performance related benefits received as a percentage of maximum payable |
|---|---|---|
| 2018 | £34,000 | n/a |
| 2017 | £34,000 | n/a |
| 2016 | £32,500 | n/a |
| 2015 | £30,852[1] | n/a |
| 2014 | £31,667 | n/a |

[1] Mr. Burns was appointed Chairman with effect from 29th January 2015.

### Directors' Shareholdings[1]

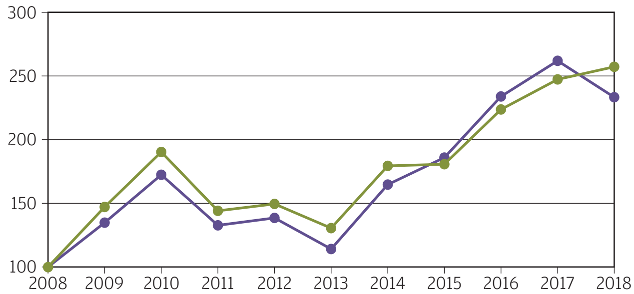
There are no requirements pursuant to the Company's Articles of Association for the Directors to own shares in the Company. The beneficial share holdings of the Directors are detailed below. The Directors have no other share interests or share options in the Company and no share schemes are available.

| Director's Name | 30th September 2018 | 1st October 2017 |
|---|---|---|
| Richard Burns | 110,000 | 95,000 |
| Jasper Judd | 3,000 | 3,000 |
| Rosemary Morgan | 2,978 | 2,978 |
| Nimi Patel | 46,737 | 46,737 |
| Hugh Sandeman | 19,000 | 19,000 |
| Total | 181,715 | 166,715 |

[1] Audited information.

A graph showing the Company's share price total return compared with its benchmark, the MSCI India Index expressed in sterling terms over the last ten years, is shown below. The Board believes that this index is the most appropriate for performance comparison purposes because of those available, it is the best comparator.

### Ten Year Share Price and Benchmark Total Return Performance to 30th September 2018




Source: Morningstar/J.P.Morgan/MSCI.
Share price total return.
Benchmark total return.

A table showing actual expenditure by the Company on remuneration and distributions to shareholders for the year and the prior year is below:

### Expenditure by the Company on remuneration and distributions to shareholders

| | Year ended 30th September 2018 | 2017 |
|---|---|---|
| Remuneration paid to all Directors | £136,500 | £136,858 |
| Distribution to shareholders | | |
| – by way of dividend | n/a | n/a |
| – by way of share repurchases | £5,058,000 | £197,000 |

By order of the Board
Jonathan Latter, for and on behalf of
JPMorgan Funds Limited,
Company Secretary

21st December 2018

# Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union. Under company law the Directors must not approve the accounts unless they are satisfied that, taken as a whole, the annual report and accounts provide the information necessary for shareholders to assess the Company's performance, business model and strategy and that they give a true and fair view of the state of affairs of the Company and of the total return or loss of the Company for that period. In order to provide these confirmations, and in preparing these financial statements, the Directors must be satisfied that, taken as a whole, the annual report and accounts are fair, balanced and understandable; and the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;

and the Directors confirm that they have done so.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The accounts are published on the www.jpmindian.co.uk website, which is maintained by the Company's Manager. The maintenance and integrity of the website maintained by the Manager is, so far as it relates to the Company, the responsibility of the Manager. The work carried out by the auditors does not involve consideration of the maintenance and integrity of this website and, accordingly, the auditors accept no responsibility for any changes that have occurred to the Annual Report since they were initially presented on the website. The Annual Report is prepared in accordance with UK legislation, which may differ from legislation in other jurisdictions.

Under applicable law and regulations the Directors are also responsible for preparing a Strategic Report, a Directors' Report and Directors' Remuneration Report that comply with that law and those regulations.

Each of the Directors, whose names and functions are listed on pages 22 and 23, confirms that, to the best of his or her knowledge the financial statements, which have been prepared in accordance with IFRS and applicable law, give a true and fair view of the assets, liabilities, financial position and return or loss of the Company.

The Board confirms that it is satisfied that the annual report and financial statements taken as a whole are fair, balanced and understandable and provide the information necessary for shareholders to assess the position and performance, business model and strategy of the Company.

For and on behalf of the Board
Richard Burns
Chairman

21st December 2018

# Independent Auditors' Report

## To the Members of JPMorgan Indian Investment Trust plc

## Report on the audit of the financial statements

### Opinion

In our opinion, JPMorgan Indian Investment Trust plc's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30th September 2018 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report & Financial Statements (the 'Annual Report'), which comprise: the Statement of Financial Position as at 30th September 2018, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies (note 2) and supplemental information (note 22). Our opinion is consistent with our reporting to the Audit and Risk Committee.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and that we have provided no non-audit services to the Company in the period from 1st October 2017 to 30th September 2018.

### Our audit approach

#### Context

JPMorgan Indian Investment Trust plc is an investment trust company listed on the London Stock Exchange, which aims to provide capital growth from a diversified portfolio of quoted Indian investments and companies that earn a material part of their revenues in India. The operations of the Company are located in the UK. We focus our audit work primarily on the valuation and existence of investments and dividend income.

*Overview*


- Overall materiality: £7.7m (2017: £8.4m), based on 1% of net assets.
- The Company is an investment trust company and engages JPMorgan Funds Limited (the 'Manager') to manage its assets.

- We conducted our audit of the financial statements using information provided by JPMorgan Corporate & Investment Bank (the 'Administrator') to whom the Manager has, with the consent of the Directors, delegated the provision of certain administrative functions.
- We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates.
- We obtained an understanding of the control environment in place at both the Manager and the Administrator. We adopted a fully substantive testing approach.

- Dividend Income.
- Valuation and Existence of Investments.

*The scope of our audit*

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company which were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the company's financial statements, including, but not limited to, the Companies Act 2006 and section 1158 of the Corporation Tax Act 2010. Our tests included, but were not limited to, review of the financial statement disclosures to underlying supporting documentation, enquiries of those charged with governance and testing the Company's compliance with section 1158 in the current year. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

*Key audit matters*

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Dividend Income**<br>*Refer to page 30 (Audit and Risk Committee Report), page 50 (Accounting Policies) and page 52 (Notes to the Financial Statements).*<br><br>We focused on the occurrence, accuracy and completeness of dividend income recognition in the Company and its presentation in the Statement of Comprehensive Income as set out in the requirements of The Association of Investment Companies Statement of Recommended Practice (the 'AIC SORP'). This is because non-occurrence, incomplete or inaccurate income recognition could have a material impact on the Company's net asset value. | We assessed the accounting policy for income recognition for compliance with accounting standards and the AIC SORP and performed testing to check that income had been accounted for in accordance with this stated accounting policy.<br><br>We tested the accuracy of dividend receipts by agreeing the dividend rates from investments to independent market data.<br><br>To test for completeness we tested that, for investment holdings in the portfolio, all dividends recorded in the year had been declared in the market, and that all dividends declared in the market for investment holdings had been recorded.<br><br>We tested occurrence by tracing all dividends received to bank statements.<br><br>We tested the allocation and presentation of dividend income between the revenue and capital return columns in the Statement of Comprehensive Income, in line with the requirements set out in the AIC SORP by determining reasons behind dividend distributions which required reporting to those charged with governance.<br><br>No material issues were identified which required reporting to those charged with governance. |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Valuation and existence of investments**<br>*Refer to page 30 (Audit Committee Report), page 50 (Accounting Policies) and page 54 (Notes to the Financial Statements).*<br><br>The investment portfolio at the year-end comprised of listed equity investments and the holding in JPMorgan Indian Investment Company (Mauritius) Limited.<br><br>We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed on the Statement of Financial Position in the financial statements. | We tested the valuation of the listed investment portfolio by agreeing the prices used in the valuation to independent third party sources.<br><br>We tested the valuation of the investment in subsidiary balance by agreeing it to the net asset value of the audited balance sheet of the entity. We also considered the application of the Company's accounting policy for the investment holding balance.<br><br>We tested the existence of the investment portfolio, including the holding in the subsidiary, by agreeing holdings of investments to an independent custodian confirmation, obtained from JPMorgan Chase Bank, N.A.<br><br>No material issues were identified which required reporting to those charged with governance. |

***How we tailored the audit scope***

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

The Company's accounting is delegated to the Administrator who maintains the Company's accounting records and who has implemented controls over this accounting records.

We obtained our audit evidence from substantive tests. However, as part of our risk assessment, we understood and assessed the internal controls in place at both the Manager and the Administrator to the extent relevant to our audit. This assessment of the operating and accounting structure in place at both organisations involved obtaining and analysing the relevant controls reports issued by the independent service auditor of the Manager and the Administrator in accordance with generally accepted assurance standards for such work. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements.

***Materiality***

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

| | |
|---|---|
| Overall materiality | £7.7m (2017: £8.4m). |
| How we determined it | 1% of net assets. |
| Rationale for benchmark applied | We have applied this benchmark, a generally accepted auditing practice for investment trust audits. |

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £384,000 (2017: £420,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

*Going concern*

In accordance with ISAs (UK) we report as follows:

| Reporting obligation | Outcome |
|---|---|
| We are required to report if we have anything material to add or draw attention to in respect of the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the Company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements. | We have nothing material to add or to draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. |
| We are required to report if the Directors' statement relating to Going Concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit. | We have nothing to report. |

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006, (CA06), ISAs (UK) and the Listing Rules of the Financial Conduct Authority ('FCA') require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

*Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30th September 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. *(CA06)*

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report. *(CA06)*

*The Directors' assessment of the prospects of the Company and of the principal risks that would threaten the solvency or liquidity of the Company*

We have nothing material to add or draw attention to regarding:

- The Directors' confirmation on page 19 of the Annual Report that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.
- The disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.
- The Directors' explanation on page 21 of the Annual Report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We have nothing to report having performed a review of the Directors' statement that they have carried out a robust assessment of the principal risks facing the Company and statement in relation to the longer-term viability of the Company. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the 'Code'); and considering whether the statements are consistent with the knowledge and understanding of the Company and its environment obtained in the course of the audit.

*Other Code Provisions*
We have nothing to report in respect of our responsibility to report when:

- The statement given by the Directors, on page 36, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the Company's position and performance, business model and strategy is materially inconsistent with our knowledge of the Company obtained in the course of performing our audit.
- The section of the Annual Report on page 30 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- The Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

*Directors' Remuneration*
In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006. *(CA06)*

## Responsibilities for the financial statements and the audit

**Responsibilities of the Directors for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities set out on page 36, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

**Use of this report**

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

**Appointment**

Following the recommendation of the Audit Committee, we were appointed by the members on 29th January 2015 to audit the financial statements for the year ended 30th September 2015 and subsequent financial periods. The period of total uninterrupted engagement is four years, covering the years ended 30th September 2015 to 30th September 2018.

Jeremy Jensen (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

21st December 2018

# Financial Statements

Following an amendment to International Financial Reporting Standard 10 ('IFRS 10'), the Company is no longer permitted to consolidate its subsidiary (see note 2(c) for details). The financial statements and accompanying notes 1 to 21 presented in this section are 'Company-only' financial statements with the subsidiary shown as an investment held at fair value through profit or loss in the Statement of Financial Position.

To allow shareholders to compare the Company's performance and financial position with historically published figures which were prepared on a consolidated basis, the Group's Statement of Comprehensive Income, the Group's Statement of Financial Position and reconciliations between the statutory 'Company-only' financial statements and the Group figures that would have been published prior to the change to IFRS 10 are disclosed in note 22.

