



Interim Report **07**
JPMorgan Elect plc

Interim Report for the six months ended 28th February 2007

Chairman's Statement

"I am very pleased to report continued strong performance by your Company in the first six months of the financial year."

Performance

I am very pleased to report continued strong performance by your Company in the first six months of the financial year. The Managed Growth portfolio produced a total return on net assets of +12.2% over the six months to 28th February 2007, compared with its composite benchmark, comprising 65% FTSE All Share Index and 35% FTSE World (ex UK) Index, which returned +7.5% over the same period.

The Managed Income portfolio produced a total return on net assets of +11.6% over the six months, which was also well ahead of its benchmark, a composite benchmark comprising 85% FTSE 350 High Yield Index and 15% Merrill Lynch Sterling Corporate Bond Index, which returned +4.6%.

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

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

Dividends

Managed Growth Shares

A quarterly interim dividend of 1.00 pence per Managed Income share has been paid in the current financial year. A second and third quarterly dividend of 1.30 pence and 1.35 pence respectively, will be paid on 15th June 2007 to shareholders on the register at the close of business on 25th May 2007. Managed Growth shareholders will receive one payment in respect of both dividends. Dividends are paid on this share class in June and December each year.

Managed Income Shares

Two quarterly interim dividends totalling 2.64 pence per Managed Income share have been paid in the current financial year. A third quarterly dividend of 0.30 pence per Managed Income share, together with a special dividend of 0.82 pence per Managed Income share will be paid on 15th June 2007 to shareholders on the register at the close of business on 25th May 2007. Managed Income shareholders will receive one payment in respect of both dividends. Dividends on the Managed Income shares are paid quarterly in March, June, September and December each year. Due to the frequency and timing of distributions from the underlying investments the quarterly dividends are not of equal amounts.

Managed Cash Shares

Two quarterly interim dividends totalling 1.88 pence per Managed Cash share have been paid in the current financial year. A third quarterly dividend of 1.03 pence per Managed Cash share will be paid on 15th June 2007 to shareholders on the register on 25th May 2007. Dividends on the Managed Cash shares are paid quarterly in March, June, September and December each year.

Share Capital

The Company has authority to issue and repurchase shares of each class. In the six months to 28th February 2007, the Company did not issued any new shares and repurchased a total of 1,543,000 Managed Growth shares, 628,000 Managed Income shares and 440,210 Managed Cash shares for cancellation. These shares were repurchased at a discount to net asset value, thereby enhancing net asset value and benefiting continuing shareholders. Since the period end, the Company has repurchased a further 507,000 Managed Growth, 240,662 Managed Income and 696,003 Managed Cash shares for cancellation.

The net effect of the 30th November 2006 conversion process was to increase the share capital of Managed Growth and Managed Cash by 13,173 shares and 176,668 shares respectively and reduce the share capital of Managed Income by 203,148 shares. A total of 479,380 Managed Cash shares were redeemed.

Conversion Opportunities

I would like to remind shareholders of the opportunities to convert some or all of their holdings into the Company's other share classes on 31st May and 30th November each year. This conversion mechanism allows shareholders to alter their investment profile to match their changing investment needs without such conversion being treated, under current laws, as a disposal for UK capital gains tax purposes. Details of the conversion process are given on page 22.

Ken Culley

Chairman

17th May 2007

Interim Performance

TOTAL RETURNS (for the six months ended 28th February 2007)

Managed Growth Share Class

+14.5%

Total return to shareholders¹

+12.2%

Total return on net assets²

+7.5%

Benchmark return³

¹Source: Standard & Poor's – www.funds-sp.com.

²Source: Fundamental Data – www.funddata.com.

³Source: FTSE. The benchmark is a composite comprising 65% FTSE All Share Index and 35% FTSE World (ex UK) Index.

Financial Data	28th FEB 2007	31st AUG 2006	CHANGE %
Total net assets (£'000)	203,028	188,196	+7.9
Number of shares in issue	50,460,432	51,990,259	-2.9
Net asset value per share	402.4p	362.0p	+11.2
Share price	401.0p	353.5p	+13.4
Discount of share price to net asset value	0.3%	2.3%	

Investment Manager's Report

"...the outperformances of the European markets outside the UK and of Asia and the emerging markets continued to be a strong driver of relative returns."

Managed Growth

Review

It has been another strong period for the Managed Growth portfolio. Almost all equity markets rose in synchronous fashion over the period, and in local currency terms at least there was a surprising uniformity to the returns achieved (gains of around 7–8% for the developed markets and double that for the developing markets). Returns for sterling investors have been somewhat impacted by the strength of sterling but this merely takes the gloss off what has been an extremely buoyant six months. In fact, the only serious correction took place right at the end of the review period and the effects of this so far have been limited.

