Jupiter UK Growth Investment Trust PLC

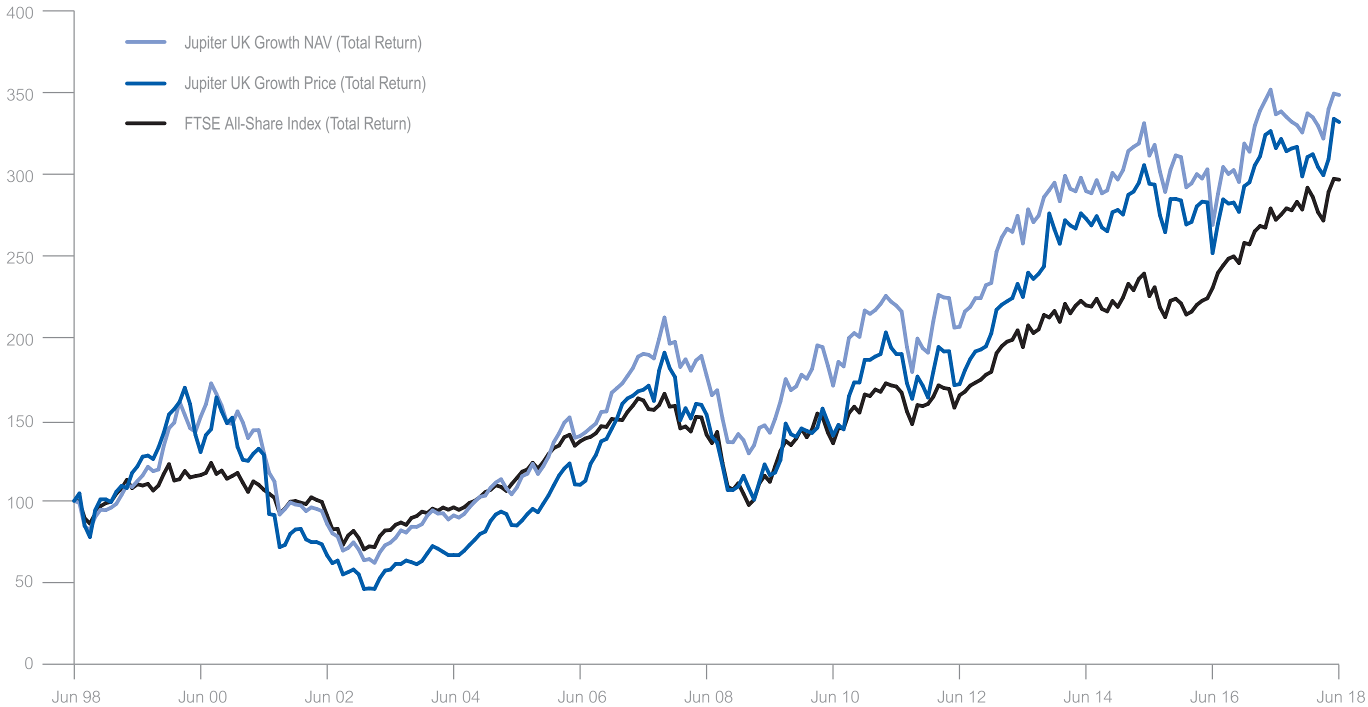
Annual Report & Accounts

for the year ended 30 June 2018

JUPITER

The company is a UK investment trust. Its objective is to concentrate on capital appreciation for its shareholders from holding predominantly listed investments. Since launch in June 1972 the net asset value of the company's shares has increased by more than 6,712%. The company's performance over the past twenty years, since 30 June 1998, may be illustrated as follows:

Graph showing performance since 1998



Source – Morningstar.

Jupiter UK Growth Investment Trust has been managed since 2016 by Steve Davies, the head of Jupiter Asset Management Limited's UK growth team. His style focuses on growth and recovery stocks, accepting somewhat higher volatility in pursuit of longer term capital appreciation, in keeping with the company's historical mandate.

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Dear shareholder

It is with pleasure that I present the annual report for Jupiter UK Growth Investment Trust PLC for the year to 30 June 2018. As at 30 June 2018 the company had total assets under management of £82 million, an increase of 50% since the same period last year. This increase has arisen principally as a result of the rollover of assets from former shareholders in the Jupiter Dividend and Growth Trust on 30 November 2017 which resulted in the issue of £24.6 million in new shares. We welcome these new shareholders.

During the twelve months the total return on the net asset value of your company's shares was 4.0% (with dividends added back). This compares with an increase in the company's benchmark index, the total return on the FTSE All Share index, of 9.0%.

The background to the performance of your company over the course of the financial year is discussed in detail by Steve Davies in his investment adviser's review. It is fair to say that the short term performance of the trust has been somewhat disappointing, with a number of positive gains, especially from M&A activity, being offset by other core positions, despite compelling logic in some cases, remaining out of favour with investors.

With Brexit D-Day approaching, and the political dynamics surrounding the negotiations with the EU still complex and volatile, the domestic sectors of the UK stock market remain deeply unpopular with international investors. As this is the sector in which our manager concentrates most of his firepower, this has not been the easiest period in which to be managing a UK growth and recovery portfolio. In addition the strategic decision to have limited exposure to the resources sector has proved particularly costly.

However, the succession of recent bids for companies which are in the portfolio indicates that the manager's valuation methods are well calibrated to identify undervalued stocks. Other corporates can see bargain value in those businesses even if a myopic market does not. Additionally it is important also to keep recent performance in perspective. As events turned out, the trust was poorly positioned going into the referendum in June 2016, but in the two and a bit years since the company's portfolio has performed broadly in line with its benchmark index.

Dividend

An interim dividend of 7p per share (unchanged on 2017) will be paid on 23 November 2018 to shareholders shown on the register of shareholders on 19 October 2018. The board has stated its ambition at a minimum to maintain the dividend at the level paid in the preceding financial year and, if justified by performance, to grow it over time.

Gearing

'Gearing' may be defined as the ratio of a company's loan facility to its equity capital, expressed as a percentage. Its effect is generally to amplify gains and losses in the investment portfolio. The ability to use gearing to enhance returns is widely recognised as one of the advantages enjoyed by investment companies over open-ended funds.

The directors consider it a priority that the company's level of gearing should be maintained at appropriate levels with sufficient flexibility to enable the portfolio manager to adapt at short notice to changes in market conditions. The board reviews the company's level of gearing on a regular basis. The current maximum that has been set is 20% of the company's total assets.

The company currently has access to a flexible loan facility with Scotiabank Europe plc for amounts up to £17 million. As at 30 June 2018 the company's gearing level was 9%. and as at 14 September 2018 it was 8%. This reflects our view that this has not been the right environment in which to move to a stance of aggressive gearing.

Discount and premium management

The board and the investment adviser are committed to growing the company over time, recognising that the company's total asset base is currently at the lower end of the minimum size preferred for prospective investment by many institutional and wealth management investors. Superior investment performance remains central to the achievement of that objective.

The board remains committed to its stated policy of using share buy backs and new issues of shares to ensure that, in normal market conditions, the market price of its shares will closely track the Net Asset Value per share. The board believes that this commitment to active management of discount and premium produces improved liquidity for both buyers and sellers of the company's shares.

During the 12 months to 30 June 2018, the company repurchased a total of 2,216,496 shares. As a result the shares of the company have continued to trade close to net asset value. The company has issued no Ordinary shares from treasury during the year. Our trust is the only one in the UK All Companies sector to offer a zero discount commitment.

Shareholders should note there can be no guarantee that any liquidity management policy implemented by the board will necessarily have its desired effect. The making and timing of share buy backs and the new issuance of shares are subject to a number of legal and regulatory regulations and, subject to these, will remain at the discretion of the board.

Rollover of Jupiter Dividend & Growth Trust PLC

As mentioned in my interim report in March, on 30 November 2017 we welcomed a large number of new shareholders who acquired shares in the company following the liquidation and rollover of Jupiter Dividend & Growth Trust PLC, a split capital investment trust which reached the end of its fixed life on that date. The issue of £24.6 million in new shares at 315p per share increased the company's net assets to £66.7 million (as at 31 December), representing an important step towards our stated objective of growing the company's asset base to £150 million and beyond. The proceeds of the rollover were invested by our portfolio manager in line with the company's stated investment objectives and policies soon after receipt.

A copy of the circular to shareholders in Jupiter Dividend & Growth Trust PLC and also the prospectus which we published of your company at the time may be found on our website at www.jupiteram.com/JUKG.

Board composition

Following last year's rollover of Jupiter Dividend & Growth Trust PLC, we appointed Keith Bray as a director and we welcome him to the board. Recent corporate governance changes stipulate that directors who have served more than nine years can no longer be deemed independent. However, in my view one needs to balance the need to refresh the composition of the board from time to time with the advantage of retaining directors with relevant and sometimes long-standing experience. All the current directors are offering themselves for re-election at the AGM.

Strategic review

Chairman's statement continued

Key information documents

We are required by new EU regulations introduced at the beginning of 2018 to provide investors with a key information document ("KID") which includes performance projections which are the product of prescribed calculations based on the company's past performance. Whilst the content and format of the KID cannot be amended under EU regulations, the board does not believe that these projections are an appropriate or helpful way to assess the company's future prospects. The principle of using history to project future performance is clearly at odds with the regulatory mantra that "past performance is no guide to future performance".

Accordingly, the board urges shareholders also to consider the more comprehensive information set out in the company's interim and full annual report and accounts, together with the monthly fact sheets and daily net asset value announcements, when considering an investment in the company's shares. These documents, together with a link to Edison's third party research coverage of the company, are published at www.jupiteram.com/JUKG.

Annual General Meeting

The company's AGM will be held at 12 pm on 14 November 2018 at the offices of Jupiter Asset Management Limited at The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ. Notice of the AGM, containing full details of the business to be conducted at the meeting, is set out on page 59. Your attention is also drawn to the report of the directors on page 16 onwards where various resolutions relating to special business are explained.

In addition to the formal business, Steve Davies will provide a presentation to shareholders on the performance of the company over the past year as well as the outlook for the future. The board would welcome your attendance at the AGM as it provides all shareholders, including our new investors, with an opportunity to ask questions of both the board and portfolio manager.

Outlook

While we are far from complacent about recent performance, we have given the manager a mandate to run a concentrated high conviction portfolio of predominantly UK stocks with a growth and recovery bias. Disciplined concentrated investment strategies often require patience for their full potential to be realised. We retain our confidence that this strategy should deliver superior results over time. The board continues to monitor performance closely however and has made it clear that it expects performance to improve once the current environment of uncertainty over the UK's future lifts.

Tom H Bartlam
Chairman
20 September 2018

Strategic review continued

Financial highlights for the year ended 30 June 2018

Capital performance

	30 June 2018	30 June 2017	% change
Total assets less current liabilities (£'000)*	65,192	45,224	+44.2

* *With effect from 30 November 2017 the Jupiter Dividend & Growth Trust PLC was wound up and the shareholder offered the option of rolling their holdings into Jupiter UK Growth Investment Trust PLC resulting in £24,645,874 being received into the company.*

Ordinary share performance

	30 June 2018	30 June 2017	% change
Mid market price (pence)	337.0	327.8	+2.8
Mid market price (with dividends added back)	344.0		+5.0
Net asset value per share (pence)	340.5	334.0	+2.0
Net asset value per share (with dividends added back)	347.5		+4.0
FTSE All-Share Index Total Return (Bloomberg: ASXTR)	7,388.69	6,777.29	+9.0
Discount to net asset value (%)	(1.0)	(1.9)	
Ongoing charges ratio (%) excluding finance costs per Note 6	1.14	1.20	-5.0

Revenue performance

	Year ended 30 June 2018	Year ended 30 June 2017	% change
Net revenue return after taxation (£'000)	1,347	1,099	+22.57
Revenue earnings per ordinary share (pence) (note 9)	7.87	7.69	+2.3
Net dividend per ordinary share (pence)	7.0	7.0	0
Net dividend yield per ordinary share (%)**	2.1	2.1	

*** As a function of the closing middle market price of an ordinary share at the relevant financial year end.*

Dividends declared for the period under review

	Rate per share (net)	Announcement date	XD date	Payment date
Interim for the year ended 30 June 2018	7.0	21 September 2018	18 October 2018	23 November 2018

For definitions of the above terms please refer to the glossary of terms on page 57.

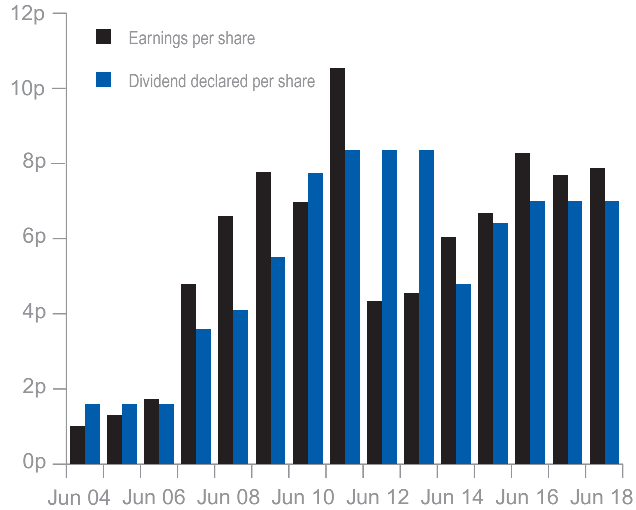
Strategic review continued

Fifteen year history to 30 June 2018

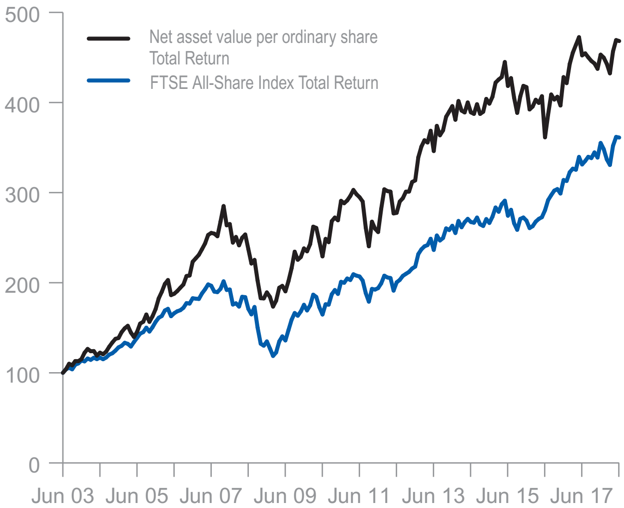
Year ended 30 June	Total Assets less current liabilities £'000	Earnings per ordinary share p	Dividend declared per ordinary share** p	Net asset value per ordinary share** p	Total return (net asset value with dividends added back) per ordinary share %
2004	36,840	1.00	1.60	119.20	+20.2
2005 (restated)*	42,477	1.30	1.60	139.60	+17.2
2006	53,743	1.72	1.60	177.67	+26.6
2007	55,985	4.78	3.60	241.06	+35.4
2008	49,415	6.60	4.10	221.27	-7.3
2009	37,868	7.78	5.50	173.51	-19.3
2010	43,187	6.98	7.75	203.40	+21.0
2011	50,552	10.54	8.35	250.60	+27.5
2012	46,032	4.34	8.35	227.80	-5.8
2013 (restated)**	54,683	4.54	8.35	274.30	+24.1
2014	56,603	6.03	4.80	297.10	+11.1
2015	54,099	6.67	6.40	312.90	+7.5
2016	40,052	8.27	7.00	265.35	-13.2
2017	45,224	7.69	7.00	333.99	+26.7
2018	65,192	7.87	7.00	340.51	+4.0

* Prior to 2005, financial information has been prepared under UK GAAP. From 2005 all information is prepared under IFRS.
** Adjusted for five for one stock split in 2013.

Comparison of dividends and earnings per share



Comparison of NAV per share and benchmark index



Strategic review continued

Investment objective, investment policy and benchmark index

Investment objective

The company is an investment trust which concentrates on capital appreciation from holding predominantly listed investments.

Investment policy

Jupiter Asset Management Limited, the investment adviser, adopts a flexible approach to identifying the best investment opportunities for the company. In doing so the investment adviser utilises a bottom up analysis of companies in the screening of potential UK investments for the company's investment portfolio.

There are no specific individual stock, sector, geographical or market capitalisation limitations or weightings applicable to the construction of the company's investment portfolio. Nevertheless, the company will invest principally in companies which are listed and/or which undertake a significant proportion of their business in the United Kingdom. The investment adviser will provide sufficient portfolio diversification to ensure an appropriate balance between the prudent spread of risk and the generation of returns for shareholders from the company's investment portfolio. No single holding shall constitute more than 10% of the company's total assets at the time of investment.

The number of individual holdings, and the geographical, sector and market capitalisation allocations within the portfolio will depend on market conditions and the judgement of the investment adviser, by delegation from the board, of what is in the best interests of shareholders from time to time.

The company currently has a flexible loan facility of £17 million which the investment adviser has been authorised by the board to draw down for investment purposes. The facility to gear the company's investment portfolio is deployed tactically by the investment adviser with a view to enhancing shareholder returns. The directors have determined that the maximum level of gearing will be 20% of the company's total assets at the time of drawdown.

The company's investment portfolio is not constructed in order to track the performance of a benchmark and will typically differ significantly in composition from the most commonly used UK market indices. When reporting and reviewing performance the board uses the FTSE All-Share Index Total Return as its primary benchmark.

The company does not anticipate that the investment adviser will make any new investments in other collective investment schemes, investment companies or investment trusts. Nevertheless, for the purposes of the company's obligations under the Listing Rules of the UK Listing Authority, no more than 10%, in aggregate, of the company's total assets may be invested in the securities of other listed closed-ended investment funds (including listed investment trusts) other than those which themselves have stated investment policies to invest no more than 15% of their total assets in other listed closed-ended investment funds.

Additionally, the company will itself not invest more than 15% of its total assets in other investment companies or investment trusts which are listed on the Official List.

The investment adviser is permitted to make use of derivative instruments (such as contracts for difference, futures and options linked to equities, indices and other securities) for investment purposes, which may include taking both long and short positions. The investment adviser may also make use of derivatives for the purposes of hedging and efficient portfolio management. The board has determined that the maximum exposure of the company to such derivative investments for investment purposes shall not be permitted to exceed 10% of the company's total assets, calculated on a marked-to-market basis at the time of investment, unless otherwise specifically agreed by the board.

Furthermore, the maximum exposure of the company to any one derivative investment shall not be permitted to exceed 2% of the company's total assets, calculated on a market-to-market basis at the time of investment.