**FOR THE YEAR ENDED 30TH SEPTEMBER 2018**

| | | | 2018 | | | 2017 | |
|---|---|---|---|---|---|---|---|
| | | Revenue | Capital | Total | Revenue | Capital | Total |
| | Notes | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| (Losses)/gains from investments held at fair value through profit or loss | 10(d) | – | (64,537) | (64,537) | – | 70,114 | 70,114 |
| Net foreign currency gains/(losses) | | – | 216 | 216 | – | (239) | (239) |
| Income from investments | 4 | 256 | – | 256 | 475 | – | 475 |
| Interest receivable and similar income | 4 | 158 | – | 158 | 44 | – | 44 |
| **Total income/(loss)** | | **414** | **(64,321)** | **(63,907)** | **519** | **69,875** | **70,394** |
| Management fee | 5 | (145) | – | (145) | (177) | – | (177) |
| Other administrative expenses | 6 | (682) | – | (682) | (734) | (22) | (756) |
| **(Loss)/profit before finance costs and taxation** | | **(413)** | **(64,321)** | **(64,734)** | **(392)** | **69,853** | **69,461** |
| Finance costs | 7 | (65) | – | (65) | – | – | – |
| **(Loss)/profit before taxation** | | **(478)** | **(64,321)** | **(64,799)** | **(392)** | **69,853** | **69,461** |
| Taxation | 8 | – | – | – | – | – | – |
| **Net (loss)/profit** | | **(478)** | **(64,321)** | **(64,799)** | **(392)** | **69,853** | **69,461** |
| **(Loss)/earnings per share** | 9 | **(0.45)p** | **(61.24)p** | **(61.69)p** | **(0.37)p** | **66.34p** | **65.97p** |

The Company does not have any income or expense that is not included in the net (loss)/profit for the year. Accordingly the 'Net (loss)/profit' for the year, is also the 'Total comprehensive (expense)/income for the year, as defined in IAS1 (revised).

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

The 'Total' column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with IFRS. The supplementary 'Revenue' and 'Capital' columns are prepared under guidance published by the Association of Investment Companies.

Details of revenue and capital items, together with the associated reserves are contained in note 15.

All of the (loss)/profit and total comprehensive (expense)/income is attributable to the equity shareholders of JPMorgan Indian Investment Trust plc, the Company. There are no minority interests.

This is the Company's Statement of Comprehensive Income. The Group's Statement of Comprehensive Income is disclosed in note 22 on page 68. Together with reconciliations between the Company's and the Group's statements this information has been included following an amendment to IFRS 10 (see note 2) which became effective from the 2017 financial year.

The notes on pages 49 to 73 form an integral part of these financial statements.

**FOR THE YEAR ENDED 30TH SEPTEMBER 2018**

| | Called up share capital £'000 | Share premium £'000 | Other reserve £'000 | Exercised warrant reserve £'000 | Capital redemption reserve £'000 | Capital reserves £'000 | Revenue reserve £'000 | Total £'000 |
|---|---|---|---|---|---|---|---|---|
| At 30th September 2016 | 31,404 | 97,316 | 41,929 | 5,886 | 6,362 | 610,605 | (22,764) | 770,738 |
| Repurchase of shares into Treasury | – | – | – | – | – | (197) | – | (197) |
| Profit/(loss) for the year | – | – | – | – | – | 69,853 | (392) | 69,461 |
| At 30th September 2017 | 31,404 | 97,316 | 41,929 | 5,886 | 6,362 | 680,261 | (23,156) | 840,002 |
| Repurchase of shares into Treasury | – | – | – | – | – | (5,058) | – | (5,058) |
| Loss for the year | – | – | – | – | – | (64,321) | (478) | (64,799) |
| At 30th September 2018 | 31,404 | 97,316 | 41,929 | 5,886 | 6,362 | 610,882 | (23,634) | 770,145 |

This is the Company's Statement of Changes in Equity. The Group's Statement of changes in Equity has not been included following an amendment to IFRS 10 (see note 2) which became effective from the 2017 financial year.

The notes on pages 49 to 73 form an integral part of these financial statements.

**AT 30TH SEPTEMBER 2018**

| | Notes | 2018 £'000 | 2017 £'000 |
|---|---|---|---|
| **Non current assets** | 10 | | |
| Investments held at fair value through profit or loss | | 8,362 | 4,043 |
| Investments in subsidiary held at fair value through profit or loss | | 759,474 | 823,823 |
| | | **767,836** | **827,866** |
| **Current assets** | | | |
| Other receivables | 11 | 62 | 51 |
| Cash and cash equivalents | 12 | 2,405 | 12,235 |
| | | 2,467 | 12,286 |
| **Current liabilities** | | | |
| Other payables | 13 | (158) | (150) |
| **Net current assets** | | **2,309** | **12,136** |
| **Total assets less current liabilities** | | **770,145** | **840,002** |
| **Net assets** | | **770,145** | **840,002** |
| **Amounts attributable to shareholders** | | | |
| Called up share capital | 14 | 31,404 | 31,404 |
| Share premium | 15 | 97,316 | 97,316 |
| Other reserve | 15 | 41,929 | 41,929 |
| Exercised warrant reserve | 15 | 5,886 | 5,886 |
| Capital redemption reserve | 15 | 6,362 | 6,362 |
| Capital reserves | 15 | 610,882 | 680,261 |
| Revenue reserve | 15 | (23,634) | (23,156) |
| **Total shareholders' funds** | | **770,145** | **840,002** |
| **Net asset value per share** | 16 | **736.5p** | **797.8p** |

This is the Company's Statement of Financial Position. The Group's Statement of Financial Position is disclosed in note 22 on page 69. Together with reconciliations between the Company's and the Group's statements this information has been included following an amendment to IFRS 10 (see note 2) which became effective from the 2017 financial year.

The financial statements on pages 44 to 73 were approved by the Directors and authorised for issue on 21st December 2018 and signed on their behalf by:

Hugh Sandeman
Director

The notes on pages 49 to 73 form an integral part of these financial statements.

Registered in England. No: 2915926.

**FOR THE YEAR ENDED 30TH SEPTEMBER 2018**

| | 2018<br>£'000 | 2017<br>£'000 |
|---|---|---|
| **Operating activities** | | |
| (Loss)/profit before taxation | (64,799) | 69,461 |
| Deduct dividends received | (256) | (475) |
| Deduct interest received | (158) | (44) |
| Add interest paid | 65 | – |
| Add losses/(deduct gains) on investments held at fair value through profit or loss | 64,537 | (70,114) |
| Increase in prepayments, VAT and other receivables | (19) | (5) |
| (Decrease)/increase in other payables | (27) | 51 |
| **Net cash outflow from operating activities before interest and taxation** | **(657)** | **(1,126)** |
| Interest paid | (30) | – |
| Dividends received | 256 | 475 |
| Interest received | 166 | 44 |
| **Net cash outflow from operating activities** | **(265)** | **(607)** |
| **Investing activities** | | |
| Purchases of investments held at fair value through profit or loss | (4,507) | – |
| Sales of investments held at fair value through profit or loss | – | 8,892 |
| **Net cash (outflow)/inflow from investing activities** | **(4,507)** | **8,892** |
| **Financing activities** | | |
| Repurchase of shares into Treasury | (5,058) | (197) |
| **Net cash outflow from financing activities** | **(5,058)** | **(197)** |
| **(Decrease)/increase in cash and cash equivalents** | **(9,830)** | **8,088** |
| Cash and cash equivalents at the start of the year | 12,235 | 4,147 |
| **Cash and cash equivalents at the end of the year** | **2,405** | **12,235** |

The notes on pages 49 to 73 form an integral part of these financial statements.

**FOR THE YEAR ENDED 30TH SEPTEMBER 2018**

## 1. Principal Activity

The principal activity of the Company is that of an investment holding company within the meaning of Section 1158 of the Corporation Tax Act 2010.

## 2. Basis of Preparation

### (a) Basis of accounting

The Company's financial statements have been prepared in accordance with the Companies Act 2006 and International Financial Reporting Standards ('IFRS'), which comprise standards and interpretations approved by the International Accounting Standards Board ('IASB'), the International Accounting Standards and Standing Interpretations Committee and interpretations approved by the International Accounting Standards Committee ('IASC') that remain in effect and to the extent that they have been adopted by the European Union.

The financial statements have been prepared on the going concern basis. The disclosures on going concern in the Directors' Report on page 30 form part of these financial statements. The principal accounting policies adopted are set out below. Where presentational guidance set out in the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the Association of Investment Companies ('AIC') in November 2014, and updated in February 2018 is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The Company's share capital is denominated in sterling and this is the currency in which its shareholders operate and expenses are generally paid. The Directors have therefore determined the functional currency to be sterling.

### (b) Accounting Standards

These standards and amendments are relevant to the Company, however they are currently not expected to have a significant impact on the amounts reported in the financial statements. No new standards were adopted in the current year.

*New standards, amendments and interpretations issued but not effective for the current financial year:*

- IFRS 9 – Financial Instruments (effective for annual periods beginning on or after 1st January 2018).
- IFRS 15 – Revenue from Contracts with Customers (effective for annual periods beginning on or after 1st January 2018).
- Amendments to IAS 7 – Disclosure Initiative (effective for accounting periods beginning on or after 1st January 2018).

The Directors are currently considering the impact of the above standards, amendments, and interpretations. The Company intends to apply each relevant standard at the date it becomes effective. The impact of all other IFRS' issued but not yet adopted is not expected to be material.

### (c) Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception

JPMorgan Indian Investment Trust plc ('the Company') has a 100% ownership interest in JPMorgan Indian Investment Company (Mauritius) Limited ('the subsidiary') incorporated in Mauritius. Historically, the subsidiary was consolidated with the Company in Group Financial Statements.

Following amendments to IFRS 10 'Consolidated Financial Statements', a Company that operates as an 'investment entity' is no longer permitted to consolidate its subsidiary company.

The Company meets the definition of an investment entity and therefore has not consolidated its subsidiary. With effect from the 2017 financial year, the subsidiary company is shown as an investment held at fair value through profit or loss in the Statement of Financial Position.

To allow shareholders to compare the Company's performance as reported in this Annual Report and Financial Statements with historically published figures which were prepared on a consolidated basis, the Company has prepared the Group's Statement of Comprehensive Income, the Group's Statement of Financial Position and notes reconciling between those Group figures and the statutory company-only figures. These are disclosed in note 22 on pages 67 to 73.

Please refer to the Glossary of terms and alterative performance measures on page 81 for the definition of an 'investment entity'.

## 2. Basis of Preparation *continued*

**(d) Presentation of the Statement of Comprehensive Income**

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue nature and a capital nature has been presented alongside the Statement of Comprehensive Income. In accordance with the Company's status as a UK investment company under Section 833 of the Companies Act 2006, net capital returns may not be distributed by way of dividend.

Additionally, the net revenue is the measure the Directors believe appropriate in assessing compliance with certain requirements set out in Section 1158 of the Corporation Tax Act 2010.

**(e) Investments held at fair value through profit or loss**

Investments are recognised and derecognised on the trade date where a purchase or sale is under a contract whose terms require delivery within a timeframe established by the market concerned.

Investments are designated upon initial recognition as 'held at fair value through profit or loss'. At subsequent reporting dates investments are valued at fair values which are quoted bid market prices for investments traded in active markets. Fair values for unquoted investments, or for investments for which there is only an inactive market, are established by using various valuation techniques. These may include recent arm's length market transactions, the current fair value of another instrument that is substantially the same or discounted cash flow analysis or net asset value. Where there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, that technique is used.

Changes in the fair value of investments 'held at fair value through profit or loss' and gains or losses on disposal are included in the capital column of the Statement of Comprehensive Income within 'Gains or losses on investments held at fair value through profit or loss'. Transaction costs incurred on the acquisition and disposal of investments are also included within this caption.