Why have markets remained in such sparkling form? At the macro economic level conditions continue to be relatively benign. Activity in the US is slowing, but growth remains strong in Asia and the emerging economies and is improving in Europe and Japan. Last year's concerns over a potential upward shift in inflationary expectations have so far proved premature. At the micro level, corporate profitability has continued to surprise in terms of its vigour and the limited impact on margins from higher input costs. There has been a structural component to the recovery in profits which has been underappreciated by investors. Finally, the appetite for risk has continued to rise, as evidenced by the demand for higher risk asset classes and by the level of merger and acquisition activity. With multi billion dollar private equity deals now commonplace, this activity is no longer concentrated in the small/mid cap market segments. The portfolio has benefited accordingly.

Total Returns to 28th February 2007:

Months	6	12	24	36
NAV Return ¹	+12.2%	+10.0%	+50.8%	+73.8%
Benchmark ²	+7.5%	+8.7%	+34.6%	+51.6%
FTSE All Share ²	+7.4%	+11.7%	+36.5%	+57.0%
FTSE World ex UK ²	+7.7%	+3.3%	+31.0%	+41.7%

¹Source: Fundamental Data

²Source: FTSE

There are three ways in which we can aim to add value relative to our benchmark: firstly through our choice of markets; secondly through the selection of the underlying funds; and thirdly through the movement in trust discounts.

In terms of market choice our most significant bets remain the positive allocations made to Continental Europe, Japan, Asia and the emerging markets, at the expense of the UK and the US. Although all markets rose in both local currency and sterling terms over the period, the outperformances of the European markets outside the UK and of Asia and the emerging markets, continued to be a strong driver of relative returns.

Fund selection was the main contributor to portfolio performance. Some of this can be put down to the excellent performance of small caps which (with the exception of Japan) strongly outperformed their large cap counterparts. However, it was pleasing to see the breadth of performance across the portfolio whether it be from the JPMorgan investment trusts (eg. JPMorgan European, Smaller Companies and Emerging Markets), JPMorgan open ended funds (eg. JPMorgan UK Dynamic and Europe ex UK Dynamic), or our third party fund holdings (eg. Dolphin Capital, Utilico, SVM UK Active). Our main disappointments came from our Japanese fund holdings, all of which underperformed their benchmarks.

“...as long as global activity remains underpinned and interest rates and inflation stay low, we expect further gains from equity markets over the remainder of the financial year.”

Although movements in trust discounts were a less significant contributor to returns than in previous periods, they still mattered at the margin. In part this was helped by the strong underlying performance of markets. But pre-emptive action on the part of Boards to head off shareholder discontent has also played a part. At least two of our holdings (Schroder UK Growth, Templeton Emerging Markets) either put into place discount control mechanisms or flirted with the idea; plenty of others have bought back stock aggressively to control discount volatility.

Portfolio Activity

It has been an active period for the portfolio, although this comes through more at the micro level than it does in terms of relative country positioning. New funds added include Gartmore Irish Growth Fund, Fidelity Special Values, Dolphin Capital Investors (our first AIM listed security) and the venerable Alliance Trust. We also added to existing holdings on a number of occasions (JPMorgan Asian, American and Japanese and Perpetual Income & Growth). On the sell side, we sold down our entire position in JPMorgan Natural Resources Fund, although in retrospect this proved premature. Elsewhere our sales have focused on taking profits in our strongly performing mid and small cap holdings (JPMorgan Fleming Mercantile, JPMorgan Smaller Companies and JPMorgan Mid Cap). At the end of the period, 50% of the portfolio was invested in JPMorgan managed investment trusts, 26% was held in JPMorgan managed OEICs, 22% was held in third party managed funds, and the balance held in cash.

Outlook

There are three main themes that underpin our outlook for the remainder of the financial year.

Firstly, we expect the global economy to continue to slow over the next few quarters, as a result of the cumulative effect of interest rate increases. But, in spite of the current strains in the US housing sector, we see the risk of a sharp slowdown in activity as being small. The benefits of this growth pause are that slower activity should reduce inflationary concerns and remove the threat of higher interest rates. Nevertheless, we concede that actual interest rate cuts are still some time away.

Secondly, although operating earnings growth will slow in line with the global economy, we believe companies will continue to benefit from the structural effects of globalisation and corporate restructuring. This will keep cost push inflation relatively low and margins relatively high compared with previous economic cycles. Although equity markets have risen substantially over the past three years, price gains have been driven almost entirely by corporate profits growth. This gives us some confidence that equity markets should be able to withstand a slower growth phase since valuations are not overly demanding.

Finally, we expect liquidity to remain abundant as a result of supply side improvements to the global economy and more effective means of risk dispersion than was the case in the past. This should keep asset prices underpinned and, barring an unexpected financial accident, risk appetites elevated. Merger and acquisition activity should continue to provide a support for equity markets. This is not to suggest that all will be plain sailing for equities. But as long as global activity remains underpinned and interest rates and inflation stay low, we expect further gains from equity markets over the remainder of the financial year.