Benchmark index

FTSE All-Share Index Total Return

(Bloomberg Indication Code: ASXTR)

Strategic review continued

Investment adviser's review

Market background

Sentiment towards the UK from global investors deteriorated through much of the period under review. Allocations to the UK, as measured by BAML's Global Fund Manager Survey, were the worst they have been since 2008, when the UK's banking system was on the verge of collapsing. In a sense, that attitude is perfectly understandable given the political and economic uncertainty affecting the UK, which has had a real impact on the earnings of some companies. UK profit warnings hit a two-year high at the start of 2018, with the pressures of rising costs and weakening demand among the likely causes. The low valuations of some stocks in the UK market has resulted in a notable pick-up in M&A activity, of which the company's portfolio was a beneficiary as discussed below.

Performance review

Over the twelve months to 30 June 2018 the company's share price returned 5.0% and NAV returned 4.0% (both including dividends) compared to a total return of 9.0% for the FTSE All-Share Index.

In the period under review, a notable positive contribution came from Thomas Cook, which benefited from good demand over the summer of 2017, with bookings up significantly and strong demand across all major markets. The summer of 2018 was more challenging, particularly because of the very hot weather which reduced demand for overseas holidays.

Sirius Minerals, the trust's largest individual holding as at June 2018, has had a volatile 12 months, performing poorly in the latter months of 2017 and then recovering more recently. The company has made significant progress in securing new supply agreements with a variety of global agricultural companies and is now moving towards completing the second and final stage of its financing requirements in early 2019. Raising in excess of $3bn for such a project is not a straightforward exercise and the total capital requirements have recently been increased in order to provide greater certainty to potential lenders. We still see huge upside in the project and the completion of this financing round would represent a major step forward towards realising this.

Mergers and acquisitions became a major theme in the portfolio in late 2017 and throughout the first six months of 2018, with the company's portfolio benefiting from an unusual number of deals affecting stocks in the portfolio.

GKN's share price benefited from a bid approach from Melrose, which culminated in March with GKN shareholders voting in favour of Melrose's approach. I have been actively engaging with the management team since September 2017, arguing for a more aggressive focus on costs and cashflow, and a reappraisal of the group's structure. This is a good demonstration of how we can enhance shareholder value through such engagement.

Shares in CityFibre performed well as it was announced that the company is set to be bought by a Goldman Sachs-backed consortium in a £538 million deal, at a 90% premium to the prevailing pre-bid share price.

ZPG, which operates the Zoopla and Prime Location property portals and the uSwitch utility comparison site, was another notable positive stock contributor. The company received an offer of 490p a share from Silver Lake Partners, a US tech-focused private equity group. This was a premium of around 40% to the prevailing share price and was also slightly ahead of our own price target for the stock, which is calculated on a two-year basis.

Virgin Money was another strong performer, with the board recommending an all-share offer from CYBG, the owner of Clydesdale Bank and Yorkshire Bank, which values Virgin Money at £1.7 billion. We can see plenty of strategic logic for putting the two businesses together, although there is some integration risk in the combination, not least from an IT perspective in the light of recent issues at TSB.

During the period under review Inmarsat was the subject of an approach from the US satellite business EchoStar. Inmarsat has recently been investing significantly in developing the next generation of satellites and rolling out in-flight connectivity to various airline customers, which has depressed cashflow in the near term and has seen the share price fall markedly since 2016. The board of Inmarsat rejected the initial offer from EchoStar and an improved offer, noting that they believed both bids significantly undervalued Inmarsat and its standalone prospects. I was supportive of this decision and, although no successful bid was made, the approach has resulted in a rally in the Inmarsat share price and renewed market focus on the business.

Despite the general negativity, the UK market has delivered performance that is competitive with other developed markets in local currency terms over the period under review (ahead of Europe and behind the US), and there have been signs of improvement on the economic front. Employment is at an all-time high, and inflation has been falling. Lower inflation has also helped create real-terms wage growth, aided by a tightening labour market. The relatively lacklustre GDP growth early in the year was, in my opinion, partly attributable to the unusually cold and long winter, which was the view of the Bank of England also.

The key positives during the period were stock-specific, but by contrast one of the main negatives was macro-driven: being underweight oil-related stocks. The oil price has risen since the beginning of March, driven in part by ongoing supply disruption in Venezuela and Donald Trump's decision to re-impose sanctions on Iran. I remain of the view that a drop in the oil price, with a medium-term range of $40-$60 per barrel, is likely and recently there has been more talk of OPEC increasing production under pressure from the US. Our analysis also suggests that US shale supply will continue to ramp up in the second half of 2018 and that demand forecasts will be revised down as the impact of higher prices filters through to end-users.

Another macro headwind for the portfolio over the last year has been the historic level of unpopularity of UK stocks – especially those exposed to the domestic UK economy – among global investors that has continued to depress share prices. Although some of the company's domestic UK holdings have been able to buck this trend, with value recognised by bidders if not always by the market, it has caused others to take a hit. Domestic-facing UK banks, such as Lloyds, Barclays and RBS are prime examples and the company's positions in those stocks have performed relatively poorly as a result over the last year.

Two other detractors to returns over the period were Dixons Carphone and Merlin Entertainments. Merlin's share price suffered from the terror attacks in London in 2017, which deterred tourists from visiting. However, overall profits still rose as Legoland Japan and five other smaller attractions came on stream. Dixons Carphone had a substantial profit warning in August 2017. The issue related to the Carphone Warehouse side of the business and was due to a combination of factors, including a slow uptake of new mobile phones as consumers hold onto their existing phones for longer as well as changes to EU roaming rates.

Strategic review continued

Investment adviser's review continued

Arrow Global was another negative. This debt collection business has been heavily shorted in the market and its share price has therefore taken a hit. I am unconvinced by the bearish arguments made in short-seller analysis and it is worth noting that private equity is very interested in this sector, reflecting a very different approach to many stock market investors when it comes to valuing longer-term cashflows. We have encouraged Arrow to improve its disclosure to enhance the market's understanding of its business.

Elsewhere Countrywide, the estate agency group, saw its shares fall sharply after it announced a profit warning and said it intended to strengthen its balance sheets through a round of equity fundraising. The estate agency market is very challenging at present and Countrywide has not helped itself in the last couple of years. A new management team has plenty of self-help measures to enact and consolidation in this sector is still highly likely, in my view.

Strategy

The company is managed with a bottom-up approach that focuses on two specific types of opportunity. Firstly 'recovery' stocks, meaning those that have been written off or deemed un-investible by the market. These should be well-placed to benefit from specific catalysts such as industry restructuring or management change, combined with the expectation of substantial valuation upside given the inherent volatility of such situations. Secondly, 'growth' stocks that can generate above-average rates of growth over an extended time period. I apply a strict Free Cash-flow screen to such stocks to ensure that they are acquired at what I consider to be reasonable prices.

Initial position sizes are determined by a mixture of conviction, upside to target price and liquidity, and I generally aim for a starting position size of 2-3%. This is based on the view that all positions should meaningfully contribute to the performance of the company while still allowing for a sensible level of diversification.

Index weightings are not a primary consideration during portfolio construction. Indeed, I am quite happy to hold zero weightings in big index constituents if the stock does not meet the criteria of either 'recovery' or 'growth'. This can lead to periods of higher volatility relative to the index and introduces an element of currency risk. I also make use of the flexibility to diversify the company's portfolio geographically through holding a small number of overseas stocks, which provide the company with a means of exposure to investment themes where I feel there is no suitable UK-listed alternatives (Apple and Manchester United are examples from the current portfolio).

I am aware of the general tendency for investors to 'fall in love' with a stock and keep holding it past the point that it fulfilled its potential. I therefore take each stock's 2-year price target seriously. When a stock reaches its price target the original investment case will be reappraised. If the story has materially changed for the better, then the price target could be revised upwards. If not, the position will be sold and reinvested in a fresh idea.

Engagement

Engaging closely with the companies that we invest in is a fundamental part of my investment process. I believe that it is crucial in improving my understanding of our holdings and, with such a concentrated portfolio, I can work closely with management and non-executives to enhance the value of our investments or to restore value when things have gone wrong. This does not just involve meeting with the CEO or CFO: in 2017 I engaged in person with over 90% of the chairmen of the portfolio's UK holdings and I hope to hit 100% over the course of 2018.

Sometimes the purpose is to help company management understand how their business is viewed in the wider market and assist them to communicate their long-term plans and prospects more effectively. If done well, such communication can help address any misconceptions that exist in the market and will tend to return the share price to a level that reflects the true value and potential of the business. Examples of this sort of engagement in the last year have been Inmarsat, where heavy investment in new technology had depressed cashflow and caused the shares to fall, and Arrow Global, which was hit by negative sentiment from short sellers that in my view have too bearish a view of the company's prospects. Finally, we were active in engaging with GKN both before and during the takeover process after it received a bid from Melrose, putting forward our views (mentioned above) about how management might best serve the interests of shareholders.

Outlook

We are halfway through 2018 and already this year five of the holdings in the company's portfolio have been taken over or received formal bid approaches. Given the company's portfolio only holds around 30 sizeable positions, that is an unusually high hit rate. Why has this happened, and can it continue?

The first point to make is that the UK is still deeply unloved by global investors. Sentiment, as measured by BAML's Global Fund Manager Survey, is the worst it has been since 2008, when the UK's banking system was on the verge of collapsing. In one sense, that attitude is perfectly understandable given the political and economic uncertainty affecting the UK, but it also means that there are some very lowly-valued stocks on the market.

On top of this, I believe the UK stock market has become very myopic, focusing on current-year earnings and heavily punishing those companies that are investing now to drive growth and profits over the medium term. My investment time horizon is longer than this, usually 2-3 years and often further, and so I see plenty of valuation anomalies at present. Other investors, such as private equity or corporates will also tend to operate on longer timelines and this is why they are willing to pay higher prices than the market in M&A deals.

The role of luck should not be overlooked in all this. James Moir (who joined the team as an Equity Analyst at the end of 2017) and I do lots of work trying to identify companies which we think the market is undervaluing, but it still requires a real bidder to make an actual approach and that is much harder to predict. At the start of 2018 I had my own list of likely M&A candidates in the company's portfolio and, while GKN and Inmarsat were near the top of that list, ZPG and CityFibre would have been much lower down.

If, as seems likely, the UK remains out of favour among global investors for some time to come, then the UK market may see plenty more M&A activity in the second half of the year. We believe our strength in individual stock-picking and our focus on companies with strong cashflows leaves the company's portfolio well placed to benefit, but, as noted above, there is also an element of luck involved too.

Steve Davies
Jupiter Asset Management Limited
Investment adviser
20 September 2018

Strategic review continued

Investment adviser's review continued

Steve Davies
Fund Management Director

Steve Davies joined Jupiter in 2007 and is currently Head of Strategy, UK Growth as well as the manager of the Jupiter UK Growth Fund (Unit Trust), the Jupiter UK Dynamic Growth fund (SICAV) and the Jupiter UK Growth Investment Trust PLC (Investment Trust). Before joining Jupiter, he was head of the retail research team at Numis Securities. Steve also worked as a senior retail analyst for Retail Intelligence before moving to PricewaterhouseCoopers, where he was appointed Assistant Director of the Retail and Branded Goods team. Steve has a degree in Philosophy, Politics and Economics from Oxford University.

James Moir
Equities Analyst

James Moir joined Jupiter in December 2017 as an analyst working on the UK Growth strategy. Before joining Jupiter, James worked at UK Financial Investments (UKFI) helping to oversee the UK Government's holdings in Royal Bank of Scotland, Lloyds and U.K. Asset Resolution, having started his career at Citi. James has a degree in Philosophy, Politics and Economics from Oxford University.

Strategic review continued

Investment portfolio as at 30 June 2018

	30 June 2018		30 June 2017	
Company	Value £'000	Percentage of investments	Value* £'000	Percentage of investments
Sirius Minerals	4,834	6.8	2,551	5.4
Legal & General Group	4,582	6.4	2,899	6.1
Lloyds Banking Group	4,535	6.4	3,152	6.7
Barclays	3,828	5.4	2,977	6.3
ZPG	3,334	4.7	1,477	3.1
International Consolidated Airlines Group	3,059	4.3	1,949	4.1
Taylor Wimpey	2,727	3.8	1,876	4.0
ITV	2,706	3.8	1,435	3.0
Experian	2,687	3.8	1,623	3.4
Dixons Carphone	2,525	3.5	2,342	5.0
Inmarsat	2,487	3.5	1,467	3.1
Inchcape	2,395	3.4	1,414	3.0
Royal Bank of Scotland	2,324	3.3	1,412	3.0
WH Smith	2,304	3.3	1,570	3.3
Manchester United 'A'	2,232	3.1	1,086	2.3
Thomas Cook Group	2,159	3.0	1,813	3.8
TalkTalk Telecom Group	2,148	3.0	1,763	3.7
Howden Joinery Group	2,063	2.9	1,051	2.2
Merlin Entertainments	2,042	2.9	1,579	3.4
Virgin Money Holdings UK	2,028	2.8	859	1.8
Apple	1,755	2.4	1,231	2.6
Arrow Global Group	1,662	2.3	1,364	2.9
Melrose Industries**	1,506	2.1	1,503	3.2
DFS Furniture	1,471	2.1	862	1.8
Hays	1,448	2.0	1,020	2.2
PureTech Health	1,346	1.9	575	1.2
Ferrari	1,290	1.8	–	–
Liberty Media Corp-Liberty Formula One 'C'	1,039	1.5	–	–
Yum China Holdings	732	1.0	–	–
Cineworld Group	506	0.7	–	–
Consort Medical	355	0.5	245	0.5
Tissue Regenix Group	280	0.4	107	0.2
Angle	262	0.4	145	0.3
Gloo Networks†	198	0.3	438	0.9
Countrywide	189	0.3	819	1.7
Ludgate 181 (Jersey)†	173	0.2	175	0.4
Total investments	**71,211**	**100.0**		

* The difference in values between the year end dates is affected both by price movements and any sales or purchases from the portfolio including purchases made using the proceeds arising from the Jupiter Dividend & Growth Trust PLC rollover.

** The prior year holding in GKN was taken over by Melrose Industries on 17 April 2018 and the Company received shares in Melrose Industries.

† Unquoted.

Strategic review continued

Narrative on largest holdings

Sirius Minerals is a fertilizer company focused on the development of its polyhalite mine in North Yorkshire. The company's project involves a multi-nutrient form of potash containing potassium, sulphur, magnesium and calcium. Construction continues to progress at Sirius Minerals' main Woodsmith Mine site and the company has recently signed a number of new supply agreements with customers in the Middle East, Africa and China. The next key event in de-risking the company's progress will be the completion of Stage 2 of its financing plan, which is scheduled for completion by early 2019.

Legal & General Group provides asset management, general insurance, retirement plans, savings, investment management, financial advisory, mortgage clubs, workplace pensions, auto enrolment solutions, and other services. Not only does the stock offer a dividend yield of around 6%, the company has proven its ability to grow both earnings and dividends at a healthy rate over the last decade. The growth is coming from a variety of sources, including pension risk transfer (likely to benefit as companies continue to look for ways of removing or insuring their pension exposure), asset management and some significant changes in mortality assumptions that look likely to persist for some time. That combination of growth and yield is increasingly rare among the upper echelons of the FTSE 100 and, in our view, is not at all fully appreciated by the market.

Lloyds Banking Group, through subsidiaries and associated companies, offers a range of banking and financial services. The company provides retail banking, mortgages, pensions, asset management, insurance services, corporate banking, and treasury services. The stock offers a 5% dividend yield that is now supplemented by a £1 billion share buyback programme. This reflects continued strong profit generation, despite broad concerns about the state of the domestic UK economy, and a healthy capital position. Lloyds is not a high-growth business, but its statutory profits still have substantial scope to increase, in our view, with the burden of redress payments for PPI falling as the timebar for such claims approaches.

Barclays is a global financial services provider engaged in retail banking, credit cards, wholesale banking, investment banking, wealth management, and investment management services. Having exited a number of non-core and less profitable divisions, Barclays is now focussed on improving returns in its remaining franchises, with group returns expected to exceed 10% by 2020. This would suggest the current discount to book value on which the stock trades could be largely eliminated, offering significant potential upside.

ZPG owns and operates online property portals. The company provides consumers with resources to search for properties and research the property markets, as well as offers real estate professionals with a platform on which to market listings and connect with customers. Following the period end, the sale of ZPG to Silver Lake reached completion and the stock is no longer owned by the company.

International Consolidated Airlines Group offers international and domestic air passenger and cargo transportation services. International Consolidated Airlines Group serves customers worldwide under brands such as British Airways, Iberia, Aer Lingus and Vueling. Profits and cashflows have improved significantly in recent years, driven by the company's very strong position in the North Atlantic market, resulting in a return to paying dividends and the introduction of a share buyback programme. Despite this, the shares remain very lowly valued.

Taylor Wimpey is a residential housing developer. The company builds a variety of properties ranging from apartments to detached homes. Taylor Wimpey operates in the United Kingdom and Spain. With total dividends of 18p expected over the next 12 months, the shares currently trade on a yield of almost 11%, in our view more than reflecting current concerns over the UK economy and the sustainability of help to buy.

ITV provides broadcasting services, producing and distributing content on multiple platforms in the UK and around the world. Whilst traditional TV advertising revenues can be affected by broader macroeconomic trends, ITV has invested heavily in its own content that is increasingly being sold around the world as well as exploring new digital opportunities such as video on demand and subscription services.

Experian offers credit and marketing services. The company manages large databases that enable credit granting and monitoring, and help minimize fraud and credit risk, offers specialist analytical solutions for credit scoring, risk management, and processing applications, processes checks and credit cards, and offers consumers credit reports and scores. With very strong market positions in the USA, the UK and Latin America, Experian has consistently churned out organic growth in excess of global GDP and has a very high rate of cash conversion.

Dixons Carphone operates as an electrical and telecommunications retailer and services company trading principally as Currys and Carphone Warehouse in the UK and under a number of fascias in Scandinavia and Greece. The company offers a wide range of electrical and mobile products, as well as connectivity and after-sales services. Carphone Warehouse's profits have shrunk to almost zero as a consequence of changing trends in the mobile market, but we believe that there is still substantial value in this business that is not reflected in the current share price.