Gains and losses on sales of investments, increases and decreases in the valuation of investments held at the year end, foreign exchange gains and losses and other capital receipts and payments are dealt within capital reserves.

The Company's investment in its subsidiary JPMorgan Indian Investment Company (Mauritius) Limited is held at fair value through profit or loss, which is deemed to be the net asset value of the subsidiary. See Note 19 for further information.

The subsidiary company holds a portfolio of listed investments which are measured at their quoted bid prices. The financial statements of the subsidiary are prepared for the same reporting year end as the Company, using consistent accounting policies.

**(f) Income**

Dividends receivable from equity shares are included in the revenue column of the Statement of Comprehensive Income on an ex-dividend basis except where, in the opinion of the Directors, the dividend is capital in nature, in which case it is included in the capital column.

Income from fixed interest debt securities is recognised using the effective interest method.

Interest receivable is included in the revenue column on an accruals basis.

**(g) Expenses**

All expenses and interest payable are accounted for on an accruals basis. All administration expenses and finance costs, including the management fee and interest payable, are charged to the revenue column of the Statement of Comprehensive Income. One-off expenses that are capital in nature are charged to the capital column.

**(h) Financial instruments**

Cash and cash equivalents may comprise cash and demand deposits which are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value. Liquidity funds are considered cash equivalents as they are held for cash management purposes as an alternative to cash.

Other receivable and payables do not carry any interest, are short term in nature and are accordingly stated at nominal value, with receivables reduced by appropriate allowances for estimated irrecoverable amounts.

Interest bearing bank loans are recorded as the proceeds received net of direct issue costs. Other payables are non interest bearing, short term in nature and are accordingly stated at nominal value.

Finance costs, including any premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in profit or loss using the effective interest method.

**(i) Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax. Tax payable is based on the taxable profit for the year. Taxable profit differs from profit before tax as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is more likely than not that taxable profits will be available against which deductible temporary differences can be utilised.

Investment trusts which have approval under Section 1158 of the Corporation Tax Act 2010 are not liable for taxation on capital gains in the UK. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that, on the balance of probabilities, it is not likely that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

**(j) Foreign currency**

For the purpose of the financial statements, the results and financial position are expressed in sterling which is the functional currency of the Company.

Transactions in currencies other than sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items and non monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains or losses arising on retranslation are included in net profit or loss for the year and presented as revenue or capital as appropriate.

**(k) Value Added Tax (VAT)**

Irrecoverable VAT is included in the expense on which it has been suffered. Recoverable VAT is calculated using the partial exemption method based on the proportion of zero rated supplies to total supplies.

**(l) Share repurchases**

The cost of repurchasing shares including the related stamp duty is charged to capital reserves and dealt with in the statement of changes in equity. Transactions are accounted for on a trade date basis. If shares are repurchased for cancellation, the nominal value of the repurchased shares is deducted from share capital.

## 3. Significant accounting judgements and estimates

The preparation of the financial statements requires the Company to make estimations where uncertainty exists. It also requires the Company to exercise judgement in the process of applying the accounting policies. The following areas are considered to contain critical accounting estimates and may involve a higher degree of judgement or complexity:

**Fair value of holding in subsidiary**

The Directors use their judgement in selecting an appropriate valuation technique for financial instruments not quoted on an active market. Valuation techniques commonly used by market practitioners are applied such that the investment holding in the subsidiary is held at net asset value which the Directors judge as appropriate.

**Qualification as an 'investment entity' under Amendments to IFRS 10, 'Consolidated financial statements'**

The Directors have used their judgement and concluded that the Company and its Mauritian subsidiary both qualify as an 'investment entity' under Amendments to IFRS 10, 'Consolidated financial statements' based on the following:

- The Company is listed on the Stock Exchange and both entities have one or more investors for the purpose of providing investment management services;
- The business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- One of the investments held by the Company as well as most of the investments held in the subsidiary are public listed companies and all are valued on a fair value basis.

This is a significant judgement as it has a significant impact on the presentation of the financial statement and this can be seen in note 22 Supplemental information.

The Directors do not believe that any other accounting judgements or estimates have been applied to this set of financial statements, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

## 4. Investment and other income

| | 2018<br>£'000 | 2017<br>£'000 |
|---|---|---|
| **Investment income** | | |
| Dividends from investments listed overseas | 256 | 475 |
| **Other income** | | |
| Interest from liquidity funds | 154 | 43 |
| Deposit interest | 4 | 1 |
| | 158 | 44 |
| **Total income** | **414** | **519** |

## 5. Management fee

| | 2018<br>£'000 | 2017<br>£'000 |
|---|---|---|
| Management fee | 145 | 177 |

Details of the basis of calculation of the management fee are given in the Directors' Report on page 24. With effect from 1st October 2017, the management fee has been charged at 1% on the Company's assets less current liabilities on the first £300 million and at 0.75% thereafter.

## 6. Other administrative expenses

| | 2018 £'000 | 2017 £'000 |
|---|---|---|
| Administration expenses | 396 | 305 |
| Directors' fees[1] | 137 | 137 |
| Depositary fee[2] | 99 | 148 |
| Auditors' remuneration for audit services[3] | 30 | 31 |
| Savings scheme costs[4] | 20 | 113 |
| | **682** | **734** |
| Professional fees – capital | – | 22 |
| | **682** | **756** |

[1] Full disclosure is given in the Directors' Remuneration Report on page 32.

[2] Includes £9,000 (2017: £19,000) irrecoverable VAT.

[3] Includes £3,000 (2017: £5,000) irrecoverable VAT.

[4] These fees were payable to the Manager for the administration of savings scheme products. Includes £2,000 (2017: £15,000) irrecoverable VAT.

## 7. Finance costs

| | 2018 £'000 | 2017 £'000 |
|---|---|---|
| Bank loan interest | 65 | – |

## 8. Taxation

### (a) Factors affecting the tax for the year

The total tax for the year is higher (2017: lower) than the Company's applicable rate of corporation tax for the year of 19.0% (2017: 19.5%). The difference is explained below.

| | 2018 £'000 | 2017 £'000 |
|---|---|---|
| (Loss)/profit before taxation | (64,799) | 69,461 |
| Corporation tax at 19.0% (2017: 19.5%) | (12,311) | 13,545 |
| Effects of: | | |
| Non taxable capital losses/(gains) | 12,221 | (13,625) |
| Movement in excess management expenses | 139 | 173 |
| Non taxable overseas dividends | (49) | (93) |
| **Total tax** | – | – |

### (b) Provision for deferred taxation

No provision for deferred taxation has been made in the current year or prior year. The Company has not provided for deferred tax on any capital gains or losses arising on the revaluation or disposal of investments as it is exempt from tax on these items due to its status as Investment Company.

## 8. Taxation *continued*

### (c) Factors that may affect future tax charges

The Company has an unrecognised deferred tax asset of £3,418,000 (2017: £3,335,000) based on a prospective corporation tax rate of 17% (2017: 17%). The UK corporation tax rate is enacted to fall to 17% from 1st April 2020.

The deferred tax asset has arisen due to the cumulative excess of deductible expenses over taxable income. Given the composition of the Company's portfolio, it is not likely that this asset will be utilised in the foreseeable future and therefore no asset has been recognised in the financial statements.

For further information on developments relating to taxation please refer to the Chairman's Statement on page 6.

## 9. (Loss)/earnings per share

| | 2018<br>£'000 | 2017<br>£'000 |
|---|---|---|
| (Loss)/earnings per share is based on the following: | | |
| Revenue loss | (478) | (392) |
| Capital (loss)/profit | (64,321) | 69,853 |
| **Total (loss)/profit** | **(64,799)** | **69,461** |
| Weighted average number of shares in issue | 105,034,167 | 105,288,645 |
| Revenue loss per share | (0.45)p | (0.37)p |
| Capital (loss)/earnings per share | (61.24)p | 66.34p |
| **Total (loss)/earnings per share** | **(61.69)p** | **65.97p** |

## 10. Non current assets

### (a) Investments held at fair value through profit or loss

| | 2018<br>£'000 | 2017<br>£'000 |
|---|---|---|
| Investments listed on a recognised stock exchange | 8,362 | 4,043 |
| Investments in subsidiary held at fair value | 759,474 | 823,823 |
| **Total investments held at fair value through profit or loss** | **767,836** | **827,866** |

| | 2018 £'000 | 2017 £'000 |
|---|---|---|
| Opening book cost | 7,457 | 14,466 |
| Opening investment holding gains | 820,409 | 752,178 |
| Opening valuation | 827,866 | 766,644 |
| Movements in the year: | | |
| Purchases at cost | 4,506 | – |
| Sales proceeds | – | (8,893) |
| Losses on sales of investments based on the carrying value at the previous balance sheet date | – | (998) |
| Net movement in investment holding gains and losses | (64,536) | 71,113 |
| Closing valuation | 767,836 | 827,866 |
| Closing book cost | 11,963 | 7,457 |
| Closing investment holding gains | 755,873 | 820,409 |
| **Total investments held at fair value through profit or loss** | **767,836** | **827,866** |

**(b) Transaction costs**

| | 2018 £'000 | 2017 £'000 |
|---|---|---|
| Transaction costs on purchases | 11 | – |
| Transaction costs on sales | – | 10 |
| | **11** | **10** |

The above costs comprise mainly brokerage commission.

**(c) Investment in subsidiary company**

| | 2018 £'000 | 2017 £'000 |
|---|---|---|
| Historic cost of investment in Subsidiary[1] | 62,868 | 62,868 |
| Opening cumulative contributions to Subsidiary | 79,637 | 79,637 |
| Opening cumulative holding gains | 681,318 | 610,110 |
| Opening valuation | 823,823 | 752,615 |
| Net movement in investment holding gains and losses | (64,349) | 71,208 |
| **Closing valuation** | **759,474** | **823,823** |

[1] The historic cost of the investment in the Subsidiary represents the cost of the ordinary shares and warrants (expired in 2004) subscribed on its incorporation in 1994.

The Company owns 100% of the ordinary share capital of its Subsidiary Company JPMorgan Indian Investment Company (Mauritius) Limited, an investment company registered in Mauritius.

## 10. Non current assets *continued*

### (d) (Losses)/gains on investments held at fair value through profit or loss

| | 2018 £'000 | 2017 £'000 |
|---|---|---|
| Gains on investments held at fair value through profit or loss based on historical cost | – | 1,884 |
| Amounts recognised as investment holding gains in the previous year in respect of investments sold during the year | – | (2,882) |
| Losses on sales of investments based on the carrying value at the previous balance sheet date | – | (998) |
| Net movement in investment holding gains and losses | (64,536) | 71,113 |
| Other capital charges | (1) | (1) |
| **Total (loss)/gains on investments held at fair value through profit or loss** | **(64,537)** | **70,114** |

## 11. Other receivables

| | 2018 £'000 | 2017 £'000 |
|---|---|---|
| Prepayments and accrued income | 62 | 51 |

The Directors consider that the carrying amount of other receivables approximates to their fair value.

## 12. Cash and cash equivalents

| | 2018 £'000 | 2017 £'000 |
|---|---|---|
| Cash held in liquidity funds | 2,000 | 11,180 |
| Cash held at bank | 405 | 1,055 |
| | **2,405** | **12,235** |

## 13. Other payables

| | 2018 £'000 | 2017 £'000 |
|---|---|---|
| Bank loan interest payable | 35 | – |
| Other creditors and accruals | 123 | 150 |
| | **158** | **150** |

The Directors consider that the carrying amount of other payables approximates to their fair value.

The Company has a £100 million loan facility with Scotiabank, expiring in August 2020. Under the terms of the facility, both the parent and the subsidiary company may draw down at an interest rate of LIBOR, plus a margin and mandatory costs. At 30th September 2018, £18.0 million was drawn down by the subsidiary company only (2017: £78.5 million).

## 14. Called up share capital

| | 2018 £'000 | 2017 £'000 |
|---|---|---|
| **Allotted and fully-paid share capital** | | |
| **Ordinary shares of 25p each** | | |
| Opening balance of 105,287,615 (2017: 105,316,615) Ordinary shares excluding shares held in Treasury | 26,322 | 26,329 |
| Repurchase of 712,675 shares into treasury (2017: 29,000) | (178) | (7) |
| Sub total | 26,144 | 26,322 |
| Opening balance of 20,329,971 (2017: 20,300,971) Ordinary shares held in Treasury | 5,082 | 5,075 |
| Repurchase of 712,675 shares into treasury (2017: 29,000) | 178 | 7 |
| **Closing balance[1]** | **31,404** | **31,404** |

[1] Comprises 125,617,586 (2017: 125,617,586) Ordinary shares of 25p each including 21,042,646 (2017: 20,329,971) shares held in Treasury.

## 15. Reserves

| | Share premium £'000 | Other reserve[1] £'000 | Exercised warrant reserve[2] £'000 | Capital redemption reserve[3] £'000 | Capital reserves[4] £'000 | Revenue reserve[5] £'000 |
|---|---|---|---|---|---|---|
| Opening Balance | 97,316 | 41,929 | 5,886 | 6,362 | 680,261 | (23,156) |
| Realised foreign currency gains on cash and short term deposits | – | – | – | – | 216 | – |
| Net movement in investment holding losses | – | – | – | – | (64,536) | – |
| Repurchase of shares into Treasury | – | – | – | – | (5,058) | – |
| Other capital charges | – | – | – | – | (1) | – |
| Net losses for the year | – | – | – | – | – | (478) |
| **Closing balance** | **97,316** | **41,929** | **5,886** | **6,362** | **610,882** | **(23,634)** |

[1] The 'Other reserve' was formerly share premium which was cancelled for the purpose of financing share buybacks.

[2] Exercised warrant reserve is a non-distributable reserve and it was arised on the issue of warrants on its incorporation in 1994.

[3] Capital redemption reserve is a non-distributable reserve and it is used for the purpose of financing share buybacks.

[4] Capital reserves comprise gains and losses on sales of investments and holding gains and losses on investments held at the year end.

[5] Revenue reserve represents the distributable reserve from which dividends may be paid.

## 16. Net asset value per share

| | 2018 | 2017 |
|---|---|---|
| Net assets (£'000) | 770,145 | 840,002 |
| Number of shares in issue excluding shares held in Treasury | 104,574,940 | 105,287,615 |
| **Net asset value per share** | **736.5p** | **797.8p** |

The Company will only re-issue shares held in Treasury at a premium and therefore these shares have no dilutive potential.

## 17. Contingent liabilities and capital commitments

There were no contingent liabilities or capital commitments at the balance sheet date (2017: £nil).

## 18. Transaction with the Manager and related parties

Details of the Group and the subsidiary's transactions with the Manager and related parties are given in note 22 on page 67.

Details of the management contract are set out in the Directors' Report on page 24. The management fee payable to the Manager for the year was £145,000 (2017: £177,000) of which £nil (2017: £nil) was outstanding in the financial statements at the year end. In addition £20,000 (2017: £113,000) was payable to the Manager for the administration of savings scheme products of which £17,000 (2017: £56,000) was outstanding in Company's financial statements at the year end.

Included in other administration expenses in note 6 on page 53 are safe custody fees payable to JPMorgan Chase Bank, N.A. as custodian of the Company amounting to £17,000 (2017: £13,000) of which £3,000 (2017: £3,000) was outstanding at the year end.

The Manager carries out some of its dealing transactions through group subsidiaries. These transactions are carried out at arms' length. The commission payable to JPMorgan Securities for the year by the Company was £nil (2017: £nil) of which £nil (2017: £nil) was outstanding in Company's financial statements at the year end.

Handling charges payable on dealing transactions undertaken by overseas sub custodians on behalf of the Company amounted to £1,000 (2017: £1,000) during the year, of which £1,000 (2017: £nil) was outstanding at the year end.

During the year the Company held cash in the JPMorgan US Dollar Liquidity Fund. At 30th September 2018, the holding in JPMorgan US Dollar Liquidity Fund was valued at £nil (2017: £11,180,000). During the year, the Company made purchases in this fund amounting to £nil (2017: £8,245,000) and sales on this fund amounting to £11,464,000 (2017: £821,000). Income receivable from this fund amounted to £150,000 (2017: £43,000) of which £nil (2017: £nil) was outstanding at the year end. JPMorgan earns no management fee on this fund.

The Company also holds cash in the JPMorgan Sterling Liquidity Fund. At 30th September 2018, the holding in JPMorgan Sterling Liquidity Fund was valued at £2,000,000 (2017: £nil). During the year, the Company made purchases in this fund amounting to £5,000,000 (2017: £nil) and sales on this fund amounting to £3,000,000 (2017: £nil). Income receivable from this fund amounted to £4,000 (2017: £nil) of which £1,000 (2017: £nil) was outstanding at the year end. JPMorgan earns no management fee on this fund.

At the year end, the Company held bank balances of £405,000 with JPMorgan Chase Bank, N.A. (2017: £1,055,000). A net amount of interest of £4,000 (2017: £1,000) was receivable by the Company during the year, of which £nil (2017: £nil) was outstanding at the year end.

Details of the Directors' shareholdings and the remuneration payable to Directors are given in the Directors' Remuneration Report on page 34.

## 19. Disclosures regarding financial instruments measured at fair value

The disclosures required by the IFRS 13: 'Fair Value Measurement' are given below. The Company's financial instruments within the scope of IFRS 13 that are held at fair value comprise its investment portfolio.

The investments are categorised into a hierarchy consisting of the following three levels:

Level 1 – valued using unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 – valued by reference to valuation techniques using other observable inputs not included within Level 1.

Level 3 – valued by reference to valuation techniques using unobservable inputs.

The recognition and measurement policies for financial instruments measured at fair value are consistent with those disclosed in the last annual financial statements.

Categorisation within the hierarchy has been determined on the lowest level input that is significant to the fair value measurement of the relevant asset. Details of the valuation techniques used are given in note 2(e).

The following tables set out the fair value measurements using the IFRS 13 hierarchy at the relevant year end:

| | 2018 | | 2017 | |
|---|---|---|---|---|
| | Assets £'000 | Liabilities £'000 | Assets £'000 | Liabilities £'000 |
| Level 1 | 8,362 | – | 4,043 | – |
| Level 3 | 759,474 | – | 823,823 | – |
| **Total** | **767,836** | **–** | **827,866** | **–** |

The Company's policy for determining transfers between levels is to ascertain the listing status and trading levels at each period end and for each investment determine if any changes have occurred that would necessitate a transfer.

The level 3 investment is the Company's subsidiary holding JPMorgan Indian Investment Company (Mauritius). In accordance with the Company's accounting policy, the level 3 investment is held at fair value, which the Directors believe to be the net asset (book) value of the subsidiary. The Directors believe this to be appropriate based upon the financial position and recognition policies of the assets and liabilities of the subsidiary.

In order to assist the reader in understanding the fair value of the Company's subsidiary, set out below is a statement showing the financial position of the subsidiary at 30th September 2018:

| | 2018 £'000 | 2017 £'000 |
|---|---|---|
| **Non current assets** | | |
| **Investments held at fair value through profit or loss** | **763,845** | **898,527** |
| **Current assets** | | |
| Other receivables | 1,188 | 1,038 |
| Cash and cash equivalents | 15,760 | 3,138 |
| | 16,948 | 4,176 |
| **Current liabilities** | | |
| Other payables | (3,319) | (78,879) |
| Derivative financial instruments | – | (1) |
| **Net current assets** | **11,458** | **(74,704)** |
| **Total assets less current liabilities** | **777,474** | **823,823** |
| **Creditors:** amounts falling due after more than one year | (18,000) | – |
| **Net assets** | **759,474** | **823,823** |

Investments held at fair value through profit or loss are all equity investments listed on the Indian stock exchange. Their fair values are quoted bid market prices thus they are consistent with those set out in accounting policy 2(e) on page 50. These are level 1 financial instruments.

Other receivables are dividend and interest income receivables at year end and their fair value measurement are consistent with those set out in accounting policy 2(h) on page 50 to 51.

Cash and cash equivalents consist cash and liquidity funds and their fair value measurement are consistent with those set out in accounting policy 2(h) on page 50 to 51.

Other payables consist bank loan interest and other fees payable at year end and their fair value measurement are consistent with those set out in accounting policy 2(h) on page 50 to 51.

Financial liabilities are short term derivative contracts and their fair value measurement are consistent with those set out in accounting policy 2(h) on page 50 to 51.

Creditors falling due after more than one year is the bank loan facility with Scotiabank and its fair value measurement is consistent with those set out in accounting policy 2(h) on page 50 to 51. The fair value of the bank loan is deemed to be the book value since the interest rate is commercial and the duration of the loan is less than two years.

## 19. Disclosures regarding financial instruments measured at fair value *continued*

The significant unobservable input comprises the net asset value of the subsidiary. The information above sets out quantitative information around the net asset value of the entity, including references to fair values of the underlying assets and liabilities themselves. The net asset value is sensitive to movements in equity markets, for its portfolio of assets, and any fair value impact of bank debt which is held at amortised cost as a reasonable approximation to fair value.

**Sensitivity analysis**

***Interest rate sensitivity***

The following table illustrates the sensitivity of profit after taxation for the year and net assets to a 1% (2017: 1%) increase or decrease in interest rate in regards to the bank loan. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the bank loan held at the balance sheet date, with all other variables held constant.

| Effect of a 1% increase in interest rate | 2018<br>£'000 | 2017<br>£'000 |
|---|---|---|
| Statement of comprehensive income – return after taxation | | |
| Revenue return | (180) | – |
| Capital return | – | – |
| **Total return after taxation for the year and net assets** | **(180)** | **–** |

| Effect of a 1% decrease in interest rate | 2018<br>£'000 | 2017<br>£'000 |
|---|---|---|
| Statement of comprehensive income – return after taxation | | |
| Revenue return | 180 | – |
| Capital return | – | – |
| **Total return after taxation for the year and net assets** | **180** | **–** |

*Other price risk sensitivity*

The following table illustrates the sensitivity of profit after taxation for the year and net assets to an increase or decrease of 10% (2017: 10%) in the fair value of the subsidiary. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the subsidiary NAV and adjusting for change in the management fee, but with all other variables held constant.

| Effect of a 10% increase in fair value | 2018<br>£'000 | 2017<br>£'000 |
|---|---|---|
| Statement of comprehensive income – return after taxation | | |
| Revenue return | (645) | (824) |
| Capital return | 75,303 | 81,558 |
| **Total return after taxation for the year and net assets** | **74,658** | **80,735** |

| Effect of a 10% decrease in fair value | 2018<br>£'000 | 2017<br>£'000 |
|---|---|---|
| Statement of comprehensive income – return after taxation | | |
| Revenue return | 645 | 824 |
| Capital return | (75,303) | (81,558) |
| **Total return after taxation for the year and net assets** | **(74,658)** | **(80,735)** |

## 20. Financial instruments' exposure to risk and risk management policies

As an investment trust, the Company invests in equities for the long term so as to secure its investment objective stated on the 'Features' page. In pursuing this objective, the Company is exposed to a variety of financial risks that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends.

These financial risks include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk.