Inmarsat operates a global communications satellite system. The company's satellites provide voice and high-speed data services on a worldwide basis. Inmarsat's customers include major corporations from the maritime, media, oil and gas, construction and aeronautical industries, as well as governments and aid agencies. It has invested heavily in a cutting-edge constellation of satellites that offer much improved services to these industries and in our view is now well placed to drive significant revenue and profit growth from this opportunity.

Cross holdings in other investment companies

As at 30 June 2018, none of the company's total assets were invested in other listed closed-ended investment funds. It is the company's stated policy that no more than 10%, in aggregate, of the company's total assets may be invested in the securities of other listed closed-ended investment funds (including listed investment trusts) other than those which themselves have stated investment policies to invest no more than 15% of their total assets in other listed closed-ended investment funds. The company does not anticipate that the investment adviser will make any new investments in other collective investment schemes, investment companies or investment trusts.

Strategic review continued

Classification of investments as at 30 June 2018

2017 %	2018 %	Equities	UK %	Other %
5.4	**6.8**	**Basic Materials**		
–	6.8	Chemicals	6.8	–
5.4	–	Mining	–	–
7.8	**10.8**	**Industrials**		
–	2.1	Construction & Materials	2.1	–
7.8	8.7	Support Services	8.7	–
7.1	**5.6**	**Consumer Goods**		
3.2	1.8	Automobile & Parts	–	1.8
3.9	3.8	Household Goods & Home Construction	3.8	–
2.3	**3.2**	**Health Care**		
0.5	0.5	Health Care Equipment & Services	0.5	–
1.8	2.7	Pharmaceuticals & Biotechnology	2.7	–
37.2	**37.3**	**Consumer Services**		
13.7	12.3	General Retailers	12.3	–
6.2	10.0	Media	8.5	1.5
17.3	15.0	Travel & Leisure	10.9	4.1
7.8	**6.5**	**Telecommunications**		
4.7	3.0	Fixed Line Telecommunications	3.0	–
3.1	3.5	Mobile Telecommunications	3.5	–
2.6	**2.4**	**Information Technology**		
2.6	2.4	Technology Hardware & Equipment	–	2.4
70.2	**72.6**	**Total Non-Financials**	**62.8**	**9.8**
29.8	**27.4**	**Financials**		
17.8	17.9	Banks	17.9	–
6.1	6.4	Life Insurance	6.4	–
1.7	0.3	Real Estate Investment & Services	0.3	–
3.3	2.3	Financial Services	2.3	–
0.9	0.5	Non-equity Investment Instruments	0.5	–
	100.0	**2018 Totals**	90.2	9.8
100.0		**2017 Totals**	95.1	4.9

Report of the directors and governance

Directors

Tom H Bartlam

Chairman of the board, nomination and management engagement committee

was appointed a director of the company on 5 July 2013 and became chairman on 20 November 2013. He was managing director of Intermediate Capital Group plc, which he co-founded, from 1989 until his retirement in 2005. He is currently chairman of Polar Capital Holdings plc.

Keith Bray

was appointed a director of the company on 28 March 2018. Mr Bray is a Chartered Public Finance Accountant and management consultant. He was director of Financial Services at the City and County of Cardiff and prior to that was director of Financial Services at the South Glamorgan County Council.

Jonathan G D Davis

was appointed a director of the company in 2011. Mr Davis has been analysing investment markets for more than 35 years, initially as a journalist with The Times, The Economist and The Independent and more recently as an author, columnist and investment professional. He is the author of 'Money Makers', 'Investing with Anthony Bolton', and 'Templeton's Way With Money' and the founder of Independent Investor, an investment website and publishing business. Mr Davis is also a senior adviser to Saunderson House. He is a Member of the Chartered Institute for Securities and Investment.

Graham M Fuller

Chairman of the audit committee

was appointed a director of the company in 2013. Mr Fuller was a founding partner of PSigma Asset Management, from which he retired in 2011. He spent eleven years leading the balanced segregated pension fund team at Newton Investment Management. Prior to that, he worked as a fund manager at Credit Suisse and de Zoete and Bevan. He is a Fellow of the Institute of Chartered Accountants and a Fellow of the CFA Society of the UK.

Lorna M Tilbian

Chairman of the remuneration committee

was formerly an executive director of Numis Corporation PLC, WestLB Panmure Limited and SG Warburg Securities. She is currently a non-executive director of ProVen VCT PLC, Finsbury Growth & Income Trust PLC, Euromoney Institutional Investor PLC, M&C Saatchi PLC and Rightmove PLC.

All directors are members *of the audit, nomination and remuneration committees.*

Report of the directors and governance continued

Strategic report

The strategic report is intended to provide shareholders with relevant information to enable them to assess the performance of the directors of the company during the period under review. This report has been prepared in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Business and status

The company was incorporated in England & Wales and launched on 1 January 1972. During the year it carried on business as an investment trust with its principal activity being portfolio investment. There has been no significant change in the activities of the company during the year to 30 June 2018. The directors expect that the company will continue to operate in the same manner during the current financial year.

The Company is a public limited company and is an investment company within the meaning of section 833 of the Companies Act 2006.

The company has been approved by HM Revenue & Customs ('HMRC') as an investment trust, subject to the company continuing to meet the eligibility conditions of sections 1158 and 1159 of the Corporation Taxes Act 2010 and the ongoing requirements for approved companies, as detailed in Chapter 3 of Part 2 of the Investment Trust (Approved Company) (Tax) Regulations 2011. The company is not a close company within the meaning of the provisions of the Corporation Tax Act 2010. In the opinion of the directors, the company continues to conduct its affairs in the appropriate manner to retain its status as an investment trust.

Investment objective and strategy

The company's investment objective is to concentrate on capital appreciation from holding predominantly listed investments. The investment adviser researches companies, with the responsibility of ensuring that each potential investment falls within the company's stated investment policy. The portfolio is reviewed by the board at regular intervals and the directors are satisfied that the portfolio was consistent with the stated policy and investment objective throughout the year to 30 June 2018.

Dividend policy

The board has not set an objective of a specific portfolio yield for the company in relation to the year under review and the level of such yield has historically varied with the sectors to which the company's portfolio is exposed at any given time. However, substantially all distributable revenues that are generated from the company's investment portfolio are expected to be paid out in the form of an annual dividend.

For the year to 30 June 2018 the directors are proposing a single interim dividend of 7.0p per share. The distributable revenues for the period were £1,346,874, equivalent to 7.03p per share at year end. The dividend payment is therefore 100% covered by distributable revenues.

Loan facility and gearing

In order to improve the potential for capital returns to shareholders, the company has access to a flexible loan facility with Scotiabank Europe plc for amounts up to £17 million (see page 46). The board does not set any limits or restrictions on the company's use of the loan facility, other than that it should not exceed the maximum amount of the facility.

Gearing is defined as the ratio of a company's loan facility to its equity capital, expressed as a percentage. In rising markets, gearing tends to benefit the company if the performance of the investment portfolio exceeds the cost of the prior ranking entitlements of lenders and other creditors. Conversely, in falling markets the company suffers if the investment portfolio increases in value by less than cost of those prior entitlements.

The board regularly reviews the company's level of gearing. The maximum level of gearing is currently set at 20% of the company's total assets at the time of drawdown. The amount of the loan facility that is drawn down during the year can be adjusted for tactical reasons at the discretion of the investment adviser, who reports any proposed changes to the board. Details of the use of the loan facility during the year can be found in note 12 to the accounts on page 46.

Short positions

The company has the flexibility to take short positions (using contracts for difference) in respect of a small number of larger capital securities. The directors have set limits to the overall exposures (as set out in the company's stated investment policy on page 8) and performance is monitored on a regular basis. During the year to 30 June 2018 no short positions were initiated or outstanding.

Performance review

At their quarterly board meetings the directors consider a number of performance indicators in order for them to assess the company's progress towards its objectives. The key performance indicators used to measure the performance of the company over time include:

- Net asset value changes over time;
- The movement of the company's share price;
- The performance of the ordinary share price and NAV relative to the benchmark;
- Changes in the discount over varying periods;
- Performance versus the company's peer group;
- The dividend yield and level of revenue cover.

The movement in the NAV, ordinary share price, dividend and benchmark are reported and summarized in the company's monthly factsheets. These can be found on the investment adviser's website at www.jupiteram.com/JUKG. They are also available on request from the company secretary.

Future developments

It is the board's ambition to continue to grow the asset base of the company through a combination of organic growth and further new issuance of shares with a view to achieving the critical mass necessary to attract broader demand from wealth managers, IFAs and other institutional buyers of investment trust shares. The investment adviser continues to be encouraged to use the particular advantages of an investment trust structure to enhance potential returns to shareholders, including the use of gearing, the ability to employ derivatives for investment purposes from time to time and the freedom to hold high conviction positions through periods of sharp market fluctuations.

Discount to net asset value

The directors review the level of the discount, defined as the extent to which the middle market price of the company's ordinary shares diverges from its NAV per share, on a regular basis. In the twelve months to 30 June 2018 the share price moved in a range between a discount of 0.58% to 5.55% to NAV.

Report of the directors and governance continued

Strategic report continued

In February 2014 the board decided to implement a discount policy under which it would use share buy backs and new issues of shares with the intention of ensuring that, in normal market conditions, the market price of the company's shares would track their underlying net asset value. The board considers that a commitment to the active removal of discount risk helps improves liquidity for both buyers and sellers of the company's shares.

The directors have powers granted to them at the last AGM to purchase ordinary shares and either cancel or hold them in treasury as a method of influencing the discount to NAV. The board is proposing that its authority to repurchase up to approximately 14.99% of its issued share capital should be renewed at the next AGM on 14 November 2018.

For the avoidance of doubt, repurchases will always be at the absolute discretion of the board in light of prevailing market conditions and within the guidelines set by the board, the Companies Act, and the Listing Rules. Any purchases will be made only through the market at prices below the prevailing estimated NAV per ordinary share and where the directors believe such purchases will enhance shareholder value and assist in narrowing any discount to NAV at which the ordinary shares may trade.

The company has the authority to hold in treasury any of its ordinary shares that it purchases as a result of the share buyback authority granted by shareholders, in accordance with the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (the 'Regulations'). These ordinary shares may be subsequently cancelled or sold for cash. This gives the company the ability to reissue shares quickly and cost effectively and provides the company with additional flexibility in the management of its capital.

As at 30 June 2018 there were 10,576,185 ordinary shares held in Treasury. During the year, 2,216,496 ordinary shares representing 3.6% of the total ordinary shares in issue at 30 June 2018, were bought back. Jupiter Dividend & Growth Trust PLC, as part of its reconstruction proposals, offered its shareholders the option of rolling over their holdings into Jupiter UK Growth Investment Trust PLC. Those who opted to do this became shareholders in the company with effect from 30 November 2017 after Jupiter Dividend & Growth Trust PLC was wound up. As a result, 7,821,713 shares were issued at a price of 315.10p each.

The board has no current plans to change its policy on the reissue of treasury shares. Were such a change to be made it will be announced via a Regulatory Information Service approved by the FCA. The board's current policy is that any ordinary shares held in treasury will not be resold by the company at a discount to the investment adviser's estimate of the presiding net asset value per ordinary share as at the date of the proposed issue.

Management

The company has no employees and most of its day to day responsibilities are delegated to Jupiter Asset Management Limited ('JAM'), which acts as the company's investment adviser and company secretary. Further details of the company's arrangement with JAM and the Alternative Investment Fund Manager ('AIFM'), Jupiter Unit Trust Managers Limited ('JUTM') can be found in note 21 to the accounts on page 53.

J.P. Morgan Europe Limited ('JPMEL') acts as the company's depositary and the company has entered into an outsourcing arrangement with J.P. Morgan Chase Bank N.A. ('JPMCB') for the provision of accounting and administrative services. Although JAM is named as the company secretary, JPMEL provides administrative support to the company secretary as part of its formal mandate to provide broader fund administration services to the company.

The board's management engagement committee is responsible for reviewing the administrative and management arrangements of the company. During the year the board challenged the management company JAM on a number of issues, all of which were satisfactorily resolved after discussion.

Risks and uncertainties

The principal risk factors that may affect the company and its business can be divided into the following areas:

Interest rates
The company has exposure to cash which generates interest through interest bearing accounts. The board is mindful of interest rates when reviewing the company's exposure to cash. The interest rate on the loan facility is reviewed at regular intervals.

Investment policy and process
Inappropriate investment policies and processes may result in under performance against the prescribed benchmark index and the company's peer group. The board manages these risks by ensuring a diversification of investments and regularly reviewing the portfolio asset allocation and investment process. In addition, certain investment restrictions have been set and these are monitored as appropriate.

Investment strategy and share price movement
The company is exposed to the effect of variations in the price of its investments. A fall in the value of its portfolio will have an adverse effect on shareholders' funds. It is not the aim of the board to eliminate entirely the risk of capital loss, rather it is its aim to seek capital growth. The board reviews the company's investment strategy and the risk of adverse share price movements at its quarterly board meetings taking into account the economic climate, market conditions and other factors that may have an effect on the sectors in which the company invests. There can be no assurances that depreciation in the value of the company's investments will not occur, but the board seeks to reduce that risk.

Liquidity risk
This risk can be viewed as the liquidity of the securities in which the company invests and the liquidity of the company's shares. The company may invest in securities that have a very limited market which will affect the ability of the company's investment adviser to dispose of securities when he no longer feels they offer the potential for future returns. Likewise, the company's shares may experience liquidity problems when shareholders are unable to realise their investment in the company because there is a lack of demand for the company's shares. At its quarterly meetings the board considers the current liquidity in the company's investments when setting restrictions on the company's exposure. The board also reviews, on a quarterly basis, the company's buy-back programme and in doing so is mindful of the liquidity in the company's shares.

Gearing risk
The company's gearing can impact the company's performance by accelerating the decline in value of the company's total assets at a time when the company's portfolio is declining. Conversely gearing can have the effect of accelerating the increase in the value of the company's total assets at a time when the company's portfolio is rising. At its quarterly meetings the board is mindful of the outlook for equity markets when

Report of the directors and governance continued

Strategic report continued

reviewing the company's gearing. Further details of the use of the loan facility can be found in note 12 to the accounts on page 46.

Loan facility default risk
The company would be in default of the loan facility agreement if it were to breach certain parameters specified in the loan agreement by the lender Scotiabank Europe plc. These parameters are monitored by the fund manager and the lender. In the event of default, the loan would be repayable within 30 days. The board consider that cash could be raised from the company's portfolio in that timeframe without material prejudice to the interest of the shareholders.

Discount to Net Asset Value
A discount in the price at which the company's shares trade to net asset value would mean that shareholders would be unable to realise the true underlying value of their investment. The directors have powers granted to them at the last Annual General Meeting to purchase ordinary shares as a method of controlling the discount to net asset value and enhancing shareholder value. Further details of the buy-back programme can be found in the chairman's statement on page 4 under the heading discount and premium management.

Regulatory risk
The company operates in a complex regulatory environment and faces a number of regulatory risks. A breach of section 1158 of the CTA 2010 could result in the company being subject to capital gains tax on portfolio movements. Breaches of other regulations such as the UKLA Listing rules, could lead to a number of detrimental outcomes and reputational damage. Breaches of controls by service providers such as the investment adviser could also lead to reputational damage or loss.

The board monitors regulatory risks at its quarterly board meetings and relies on the services of its company secretary, JAM, and its professional advisers to ensure compliance with, amongst other regulations, the Companies Act 2006, the UKLA Listing Rules, the FCA's Disclosure and Transparency Rules and the Alternative Investment Fund Managers Directive. The investment adviser is contractually obliged to ensure that its conduct of business conforms to applicable laws and regulations.

Credit and counterparty risk
The failure of the counterparty to a transaction to discharge its obligations under that transaction could result in the company suffering a loss. Further details of the management of this risk can be found in note 13 on page 49.

Loss of key personnel
The day to day management of the company has been delegated to the investment adviser. Loss of the investment adviser's key staff members could affect investment return. The board is aware that JAM recognises the importance of its employees to the success of its business. Its remuneration policy is designed to be market competitive in order to motivate and retain staff and succession planning is regularly reviewed. The board also believes that suitable alternative experienced personnel could be employed to manage the company's portfolio in the event of an emergency.

Operational risk
Failure of the core accounting systems, or a disastrous disruption to the investment adviser's business or that of the administration provider JPMCB, could lead to an inability to provide accurate reporting and monitoring. The board annually reviews the investment adviser's and the administrator's statements on their business continuity planning and have done so again at the 11 September 2018 meeting of the board.

Financial
Inadequate financial controls could result in misappropriation of assets, loss of income and debtor receipts and inaccurate reporting of net asset value per share. The board reviews the investment adviser's and the administrator's statements on its internal controls and procedures once a year. Details of how the board monitors the services provided by JAM and its associates are included within the internal control and audit section of the report of the directors on page 21.

Directors

The biographies of the directors are set out on page 16. As at 30 June 2018, the board comprised one female and four male directors. The company's policy on board diversity is included in the corporate governance section of the report of the directors on page 24.

Employees, environmental, social and human rights issues

The company has no employees as the board has delegated the day to day management and administration functions to JUTM, JAM and other third parties. All of the company's activities are outsourced to third parties. There are therefore no disclosures to be made in respect of employees.

The board has noted the investment adviser's policy on environmental, social and human rights issues as detailed below:

The investment adviser considers various factors when evaluating potential investments. While an investee company's policy towards the environmental and social responsibility, including with regard to human rights, is considered as part of the overall assessment of risk and suitability for the portfolio, the investment adviser does not necessarily decide to, or not to, make an investment on environmental and social grounds alone.

Global greenhouse gas emissions

The company has no greenhouse gas emissions to report from its operations as its day-to-day management and administration functions have been outsourced to third parties and it neither owns physical assets, property nor has employees of its own. It therefore does not have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Viability statement

The company's investment objective is to achieve long-term capital growth and the board regards the company as a long-term investment. In accordance with provision C.2.2 of the UK Corporate Governance Code, as issued by the Financial Reporting Council ('FRC') in April 2016, the board has a responsibility to assess the prospects of the company over the next three years.

In view of the fact that: (a) the company holds a highly liquid portfolio invested predominantly in UK listed equities; and (b) no significant increase to ongoing charges or operational expenses is expected, the board has concluded that it expects that the company will continue in operation and meet its liabilities as they fall due over the next three years.

For and on behalf of the board:

Tom H Bartlam
Chairman
20 September 2018

Report of the directors and governance continued

Report of the directors

The purpose of the report of the directors is to provide statutory and regulatory information about the company.