The Directors' policy for managing these risks is set out below. The Company Secretary, in close cooperation with the Board and the Manager, coordinates the Company's risk management policy.

The objectives, policies and processes for managing the risks and the methods used to measure the risks that are set out below, have not changed from those applying in the previous year.

The Company's classes of financial instruments may comprise the following:

- investments in equity shares of Indian companies and other securities which are held in accordance with the Company's investment objective;
- investment in the subsidiary company;
- cash held in liquidity funds;
- short term receivables, payables and cash arising directly from its operations; and
- a credit facility for the purpose of raising finance for the Company's operations and providing leveraged returns for the Company's shareholders.

### (a) Market risk

The fair value or future cash flows of a financial instrument held by the Company will fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and other price risk. Information to enable an evaluation of the nature and extent of these three elements of market risk is given in parts (i) to (iii) of this note, together with sensitivity analyses where appropriate. The Board reviews and agrees policies for managing these risks, and these policies have remained unchanged from those applying in the previous year. The Manager assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

#### (i) Currency risk

Most of the Company's assets and income and certain of its liabilities are denominated in currencies other than sterling, which is the functional currency and the presentational currency of the Company. As a result, movements in exchange rates may affect the sterling value of those items.

**Management of currency risk**

The Manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board, which meets on at least four occasions each year. The Manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed. Income denominated in foreign currencies is converted to sterling on receipt. The Company may use short term forward currency contracts to manage working capital requirements.

**Foreign currency exposure**

The fair value of the Company's monetary items that have foreign currency exposure at 30th September are shown below. Where equity investments, which are not monetary items, are priced in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

## 20. Financial instruments' exposure to risk and risk management policies *continued*

### (a) Market risk *continued*

#### (i) Currency risk *continued*

**Foreign currency exposure** *continued*

| | 2018 Singapore Dollar £'000 | Indian Rupees £'000 | US Dollar £'000 | Hong Kong Dollar £'000 | Total £'000 |
|---|---|---|---|---|---|
| Current assets | – | – | 201 | 3 | 204 |
| Foreign currency exposure to net monetary items | – | – | 201 | 3 | 204 |
| Investments held at fair value | 4,272 | 4,090 | – | – | 8,362 |
| **Total net foreign currency exposure** | **4,272** | **4,090** | **201** | **3** | **8,566** |

| | 2017 US Dollar £'000 | Singapore Dollar £'000 | Total £'000 |
|---|---|---|---|
| Current assets | 11,951 | – | 11,951 |
| Foreign currency exposure to net monetary items | 11,951 | – | 11,951 |
| Investments held at fair value | – | 4,043 | 4,043 |
| **Total net foreign currency exposure** | **11,951** | **4,043** | **15,994** |

The above year end amounts are broadly representative of the exposure to foreign currency risk during the current and comparative year.

In addition to the above, through its investment in the subsidiary company JPMorgan Indian Investment Company (Mauritius) Limited, the Company also has exposure to a further of £761,898,000 (2017: £899,566,000) of Indian Rupees.

**Foreign currency sensitivity**

The following tables illustrate the sensitivity of profit after taxation for the year and net assets with regard to the monetary financial assets and financial liabilities, equity investments and exchange rates. The sensitivity analysis is based on equity investments, monetary currency financial instruments held at each balance sheet date and assumes a 10% (2017: 10%) appreciation or depreciation in sterling against currencies to which the Company is exposed, which is deemed a reasonable illustration based on the volatility of exchange rates during the year.

If sterling had weakened by 10% this would have had the following effect:

| | 2018 £'000 | 2017 £'000 |
|---|---|---|
| Statement of comprehensive income return after taxation | | |
| Revenue return | 41 | 52 |
| Capital return | 20 | 1,195 |
| Total return after taxation for the year | 61 | 1,247 |
| Investments held at fair value | 836 | 404 |
| **Net assets** | **897** | **1,651** |

Conversely if sterling had strengthened by 10% this would have had the following effect:

| | 2018 £'000 | 2017 £'000 |
|---|---|---|
| Statement of comprehensive income return after taxation | | |
| Revenue return | (41) | (52) |
| Capital return | (20) | (1,195) |
| Total return after taxation for the year | (61) | (1,247) |
| Investments held at fair value | (836) | (404) |
| **Net assets** | **(897)** | **(1,651)** |

In the opinion of the Directors, the above sensitivity analysis with respect to monetary financial assets, financial liabilities and equity investments is broadly representative of the whole year.

**(ii) Interest rate risk**

Interest rate movements may affect the level of income receivable on cash deposits and liquidity funds and the interest payable on variable rate cash borrowings.

**Management of interest rate risk**

The Company does not normally hold significant cash balances. Short term borrowings are used when required. The Company may finance part of its activities through borrowings at levels approved and monitored by the Board. The possible effects on cash flows that could arise as a result of changes in interest rates are taken into account when the subsidiary borrows on its loan facility. However, amounts drawn down on this facility are for short term periods and therefore exposure to interest rate risk is not significant.

**Interest rate exposure**

The exposure of financial assets and liabilities to floating interest rates, giving cash flow interest rate risk when rates are reset, is shown below.

| | 2018 £'000 | 2017 £'000 |
|---|---|---|
| Exposure to floating interest rates | | |
| JPM Sterling Liquidity Fund | 2,000 | – |
| Cash held at bank | 405 | 1,055 |
| JPM US Dollar Liquidity Fund | – | 11,180 |
| **Total exposure** | **2,405** | **12,235** |

Interest receivable on cash balances is at a margin below LIBOR.

The following table illustrates the sensitivity of profit after taxation for the year and net assets to a 1% (2017: 1%) increase or decrease in interest rate in regards to monetary financial assets and financial liabilities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the monetary financial instruments held at the balance sheet date, with all other variables held constant.

## 20. Financial instruments' exposure to risk and risk management policies *continued*

**(a) Market risk** *continued*

**(ii) Interest rate risk** *continued*

**Interest rate exposure** *continued*

Effect of a 1% increase in interest rate:

| | 2018<br>£'000 | 2017<br>£'000 |
|---|---|---|
| Statement of comprehensive income – return after taxation | | |
| Revenue return | 24 | 122 |
| **Total return after taxation for the year and net assets** | **24** | **122** |

Effect of a 1% decrease in interest rate:

| | 2018<br>£'000 | 2017<br>£'000 |
|---|---|---|
| Statement of comprehensive income – return after taxation | | |
| Revenue return | (24) | (122) |
| **Total return after taxation for the year and net assets** | **(24)** | **(122)** |

In the opinion of the Directors, the above sensitivity analysis is broadly representative of the whole year as the level of exposure to floating interest rates may fluctuate.

**(iii) Other price risk**

Other price risk includes changes in market prices, other than those arising from interest rate risk or currency risk, which may affect the value of investments.

**Management of other price risk**

The Board meets on at least four occasions each year to consider the asset allocation of the portfolio and the risk associated with particular industry sectors. The investment management team has responsibility for monitoring the portfolio, which is selected in accordance with the investment objective and seeks to ensure that individual stocks meet an acceptable risk/reward profile.

**Other price risk exposure**

The exposure to changes in market prices at 30th September comprises holdings in equity investments as follows:

| | 2018<br>£'000 | 2017<br>£'000 |
|---|---|---|
| Investments held at fair value through profit or loss | 767,836 | 827,866 |

The above data is broadly representative of the exposure to other price risk during the current and comparative year.

**Concentration of exposure to other price risk**

An analysis of the company's investments is given on pages 13 to 14. This shows that the investments' value is entirely in India. Accordingly there is a concentration of exposure to that country. However it should be noted that an investment may not necessarily be wholly exposed to the economic conditions in its country of domicile.

**Other price risk sensitivity**

The following table illustrates the sensitivity of profit after taxation for the year and net assets to an increase or decrease of 10% (2017: 10%) in the fair value of equity investments or a change in the sterling/rupee exchange rate. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on equity investments and adjusting for change in the management fee, but with all other variables held constant.

Effect of a 10% increase in fair value:

| | 2018 £'000 | 2017 £'000 |
|---|---|---|
| Statement of comprehensive income – return after taxation | | |
| Revenue return | (576) | (828) |
| Capital return | 76,784 | 82,787 |
| **Total return after taxation and net assets** | **76,208** | **81,959** |

Effect of a 10% decrease in fair value:

| | 2018 £'000 | 2017 £'000 |
|---|---|---|
| Statement of comprehensive income – return after taxation | | |
| Revenue return | 576 | 828 |
| Capital return | (76,784) | (82,789) |
| **Total return after taxation and net assets** | **(76,208)** | **(81,961)** |

**(b) Liquidity risk**

This is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

**Management of the risk**

Liquidity risk is not significant as the Company's assets comprise readily realisable securities, which can be sold to meet funding requirements if necessary. Short term flexibility is achieved through the use of overdraft facilities. The Board's policy is to remain fully invested in normal market conditions and that short term borrowings be used to manage short term liabilities and working capital requirements.

Contractual maturities of the financial liabilities at the year end, based on the earliest date on which payment can be required by the lender are as follows:

| | 2018 | | | |
|---|---|---|---|---|
| | Less than three months £'000 | More than three months but not more than one year £'000 | More than one year £'000 | Total £'000 |
| **Other payables** | | | | |
| Other creditors and accruals | 123 | – | – | 123 |
| **Creditors:** amounts falling due after more than one year | | | | |
| Bank loan interest payable | 106 | 216 | 256 | 578 |
| | **229** | **216** | **256** | **701** |

## 20. Financial instruments' exposure to risk and risk management policies *continued*

### (b) Liquidity risk *continued*

**Management of the risk** *continued*

| | 2017 | | | |
|---|---|---|---|---|
| | Less than three months £'000 | More than three months but not more than one year £'000 | More than one year £'000 | Total £'000 |
| **Other payables** | | | | |
| Other creditors and accruals | 150 | – | – | 150 |
| | **150** | **–** | **–** | **150** |

### (c) Credit risk

Credit risk is the risk that the counterparty to a transaction fails to discharge its obligations under that transaction which could result in a loss to the Company.

**Management of credit risk**

***Portfolio dealing***

The Company invests in markets that operate Delivery Versus Payment ('DVP') settlement. The process of DVP mitigates the risk of losing the principal of a trade during the settlement process. The Manager continuously monitors dealing activity to ensure best execution, a process that involves measuring various indicators including the quality of trade settlement and incidence of failed trades. Counterparty lists are maintained and adjusted accordingly.

***Cash and cash equivalents***

Counterparties are subject to regular credit analysis by the Manager and deposits can only be placed with counterparties that have been approved by JPMAM's Counterparty Risk Group. The Board regularly reviews the counterparties used by the Manager.

Cash and cash equivalents comprise balances held at JPMorgan Chase Bank, N.A. The liquidity funds which the company invests in have credit ratings of AAA.

***Exposure to JPMorgan Chase***

JPMorgan Chase Bank, N.A. is the custodian of the Company's assets. The Company's assets are segregated from JPMorgan Chase's own trading assets. Therefore these assets are designed to be protected from creditors in the event that JPMorgan Chase were to cease trading.

The Depositary, Bank of New York Mellon (International) Limited, is responsible for the safekeeping of all custodial assets of the Company and for verifying and maintaining a record of all other assets of the Company. However, no absolute guarantee can be given on the protection of all the assets of the Company.

***Credit risk exposure***

The amounts shown in the statement of financial position under investments in liquidity fund, other receivables and cash and cash equivalents represent the maximum exposure to credit risk at the current and comparative year ends.

### (d) Fair values of financial assets and financial liabilities

All financial assets and liabilities are either included in the statement of financial position at fair value, or the carrying amount in the statement of financial position is a reasonable approximation of fair value.

## 21. Capital management policies and procedures

The Company's capital comprises the following:

| | 2018 £'000 | 2017 £'000 |
|---|---|---|
| **Equity** | | |
| Share capital | 31,404 | 31,404 |
| Reserves | 738,741 | 808,598 |
| **Total capital** | **770,145** | **840,002** |

The capital management objectives are to ensure that the company will continue as a going concern and to optimise capital return to the Company's equity shareholders. Gearing is permitted up to a maximum level of 15% of shareholders' funds.

| | 2018 £'000 | 2017 £'000 |
|---|---|---|
| Investments held at fair value through profit or loss | 767,836 | 827,866 |
| Net assets | 770,145 | 840,002 |
| **Gearing/(net cash)** | **(0.3)%** | **(1.4)%** |

The Board, with the assistance of the Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the Manager's views on the market;
- the covenants associated with bank loan, to ensure they are complied with at all times;
- the need to buy back equity shares, either for cancellation or to hold in Treasury, which takes into account the share price discount or premium; and
- the need for issues of new shares, including issues from Treasury.

## 22. Supplemental information

Following an amendment to International Financial Reporting Standard 10 ('IFRS 10'), a Company that operates as an 'investment entity' is no longer permitted to consolidate a subsidiary company. The Company qualifies as an investment entity and as a result, with effect from the 2017 financial year onwards, the subsidiary company is shown as an investment held at fair value through profit or loss.

To allow shareholders to compare the Company's performance and financial position as reported in this Annual Report and Financial Statements with historically published figures which were prepared on a consolidated basis, the Company has produced the following supplemental information, and reconciliations between the statutory 'Company-only' financial statements presented on pages 67 to 73 and the figures that would have been published prior to the change to IFRS 10 as presented in this section.

The reconciliations have been included to provide additional clarity and meaningful comparison.

## 22. Supplemental information *continued*

### GROUP STATEMENT OF COMPREHENSIVE INCOME

**FOR THE YEAR ENDED 30TH SEPTEMBER 2018**

| | Notes | 2018 Revenue £'000 | 2018 Capital £'000 | 2018 Total £'000 | 2017 Revenue £'000 | 2017 Capital £'000 | 2017 Total £'000 |
|---|---|---|---|---|---|---|---|
| (Losses)/gains from investments held at fair value through profit or loss | e (iii) | – | (59,520) | (59,520) | – | 71,398 | 71,398 |
| Net foreign currency gains/(losses) | e (iv) | – | 8 | 8 | – | (476) | (476) |
| Income from investments | a (i) | 8,115 | – | 8,115 | 9,294 | – | 9,294 |
| Interest receivable and similar income | a (ii) | 225 | – | 225 | 59 | – | 59 |
| **Total income/(loss)** | | **8,340** | **(59,512)** | **(51,172)** | **9,353** | **70,922** | **80,275** |
| Management fee | b | (7,747) | – | (7,747) | (8,023) | – | (8,023) |
| Other administrative expenses | c | (1,624) | – | (1,624) | (1,638) | (22) | (1,660) |
| **(Loss)/profit before finance costs and taxation** | | **(1,031)** | **(59,512)** | **(60,543)** | **(308)** | **70,900** | **70,592** |
| Finance costs | d | (1,128) | – | (1,128) | (1,131) | – | (1,131) |
| **(Loss)/profit before taxation** | | **(2,159)** | **(59,512)** | **(61,671)** | **(1,439)** | **70,900** | **69,461** |
| Taxation | f | – | (3,128) | (3,128) | – | – | – |
| **Net (loss)/profit** | | **(2,159)** | **(62,640)** | **(64,799)** | **(1,439)** | **70,900** | **69,461** |
| **(Loss)/earnings per share** | | **(2.06)p** | **(59.64)p** | **(61.70)p** | **(1.37)p** | **67.34p** | **65.97p** |

## GROUP AND COMPANY STATEMENT OF FINANCIAL POSITION

**AT 30TH SEPTEMBER 2018**

| | Notes | Group 2018 £'000 | Group 2017 £'000 | Company 2018 £'000 | Company 2017 £'000 |
|---|---|---|---|---|---|
| **Non current assets** | | | | | |
| Investments held at fair value through profit or loss | e(i) | 772,207 | 902,570 | 8,362 | 4,043 |
| Investments in subsidiary held at fair value through profit or loss | e(ii) | – | – | 759,474 | 823,823 |
| | | **772,207** | **902,570** | **767,836** | **827,866** |
| **Current assets** | | | | | |
| Other receivables | g | 1,250 | 1,089 | 62 | 51 |
| Cash and cash equivalents | h | 18,165 | 15,373 | 2,405 | 12,235 |
| | | 19,415 | 16,462 | 2,467 | 12,286 |
| **Current liabilities** | | | | | |
| Other payables | i | (3,477) | (79,029) | (158) | (150) |
| Derivative financial liabilities | j | – | (1) | – | – |
| **Net current assets** | | **15,938** | **(62,568)** | **2,309** | **12,136** |
| **Total assets less current liabilities** | | **788,145** | **840,002** | **770,145** | **840,002** |
| Creditors: amounts falling due after more than one year | k | (18,000) | – | – | – |
| **Net assets** | | **770,145** | **840,002** | **770,145** | **840,002** |
| **Amounts attributable to shareholders** | | | | | |
| Called up share capital | | 31,404 | 31,404 | 31,404 | 31,404 |
| Share premium | | 97,316 | 97,316 | 97,316 | 97,316 |
| Other reserve | | 41,929 | 41,929 | 41,929 | 41,929 |
| Exercised warrant reserve | | 5,886 | 5,886 | 5,886 | 5,886 |
| Capital redemption reserve | | 6,362 | 6,362 | 6,362 | 6,362 |
| Capital reserves | | 610,998 | 678,696 | 610,882 | 680,261 |
| Revenue reserve | | (23,750) | (21,591) | (23,634) | (23,156) |
| **Total shareholders' funds** | | **770,145** | **840,002** | **770,145** | **840,002** |
| **Net asset value per share** | | **736.5p** | **797.8p** | **736.5p** | **797.8p** |

## 22. Supplemental information *continued*

### RECONCILIATIONS TO STATUTORY COMPANY FINANCIAL STATEMENTS

| a (i). Income from investments: | Page | 2018 £'000 | 2017 £'000 |
|---|---|---|---|
| Income from investments (Company-only) per Statement of Comprehensive Income | 45 | 256 | 475 |
| Add: Income from investments JPMorgan Indian Investment Company (Mauritius) Limited | | 7,859 | 8,819 |
| **Income from investments – Group** | | **8,115** | **9,294** |

| a (ii). Interest receivable and similar income: | Page | 2018 £'000 | 2017 £'000 |
|---|---|---|---|
| Interest receivable and similar income (Company-only) per Statement of Comprehensive Income | 45 | 158 | 44 |
| Add: Interest receivable and similar income from JPMorgan Indian Investment Company (Mauritius) Limited | | 67 | 15 |
| **Interest receivable and similar income – Group** | | **225** | **59** |

| b. Management fee: | Page | 2018 £'000 | 2017 £'000 |
|---|---|---|---|
| Management fee (Company-only) per Statement of Comprehensive Income | 45 | (145) | (177) |
| Add: Management fee from JPMorgan Indian Investment Company (Mauritius) Limited | | (7,602) | (7,846) |
| **Management fee – Group** | | **(7,747)** | **(8,023)** |

| c. Other administrative expenses: | Page | 2018 £'000 | 2017 £'000 |
|---|---|---|---|
| Other administrative expenses (Company-only) per Statement of Comprehensive Income | 45 | (682) | (756) |
| Add: Other administrative expenses from JPMorgan Indian Investment Company (Mauritius) Limited | | (942) | (904) |
| **Other administrative expenses – Group** | | **(1,624)** | **(1,660)** |

| d. Finance costs: | Page | 2018 £'000 | 2017 £'000 |
|---|---|---|---|
| Finance costs (Company-only) per Statement of Comprehensive Income | 45 | (65) | – |
| Add: Finance costs from JPMorgan Indian Investment Company (Mauritius) Limited | | (1,063) | (1,131) |
| **Finance costs – Group** | | **(1,128)** | **(1,131)** |

| e. (i) Investments held at fair value through profit or loss: | Page | 2018 £'000 | 2017 £'000 |
|---|---|---|---|
| Investments held at fair value through profit or loss (Company-only) per Statement of Financial Position | 47 | 8,362 | 4,043 |
| Add: Investments held at fair value through profit or loss from JPMorgan Indian Investment Company (Mauritius) Limited | | 763,845 | 898,527 |
| **Investments held at fair value through profit or loss – Group** | | **772,207** | **902,570** |

| e. (ii) Investments in subsidiaries held at fair value through profit or loss: | Page | 2018 £'000 | 2017 £'000 |
|---|---|---|---|
| Investments in subsidiaries held at fair value through profit or loss (Company-only) per Statement of Financial Position | 47 | 759,474 | 823,823 |
| Less: Investment in JPMorgan Indian Investment Company (Mauritius) Limited by the Company, as this has been replaced by the individual asset and liability amounts | | (759,474) | (823,823) |
| **Investments in subsidiaries held at fair value through profit or loss – Group** | | **–** | **–** |

| e. (iii) (Losses)/gains from investments held at fair value through profit or loss: | Page | 2018 £'000 | 2017 £'000 |
|---|---|---|---|
| (Losses)/gains from investments held at fair value through profit or loss (Company-only) per Statement of Comprehensive Income | 45 | (64,537) | 70,114 |
| Add: unrealised losses/Less unrealised gain on the direct investment in JPMorgan Indian Investment Company (Mauritius) Limited included within the Company only figures | | 64,349 | (71,208) |
| Less: losses/Add gains from investments held at fair value through profit or loss from JPMorgan Indian Investment Company (Mauritius) Limited | | (59,332) | 72,492 |
| **(Losses)/gains from investments held at fair value through profit or loss – Group** | | **(59,520)** | **71,398** |

| e. (iv) Foreign exchange gains/(losses): | Page | 2018 £'000 | 2017 £'000 |
|---|---|---|---|
| Foreign exchange gains/(losses) (Company-only) per Statement of Comprehensive Income | 45 | 216 | (239) |
| Add: Foreign exchange losses from JPMorgan Indian Investment Company (Mauritius) Limited | | (208) | (237) |
| **Gains/(losses) from investments held at fair value through profit or loss – Group** | | **8** | **(476)** |

| f. Taxation: | Page | 2018 £'000 | 2017 £'000 |
|---|---|---|---|
| Taxation (Company-only) per Statement of Comprehensive Income | 45 | – | – |
| Add: Taxation from JPMorgan Indian Investment Company (Mauritius) Limited | | (3,128) | – |
| **Taxation – Group** | | **(3,128)** | **–** |

A detailed explanation of changes in capital gains tax can be found in the Chairman's statement on page 6.