Statement in respect of the Annual Report & Accounts

Having taken all available information into consideration, the board has concluded that the Annual Report & Accounts for the year ended 30 June 2018, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy. The board's conclusions in this respect are set out in the statement of directors' responsibilities on page 30.

Going concern

The financial statements have been prepared on a going concern basis. The directors consider that this is the appropriate basis as they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In considering this, the directors took into account the company's investment objective, risk management policies and capital management policies, the diversified portfolio of readily realisable securities which can be used to meet short-term funding commitments and the ability of the company to meet all of its liabilities and ongoing expenses. The directors will continue to adopt the going concern basis of accounting in preparing the financial statements.

Results and dividends

Results and reserve movements for the year are set out in the statement of comprehensive income on page 35 and the notes to the accounts on pages 39 to 53. The company announces the payment of the undernoted dividend in relation to the year under review:

Announcement date	Payment date	Record date	Rate
21 September 2018	23 November 2018	19 October 2018	7p (net) per ordinary share

Capital structure

All of the company's shares are fully paid and carry one vote per share. The ordinary shares carry no additional obligations or special rights. The ordinary shares are listed on the London Stock Exchange. As at 30 June 2018, the company's issued share capital consists of 29,721,678 ordinary shares of 5 pence carrying one vote each, of which 10,576,185 are held in treasury. The total number of voting rights in the company is 19,145,493.

On 30 November 2017 we welcomed new shareholders who acquired shares in the company pursuant to the liquidation and rollover of Jupiter Dividend & Growth Trust PLC, a split capital investment trust which reached the end of its fixed life on that date. The issue of 7,821,713 new shares at 315p per share increased the company's net assets to £66.7m as at 31 December 2017.

As the company does not have any employees, it also does not have an employee share scheme.

Amendment to the articles of association and powers to issue or buy back the company's shares require a special resolution to be passed by shareholders at a general meeting. The rules governing the directors' powers to buy back shares or reissue shares are detailed on page 23 under the heading 'Resolution 12 Authority to buy back shares'.

There are no restrictions on the holding or transfer of the ordinary shares which are governed by the general provisions of the articles of the company. There are 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.

Notifiable interests in the company's voting rights

In accordance with the disclosure and transparency rules issued by the Financial Conduct Authority ('FCA'), the company has been notified of the following substantial interests in the ordinary shares as at 31 August 2018. The directors are not aware of any changes in notifiable interests since this date.

	Ordinary shares	31 August 2018 % of total voting rights
Rathbones	1,252,115	6.54%

The directors are also aware of the following material interests which amount to 3% or more of the share capital of the company.

	Ordinary shares	31 August 2018 % of total voting rights
Hargreaves Lansdown Stockbrokers (Execution Only)	5,881,495	30.72%
Alliance Trust Savings (Execution Only)	1,328,697	6.94%
Barclays Stockbrokers (Execution Only)	698,810	3.65%

The directors are not aware of any person who, directly or indirectly, jointly or severally, exercises control over the company.

Directors

The directors of the company and their biographies can be found on page 16. All directors held office throughout the year under review with the exception of Keith Bray who was appointed on 28 March 2018. The directors' remuneration report and policy on pages 28 and 29 provides information on the remuneration and shareholdings of the directors.

Powers of the board

Subject to the provisions of the Companies Act 2006, the memorandum and the articles and to any directions given by special resolution, the business of the company shall be managed by the directors who may exercise all the powers of the company.

These include the powers to act as the company's agents, to cause the company to enter into valid contracts, to borrow and give security and determine terms and conditions under which the company's shares are issued and repurchased.

Conflicts of interest

Each director has a statutory duty to avoid a situation where he or she has or might have a direct or indirect interest which conflicts or might

Report of the directors and governance continued

Report of the directors continued

conflict with the interests of the company, unless the relevant conflict or potential conflict has been authorised by the board in accordance with the terms of the articles of association. The directors have declared all potential conflicts of interest with the company.

The register of potential conflicts of interests is kept at the registered office of the company. It is reviewed regularly by the board and all directors are required to advise the company secretary as soon as they become aware of any potential conflicts of interest. Directors with potential conflicts of interest will not take part in any discussions which relate to any of their potential conflicts.

Directors' and officers' liability insurance and indemnification

During the year under review the company purchased and maintained liability insurance for its directors and officers as permitted by Section 233 of the Companies Act 2006. The company has indemnified each of its directors to cover any liability that may arise to a third party as defined by Section 234 of the Companies Act 2006.

The company has also indemnified its directors and company secretary in respect of their duties as directors and officers of the company, for certain civil claims brought by third parties and associated legal costs to the extent that they are permitted by the Companies (Audit, Investigations and Community Enterprise) Act 2004.

Management of the company

Jupiter Unit Trust Managers Limited ('JUTM') was appointed as Alternative Investment Fund Manager ('AIFM') to the company on 22 July 2014. JUTM subsequently delegated the portfolio management of the company to Jupiter Asset Management ('JAM'). JUTM and JAM are wholly owned subsidiaries of Jupiter Fund Management PLC.

The independent directors regularly review the performance and terms of appointment of JUTM as the company's AIFM and investment adviser. A summary of the current terms of the appointment, including the notice of termination period, annual fee and any performance fee payment, is set out in Note 21 of the accounts on page 53.

With effect from the change in the company's investment strategy on 18 April 2016 and the appointment of a new portfolio manager Steve Davies, the base management fee payable to JUTM was reduced from 0.80% per annum of the company's net assets to 0.50% of adjusted net assets (being net assets before deducting or making provision for any performance fee which may be due and after deduction of the value of any Jupiter Managed Investments). This fee will be further reduced to 0.45% to the extent that the company's adjusted net assets come to exceed £150 million and will be reduced further still to 0.40% to the extent that the company's adjusted net assets exceed £250 million.

JUTM is also entitled to an investment performance fee which is based on the out-performance of the net asset value per ordinary share over the total return on the benchmark index (being the total return on the FTSE All Share Index) in each accounting period. The total amount of any base management and performance fees payable to JUTM in respect of any one accounting period is limited to 2% of the adjusted net assets of the company and full details of the calculations of these fees can be found in note 21 to the accounts on page 53.

Having reviewed the company secretarial, accounting, fund management and other services provided by J.P. Morgan, and having regard to the company's performance, the directors believe that it is in the best interests of shareholders for the company to continue the appointment of the investment adviser on its current terms of appointment.

Leverage through the use of derivatives

The directors have approved the use, within clearly defined limits, of certain types of derivative transactions by the investment adviser. In accordance with the Alternative Investments Fund Managers Directive ('AIFMD'), the directors report that the leverage employed by the Fund as at 30 June 2018 was 1.09 as determined using the 'gross method' of accounting and 1.18 as determined using the 'commitment method'.

Average leverage on a gross exposure basis is calculated by taking the sum of the notional values of the derivatives, without netting, expressed as a multiple of the company's net asset value. Average leverage on a commitment basis is calculated by netting the sum of the notional values of the derivatives and expressing it as a multiple of the company's net asset value. The key difference between the gross and commitment method is that cash and cash equivalents held by the company are excluded in the former but netted off in the latter. Under the commitment method, hedging, netting and duration netting are also allowed if the requirements of the directive are fulfilled.

Gross Exposure			Commitment Exposure		
Maximum Limit	Average leverage employed during the year to 30 June		Maximum Limit	Average leverage employed during the year to 30 June	
	2018	2017		2018	2017
2.1	1.09	1.36	2.1	1.18	1.42

NISA qualification

The company manages its affairs so as to be a qualifying investment trust under the New Individual Savings Account (NISA) rules. As a result, under current UK legislation, the ordinary shares qualify for investment in the stocks and shares component of a NISA up to the full annual subscription limit, currently £20,000 (2017/18), in each tax year. The company will continue to conduct its affairs so as to qualify for NISA products.

Bribery prevention policy

The provision of bribes of any nature to third parties in order to gain a commercial advantage is prohibited and a criminal offence. The board takes its responsibility to prevent bribery by Jupiter on its behalf very seriously. To aid the prevention of bribery being committed for the benefit of the company, Jupiter has adopted a bribery prevention policy. JAM will advise the board of any changes to the policy.

Internal control and audit

In accordance with The UK Corporate Governance Code, as issued by the Financial Reporting Council, the board is responsible for monitoring and reviewing the effectiveness of the company's risk management and internal control systems at least once a year and reporting on that review in the annual report.

Internal control systems are designed to meet the particular requirements of the company. The systems by their nature can provide reasonable but not absolute assurance against material misstatement or loss. The board has reviewed the effectiveness of the company's internal control systems and also reviewed reports on the internal control procedures of JAM and J.P. Morgan, from which it receives services relating to investment advice, global custody and certain administration activities.

The company receives services from JAM and J.P. Morgan Chase Bank N.A. ('JPMCB'). J.P. Morgan Europe Limited was appointed as depository to the Company with effect from 22 July 2014. The

Report of the directors and governance continued

Report of the directors continued

contractual arrangements with JAM and J.P. Morgan define the areas where the company has delegated authority to them.

The directors have reviewed the opinion of the service auditor of the internal control reports of the service providers. These detail the measures, and tests of the measures, which are in place to ensure the proper recording, valuation, physical security and protection from theft of the company's investments and assets and the controls which have been established to ensure compliance with all regulatory, statutory and fiscal obligations of the company.

It was noted that the Jupiter controls report for the period ending 26 November 2017 was qualified by the auditor PricewaterhouseCoopers as a number of controls relating to systems access and recertification, and associated segregation of duties were not suitably designed to achieve the control objectives. The directors understand that these controls have been redesigned to prevent reoccurrence, and in each case there were other appropriate controls and checks in operation and that there was no inappropriate access to data.

The directors have also had regard to the procedures for safeguarding the integrity of the computer systems operated by JAM and J.P. Morgan and their key business disaster recovery plans.

The company does not have an internal audit function. The audit committee considers whether there is a need for an internal audit function on an annual basis. As most of the company's functions are delegated to third parties, the board does not consider it necessary to establish its own internal audit function.

UK Stewardship Code and exercise of voting powers

As the investment adviser, Jupiter is responsible for voting the shares it holds on the company's behalf. The investment adviser supports the UK Stewardship Code as issued by the Financial Reporting Council ('FRC'), which sets out the responsibilities of institutional shareholders in respect of monitoring and engaging with investee companies. The investment adviser's UK voting policies are consistent with the UK Stewardship Code. Jupiter's corporate governance & voting policy can be found at www.jupiteram.com.

The board and the investment adviser believe that it is important to adopt a positive approach to corporate governance. Jupiter's policy is to engage with companies that it invests in and exercise its voting rights with care. As well as being good market practice, this approach is designed to ensure that its clients' funds are invested responsibly. To that end, companies it invests in are also asked to present their plans for the social and environmental sustainability of their businesses.

The board and the investment adviser believe that institutional investors should actively exercise their corporate governance rights, including voting at general meetings. Jupiter subscribes to a number of external corporate governance and sustainability research providers but does not automatically follow their voting recommendations. Where timescales permit, contentious issues are discussed with corporate governance and/or sustainability analysts and portfolio managers, and with the companies themselves.

From time to time resolutions will be brought to annual general meetings by third parties encouraging companies to address specific environmental and/or social concerns. In such instances, Jupiter's corporate governance and sustainability analysts discuss their views with the fund manager and the investee company if appropriate. Jupiter will then vote for what it considers to be in the best financial interests of the company's shareholders, whilst having regard for any specific sustainability concerns unless otherwise directed.

Common Reporting Standard

With effect from 1 January 2016, The Organisation for Economic Cooperation and Development ('OECD') introduced new Regulations for Automatic Exchange of Financial Account Information (the Common Reporting Standard, 'CRS'). HMRC enacted the CRS in the UK through The International Tax Compliance Regulations 2015.

These regulations require all financial Institutions, including investment companies, to share certain information on overseas shareholders with HMRC. Accordingly, the company is required to provide information to HMRC on an annual basis on the tax residencies of a number of non-UK based certificated shareholders and corporate entities. HMRC in turn exchanges this information with tax authorities in the country in which the shareholder may be resident for taxation purposes. HMRC has advised that the company is not required to provide such information on uncertified holdings held through CREST. The company has appointed Link Asset Services to provide information on certificated holdings to HMRC. The first reportable period was for the period ending 31 December 2016. This information was submitted to HMRC on 17 May 2018 the deadline being 31 May annually.

AIFMD Remuneration Disclosure

Under the requirements of the Alternative Investment Fund Managers Directive ('AIFMD'), Jupiter Unit Trust Managers Limited ('JUTM') (part of the Jupiter Group, which comprises Jupiter Fund Management plc and all of its subsidiaries ('Jupiter')) is required to comply with certain disclosure and reporting obligations for funds that are considered to be Alternative Investment Funds. This includes UK Growth Trust PLC (the 'Company').

Jupiter operates a Group-wide remuneration policy, which applies to all employees across the Group. All employees are incentivised in a similar way and are rewarded according to personal performance and Jupiter's success. Details of the remuneration policy, including the applicable financial and non-financial criteria, are set out in the detailed remuneration policy disclosures available via the following link: https://www.jupiteram.com/Global/en/Investor-Relations/Governance/Risk-management

Remuneration decisions are governed by Jupiter's Remuneration Committee (the 'Committee'), which meets on a regular basis to consider remuneration matters across the Group. In order to avoid conflicts of interest, the Committee comprises independent non-executive directors, and no individual is involved in any decisions regarding their own remuneration.

JUTM does not directly employ any individuals and therefore the total amount of remuneration paid by it is nil. All staff are employed and paid by other entities of Jupiter. In the interests of transparency, Jupiter has apportioned the total employee remuneration paid to all 499 Jupiter staff in respect of JUTM's AIFMD duties performed for the AIFs on a 'number of funds' basis. It has calculated that the total amount of employee remuneration paid in respect of duties for the Company is £939,860, of which £419,959 is fixed remuneration and £519,901 is variable remuneration.

The aggregate total remuneration paid to AIFMD Identified Staff that is attributable to duties for the Company is £406,284 of which £117,316 is paid to Senior Management and £288,967 is paid to other staff. It should be noted that the aforementioned Identified Staff also provide services to other companies within Jupiter and its clients. They are included because their professional activities are considered to have a material impact on the risk profile of the Company.

Report of the directors and governance continued

Report of the directors continued

Shareholder relations

All shareholders have the opportunity to attend and vote at the AGM during which the directors and investment adviser will be available to answer questions. The notice of meeting sets out the business of the AGM and any item not of an entirely routine nature is explained in the directors' report or notes accompanying the notice of meeting. Separate resolutions are proposed for each substantive issue. Information about proxy votes is available to shareholders attending the AGM and published on the investment adviser's website.

The company reports to shareholders twice a year by way of the Half-Yearly Financial Report and Annual Report & Accounts. In addition, net asset values are published on a daily basis and factsheets are published monthly on the investment adviser's website www.jupiteram.com/JUKG.

The board has a procedure for ensuring that each director develops an understanding of the views of shareholders. Regular contact with major shareholders is undertaken by the company's corporate brokers and by the corporate finance executive of the investment adviser. Any issues raised by major shareholders are then reported to the board. No such issues were raised in the year to 30 June 2018. The board also receives details of all material correspondence with shareholders and the chairman and individual directors are willing to meet shareholders to discuss any particular items of concern regarding the performance of the company.

Annual General Meeting

This year's AGM will be held at the offices of Jupiter Asset Management Limited, The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ on 14 November 2018 at 12:00 p.m.

Resolutions relating to the following ordinary and special business will be proposed:

Resolution 10 – Authority to allot shares

The directors may only allot shares for cash if they are authorised to do so by shareholders in general meeting. At the Annual General Meeting of the company held in November 2017, the directors were authorised to allot equity securities up to an aggregate nominal amount of £66,321. This authority will expire at the conclusion of the next Annual General Meeting. On 30 November 2017, the Company issued 7,821,713 ordinary shares under a separate authority granted by the shareholders in connection with the reconstruction of Jupiter Dividend & Growth Trust PLC.

The directors are now seeking to renew their authority to allot ordinary shares up to an aggregate nominal amount of approximately £94,024. This authority will represent one tenth of the company's issued share capital as at the date of this document. This authority will expire at the conclusion of the company's AGM in 2018 and it is the intention of the directors to seek renewal of this authority at that AGM. The board will only use this authority where it believes that it is in the best interests of the company to issue shares for cash.

Resolution 11 – Authority to disapply pre-emption rights

The directors may only allot shares for cash or sell shares held in treasury, other than by way of offer to all existing shareholders pro rata to their shareholdings if they are authorised to do so by the shareholders in general meeting. This resolution seeks authority for the directors to allot shares for cash or sell ordinary shares held in treasury without first offering them to existing shareholders up to a nominal amount of £94,024. This sum represents 1,880,494 ordinary shares of 5p each, being equivalent to approximately 10% of the current issued share capital (excluding treasury shares). The current authority will expire at the conclusion of the 2018 AGM and it is the intention of the directors to seek renewal of this authority at that AGM. The directors will only use this authority in circumstances where they consider it is in the best interests of the company. Shares will only be issued at a premium to net asset value at the time of issue.

Resolution 12 – Authority to buy back shares

The directors are seeking to renew the authority to purchase through the London Stock Exchange up to 14.99% of the issued share capital of the company. Purchases will be made at the discretion of the board and within guidelines set from time to time. The maximum price to be paid will not exceed 105% of the average of the middle market quotations for the shares for the five business days immediately preceding the purchase date and the minimum price will be the nominal value of the shares. The company will fund the purchases by utilising existing cash resources or loan facilities. Purchases will only be made at prices below the NAV per share thereby increasing the NAV for the remaining shareholders. The authority to buy back shares will last until the conclusion of the next AGM of the company unless renewed earlier.

Any shares bought back pursuant to this authority may be held in treasury. The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 which came into force on 1 December 2003 allow the company to hold shares acquired by way of market purchase as treasury shares rather than having to cancel them. These shares may be subsequently cancelled or sold for cash. This would give the company the ability to reissue shares quickly and cost efficiently and would provide the company with additional flexibility in the management of its capital. Any such shares will only be reissued at prices that exceed their estimated net asset value on the date of sale.

Resolution 13 – Notice of General Meetings

This resolution is required to reflect the Shareholder Rights Directive (the 'Directive'). The regulations of the Directive have increased the notice period for General Meetings of the company to 21 days. If this resolution is passed the company will be able to call all General Meetings, (other than Annual General Meetings), on 14 clear days' notice. In order to be able to do so shareholders must have approved the calling of meetings on 14 days' notice. Resolution 13 seeks renewal of the approval given at the 2017 AGM. The approval will be effective until the company's next AGM, when it is intended that a similar resolution will be proposed. The company will also need to meet the requirements for electronic voting under the Directive before it can call a General Meeting on 14 clear days' notice. This shorter notice period will only be used where it is merited by the purpose of the meeting.