## 22. Supplemental information *continued*

### g. Other receivables:

| | Page | 2018 £'000 | 2017 £'000 |
|---|---|---|---|
| Other receivables (Company-only) per Statement of Financial Position | 47 | 62 | 51 |
| Add: Other receivables from JPMorgan Indian Investment Company (Mauritius) Limited | | 1,188 | 1,038 |
| **Other receivables – Group** | | **1,250** | **1,089** |

### h. Cash and cash equivalents:

| | Page | 2018 £'000 | 2017 £'000 |
|---|---|---|---|
| Cash and cash equivalents (Company-only) per Statement of Financial Position | 47 | 2,405 | 12,235 |
| Add: Cash and cash equivalents from JPMorgan Indian Investment Company (Mauritius) Limited | | 15,760 | 3,138 |
| **Cash and cash equivalents – Group** | | **18,165** | **15,373** |

### i. Other payables:

| | Page | 2018 £'000 | 2017 £'000 |
|---|---|---|---|
| Other payables (Company-only) per Statement of Financial Position | 47 | (158) | (150) |
| Add: Other payables from JPMorgan Indian Investment Company (Mauritius) Limited | | (3,319) | (78,879) |
| **Other payables – Group** | | **(3,477)** | **(79,029)** |

### j. Derivative financial liabilities:

| | Page | 2018 £'000 | 2017 £'000 |
|---|---|---|---|
| Derivative financial liabilities (Company-only) per Statement of Financial Position | 47 | – | – |
| Add: Derivative financial liabilities from JPMorgan Indian Investment Company (Mauritius) Limited | | – | (1) |
| **Derivative financial liabilities – Group** | | **–** | **(1)** |

### k. Creditors: amounts falling due after more than one year:

| | Page | 2018 £'000 | 2017 £'000 |
|---|---|---|---|
| Creditors: amounts falling due after more than one year (Company-only) per Statement of Financial Position | 47 | – | – |
| Add: Creditors: amounts falling due after more than one year from JPMorgan Indian Investment Company (Mauritius) Limited | | (18,000) | – |
| **Creditors: amounts falling due after more than one year – Group** | | **(18,000)** | **–** |

### GROUP AND SUBSIDIARY'S TRANSACTIONS WITH THE MANAGER AND RELATED PARTIES

Details of the management contract are set out in the Directors' Report on page 24. The management fee payable to the Manager by the Group for the year was £7,747,000 (2017: £8,023,000) of which £nil (2017: £nil) was outstanding in the financial statements at the year end.

Included in the administration expenses in note 6 on page 53 are safe custody fees payable to JPMorgan Chase as custodian of the Group amounting to £870,000 (2017: £759,000) of which £144,000 (2017: £153,000) was outstanding at the year end.

Handling charges payable on dealing transactions undertaken by overseas sub custodians on behalf of the Group amounted to £82,000 (2017: £50,000) during the year, of which £1,000 (2017: £2,000) was outstanding at the year end.

In addition, the subsidiary JPMorgan Indian Investment Company (Mauritius) Limited holds cash in the JPMorgan Sterling Liquidity Fund. At 30 September 2018, the holding was valued at £14,700,000 (2017: £nil). During the year, the subsidiary made purchases in this fund amounting to £93,000,000 (2017: £31,000,000) and sales on this fund amounting to £78,300,000 (2017: £35,000,000). Income receivable from this fund amounted to £67,000 (2017: £15,000) of which £8,000 (2017: £nil) was outstanding at the year end. JPMorgan earns no management fee on these funds.

At the year end, the subsidiary held bank balances of £1,060,000 with JPMorgan Chase Bank, N.A. (2017: £3,318,000). Interest amounting to £nil received by the subsidiary (2017: £nil) during the year.

## 23. Events after the reporting period

**Share buyback**

The Company's Mauritian subsidiary bought back 211,988 of its own shares from the parent at a price of GBP£108.50 per share on 19th December 2018 for a total sale proceeds of GBP£23 million.

# Regulatory Disclosures

## ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE ('AIFMD') DISCLOSURES (UNAUDITED)

**Leverage**

For the purposes of the Alternative Investment Fund Managers Directive ('AIFMD'), leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method in accordance with AIFMD. Under the gross method, exposure represents the sum of the Company's positions without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated after certain hedging and netting positions are offset against each other.

The Company is required to state its maximum and actual leverage levels, calculated as prescribed by the AIFMD, as at 30th September 2018, which gives the following figures:

| | Gross Method | Commitment Method |
|---|---|---|
| Maximum limit | 200% | 200% |
| Actual | 100% | 102% |

**JPMF Remuneration**

JPMorgan Funds Limited (the 'Management Company') is the authorised manager of JPMorgan Indian Investment Trust plc (the 'Company') and is part of the J.P. Morgan Chase & Co. group of companies. In this section, the terms 'J.P. Morgan' or 'Firm' refer to that group, and each of the entities in that group globally, unless otherwise specified.

This section of the annual report has been prepared in accordance with the Alternative Investment Fund Managers' Directive (the 'AIFMD'), the European Commission Delegated Regulation supplementing the AIFMD, and the 'Guidelines on sound remuneration policies' issued by the European Securities and Markets Authority under the AIFMD.

This section has also been prepared in accordance with the relevant provisions of the Financial Conduct Authority Handbook (FUND 3.3.5).

**JPMF Remuneration Policy**

A summary of the Remuneration Policy currently applying to the Management Company (the 'Remuneration Policy Statement') can be found at https://am.jpmorgan.com/gb/en/asset-management/gim/per/legal/emea-remuneration-policy. This Remuneration Policy Statement includes details of how remuneration and benefits are calculated, including the financial and non-financial criteria used to evaluate performance, the responsibilities and composition of the Firm's Compensation and Management Development Committee, and the measures adopted to avoid or manage conflicts of interest. A copy of this policy can be requested free of charge from the Management Company.

The Remuneration Policy applies to all employees of the Management Company, including individuals whose professional activities may have a material impact on the risk profile of the Management Company or the Alternative Investment Funds it manages ('AIFMD Identified Staff'). The AIFMD Identified Staff include members of the Board of the Management Company (the 'Board'), senior management, the heads of relevant Control Functions, and holders of other key functions. Individuals are notified of their identification and the implications of this status on at least an annual basis.

The Board reviews and adopts the Remuneration Policy on an annual basis, and oversees its implementation, including the classification of AIFMD Identified Staff. As at 31st December 2017, the Board last reviewed and adopted the Remuneration Policy in June 2017 with no material changes and was satisfied with its implementation.

**JPMF Quantitative Disclosures**

The table below provides an overview of the aggregate 2017 total remuneration paid to staff of the Management Company and the number of beneficiaries. These figures include the remuneration of all staff of JP Morgan Asset Management (UK) Ltd (the relevant employing entity) and the number of beneficiaries, both apportioned to the Management Company on an AUM weighted basis.

Due to the Firm's operational structure, the information needed to provide a further breakdown of remuneration attributable to the Company is not readily available and would not be relevant or reliable. However, for context, the Management Company manages 32 Alternative Investment Funds and 2 UCITS (with 38 sub-funds), with a combined Asset Under Management ('AUM') as at 31st December 2017 of £13,204 million and £15,004 million respectively.

| | Fixed remuneration | Variable remuneration | Total remuneration | Number of beneficiaries |
|---|---|---|---|---|
| All staff ($'000s) | 14,845 | 9,801 | 24,646 | 117 |

The aggregate 2017 total remuneration paid to AIFMD Identified Staff was USD 65,309,308, of which USD 7,505,126 relates to Senior Management and USD 57,804,181 relates to other Identified Staff.

## SECURITIES FINANCING TRANSACTIONS REGULATION ('SFTR') DISCLOSURES (UNAUDITED)

The Company does not engage in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions) or total return swaps. Accordingly, disclosures required by Article 13 of the Regulation are not applicable for the year ended 30th September 2018.

# Shareholder Information

Notice is hereby given that the twenty fifth Annual General Meeting of JPMorgan Indian Investment Trust plc will be held at 60 Victoria Embankment, London EC4Y 0JP on Wednesday, 30th January 2019 at 12.30 p.m. for the following purposes:

1. To receive the Directors' Report, the Financial Statements and the Auditors' Report for the year ended 30th September 2018.
2. To approve the Directors' remuneration policy.
3. To approve the Directors' Remuneration Report for the year ended 30th September 2018.
4. To reappoint Richard Burns as a Director of the Company.
5. To reappoint Jasper Judd as a Director of the Company.
6. To reappoint Rosemary Morgan as a Director of the Company.
7. To reappoint Nimi Patel as a Director of the Company.
8. To reappoint Hugh Sandeman as a Director of the Company.
9. To reappoint PricewaterhouseCoopers LLP as Auditors of the Company and to authorise the Directors to determine their remuneration.

## Special Business

To consider the following resolutions:

**Continuation Vote – Ordinary Resolution**

10. THAT the Company continue in existence as an investment trust for a further five year period.

**Authority to allot new shares – Ordinary Resolution**

11. THAT the Directors of the Company be and they are hereby generally and unconditionally authorised (in substitution of any authorities previously granted to the Directors), pursuant to and in accordance with Section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ('Rights') up to an aggregate nominal amount of £2,614,374, representing approximately 10% of the Company's issued Ordinary share capital as at the date of this notice, provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2020 unless renewed at a general meeting prior to such time, save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted or Rights to be granted after such expiry and so that the Directors of the Company may allot shares and grant Rights in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

**Authority to disapply pre-emption rights – Special Resolution**

12. THAT subject to the passing of Resolution 11 set out above, the Directors of the Company be and they are hereby empowered pursuant to Sections 570 to 573 of the Act to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 11 or by way of a sale of Treasury shares as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities for cash up to an aggregate nominal amount of £2,614,374 representing approximately 10% of the issued Ordinary share capital as at the date of the passing of this resolution at a price of not less than the net asset value per share and shall expire upon the expiry of the general authority conferred by Resolution 11 above, save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and so that the Directors of the Company may allot equity securities pursuant to such offers or agreements as if the power conferred hereby had not expired.

**Authority to repurchase the Company's shares – Special Resolution**

13. THAT the Company be generally and, subject as hereinafter appears, unconditionally authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693 of the Act) of its issued Ordinary shares on such terms and in such manner as the Directors may from time to time determine.

    PROVIDED ALWAYS THAT

    (i) the maximum number of Ordinary shares hereby authorised to be purchased shall be 15,675,783 or if different, that number of Ordinary shares which is equal to 14.99% of the Company's issued Ordinary share capital as at the date of the passing of this Resolution;

    (ii) the minimum price which may be paid for an Ordinary share shall be 25 pence;

    (iii) the maximum price which may be paid for an Ordinary share shall be an amount equal to: (a) 105% of the average of the middle market quotations for an Ordinary share taken from and calculated by reference to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary share is purchased; or (b) the price of the last independent trade; or (c) the highest current independent bid;

(iv) any purchase of Ordinary shares will be made in the market for cash at prices below the prevailing net asset value per Ordinary share (as determined by the Directors);

(v) the authority hereby conferred shall expire on 29th July 2020 unless the authority is renewed at the Company's Annual General Meeting in 2019 or at any other general meeting prior to such time; and

(vi) the Company may make a contract to purchase Ordinary shares under the authority hereby conferred prior to the expiry of such authority which contract will or may be executed wholly or partly after the expiry of such authority and may make a purchase of Ordinary shares pursuant to any such contract.

By order of the Board
Jonathan Latter, for and on behalf of
JPMorgan Funds Limited,
Secretary

28th December 2018

**Notes**

These notes should be read in conjunction with the notes on the reverse of the proxy form.

1. A member entitled to attend and vote at the Meeting may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the Meeting. A member can appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.

2. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Your proxy could be the Chairman, another director of the Company or another person who has agreed to attend to represent you. Details of how to appoint the Chairman or another person(s) as your proxy or proxies using the proxy form are set out in the notes to the proxy form. If a voting box on the proxy form is left blank, the proxy or proxies will exercise his/their discretion both as to how to vote and whether he/they abstain(s) from voting. Your proxy must attend the Meeting for your vote to count. Appointing a proxy or proxies does not preclude you from attending the Meeting and voting in person.

3. Any instrument appointing a proxy, to be valid, must be lodged in accordance with the instructions given on the proxy form.

4. You may change your proxy instructions by returning a new proxy appointment. The deadline for receipt of proxy appointments also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same Meeting, the one which is last received (regardless of its date or the date of its signature) shall be treated as replacing and revoking the other or others as regards that share; if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.

5. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members as at 6.30 p.m. two working days prior to the Meeting (the 'specified time'). If the Meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original Meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Meeting. If however the Meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members as at 6.30 p.m. two working days prior to the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in that notice. Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote at the meeting or adjourned meeting.

6. Entry to the Meeting will be restricted to shareholders and their proxy or proxies. No guests will be admitted.

7. A corporation, which is a shareholder, may appoint an individual(s) to act as its representative(s) and to vote in person at the Meeting (see instructions given on the proxy form). In accordance with the provisions of the Companies Act 2006, each such representative(s) may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative. Representatives should bring to the meeting evidence of their appointment, including any authority under which it is signed.

8. Members that satisfy the thresholds in Section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to: (a) the audit of the Company's financial statements (including the Auditors' report and the conduct of the audit) that are to be laid before the AGM; or (b) any circumstances connected with the Auditors of the Company ceasing to hold office since the previous AGM; which the members propose to raise at the meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's Auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required to publish on its website pursuant to this right.

9. Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the meeting except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting or if it would involve the disclosure of confidential information.

10. Under Sections 338 and 338A of the 2006 Act, members meeting the threshold requirements in those sections have the right to require the Company: (i) to give, to members of the Company entitled to receive notice of the Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Meeting; and/or (ii) to include in the business to be dealt with at the Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Meeting. A resolution may properly be moved, or a matter properly included in the business unless: (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than the date that is six clear weeks before the Meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

11. A copy of this notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under Section 146 of the Companies Act 2006 (a 'Nominated Person'). The rights to appoint a proxy cannot be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the Meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

12. In accordance with Section 311A of the Companies Act 2006, the contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM, the total voting rights members are entitled to exercise at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.jpmindian.co.uk.

13. The register of interests of the Directors and connected persons in the share capital of the Company and the Directors' letters of appointment are available for inspection at the Company's registered office during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted). It will also be available for inspection at the Annual General Meeting. No Director has any contract of service with the Company.

14. You may not use any electronic address provided in this Notice of meeting to communicate with the Company for any purposes other than those expressly stated.

15. As an alternative to completing a hard copy Form of Proxy/Voting Instruction Form, you can appoint a proxy or proxies electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder Reference Number (this is the series of numbers printed under your name on the Form of Proxy). Alternatively, if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk. Full instructions are given on both websites.

16. As at 20th December 2018 (being the latest business day prior to the publication of this Notice), the Company's issued share capital, excluding those shares held in Treasury, consists of 104,574,940 Ordinary shares, carrying one vote each. Therefore the total voting rights in the Company are 104,574,940.

**Electronic appointment – CREST members**

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. See further instructions on the proxy form.

**Return to Shareholders (APM)**

Total return to shareholders, on a last traded price to last traded price basis, assuming that all dividends received were reinvested, without transaction costs, into the shares of the Company at the time the shares were quoted ex-dividend.

| Total return calculation | Page | 2018 | 2017 |
|---|---|---|---|
| Opening share price (p) | 5 | 707.0 | 631.5 |
| Closing share price (p) | 5 | 630.0 | 707.0 |
| **Total return to shareholders** | | **(10.9)%** | **12.0%** |

**Return on Net Assets (APM)**

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

| Total return calculation | Page | 2018 | 2017 |
|---|---|---|---|
| Opening cum-income NAV per share (p) | 5 | 797.8 | 731.8 |
| Closing cum-income NAV per share (p) | 5 | 736.5 | 797.8 |
| **Total return on net assets with debt at par value** | | **(7.7)%** | **9.0%** |

**Benchmark Return**

Total return on the benchmark, on a closing-market value to closing-market value basis, assuming that all dividends received were reinvested, without transaction costs, 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.

**Gearing/(Net cash) at the group level (APM)**

Gearing represents the excess amount above shareholders' funds of total investments, expressed as a percentage of the shareholders' funds. If the amount calculated is negative, this is shown as a 'net cash' position.

| Gearing calculation | Page | 2018 £'000 | 2017 £'000 | |
|---|---|---|---|---|
| Investments held at fair value through profit or loss | 69 | 772,207 | 902,570 | (a) |
| Net assets | 69 | 770,145 | 840,002 | (b) |
| **Gearing/(Net cash) (c = a / b – 1)** | | **0.3%** | **7.4%** | **(c)** |

**Ongoing Charges at the group level (APM)**

The ongoing charges represent the Company's management fee and all other operating expenses excluding finance costs payable, expressed as a percentage of the average of the daily cum-income net assets during the year and is calculated in accordance with guidance issued by the Association of Investment Companies.

| Ongoing charges calculation | Page | 2018 £'000 | 2017 £'000 | |
|---|---|---|---|---|
| Management fee | 68 | 7,747 | 8,023 | |
| Other administrative expenses | 68 | 1,624 | 1,660 | |
| Total management fee and other administrative expenses | | 9,371 | 9,683 | (a) |
| Average daily cum-income net assets | | 862,212 | 810,350 | (b) |
| **Ongoing charges (c = a / b)** | | **1.09%** | **1.19%** | **(c)** |

**Share Price Discount/Premium to Net Asset Value ('NAV') per Share (APM)**
If the share price of an investment trust is lower than the NAV per share, the shares are said to be trading at a discount. The discount is shown as a percentage of the NAV per share.

The opposite of a discount is a premium. It is more common for an investment trust's shares to trade at a discount than at a premium (page 5).

**Investment Entity**
An entity that obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services; whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and measures and evaluates the performance of substantially all of its investments on a fair value basis.

**Earnings/(Loss) Per Share**
The earnings/(loss) per share represents the profit/(loss) on ordinary activities after taxation divided by the weighted average number of shares in issue during the year (page 5).

**Performance attribution**
Analysis of how the Company achieved its recorded performance relative to its benchmark.

**Performance Attribution Definitions:**

**Asset allocation**
Measures the impact of allocating assets differently from those in the benchmark, via the portfolio's weighting in different countries, sectors or asset types.

**Stock selection**
Measures the effect of investing in securities to a greater or lesser extent than their weighting in the benchmark, or of investing in securities which are not included in the benchmark.

**Currency effect**
Measures the impact of currency exposure differences between the Company's portfolio and its benchmark

**Gearing/(Net cash)**
Measures the impact on returns of borrowings or cash balances on the Company's relative performance.

**Management fee/Other expenses**
The payment of fees and expenses reduces the level of total assets, and therefore has a negative effect on relative performance.

You can invest in a J.P. Morgan investment trust through the following;

## 1. Directly from J.P. Morgan

**Investment Account**

The Company's shares are available in the J.P. Morgan Investment Account, which facilitates both regular monthly investments and occasional lump sum investments in the Company's ordinary shares. Shareholders who would like information on the Investment Account should call J.P. Morgan Asset Management free on 0800 20 40 20 or visit its website at am.jpmorgan.co.uk/investor

**Stocks & Shares Individual Savings Accounts (ISA)**

The Company's shares are eligible investments within a J.P. Morgan ISA. For the 2018/19 tax year, from 6th April 2018 and ending 5th April 2019, the total ISA allowance is £20,000. The shares are also available in a J.P. Morgan Junior ISA. Details are available from J.P. Morgan Asset Management free on 0800 20 40 20 or via its website at am.jpmorgan.co.uk/investor

## 2. Via a third party provider

Third party providers include;

| | |
|---|---|
| AJ Bell | Hargreaves Lansdown |
| Alliance Trust Savings | Interactive Investor |
| Barclays Stockbrokers | James Brearley |
| Bestinvest | James Hay |
| Charles Stanley Direct | Selftrade |
| FundsNetwork | The Share Centre |

Please note this list is not exhaustive and the availability of individual trusts may vary depending on the provider. These websites are third party sites and J.P. Morgan Asset Management does not endorse or recommend any. Please observe each site's privacy and cookie policies as well as their platform charges structure.

## 3. Through a professional adviser

Professional advisers are usually able to access the products of all the companies in the market and can help you find an investment that suits your individual circumstances. An adviser will let you know the fee for their service before you go ahead. You can find an adviser at unbiased.co.uk

You may also buy investment trusts through stockbrokers, wealth managers and banks.

To familiarise yourself with the Financial Conduct Authority (FCA) adviser charging and commission rules, visit fca.org.uk

# Be ScamSmart

## Investment scams are designed to look like genuine investments

**Spot the warning signs**

Have you been:

- contacted out of the blue
- promised tempting returns and told the investment is safe
- called repeatedly, or
- told the offer is only available for a limited time?

If so, you might have been contacted by fraudsters.

## Avoid investment fraud

**1 Reject cold calls**
If you've received unsolicited contact about an investment opportunity, chances are it's a high risk investment or a scam. You should treat the call with extreme caution. The safest thing to do is to hang up.

**2 Check the FCA Warning List**
The FCA Warning List is a list of firms and individuals we know are operating without our authorisation.

**3 Get impartial advice**
Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

**Remember: if it sounds too good to be true, it probably is!**

## Report a Scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at **www.fca.org.uk/consumers/report-scam-unauthorised-firm.** You can also call the FCA Consumer Helpline on **0800 111 6768**

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at www.actionfraud.police.uk

**Find out more at www.fca.org.uk/scamsmart**

FCA
FINANCIAL CONDUCT AUTHORITY

## FINANCIAL CALENDAR

| | |
|---|---|
| Financial year end | 30th September |
| Final results announced | December |
| Half year end | 31st March |
| Half year results announced | May |
| Dividends | N/A |
| Annual General Meeting | January/February |

### History

The Company was launched in May 1994, under the name of The Fleming Indian Investment Trust PLC, by a public offer of shares which raised £84 million before expenses. In February 2002, the Company changed its name to JPMorgan Fleming Indian Investment Trust plc. In November 2005 it adopted its present name JPMorgan Indian Investment Trust plc.

### Company Numbers

Company registration number: 2915926
London Stock Exchange number: 0345035
ISIN: GB0003450359
Bloomberg Code: JII LN
LEI: 549300OHW8R1C2WBYK02

### Market Information

The Company's net asset value ('NAV') is published daily via the London Stock Exchange. 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 and on the Company's website at www.jpmindian.co.uk where the share price is updated every fifteen minutes during trading hours.

### Website

www.jpmindian.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 Junior ISA. These products are all available on the online service at jpmorgan.co.uk/online

### Manager and Company Secretary

JPMorgan Funds Limited.

### Company's Registered Office

60 Victoria Embankment
London EC4Y 0JP
Telephone: 020 7742 4000

For company secretarial and administrative matters, please contact Jonathan Latter.

### Depositary

The Bank of New York Mellon (International) Limited
1 Canada Square
London EC14 5AL

The Depositary has appointed JPMorgan Chase Bank, N.A. as the Company's custodian.

### Registrars

Equiniti Limited
Reference 1087
Aspect House
Spencer Road
West Sussex BN99 6DA
Telephone number: 0371 384 2327

Lines open 8.30 a.m. to 5.30 p.m. Monday to Friday. Calls to the helpline will cost no more than a national rate call to a 01 or 02 number. Callers from overseas should dial +44 121 415 0225.

Registered shareholders can obtain further details on individual holdings on the internet by visiting www.shareview.co.uk.

### Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London SE1 2RT

### Brokers

Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT

### Savings Product Administrators

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

aic
The Association of Investment Companies
A member of the AIC

www.jpmindian.co.uk

**J.P. MORGAN HELPLINE**

Freephone 0800 20 40 20 or +44 (0) 1268 444470.
Telephone lines are open Monday to Friday,
9am to 5.30pm.

Telephone calls may be recorded and monitored for security and training purposes.



J.P.Morgan
Asset Management