Recommendation

The board considers that the passing of the resolutions being put to the company's AGM would be in the best interests of the company and its shareholders as a whole. It therefore recommends that shareholders vote in favour of Resolutions 1 to 13, as set out in the Notice of Annual General Meeting.

By order of the board
Jupiter Asset Management Limited
Company Secretary
20 September 2018

Report of the directors and governance continued

Corporate governance

The corporate governance report explains how the company's governance arrangements support the achievement of the company's objectives.

Corporate governance compliance statement

The board considers that the company has complied throughout the accounting period under review with the provisions of the UK Corporate Governance Code (the 'Code'), in so far as they are relevant to the business of an investment trust. The Financial Reporting Council has confirmed that investment companies which follow the AIC Guide on Corporate Governance (the 'AIC Code') will also meet their obligations in relation to the UK Corporate Governance Code and paragraph 9.8.6 of the Listing Rules. The board is committed to continued compliance with the AIC Code.

The board

Composition
As at 30 June 2018 the board of directors comprised five non-executive directors, all of whom are independent of the investment adviser. Tom Bartlam is the chairman. The company has no executive directors and no employees. The structure of the board is such that it is considered unnecessary to identify a senior independent director other than the chairman. The directors' biographies can be found on page 16. Keith Bray, the most recent appointee, was appointed a director on 28 March 2018.

Role of the board
The board receives monthly reports and meets at least four times a year in order to review the overall business of the company and to consider matters specifically reserved for its review. At these meetings the board monitors the investment performance of the company. The directors also review the company's activities every quarter to ensure that it adheres to its investment policy or, if appropriate, to make any changes to that policy.

Additional ad hoc reports are received as required and directors have access at all times to the advice and services of the company secretary, who is responsible for ensuring that board procedures are followed, and that applicable rules and regulations are complied with. The board has adopted a schedule of items specifically reserved for its decision. In the furtherance of their duties the directors can take independent professional advice at the expense of the company.

Tenure
The board does not consider it appropriate that directors should be appointed for a specific term.

Diversity
It is seen as a prerequisite that each member of the board must have the skills, experience and character that will enable them to contribute to the effectiveness of the board and the success of the company. Subject to that overriding principle, diversity of experience and approach, including gender diversity, amongst board members is of great value, and it is the board's policy to give careful consideration to overall board balance and diversity in making new appointments to the board.

Appointment of directors

Appointments to the board are made on merit with due regard for the benefits of diversity, including gender. The priority in appointing new directors is to identify the candidate with the best range of skills and experience to complement the existing directors.

Re-election of directors

Provision B.7.1 of the Code states that directors are subject to election by shareholders at the first annual general meeting following their appointment, and to re-election thereafter at intervals of no more than three years. In addition, non-executive directors who have served longer than nine years should be subject to annual re-election. Having served for longer than nine years, Lorna Tilbian is automatically subject to annual re-election. Keith Bray will be subject to election at this year's AGM.

The board does not consider that the length of service of a director necessarily impairs his or her independence. Following the annual performance evaluation, the board has concluded that Lorna Tilbian continues to demonstrate independence of character and judgement and that her skills and experience enhance the collective strength of the board.

Although the company is not a member of the FTSE 350, in accordance with best practice and the recommendations of the AIC Code the board has resolved that all directors be subject to re-election at the forthcoming AGM.

Directors' training

Although no formal training in corporate governance is given to directors, the directors are kept up-to-date on corporate governance issues through bulletins and training materials provided from time to time by the company secretary. The board may obtain training in corporate governance on an individual basis.

Directors' performance evaluation

The board conducts an annual review to evaluate its own performance and that of the individual directors and chairman. The directors undertake on an annual basis an appraisal in relation to their oversight and monitoring of the performance of the investment adviser and other key service providers. In addition, the directors undertake, on an annual basis, an oral assessment of the effectiveness of the board as a whole.

Report of the directors and governance continued

Corporate governance continued

Board committees

Directors' attendance at meetings

Director	Board	Audit	Management Engagement	Nomination	Remuneration
Tom H Bartlam	4/4	2/2	1/1	1/1	1/1
Jonathan G D Davis	4/4	2/2	1/1	1/1	1/1
Graham M Fuller	4/4	2/2	1/1	1/1	1/1
Lorna M Tilbian	4/4	2/2	1/1	1/1	1/1
Keith Bray*	1/1	–	–	–	–

* Keith Bray was appointed as a director on 28 March 2018.

Audit committee
The board has established an audit committee which consists of the five directors of the company. Graham Fuller is chairman of the audit committee. The committee's report can be found on pages 26 and 27. The terms of reference of the committee are available on the company's website www.jupiteram.com/JUKG.

Management engagement committee
The board has established a management engagement committee which consists of all the directors. Tom Bartlam is the chairman. The function of this committee is to ensure that the investment adviser complies with the terms of its contractual agreement with the company and that the provisions of the agreement follow industry practice, remain competitive and are in the best interests of shareholders. The performance of the investment adviser is formally reviewed on an annual basis and informally throughout the year.

Nomination committee
Appointments to the board are considered by the nomination committee which comprises all the directors and is chaired by Tom Bartlam. The committee considers job specifications and assesses whether candidates have the necessary skills and time available to devote to the company's business.

Remuneration committee
The remuneration of the board is considered by the remuneration committee which comprises the directors. The chairman is Lorna Tilbian. In determining the remuneration of the board, the committee takes into consideration the remuneration of boards of other investment companies of a similar size and information provided by the Association of Investment Companies.

For and on behalf of the board

Tom H Bartlam
Chairman
20 September 2018

Report of the directors and governance continued

Report of the audit committee

Role of the audit committee

The audit committee meets at least twice annually to consider the company's financial reporting, its internal controls and relations with the external auditor. In addition, it reviews the independence and objectivity of the auditors, the effectiveness of the audit process and the quality of the audit engagement partner and audit team, making a recommendation to the board with respect to the reappointment of the auditor.

It will also provide an opinion as to whether the Annual Report & Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy. The audit committee also reviews the company's compliance with the UK Corporate Governance Code and the AIC Code.

During the course of the year, representatives of the AIFM, investment adviser and other third-party service providers may be invited to attend meetings of the audit committee to report on issues as required. The company does not have an internal audit function as most of its day to day operations are delegated to professional third parties.

The company does not have an internal audit function as most of its day to day operations are delegated to professional third parties.

The audit committee also reviews the company's compliance with the UK Corporate Governance Code and the AIC Code.

Composition

The audit committee consists of the five independent non-executive directors of the company. Graham Fuller is chairman of the audit committee.

Auditor and audit tenure

The company's current auditor, haysmacintyre, has acted in this role since 1987. No tender for the audit of the company has been undertaken since this date. As part of its review of the continuing appointment of the auditor, the audit committee considers the length of tenure of the audit firm, its fees and independence from the AIFM and the investment adviser along with any matters raised during each audit. The fees paid to haysmacintyre in respect of audit services are disclosed in Note 5 of the notes to the accounts. As per the guidance contained in the AIC Code, the board, upon the recommendation of the audit committee and after a review of the length of tenure of the auditor, will consider the possible tender of the role of an auditor for the company.

An update to the EU's Audit Directive now makes it mandatory for a new firm of auditors to be appointed every ten years. The UK has exercised an option to extend the maximum period to twenty years if the audit is subject to a public tendering process after ten years. Under these transitional arrangements haysmacintyre would be able to act as auditor of the company until 30 June 2020, but will then need to be replaced by a different audit firm.

Significant accounting matters

During its review of the company's accounts for the year ended 30 June 2018, the audit committee considered the following significant issues, including the consideration of principal risks and uncertainties in light of the company's activities, and issues communicated by the auditor during their review, all of which were satisfactorily addressed:

Issue considered	How the issue was addressed
• Valuation of the investment portfolio	• Review of reports from the investment adviser and custodian.
• Jupiter Dividend & Growth Trust PLC rollover	• Consideration of the change in net assets resulting from the rollover and disclosure in the annual accounts.
• Compliance with section 1158 of the Corporation Tax Act 2010	• Approval for the company as an investment trust under sections 1158 and 1159 of CTA 2010 for financial years commencing on or after 1 September 2012 has been obtained and the ongoing compliance with the eligibility criteria is monitored on a regular basis.
• Calculation of performance and management fees	• Consideration of the data used to calculate fees, matched against the criteria set out in the Investment Management Agreement.
• Statement of going concern	• Review of investment portfolio, risks and uncertainties, projected cash flow and forecast revenue.

Auditor effectiveness and independence

Auditor effectiveness is assessed by means of the auditor's direct engagement with the board at audit committee meetings and also by reference to feedback from the AIFM, investment adviser and its employees who have direct dealings with the auditor during the annual audit of the company.

The board concluded, on the recommendation of the audit committee, that the auditor continues to be independent of the company, the AIFM and the investment adviser and that their reappointment be proposed at the Annual General Meeting.

Disclosure of information to the auditor

The directors are not aware of any relevant audit information of which the company's auditor is unaware. The directors also confirm that they have taken all the steps required of a company director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Non-audit services

The FRC Ethical Standard issued in 2016 prohibits the auditor from performing non-audit services.

Report of the directors and governance continued

Report of the audit committee continued

Statement in respect of the Annual Report & Accounts

Having taken all available information into consideration and having discussed the content of the Annual Report & Accounts with the AIFM, investment adviser, company secretary and other third party service providers, the audit committee has concluded that the Annual Report & Accounts for the year ended 30 June 2018, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy, and has reported on these findings to the board.

For and on behalf of the audit committee

Graham Fuller
Chairman of the audit committee
20 September 2018

Report of the directors and governance continued

Directors' remuneration report and policy

Introduction

The board is pleased to present the company's annual remuneration report for the year ended 30 June 2018 in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

The law requires the company's auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included in their report on pages 32 to 34.

Statement by the chairman

The board's policy on remuneration is set out below. Fees payable to directors should reflect the time spent on the company's affairs, and should be sufficient to attract and retain individuals of high calibre with suitable knowledge and experience.

The directors of the company are non-executive and by way of remuneration receive an annual fee, payable quarterly in arrears.

During the period 1 July to 31 August 2017, directors' fees were as follows:

Chairman of the board	£26,000
Chairman of the audit committee	£22,000
Director	£20,000

With effect from 1 September 2017, directors' fees were as follows:

Chairman of the board	£30,000
Chairman of the audit committee	£25,000
Director	£22,500

The above fees were paid on a pro-rata basis as appropriate, details of the total emoluments paid to directors during the year to 30 June 2018 are provided in the annual report on remuneration.

The company does not award any other remuneration or benefits to the chairman or directors. There are no bonus schemes, pension schemes, share option or long-term incentive schemes in place for the directors.

Directors' remuneration policy

The company's remuneration policy is that fees payable to directors are commensurate with the amount of time directors are expected to spend on the company's affairs, whilst seeking to ensure that fees are set at an appropriate level so as to enable candidates of a sufficient calibre to be recruited. The company's articles of association states the maximum aggregate amount of fees that can be paid to directors in any one year. This is currently set at £150,000 per annum and shareholder approval is required for any changes to this.

Each director is entitled to a base fee, The chairman of the board is paid a higher fee than the other directors, to reflect the additional work required to be carried out in this role. The chairman of the audit committee also receives a higher fee on the same basis.

The board has established a remuneration committee and any review of the directors' fees is undertaken by the committee and has regard to the level of fees paid to non-executive directors of other investment companies of equivalent size.

The directors' fees increased for the first time on 20 November 2013 since the re-organisation of the company in October 2008. The board is authorised to obtain, at the company's expense, outside legal or other professional advice on any matters within its Terms of Reference. The board did not seek external advice during the year under review.

Directors' service contracts

No director has a contract of service with the company. Accordingly, the directors are not entitled to any compensation in the event of termination of their appointment or loss of office, other than the payment of any outstanding fees.

The board does not consider it appropriate that directors should be appointed for a specific term. However, one of the directors has served longer than nine years, and is subject to annual re-election under the UK Corporate Governance Code. Any new director appointed would be subject to election by shareholders at the next AGM following their appointment. However it is the intention of the board of directors to be re-elected annually.

The terms and conditions of directors' appointments are set out in formal letters of appointment.

Director	Date of Appointment	Due date for Re-election
Tom H Bartlam	5 July 2013	Annually
Keith Bray	28 March 2018	Due for election
Jonathan G D Davis	3 May 2011	Annually
Graham M Fuller	5 July 2013	Annually
Lorna M Tilbian	21 May 2001	Annually

Shareholder approval and effective date

The directors' remuneration policy was approved by the shareholders at the AGM held on 15 November 2017. The approval will be valid for a period of three years to November 2020 unless reviewed, varied or revoked by the company at a general meeting.

Statement of voting at the last AGM

The following sets out the votes received at the last AGM of the shareholders of the company, held on 15 November 2017, in respect of the approval of the directors' remuneration report.

Votes cast for Number	Votes cast for %	Votes cast against Number	Votes cast against %	Total votes cast	Number of votes withheld
1,824,752	99.96	793	0.04	1,825,545	–

Annual report on remuneration

A single figure for the total remuneration of each director is set out in the table below for the year ended 30 June 2018 and 30 June 2017 respectively:

Report of the directors and governance continued

Directors' remuneration report and policy continued

Directors' emoluments for the period (audited)

	Total fees for the year ended 30 June 2018 £	Total fees for the year ended 30 June 2017 £
T H Bartlam*	29,333	26,000
K Bray	5,875	–
J G D Davis	22,083	20,000
G M Fuller**	24,500	22,000
L M Tilbian	22,083	20,000
Total	**103,874**	**88,000**

* *Chairman of the board*
** *Chairman of the audit committee*

Directors' interests

The directors who held office at the end of the year covered by these accounts and their beneficial interests in the ordinary shares at 30 June 2018 are shown below.

No director was a party to or had any interest in any contract or arrangement with the company at any time during the year or subsequently.

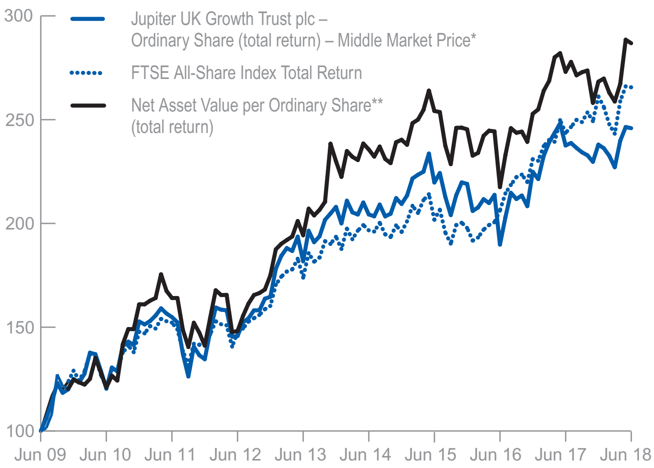
Directors' interest in ordinary shares (audited)

	At 30 June 2018	At 30 June 2017
Tom H Bartlam	117,500	117,500
Keith Bray	7,359	–
Jonathan G D Davis	4,000	4,000
Graham M Fuller	17,500	17,500
Lorna M Tilbian	–	–

Performance from 30 June 2009 to 30 June 2018

The graph below provides details of the company's performance by reference to both the company's net asset value and ordinary share price compared with the company's benchmark index the FTSE All-Share Index Total Return. This index has been chosen as the most suitable benchmark against which to measure the performance of the company.

Effect of £100 reinvested in the company on 30 June 2009 to 30 June 2018



* *Source – Morningstar*
** *Source – Jupiter Asset Management Limited*

On behalf of the board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the directors' remuneration report and policy summarises, for the year ended 30 June 2018, the review undertaken and the decisions made regarding the fees paid to the board, and the future remuneration policy of the company which is to be approved by shareholders.

By order of the board

Lorna M Tilbian
Chairman of the remuneration committee
20 September 2018

Report of the directors and governance continued

Statement of directors' responsibilities in relation to the financial statements

The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards ('IFRS') as adopted by the European Union.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the return or loss of the company for that period. In preparing the financial statements, the directors are required to:

(a) select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;

(b) present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;

(c) provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;

(d) state that the company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements; and

(e) make judgements and estimates that are reasonable and prudent.

The directors are responsible for keeping adequate 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 company 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, directors' remuneration report and statement of corporate governance that comply with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

The work carried out by the auditor does not include consideration of the maintenance and integrity of the website and accordingly the auditor accepts no responsibility for any changes that have occurred to the financial statements when they are presented on the website.

The financial statements are published on www.jupiteram.com/JUKG which is a website maintained by Jupiter Asset Management Limited.

Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the directors, who are listed on page 16 of this report, confirms to the best of their knowledge that:

(a) the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company; and

(b) the report includes a fair view of the development and performance of the business and the position of the company together with a description of the principal risks and uncertainties that the company faces; and

(c) that in the opinion of the board, the annual report and accounts taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the company's performance, business model and strategy

So far as each of the directors is aware at the time the report is approved:

(a) there is no relevant audit information of which the company's auditor is not aware; and

(b) the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board

Tom H Bartlam
Chairman
20 September 2018

Independent auditor's report to the Members of Jupiter UK Growth Investment Trust PLC

Opinion on financial statements of Jupiter UK Growth Investment Trust PLC

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its return for the year then ended;
- have been properly prepared in accordance with IFRSs adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

The financial statements comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Cash Flow Statement and the related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- The disclosure in the annual report set out on pages 18 and 19 that describe the principal risks and explain how they are being managed or mitigated;
- The directors' confirmation set out on pages 18 and 19 in 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 directors' statement set out on page 20 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 to do so over a period of at least twelve months from the date of approval of the financial statements;
- Whether the directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- The directors explanation set out on page 19 in 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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our 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) that we identified. These matters included 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 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.

Risk	Our response
Roll up of Jupiter Dividend & Growth Investment Trust Plc There is the risk that the transaction has not been accurately accounted for within Jupiter UK Growth Investment Trust Plc.	We agreed the accounting for the share capital and share premium as being correct by agreeing the total consideration to the SH03 form as filed with Companies House.
Valuation of investments Investments represent the most significant number on the balance sheet and are the main driver of the Company's performance. There is a risk that the investments are incorrectly valued.	We agreed a sample of investment valuations directly with independent pricing sources.
Performance fees There is a risk that the performance fees are not calculated correctly in accordance with the investment management agreement.	We recalculated the performance fee calculations for the year with reference to contractual arrangements and agreed the calculation inputs to source data.

Our application of materiality

We define materiality as the magnitude of misstatement that could reasonably be expected to influence the readers and the economic decisions of the users of the financial statements. We use materiality both in planning our audit and in evaluating the results of our work.

We determined planning materiality for the company to be £0.8 million, which is 1% of gross assets. Overall performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the company was 75% of materiality, namely £0.6 million.

Given the sensitivity of revenue, directors fees, performance fee and management fees in the Income Statement we have applied a separate performance materiality of £0.01 million for these items.

Independent auditor's report to the Members of Jupiter UK Growth Investment Trust PLC continued

We have agreed to report to the Audit Committee all audit differences in excess of £0.04 million, as well as differences below that threshold that, in our view, warrant reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the company and its environment, including internal control, and assessing the risks of material misstatement.

As all of the accounting is done by service organisations, we obtained an understanding of how the company uses service organisations in its operations and evaluated the design and implementation of relevant controls at the company that relate to the services provided by service organisations. We reviewed the latest ISAE 3402 reports from the service organisations and performed the audit at Jupiter Asset Management Limited's offices and obtained specific information and explanations directly from them that we needed to conduct our audit.

Based on that understanding our audit was focused on the key risks as described above.

Other information

The other information comprises the information included 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material statements of the other information where we conclude that those items meet the following conditions:

- **Fair balanced and understandable** set out on page 20 – the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for the shareholders to assess the company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit;

- **Audit Committee reporting** set out on pages 26 and 27 – the section describing the work of the audit committee does not appropriately address matters communicated to us by the audit committee;

- **Directors' statement of compliance with the UK Corporate Governance Code** set out on pages 24 the parts of the directors' statement required under the Listing Rules relating to the company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinion on other matters prescribed by the Companies Act 2006

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

In our opinion, based on the work undertaken during the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements;

- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA rules) is consistent with the financial statements and has been prepared in accordance with applicable legal requirements;

- information about the company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA rules.

Matters on which we are required to report by exception

In light of our knowledge and understanding of the Company and its environment obtained in the course of the audit; we have not identified material misstatements in the Strategic Report and the Directors' Report or the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures given in compliance with rules 7.2.5 and 7.2.6 of the FCA rules;

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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; or

- certain disclosures of directors' remuneration specified by law are not made;

- we have not received all the information and explanations we require for our audit.; or

- a corporate governance statement has not been prepared by the company.

Independent auditor's report to the Members of Jupiter UK Growth Investment Trust PLC continued

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 30, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the directors 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.

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 included in the appendix of this auditor's report. This description which is located on this page forms part of our auditor's report.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed in 1987 to audit the financial statements for the year ended 30 June 1988 and subsequent financial periods. The period of total uninterrupted engagement is 30 years, covering the years ending 1988 to 30 June 2018.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

George Crowther
(Senior Statutory Auditor)
for and on behalf of haysmacintyre, Statutory Auditor

10 Queen Street Place, London, EC4R 1AG
20 September 2018

Appendix: Auditor's responsibilities for the audit of the financial statements

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the company or business activities to express an opinion on the company financial statements. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Accounts

Statement of comprehensive income for the year ended 30 June 2018

		Year ended 30 June 2018			Year ended 30 June 2017		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gain on investments at fair value	10	–	2,539	2,539	–	8,938	8,938
Income	3	1,797	–	1,797	1,481	–	1,481
Other income	3	25	–	25	19	–	19
Foreign exchange (loss)/gain		–	(5)	(5)	–	457	457
Gross return		1,822	2,534	4,356	1,500	9,395	10,895
Investment management fee	4	(73)	(224)	(297)	(56)	(168)	(224)
Other expenses	5	(341)	(196)	(537)	(299)	(11)	(310)
Total expenses		(414)	(420)	(834)	(355)	(179)	(534)
Net return before finance costs		1,408	2,114	3,522	1,145	9,216	10,361
Finance costs	6	(42)	(124)	(166)	(31)	(76)	(107)
Return on ordinary activities		1,366	1,990	3,356	1,114	9,140	10,254
Taxation	7	(19)	–	(19)	(15)	–	(15)
Net return after taxation		**1,347**	**1,990**	**3,337**	**1,099**	**9,140**	**10,239**
Return per Ordinary share	9	**7.87p**	**11.62p**	**19.49p**	**7.69p**	**64.02p**	**71.71p**

The total column of this statement is the income statement of the Company, prepared in accordance with IFRS. The supplementary revenue return and capital return columns are both prepared under guidance produced by the Association of Investment Companies (AIC). All items in the above statement derive from continuing operations.

No operations were acquired or discontinued during the year.

All net income is attributable to the equity holders of Jupiter UK Growth Investment Trust PLC. There are no minority interests.

The notes on pages 39 to 53 form part of these accounts.

Accounts continued

Statement of financial position as at 30 June 2018

	Note	2018 £'000	2017 £'000
Non current assets			
Investments held at fair value through profit or loss	10	71,211	47,277
Current assets			
Receivables	11	325	200
Cash and cash equivalents		10,999	7,454
		11,324	7,654
Total assets		82,535	54,931
Current liabilities			
Payables	12	(17,343)	(9,707)
Total assets less current liabilities		**65,192**	**45,224**
Capital and reserves			
Called up share capital	14	1,486	1,095
Share premium	15	50,461	26,136
Capital redemption reserve	16	683	683
Retained earnings*	17	12,562	17,310
Total equity shareholders' funds		**65,192**	**45,224**
Net Asset Value per ordinary share	18	**340.5p**	**334.0p**

* Under the company's articles of association any dividends are distributed only from the revenue reserve.

Approved by the board of directors on 20 September 2018 and signed on its behalf by:

Tom H Bartlam
Chairman

Company Registration Number 1040834

The notes on pages 39 to 53 form part of these accounts.

Accounts continued

Statement of changes in equity for the year ended 30 June 2018

For the year ended 30 June 2018	Share Capital £'000	Share Premium £'000	Capital Redemption Reserve £'000	Retained Earnings £'000	Total £'000
30 June 2017	1,095	26,136	683	17,310	45,224
Net return for the year	–	–	–	3,337	3,337
Dividends paid*	–	–	–	(920)	(920)
Shares issued as a result of company rollover (Note 14)	391	24,256	–	–	24,647
Reallocation of premium on ordinary shares reissue from Treasury in prior year**	–	69	–	(69)	–
Ordinary shares repurchased	–	–	–	(7,096)	(7,096)
Balance at 30 June 2018	**1,486**	**50,461**	**683**	**12,562**	**65,192**

For the year ended 30 June 2017	Share Capital £'000	Share Premium £'000	Capital Redemption Reserve £'000	Retained Earnings £'000	Total £'000
30 June 2016	1,095	26,136	683	12,138	40,052
Net return for the year	–	–	–	10,239	10,239
Dividends paid*	–	–	–	(325)	(325)
Ordinary shares repurchased	–	–	–	(4,742)	(4,742)
Balance at 30 June 2017	**1,095**	**26,136**	**683**	**17,310**	**45,224**

* Dividends paid during the period were paid out of revenue reserves.

** An adjustment was made to the reserves to split the amount raised on the reissue of shares from Treasury between the profit element, as now shown in share premium, and the cost of shares issued, now shown in retained earnings. This represents £13,000 from the year ended 30 June 2011 plus £56,000 from the year ended 30 June 2016. The total amount had previously all been taken to retained earnings. The impact on the statement of comprehensive income is £nil.

The notes on pages 39 to 53 form an integral part of these accounts.

Accounts continued

Statement of cash flow for the year ended 30 June 2018

	Note	Year ended 30 June 2018 £'000	Year ended 30 June 2017 £'000
Cash flows from operating activities			
Investment income received*		1,661	1,447
Investment management fee paid		(271)	(263)
Other cash receipts		25	19
Other cash expenses*		(571)	(259)
Net cash inflow from operating activities before taxation	19	**844**	**944**
Interest paid		(162)	(135)
Taxation		(12)	(16)
Net cash inflow from operating activities		**670**	**793**
Cash flows from investing activities			
Purchases of investments		(31,487)	(14,955)
Sales of investments		10,236	13,850
Net cash outflow from investing activities		**(21,251)**	**(1,105)**
Cash flows from financing activities			
Shares repurchased		(7,096)	(4,742)
Equity dividends paid		(920)	(325)
Issue of new shares		24,647	–
Short term loan received		7,500	–
Net cash inflow/(outflow) from financing activities		**24,131**	**(5,067)**
Increase/(decrease) in cash	20	**3,550**	**(5,379)**
Change in cash and cash equivalents			
Cash and cash equivalents at start of year		7,454	12,376
Realised (loss)/gain on foreign currency		(5)	457
Cash and cash equivalents at end of year		**10,999**	**7,454**

* £174,000 of accrued income was reallocated to investment income in the 2017 figures. The impact on the statement of financial position is £nil.

The notes on pages 39 to 53 form an integral part of these accounts.

Accounts continued

Notes to the accounts for the year ended 30 June 2018

1. Accounting policies

The accounts comprise the financial results of the company for the year to 30 June 2018. The accounts are presented in pounds sterling, as this is the functional currency of the company. The accounts were authorised for issue in accordance with a resolution of the directors on • September 2018. All values are rounded to the nearest thousand pounds (£'000) except where indicated.

The accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the International Accounting Standards Board (IASB) and International Accounting Standards Committee (IASC), as adopted by the European Union (EU).

Where presentational guidance set out in the Statement of Recommended Practice (SORP) for investment trusts issued by the Association of Investment Companies (AIC) 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 continues to adopt the going concern basis in the preparation of the financial statements.

A summary of the principal accounting policies, all of which have been applied consistently throughout the period, is set out below:

(a) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

Revenue includes dividends from investments quoted ex-dividend on or before the date of the statement of financial position.

Dividends receivable from equity shares are taken to the revenue return column of the statement of comprehensive income.

Deposit and other interest receivable, expenses and interest payable are accounted for on an accruals basis. These are classified within operating activities in the statement of cash flows.

Underwriting commission is taken to income and recognised when the issue takes place, except where the company is required to take up all or some of the shares underwritten, in which case an appropriate proportion of the commission received is deducted from the cost of those shares.

(b) Presentation of statement of comprehensive income

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the Association of Investment Companies (AIC), supplementary information which analyses the statement of comprehensive income between items of a revenue and capital nature has been presented alongside the statement. In accordance with the company's articles of association, net capital returns may not be distributed by way of dividend.

An analysis of retained earnings broken down into revenue (distributable) items and capital (non-distributable) items is given in note 17. Investment management fees and finance costs are charged 75% to capital and 25% to revenue. All other operational costs including administration expenses (but with the exception of any investment performance fees which are charged to capital) are charged to revenue.

(c) Basis of valuation of investments

Investments are recognised and derecognised on a trade date where a purchase and sale of an investment is under contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, being the consideration given.

All investments are classified as held at fair value through profit or loss. All investments are measured at fair value with changes in their fair value recognised in the statement of comprehensive income in the period in which they arise. The fair value of listed investments is based on their quoted bid price at the reporting date without any deduction for estimated future selling costs.

Foreign exchange gains and losses on fair value through profit and loss investments are included within the changes in the fair value of the investments.

For investments that are not actively traded and/or where active stock exchange quoted bid prices are not available, fair value is determined by reference to a variety of valuation techniques. These techniques may draw, without limitation, on one or more of: the latest arm's length traded prices for the instrument concerned; financial modelling based on other observable market data; independent broker research; or the published accounts relating to the issuer of the investment concerned.

(d) Finance costs

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis to the statement of comprehensive income using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

(e) Cash and cash equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risks of changes in value.

(f) Bank interest

Bank interest is recognised in the statement of comprehensive income in the period in which they are incurred. Bank interest is directly charged 25% to revenue and 75% to capital.

(g) Foreign currencies

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At the date of each statement of financial position, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the year, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

Accounts continued

Notes to the accounts for the year ended 30 June 2018 continued

1. Accounting policies continued

(h) Treasury shares

In accordance with the relevant provisions of the Companies Act 2006 any ordinary shares repurchased, pursuant to the above authority, may be held in treasury. These ordinary shares may subsequently be cancelled or sold for cash. This would give the company the ability to reissue shares quickly and cost effectively and provide the company with additional flexibility in the management of its capital. On reissue of these shares the profit element is allocated to share premium. The company may hold in treasury any of its ordinary shares that it purchases pursuant to the share buy-back authority granted by shareholders.

(i) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the date of the statement of financial position.

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 generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Investment trusts which have approval under section 1158 of the Income and Corporation Taxes Act 2010 ('ICTA') are not liable for taxation of capital gains.

(j) Accounting developments

The following are standards, amendments and interpretations that have been published by IASB and are relevant to the company but are not yet effective for year ended 30 June 2018:

International Accounting Standards (IAS/IFRS's)

IFRS 9 Financial Investments Classification and Measurement
Effective date: 1 January 2018

Amendments to IFRS 9 Prepayment Features with Negative Compensation
Effective date: 1 January 2019

IFRS 15 Revenue from Contracts with Customers
Effective date: 1 January 2018

The directors anticipate that the adoption of the above standards and interpretation in future periods will have no material impact on the financial statements of the company. The company intends to adopt the standards in the reporting period when they become effective.

2. Significant accounting judgements, estimates and assumptions

The preparation of the company's financial statements on occasion requires management to make judgements, estimates and assumptions that affect the reported amounts in the primary financial statements and the accompanying disclosures. These assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the current and future periods, depending on circumstance.

Management do not believe that any significant accounting judgements have been applied to this set of financial statements other than the allocations between capital and revenue shown in Notes 4 and 6.

Accounts continued

Notes to the accounts for the year ended 30 June 2018 continued

3. Income

	2018 £'000	2017 £'000
Income from non current assets:		
Dividends from UK companies	1,600	1,323
Dividends from overseas companies	197	158
	1,797	**1,481**
Other income:		
Fee rebate	–	2
Deposit interest	8	2
Interest from liquidity fund	17	15
	25	19
	1,822	**1,500**
Income from non current assets is derived:		
Listed on the UK stock exchange	1,600	1,323
Listed on overseas stock exchanges	197	158
	1,797	**1,481**

4. Investment management fee

			2018			2017
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	73	224	297	56	168	224
	73	**224**	**297**	**56**	**168**	**224**

Details of the investment management contract are given in Note 21.

Accounts continued

Notes to the accounts for the year ended 30 June 2018 continued

5. Other administrative expenses

	Year ended 30 June 2018			Year ended 30 June 2017		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Directors' remuneration (see page 29)	104	–	104	88	–	88
Auditors' remuneration – audit	32	–	32	29	–	29
Loan facility legal fees	5	14	19	–	1	1
Transaction handling charges	–	4	4	–	10	10
Costs in relation to shares issued as a result of rollover (Note 14)	–	178	178	–	–	–
Other	200	–	200	182	–	182
	341	**196**	**537**	**299**	**11**	**310**

Loan facility fees are split 25:75 between revenue and capital.

6. Finance costs

	2018			2017		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Short term loan interest	41	122	163	26	76	102
Commitment fees	1	2	3	5	–	5
	42	**124**	**166**	**31**	**76**	**107**

Finance costs are split 25:75 between revenue and capital.

7. Taxation

(a) Analysis of current tax charge in year:

	2018			2017		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Overseas tax	19	–	19	15	–	15
Total current tax (Note 7b)	**19**	**–**	**19**	**15**	**–**	**15**

Accounts continued

Notes to the accounts for the year ended 30 June 2018 continued

7. Taxation continued

(b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for a large company 19.00% (2017: 19.75%). The differences are explained below:

	2018 £'000	2017 £'000
Net gain before taxation	1,366	1,114
Corporation tax at 19.00% (2017: 19.75%)	260	220
Effects of:		
Non taxable income	(341)	(293)
Overseas tax suffered	19	15
Tax losses carried forward	81	73
Current tax charge for the year	**19**	**15**

There is an unrecognised deferred tax asset at 19.0% (2017: 19.0%) of £1,968,000 (2017: £1,832,000) which relates to unutilised management expenses and other losses. The deferred tax asset would only be recovered if the company were to generate sufficient taxable profits in the future to utilise these expenses. It is considered too unlikely that the company will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised.

8. Dividends

Amounts recognised as distributions to equity holders in the period:	2018 £'000	2017 £'000
2016 fourth interim of 1.6p per ordinary share	–	237
2016 fifth interim of 0.6p per ordinary share	–	88
2017 interim of 7.0p per ordinary share	920	–
	920	**325**

Set out below is the estimated total dividend payable in respect of the financial year under review and based on the shares in issue as at the reporting date, which is the basis on which the requirements of Section 1158 of the Corporation Tax Act 2010 are considered:

Dividends on equity shares:	2018 £'000	2017 £'000
2018 interim of 7.0p per ordinary share	**1,320**	**920**

Accounts continued

Notes to the accounts for the year ended 30 June 2018 continued

9. Earnings per ordinary share

The earnings per ordinary share figure is based on the net gain for the year of £3,337,000 (2017: £10,239,000) and on 17,124,716 (2017: 14,277,978) ordinary shares, being the weighted average number of ordinary shares in issue during the year excluding shares held in treasury.

The earnings per ordinary share figure detailed above can be further analysed between revenue and capital, as below:

	Year ended 30 June 2018 £'000	Year ended 30 June 2017 £'000
Net revenue return	1,347	1,099
Net capital return	1,990	9,140
Net total return	**3,337**	**10,239**
Weighted average number of ordinary shares in issue during the year	17,124,716	14,277,978
Revenue earnings per ordinary share	7.87p	7.69p
Capital earnings per ordinary share	11.62p	64.02p
Total earnings per ordinary share	**19.49p**	**71.71p**

10. Non-current asset investments

	Year ended 30 June 2018 £'000	Year ended 30 June 2017 £'000
Movement on investments		
Market value of investments at beginning of year	47,277	38,701
Net unrealised (gain)/loss at beginning of year	(2,460)	3,258
Cost of investments at beginning of year	44,817	41,959
Purchases at cost	31,631	14,565
Sales at cost	(8,176)	(11,707)
Cost of investments at end of year	68,272	44,817
Net unrealised gain at end of year	2,939	2,460
Market value of investments at end of year	**71,211**	**47,277**
Listed on UK stock exchange	63,792	44,785
Listed on overseas stock exchanges	7,048	2,317
Unlisted*	371	175
Market value of investments at end of year	**71,211**	**47,277**

* Gloo Networks £198,000 and Ludgate 181 (Jersey) £173,000 (2017: Ludgate 181 (Jersey) £175,000).

Accounts continued

Notes to the accounts for the year ended 30 June 2018 continued

10. Non-current assets investments continued

Gains on investments

	2018 £'000	2017 £'000
Net gains realised on sale of investments	2,060	3,220
Movement in unrealised gain	479	5,718
Gain on investments	**2,539**	**8,938**

Transaction costs

The following transaction costs were incurred during the year:

	2018 £'000	2017 £'000
Purchases	111	48
Sales	7	11
	118	**59**

The above transaction costs include brokers' fees, depositary's transaction specific fees, stamp duty fees, or security transaction taxes, where applicable. These costs are directly linked to the acquisition or sale of investments, to the extent that such costs as shown separately on transaction confirmations.

The transaction costs consisting of brokers' fees, stamp duty fees, or security transaction taxes, where applicable are included in the statement of financial position in the 'Investments held at fair value' (Cost of investments (Note 10)) and in the statement of comprehensive income in the 'gain on investments at fair value' (Movement in unrealised gain (Note 10)) and the statement of cash flows in 'Purchases of investments' for the purchase of securities. The sale of securities are netted in the statement of comprehensive income in the 'gain on investments at fair value' (Net gains realised on sale of investments (Note 10)) and from the 'Sales of investments' in the statement of cash flows.

The transaction costs consisting of depositary's transaction specific fees are included in the statement of financial position as 'Other payables' and in the statement of comprehensive income and statement of cashflow as 'Other expenses'.

11. Receivables

	2018 £'000	2017 £'000
Prepayments and accrued income	325	193
Taxation	-	7
	325	**200**

The directors consider that the carrying amount of debtors approximates their fair value.

Accounts continued

Notes to the accounts for the year ended 30 June 2018 continued

12. Payables

	2018 £'000	2017 £'000
Purchases for future settlement	144	–
Short term bank loan	17,000	9,500
Bank interest	6	2
Investment management fee	82	56
Other creditors	111	149
	17,343	**9,707**

Bank loan

The company's revolving bank loan is with Scotiabank Europe plc, with a loan facility available up to a maximum of £17.0 million.

During the year the company used the loan facility as follows:

Date	Amount borrowed	Date repaid/repayable
29 June 2017	£9.5 million	28 September 2017
28 September 2017	£9.5 million	28 December 2017
1 December 2017	£2.5 million	1 March 2018
11 December 2017	£5.0 million	12 March 2018
28 December 2017	£9.5 million	28 March 2018
1 March 2018	£2.5 million	1 June 2018
12 March 2018	£5.0 million	12 June 2018
28 March 2018	£9.5 million	28 June 2018
1 June 2018	£2.5 million	3 September 2018
12 June 2018	£5.0 million	12 September 2018
28 June 2018	£9.5 million	27 September 2018

The amount outstanding at 30 June 2018 is:

- £2.5 million and will be repaid on 3 September 2018 with an all-in interest rate of 1.31743%.
- £5.0 million and will be repaid on 12 September 2018 with an all-in interest rate of 1.32919%.
- £9.5 million and will be repaid on 27 September 2018 with an all-in interest rate of 1.36813%.

Accounts continued

Notes to the accounts for the year ended 30 June 2018 continued

13. Derivatives and other financial instruments

Background

The company's financial instruments comprise securities and other investments, cash balances and debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement and debtors for accrued income. The numerical disclosures below exclude short-term debtors and creditors.

During the year under review, the company had little exposure to credit, cashflow and interest rate risks. The principal risks the company faces in its portfolio management activities are:

- foreign currency risk
- market price risks i.e. movements in the value of investment holdings caused by factors other than interest rate or currency movement.

The Investment Adviser's policies for managing these risks are summarised below and have been applied throughout the year.

Policy

(a) Foreign currency risk

A proportion of the company's portfolio is invested in overseas securities and their sterling value can be significantly affected by movements in foreign exchange rates. The company does not normally hedge against foreign currency movements affecting the value of the investment portfolio, but takes account of this risk when making investment decisions.

Foreign currency sensitivity

The following tables illustrate the sensitivity of the profit after tax for the year to exchange rates for the £ against the US Dollar and the Euro. It assumes the following changes in exchange rates:

£/US Dollar +/–5% (2017: +/–5%) £/Euro +/–5% (2017: +/–5%)

These percentages have been determined based on market volatility in exchange rates over the previous twelve months. The sensitivity analysis is based on the company's foreign currency financial instruments held at the date of each statement of financial position.

If sterling had weakened against the currencies below this would have the following effect:

			2018			2017
	Impact on revenue return £'000	Impact on capital return £'000	Total £'000	Impact on revenue return £'000	Impact on capital return £'000	Total £'000
US Dollar	–	287	287	–	231	231
Euro	–	64	64	–	–	–
	–	**351**	**351**	**–**	**231**	**231**

If sterling had strengthened against the currencies below this would have the following effect:

			2018			2017
	Impact on revenue return £'000	Impact on capital return £'000	Total £'000	Impact on revenue return £'000	Impact on capital return £'000	Total £'000
US Dollar	–	(287)	(287)	–	(231)	(231)
Euro	–	(64)	(64)	–	–	–
	–	**(351)**	**(351)**	**–**	**(231)**	**(231)**

In the opinion of the directors, the above sensitivity analyses are not representative of the year as a whole, since the level of exposure changes frequently.

Accounts continued

Notes to the accounts for the year ended 30 June 2018 continued

13. Derivatives and other financial instruments continued

(b) Market price risk

By the very nature of its activities, the company's investments are exposed to market price fluctuations. Further information on the investment portfolio and investment policy is set out in the investment adviser's review.

Other price risk sensitivity

The following illustrates the sensitivity of the profit after taxation for the year and the equity to an increase or decrease of 20% in the fair value of the company's equities. This level of change is considered to be reasonably possible based on observation of market conditions during the year.

The sensitivity analysis is based on the company's listed equities at each statement of financial position date.

The impact of a 20% increase in the value of investments on the revenue return as at 30 June 2018 is a decrease of £18,000 (2017: £12,000) and on the capital return is an increase of £12,932,000 (2017: £8,320,000).

The impact of a 20% fall in the value of investments on the revenue return as at 30 June 2018 is an increase of £18,000 (2017: £12,000) and on the capital return is a decrease of £14,189,000 (2017: £9,420,000).

(c) Interest rate risk

Interest rate movements may affect:

- the fair value of investments of any fixed interest securities
- the level of income receivable from any floating interest-bearing securities and cash at bank and on deposit, and
- the interest payable on the company's floating interest term loans

Interest rate sensitivity

As interest rates for any short term loans are fixed at the commencement of the loan, only cash at call are subject to interest rate movements. All such deposits at call, earn interest at daily rate. Therefore, if a sensitivity analysis was performed by increasing or decreasing the interest rates applicable to the company's cash balances held at each reporting date, with all other variables held constant, there would be no material change to the profit after taxation or net assets for the year.

The financial assets (excluding short term debtors and creditors) consist of:

			2018			2017
	Floating rate* £'000	Non-interest bearing £'000	Total £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000
Sterling	10,988	64,163	75,151	7,454	44,960	52,414
US Dollar	11	5,758	5,769	–	2,317	2,317
Euros	–	1,290	1,290	–	–	–
	10,999	**71,211**	**82,210**	**7,454**	**47,277**	**54,731**

* The floating interest rate risk assets consist of cash deposits at call. Sterling cash deposits at call earn interest at floating rates based on daily Sterling Overnight Index Average (SONIA) rates.

The non-interest bearing assets represent the equity element of the investment portfolio at 30 June 2018. However, the amounts are not representative of the exposure to foreign currency risk during the year as levels of monetary foreign currency exposure change significantly throughout the year.

Accounts continued

Notes to the accounts for the year ended 30 June 2018 continued

13. Derivatives and other financial instruments continued

(d) Fair value hierarchy

IFRS 13 Fair Value Measurement requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

Level 1 reflects financial instruments quoted in an active market.

Level 2 reflects financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables includes only data from observable markets.

Level 3 reflects financial instruments whose fair value is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data.

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

				2018				2017
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	70,840	–	371	71,211	47,102	–	175	47,277

Equity investments

A reconciliation of fair value measurements in level 3 is set out in the following table:

	2018 £'000	2017 £'000
Opening balance	175	1,312
Purchase	–	–
Sales	-	(56)
Transfer into Level 3	438	–
Pitchwell Ltd	–	(1,077)
Fair value movements	(242)	(4)
Closing balances	**371**	**175**

(e) Credit and counterparty risk

Credit risk is the exposure to loss from the failure of a counterparty to deliver securities or cash for acquisitions or to repay deposits.

The company manages credit risk by using brokers from a database of approved brokers who have undergone rigorous due diligence test by the manager's risk management team and by dealing through Jupiter Asset Management Limited with banks approved by the Financial Conduct Authority. Any derivative positions are marked to market and exposure to counterparties is monitored on a daily basis by the manager; the board of directors reviews it on a quarterly basis. The maximum exposure to credit risk as at 30 June 2018 was £11,324,000 (2017: £7,654,000). The calculation is based on the company's credit exposure as at 30 June 2018 and may not be representative of the year as a whole.

Accounts continued

Notes to the accounts for the year ended 30 June 2018 continued

13. Derivatives and other financial instruments continued

Liquidity risk

Liquidity risk is not considered significant. The company's assets comprise mainly readily realisable securities which can be sold to meet funding requirements if necessary. Short term flexibility is achieved through the use of short term borrowings.

All liabilities are payable within three months as shown in the table below:

Liquidity risk exposure

				2018				2017
	3 months or less £'000	Not more than 1 year £'000	More than 1 year £'000	Total £'000	3 months or less £'000	Not more than 1 year £'000	More than 1 year £'000	Total £'000
Current liabilities	17,343	–	–	17,343	9,707	–	–	9,707

Capital management policies and procedures

The company's capital comprises the equity share capital, share premium and reserves as shown in the statement of financial position.

The board, with the assistance of the investment adviser, 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 investment adviser's view on the market;
- The need to buy back equity shares, either for cancellation or to hold in treasury, which takes account of the difference between the net asset value per share and the share price (i.e. the level of share price discount or premium); and
- The extent to which revenue in excess of that which is required to be distributed should be retained.

During the period, the company complied with the externally imposed capital requirements:

- As a public company, the company has a minimum share capital of £50,000; and
- In order to be able to pay dividends out of profits available for distribution, the company has complied with the capital restriction tests imposed on investment companies by company law.

14. Called up share capital

Called up share capital is the nominal value of the issued shares of the company being 29,721,678 shares at 5p each.

		2018		2017
	Number	£	Number	£
Allotted, issued and fully paid:				
Ordinary shares of 5p each				
Opening balance of ordinary shares of 5p each (2017: 5p each)	13,540,276	677,013	15,094,092	754,704
Shares issued as a result of company rollover*	7,821,713	391,086	–	–
Repurchase of shares into treasury	(2,216,496)	(110,825)	(1,553,816)	(77,691)
Closing balance of shares	**19,145,493**	**957,274**	**13,540,276**	**677,013**
Treasury Shares				
Opening balance of ordinary shares of 5p each (2017: 5p each)	8,359,689	417,985	6,805,873	340,294
Repurchase of shares into treasury	2,216,496	110,825	1,553,816	77,691
Closing balance of shares held in treasury	**10,576,185**	**528,810**	**8,359,689**	**417,985**
Total		**1,486,084**		**1,094,998**

* Jupiter Dividend & Growth Trust PLC, as part of its reconstruction proposals, offered its shareholders the option of rolling over their holdings into Jupiter UK Growth Investment Trust PLC. Those who opted to do this became shareholders in the company with effect from 30 November 2017 after Jupiter Dividend & Growth Trust PLC was wound up. As a result, 7,821,713 shares were issued at a price of 315.10p each, resulting in £24,256,116 being allocated to share premium.

Accounts continued

Notes to the accounts for the year ended 30 June 2018 continued

15. Share premium

Share premium is the amount received by the company for shares issued, in excess of the nominal value of those shares.

	2018 £'000	2017 £'000
At beginning of year	26,136	26,136
Transfer from capital retained earnings reserve of share premium on shares reissued from treasury in 2011 and 2016*	69	–
Premium of new ordinary shares issued as a result of rollover	24,256	–
At end of year	**50,461**	**26,136**

* An adjustment was made to the reserves to split the amount raised on the reissue of shares from Treasury between the profit element, as now shown in share premium, and the cost of shares issued, now shown in retained earnings. This represents £13,000 from the year ended 30 June 2011 plus £56,000 from the year ended 30 June 2016. The total amount had previously all been taken to retained earnings. The impact on the statement of comprehensive income is £nil.

16. Capital redemption reserve

The nominal value of ordinary share capital purchased and cancelled is transferred out of called-up share capital and into the capital redemption reserve.

17. Retained earnings

Retained earnings represent the accumulated net income of the company as at year end and are broken down into revenue (distributable) items and capital (non-distributable) items. In accordance with the company's articles of association, net capital returns may not be distributed by way of dividend. The table below shows the movement in the retained earnings analysed between revenue and capital items.

	Revenue £'000	Capital £'000	Total £'000
At 30 June 2017	1,775	15,535	17,310
Net return for the year	1,347	2,168	3,515
Costs in relation to shares issued as a result of rollover**	–	(178)	(178)
Dividends paid	(920)	–	(920)
Transfer to share premium reserve of the share premium on shares reissued from Treasury in 2011 and 2016	–	(69)	(69)
Shares repurchased	–	(7,096)	(7,096)
At 30 June 2018	**2,202**	**10,360**	**12,562**

** Jupiter Dividend & Growth Trust PLC, as part of its reconstruction proposals, offered its shareholders the option of rolling over their holdings into Jupiter UK Growth Investment Trust PLC. Those who opted to do this became shareholders in the company with effect from 30 November 2017 after Jupiter Dividend & Growth Trust PLC was wound up. As a result, 7,821,713 shares were issued at a price of 315.10p each.

	Revenue £'000	Capital £'000	Total £'000
At 30 June 2016	1,001	11,137	12,138
Net return for the year	1,099	9,140	10,239
Dividends paid	(325)	–	(325)
Shares repurchased	–	(4,742)	(4,742)
At 30 June 2017	**1,775**	**15,535**	**17,310**

Accounts continued

Notes to the accounts for the year ended 30 June 2018 continued

18. Net asset value per ordinary share

The net asset value per ordinary share is based on the net assets attributable to the equity shareholders of £65,192,000 (2017: £45,224,000) and on 19,145,493 (2017: 13,540,276) ordinary shares, being the number of ordinary shares in issue at the year end, (excluding ordinary shares held in Treasury).

19. Reconciliation of net cash inflow from operating activities

	2018 £'000	2017 £'000
Net gains before finance costs and taxation	3,522	10,361
Gains on investments	(2,539)	(8,938)
Losses/(gain) on foreign currency	5	(457)
Increase in prepayments and accrued income	(132)	(36)
Decrease/(increase) in accruals and other creditors	(12)	14
Net cash inflow from operating activities	**844**	**944**

20. Analysis of changes in net funds

	At 1 July 2017 £'000	Cash Flow £'000	Foreign Currency Gain £'000	At 30 June 2018 £'000
Cash at bank	7,454	3,550	(5)	10,999

Accounts continued

Notes to the accounts for the year ended 30 June 2018 continued

21. Arrangements with related parties

Jupiter Unit Trust Managers Limited ('JUTM'), the Alternative Investment Fund Manager, is a company within the same group as Jupiter Asset Management Limited the investment adviser. JUTM is contracted to provide investment management services to the company, subject to termination by not less than twelve months' notice by either party.

JUTM receives an investment management fee as set out below. The management fee payable to JUTM in respect of the period 1 July 2017 to 30 June 2018 was £297,974 with £81,508 outstanding at year end. JUTM is also entitled to an investment performance fee which is based on the out-performance of the net asset value per ordinary share over the total return on the benchmark index (being the total return on the FTSE All Share Index) in each accounting period. No performance fee was payable to JUTM in respect of the year ended 30 June 2018.

Prior to 18 April 2016 the base management fee payable to JUTM was 0.80% per annum of the company's net assets, less a waiver of £40,000 per annum. However, with effect from the change in the company's investment strategy approved by shareholders on 18 April 2016 and the appointment of a new portfolio manager, Steve Davies, the base management fee was reduced to 0.50% of adjusted net assets (being net assets before deducting or making provision for any performance fee which may be due and after deduction of the value of any Jupiter Managed Investments). This fee will be further reduced to 0.45% to the extent that the company's adjusted net assets come to exceed £150 million and will be reduced further still to 0.40% to the extent that the company's adjusted net assets exceed £250 million.

Any performance fee payable per ordinary share will equal 15% of the amount by which the increase in the adjusted net asset value per ordinary share (plus any dividends per ordinary share paid or payable and any accrual for unpaid performance fees for the period) exceeds the higher of:

1) in respect of each subsequent calculation period, the net asset value per ordinary share on the last calculation date of the immediately preceding calculation period, as increased or decreased by the percentage by which the total return of the benchmark index increases or decreases during the calculation period plus 2%;

2) if applicable, the net asset value per ordinary share on the last calculation date by reference to which a performance fee was paid (such calculation date not being before 30 June 2016), increased or decreased by the total return of the benchmark index increases or decreases during the calculation period plus 2%; and

3) the estimated net asset value per ordinary share on Friday, 29 July 2016 (being 285.80p).

The total amount of any base management and performance fees payable to JUTM in respect of any one accounting period is limited to 2% of the adjusted net assets of the company. In respect of the calculation period ending 30 June 2017, the turbulent market conditions in the immediate aftermath of the Brexit referendum resulted in an estimated NAV per share of 265.12p as at 30 June 2016. Rather than adopt this NAV as the new high watermark for the then current and subsequent accounting periods for the purposes of any performance fee accrual, the board agreed with the manager on 26 September 2016 that it would be appropriate to adopt the higher estimated NAV of 285.80p as at 29 July 2016 as its new high watermark for these purposes.

No investment management fee is payable by the company to Jupiter Asset Management Limited in respect of the company's holdings in investment trusts, open-ended funds and investment companies in respect of which Jupiter Fund Management PLC, or any subsidiary undertaking of Jupiter Fund Management PLC, receives fees as investment manager or investment adviser. During the year there were no such investments.

22. Contingent liabilities and capital commitments

As at 30 June 2018 and 30 June 2017 there were no contingent liabilities or capital commitments.

23. Post statement of financial position event

Since the year end an additional 340,552 ordinary shares were repurchased to be held in treasury for prices between 319p and 338p per share.

Company information

Directors	Tom H Bartlam, Chairman Keith Bray Jonathan G D Davis Graham M Fuller Lorna M Tilbian
Registered office	The Zig Zag Building 70 Victoria Street, London SW1E 6SQ
Alternative investment fund manager	Jupiter Unit Trust Managers Limited The Zig Zag Building 70 Victoria Street, London SW1E 6SQ
Telephone	**020 3817 1000**
Facsimile	**020 3817 1820**
Website	**www.jupiteram.com/JUKG**
Email	**investmentcompanies@jupiteram.com**
	Authorised and regulated by the Financial Conduct Authority
Investment adviser and secretary	Jupiter Asset Management Limited The Zig Zag Building 70 Victoria Street, London SW1E 6SQ
Telephone	**020 3817 1000**
Facsimile	**020 3817 1820**
	Authorised and regulated by the Financial Conduct Authority
Custodian	J.P. Morgan Chase Bank N.A. 25 Bank Street, Canary Wharf, London E14 5JP Authorised and regulated by the Financial Conduct Authority
Depositary	J.P. Morgan Europe Limited 25 Bank Street, Canary Wharf, London E14 5JP Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority
Independent auditor	haysmacintyre 10 Queen Street Place, London EC4R 1AG
Registrars	Link Asset Services (formerly Capita Asset Services) 34 Beckenham Road, Beckenham, Kent BR3 4TU
Telephone	**0871 664 0300**
	(Lines are open from 9.00am to 5.30pm Monday to Friday. Calls cost 12 pence per minute plus network charges)
Telephone (overseas)	**+44 (0)20 8639 3367**
Website	**www.linkassetservices.com**
Email	**shareportal@linkgroup.co.uk**
Broker	Numis Securities Limited The London Stock Exchange Building 10 Paternoster Square, London EC4M 7LT Authorised and regulated by the Financial Conduct Authority
Company registration number	1040834 Registered in England and Wales An investment company under S.833 of the Companies Act

Investor information

Share identifiers

ISIN	GB00BFD3V961
Sedol	BFD3V96
Ticker	JUKG/LON

The ordinary shares of the company are listed on the London Stock Exchange.

Dividend reinvestment plan and managing your account online

Shareholders may elect for the company's registrar, Link Asset Services, to reinvest dividends automatically on their behalf. The reinvestment plan terms and conditions are available upon request from the helpline, by email to shares@linkgroup.co.uk, or through www.signalshares.com. The helpline number is 0371 664 0381, or from overseas +44 (0) 371 664 0381. Calls to this number are charged at the standard geographical rate and will vary by provider. Calls outside of the United Kingdom will be charged at the applicable international rate. Lines are open from 09.00am-5.30pm Monday to Friday. Signal shares is an online portal enabling you to manage your shareholding online. If you are a direct investor you can view your shareholding, change the way the registrar communicates with you, register the way you wish to receive your dividends, and buy and sell shares. If you haven't used this service before, all you need to do is enter the name of the company and register your account. You'll need your investor code (IVC) printed on your share certificate in order to register.

How to vote at the AGM

The board would like to encourage as many shareholders as possible to cast their votes at the forthcoming annual general meeting. Our industry body, the Association of Investment Companies (AIC), has recently released on its website, www.theaic.co.uk, new information on how to vote investment company shares held on platforms (such as Hargreaves Lansdown, Alliance Trust Savings, etc). The information includes whether investors can vote their shares held on platforms, what investors need to do to vote their shares, how far in advance they need to contact the platform to vote the shares and if there is any cost to the investor.

Information and Resources

Visit www.jupiteram.com/JUKG for factsheets containing key information about performance, portfolio and pricing, the most recent annual and half-yearly reports and accounts and investor insights from the Jupiter portfolio managers.

For investors who do not have access to the internet, documents are also available on request from the Jupiter Customer Services Team on 0844 620 7602.

Should you wish to be added to an email distribution list for future editions of the monthly factsheet, please send an email to investmentcompanies@jupiteram.com.

Further information about the company is also available from third party websites such as www.morningstar.co.uk and www.theaic.com.

Investor information continued

FTSE All-Share Index Total Return

This document contains information based on the FTSE All-Share Index Total Return. 'FTSE®' is a trade mark jointly owned by the London Stock Exchange Plc and The Financial Times Limited and is used by FTSE International Limited ('FTSE') under licence. The FTSE All-Share Index Total Return is calculated by FTSE. FTSE does not sponsor, endorse or promote the product referred to in this document and is not in any way connected to it and does not accept any liability in relation to its issue, operation and trading. All copyright and database rights in the index values and constituent list vest in FTSE.

Retail distribution of non-mainstream products

The company currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The company's shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Further information about the company is also available from third party websites such as www.morningstar.co.uk and www.trustnet.com.

Dividend tax allowance

With effect from 6 April 2016 the dividend tax credit was replaced by an annual tax-free dividend allowance. Dividend income in excess of this allowance will be taxed according to your personal income tax bracket. The company's registrar will continue to provide shareholders with confirmation of dividends paid, shareholders should retain such confirmations to enable them to calculate and report total dividend income received. Shareholders should note that it is their sole responsibility to report any dividend income in excess of their annual tax-free allowance to HMRC.

Further information on changes to dividend tax allowance can be obtained from the HMRC website at:
www.gov.uk/government/publications/income-tax-changes-to-dividend-taxation

Changes to our data privacy notice

We have updated our privacy notice to align with the new data privacy law in the European Union, known as the General Data Protection Regulation (GDPR) to which we are subject. Data protection and the security of your information always has been and remains of paramount importance to us.

Any information concerning shareholders and other related natural persons (together the data subjects) provided to, or collected by or on behalf of, Jupiter Unit Trust Managers Limited (the management Company) and/or Jupiter UK Growth Investment Trust Plc (the Controllers) (directly from data subjects or from publicly available sources) may be processed by the controllers as joint controllers, in compliance with the GDPR.

You are not required to take any action in respect of this notice, but we encourage you to read our privacy notice. Our privacy notice can be found on our website, www.jupiteram.com/Shared-Content/Legal-content-pages/Privacy/Investment-trusts. In the event that you hold your shares as a nominee, we request that you promptly pass on the details of where to find our privacy notice to the underlying investors and/or the beneficial owners.

Glossary of terms: Alternative Performance Measures

The European Securities and Markets Authority ('ESMA') published its guidelines on Alternative Performance Measures ('APMs'). APMs are defined as being a 'financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable accounting framework.' The guidelines are aimed at promoting the usefulness and transparency of APMs included in regulated information and aim to improve comparability, reliability and/or comprehensibility of APMs. The following APMs are used throughout the annual report, financial statements and notes to the financial statements.

Benchmark total return index

A total return index is a type of equity performance index that tracks both the capital gains of a group of stocks over time, and assumes that any cash distributions, such as dividends, are reinvested back into the index.

Discount

The amount, expressed as a percentage, by which the share price is less than the net asset value per share.

Gearing

Gearing is the borrowing of cash to buy more assets for the portfolio with the aim of making a gain on those assets larger than the cost of the loan. However, if the portfolio doesn't perform well the gain might not cover the costs. The more an investment company gears, the higher the risk.

Mid market price

The mid-market price is the mid-point between the buy and the sell prices.

NAV per share

The net asset value ('NAV') is the value of the investment company's asset less its liabilities. The NAV per share is the NAV divided by the number of shares in issue. The difference between the NAV per share and the share price is known as the discount or premium.

Ongoing charges

Ongoing charges are the total expenses including both the investment management fee and other costs but excluding performance fees, expressed as a percentage of NAV.

Premium

The amount, expressed as a percentage, by which the share price is more than the net asset value per share.

Annual General Meeting

Notice of Annual General Meeting

This Notice of Meeting is an important document. If shareholders are in any doubt as to what action to take, they should consult an appropriate independent adviser.

Notice is hereby given that the Annual General Meeting of the company will be held at the offices of Jupiter Asset Management Limited, The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ on Wednesday, 14 November 2018 at 12.00 pm for the purpose of considering and, if thought fit, passing the following resolutions of which resolutions 1 to 10 will be proposed as ordinary resolutions and resolutions 11 to 13 will be proposed as special resolutions:

Ordinary business

1. That the report of the directors and the audited accounts of the company for the year ended 30 June 2018 be received and adopted.
2. That the directors' remuneration report for the year ended 30 June 2018 be approved.
3. That Mr Keith Bray be elected as a director of the Company.
4. That Mr Tom H Bartlam be re-elected as a director of the company.
5. That Mr Graham M Fuller be re-elected as a director of the company.
6. That Mr Jonathan G D Davis be re-elected as a director of the company.
7. That Ms Lorna M Tilbian be re-elected as a director of the company.
8. That haysmacintyre be re-appointed as auditor of the company.
9. That the directors be authorised to agree the remuneration of the auditor.

Special business

To consider and if thought fit pass resolution 10 as an ordinary resolution and resolutions 11, 12 and 13 as special resolutions.

10. That the directors of the company be and they are hereby generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 ('the Act'), in substitution for and to the exclusion of any outstanding authority previously conferred on the directors under Section 551 of the Act, to allot equity securities (within the meaning of Section 560 of the Act) of the company up to a maximum aggregate nominal amount of £94,024 provided that this authority shall expire at the conclusion of the next Annual General Meeting of the company after the passing of this resolution save that the company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if the authority hereby conferred had not expired.
11. That the directors of the company be and are hereby granted power pursuant to Section 570 and/or Section 573 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of Section 560 of the Act) for cash either pursuant to the authority conferred by resolution 10 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:
    (i) to the allotment of equity securities in connection with an offer of equity securities to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record date, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
    (ii) to the allotment (otherwise than pursuant to paragraph (i) above) of equity securities up to an aggregate nominal amount of £94,024.

    The power granted by this resolution will expire at the conclusion of the company's next AGM (unless renewed, varied or revoked by the company prior to or on such date), 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 the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.
12. That the company be generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the "Act") to make one or more market purchases (within the meaning of Section 693 of the Act) of ordinary shares in the capital of the company ('ordinary shares') provided that:
    (i) the maximum aggregate number of ordinary shares authorised to be purchased is 2,818,680 or the number representing 14.99% of the issued ordinary share capital of the company at the date of the meeting at which this resolution is proposed;
    (ii) the minimum price which may be paid for an ordinary share is the nominal value hereof;
    (iii) the maximum price (excluding expenses of such purchase) which may be paid for an ordinary share is the higher of:
        (a) 105% of the average middle market quotations for an ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is purchased; and
        (b) the higher of the price of the last independent trade and the highest current independent bid as stipulated by Article 5(1) of Commission Regulation EC 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buyback programmes and stabilisation of financial instruments (No. 2273/2003);
    (iv) unless renewed, the authority shall expire at the conclusion of the next Annual General Meeting of the company to be held in 2019, save that the company may, prior to such expiry, enter into a contract to purchase shares which will or may be completed or executed wholly or partly after such expiry.
13. That a General Meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

By order of the board

Jupiter Asset Management Limited
Company secretary

20 September 2018

Annual General Meeting

Notes for Annual General Meeting

1. A member entitled to attend, speak and vote may appoint a proxy or proxies to attend, speak and vote instead of him or her. A proxy need not be a member of the company, nor does it have to be the chairman. The enclosed form of proxy may be completed online or in paper form. Proxies completed in paper form must be lodged at the company's registrars, Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF not less than 48 hours before the meeting.

   To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned together in the same envelope.

2. Completing and returning this form will not preclude a member from attending the meeting and voting in person. In order 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 at 12.00 pm on 12 November 2018. If the meeting is adjourned, members must be entered on the company's register of members 48 hours before the adjourned meeting or at the time specified by the company in a notice of meeting.

3. A vote 'withheld' is provided on the proxy form to enable you to abstain on any particular resolution, but please note that a 'withheld' vote is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against a resolution.

4. Proxy forms may be submitted online through the CREST electronic proxy appointment service. CREST members or designated voting service providers acting on behalf of members should refer to the CREST manual and Euroclear UK & Ireland Limited's specifications to ensure a valid proxy appointment and/or instructions are submitted through the CREST service.

   For a valid proxy appointment or instruction to be made using the CREST service, the proxy message must:

   - Be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications;
   - Contain the information required as described in the CREST manual; and
   - Be submitted so that it is received by the company's Registrars, Link Asset Services, no later than 12.00 pm on 12 November 2018 (or, if the meeting is adjourned, within 48 hours of the adjourned meeting or such other time as is specified by the company in a notice of meeting).

   Please note that the time of receipt of a proxy appointment or instruction is taken to be the time from which the company's Registrars are able to retrieve the message by enquiry to CREST. Members and/or voting service providers using the CREST service should refer to the CREST manual for guidance on the practical limitations of CREST service and timings. The company may treat as invalid a CREST proxy appointment or instruction in the circumstances set out in Regulation 35 (5) (a) of the Uncertificated Securities Regulations, 2001.

5. If you have disposed of your holding in the company, this Notice and any accompanying documentation should be passed on to the person who assisted with the sale or transfer.

6. Any person to whom this Notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

7. A copy of the notice of meeting and other information required by section 311A of the Companies Act 2006 can be found at www.jupiteram.com/JUKG

8. As at 14 September 2018 (being the latest practicable date prior to the publication of this notice) the company's issued share capital consisted of 29,721,678 ordinary shares, carrying one vote each. The company holds 10,916,737 shares in treasury. Therefore, the total voting rights in the Company as at 14 September 2018 were 18,804,941 votes.

9. Under the Companies Act 2006 (the "2006 Act"), the company is required to answer any question about the business of the AGM from a member attending the meeting. The exceptions include 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 notice of a properly moved resolution which they intend to move at the meeting to all members of the company; and/or (ii) to include in the business of the meeting any matter which may properly be included as business. A resolution will be deemed to be properly moved unless it would, if passed, be (a) ineffective by reason of inconsistency with the law or the company's constitution; (b) defamatory; or (c) frivolous or vexatious. Requests made pursuant to this right must be accompanied by a statement setting out the grounds for the request, authenticated by the person(s) making it and received by the company at least six clear weeks before the meeting. In the case of a matter to be included in the business the request must be accompanied by a statement setting out the grounds for the request. Requests for inclusion of business may also be rejected if defamatory, frivolous or vexatious.

11. Under Section 527 of the 2006 Act, members meeting the threshold requirement set out in that section have the right to require the company to publish on a website a statement setting out any matter relating to: (i) the audit of the company's accounts; or (ii) any circumstances connected with an auditor of the company ceasing to hold office since the previous AGM at which the annual accounts and reports were laid. The company is required to pay the cost of publication and to forward any statement to the company's auditors at or before the time it is published. The statement can be dealt with as business at the AGM.

12. Should you have any queries about voting or the AGM please contact the company's registrars Link Asset Services using the contact details provided on the Company Information page.

Form of Proxy

For use at the Annual General Meeting

I/We ....

....

of *(address)*..

....

being (a) member(s) of the JUPITER UK GROWTH INVESTMENT TRUST PLC hereby appoint the chairman of the meeting or failing him:

....

as my/our proxy to vote for me/us and on my/our behalf at the **Annual General Meeting** of the company to be held at 12.00 pm on Wednesday, 14 November 2018 and at any adjournment thereof. I/We direct my/our proxy to vote on the resolutions as set out in the notice convening the **Annual General Meeting** as follows:

	FOR	AGAINST	WITHHELD
1. To receive and adopt the report of the directors and audited accounts	☐	☐	☐
2. To approve the directors' remuneration report	☐	☐	☐
3. To elect Mr Keith Bray	☐	☐	☐
4. To re-elect Mr Tom H Bartlam	☐	☐	☐
5. To re-elect Mr Graham M Fuller	☐	☐	☐
6. To re-elect Mr Jonathan G D Davis	☐	☐	☐
7. To re-elect Ms Lorna M Tilbian	☐	☐	☐
8. To re-appoint the auditors	☐	☐	☐
9. To determine the auditors' remuneration	☐	☐	☐
10. To authorise the directors to allot ordinary shares in the company	☐	☐	☐
11. To authorise the directors to disapply pre-emption rights	☐	☐	☐
12. To authorise the company to make market purchases of its own shares	☐	☐	☐
13. To approve the notice period for General Meetings	☐	☐	☐

Dated .... 2018 .... Signature

Notes:

1. Please indicate how you wish your votes to be cast on a poll in respect of the resolutions to be proposed at the said meeting. If you do not indicate how you wish your proxy to use your votes, the proxy will exercise his discretion both as to how he votes and as to whether or not he abstains from voting. Your proxy will have the authority to vote at his discretion on any amendment or other motion proposed at the meeting, including any motion to adjourn the meeting. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
2. If you prefer to appoint some other person or persons as your proxy, strike out the words 'the chairman of the meeting' and insert in the blank space the name or names preferred and initial the alteration. A proxy need not be a member of the company. Completion of a form of proxy will not preclude a member from attending and voting in person.
3. In the case of joint holders, the signature of the holder whose name stands first in the relevant register of members will suffice as the vote of such holder and shall be accepted to the exclusion of the votes of the other joint holders. The names of all joint holders should, however, be shown.
4. If a member is a corporation, this form must be executed either under its common seal or under the hand of an officer or agent duly authorised in writing. In the case of an individual the proxy must be signed by the appointor or his agent, duly authorised in writing.
5. This form of proxy has been sent to you by post. It may be returned by post using the pre-paid business reply envelope provided or by courier or by hand to the Company's Registrars, Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4TU. CREST members should use the CREST electronic proxy appointment service and refer to Note 4 in the Notes to the Notice of Meeting on page 60 in relation to the submission of a proxy appointment via CREST.
6. In each case the proxy appointment must be received not less than 48 hours before the time for the holding of the meeting or adjourned meeting together (except in the case of appointments made electronically) with any authority (or a notarially certified copy of such authority) under which it is signed.

JUPITER

Jupiter Asset Management Limited is authorised and regulated by the Financial Conduct Authority whose address is 12 Endeavour Square, London E20 1JN. It is a subsidiary of Jupiter Investment Management Group Limited, The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ. If you are unsure of any investment decisions you should consult an Independent Financial Adviser.

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