Jonathan Lowe

Investment Manager

17th May 2007

Ten Largest Investments

as at 28th February 2007

Company	Valuation	
	£'000	% ¹
JPM UK Dynamic (A) ²	22,889	11.3
JPM Claverhouse Investment Trust	19,479	9.6
JPM European Investment Trust (Growth)	15,620	7.7
JPM UK Strategic Value (A) ²	11,066	5.5
JPM Asian Investment Trust	8,144	4.0
JPM US Fund (A) ²	8,043	4.0
JPM American Investment Trust	6,766	3.3
JPMF Mercantile Investment Trust	6,253	3.1
JPM Japanese Investment Trust	6,081	3.0
JPM UK Equity (C) ²	5,768	2.8
TOTAL*	110,109	54.3

¹Based on total assets less current liabilities of £203.0m.

²Open Ended Investment Companies.

*As at 31st August 2006, the value of the ten largest holdings represented 53.8% of total assets less current liabilities.

Geographic Analysis

(on a look through basis)

Region	28th February 2007		31st August 2006	
	Company	Benchmark	Company	Benchmark
	%	%	%	% ¹
UK	55.4	65.0	54.1	65.0
Continental Europe	13.8	8.2	14.9	7.8
North America	11.3	19.0	11.7	19.6
Japan	7.0	3.9	7.2	3.9
Pacific ex Japan	4.7	2.8	3.1	2.7
Other	2.2	1.1	4.5	1.0
Net current assets	5.6	—	4.5	—
	100.0	100.0	100.0	100.0

¹Based on total assets less current liabilities of £203.0m (31st August 2006: £188.2m).

Income Statement

for the six months ended 28th February 2007

	(Unaudited) Six months ended 28th February 2007			(Unaudited) Six months ended 28th February 2006			(Audited) Year ended 31st August 2006		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains from investments held at fair value through profit or loss	—	21,537	21,537	—	39,308	39,308	—	34,028	34,028
Income from investments	1,231	—	1,231	1,145	—	1,145	2,739	—	2,739
Other interest receivable and similar income	160	—	160	131	—	131	404	—	404
Gross return	1,391	21,537	22,928	1,276	39,308	40,584	3,143	34,028	37,171
Management fee	(57)	(170)	(227)	(47)	(143)	(190)	(105)	(312)	(417)
Other administrative expenses	(209)	—	(209)	(162)	—	(162)	(316)	—	(316)
Net return on ordinary activities before taxation	1,125	21,367	22,492	1,067	39,165	40,232	2,722	33,716	36,438
Taxation	37	—	37	48	—	48	108	—	108
Net return on ordinary activities after taxation	1,162	21,367	22,529	1,115	39,165	40,280	2,830	33,716	36,546
Return per Managed Growth share	2.27p	41.75p	44.02p	2.02p	70.96p	72.98p	5.23p	62.31p	67.54p

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

The total column of this statement is the profit and loss account of the Managed Growth pool of assets and the revenue and capital columns represent supplementary information.

Balance Sheet

as at 28th February 2007

	(Unaudited) 28th February 2007 £'000	(Unaudited) 28th February 2006 £'000	(Audited) 31st August 2006 £'000
Fixed assets			
Investments at fair value through profit or loss	198,068	194,651	178,825
Current assets			
Debtors	2,342	569	868
Cash and short term deposits	4,253	6,599	10,678
Creditors: amounts falling due within one year	6,595 (1,635)	7,168 (155)	11,546 (2,175)
Net current assets	4,960	7,013	9,371
Total assets less current liabilities	203,028	201,664	188,196
Total net assets	203,028	201,664	188,196
Net asset value per Managed Growth share	402.4p	371.2p	362.0p

Interim Performance

TOTAL RETURNS (for the six months ended 28th February 2007)

Managed Income Share Class

+14.7%

Total return to shareholders¹

+11.6%

Total return on net assets²

+4.6%

Benchmark return³

¹Source: Standard & Poor's – www.funds-sp.com.

²Source: Fundamental Data – www.funddata.com.

³Source: WM (World Markets)/Bloomberg. The benchmark is a composite comprising 85% FTSE 350 High Yield Index and 15% Merrill Lynch Sterling Corporate Bond Index.

Financial Data	28th FEB 2007	31st AUG 2006	CHANGE %
Total net assets (£'000)	67,451	62,347	+8.2
Number of shares in issue	56,537,109	57,368,257	-1.4
Net asset value per share	119.3p	108.7p	+9.8
Share price	119.5p	106.5p	+12.2
Premium/(discount) of share price to net asset value	0.2%	(2.0%)	

Investment Manager's Report

"...the underlying performance of the portfolio was good as asset allocation, exposure to geared investment trusts in a rising market and some good stock picking in UK equities all helped to deliver a total return on net assets of +11.6%"

Managed Income

Review

In the autumn, the UK equity market eventually broke out of its sideways trading range that had been in place over the summer after the sharp correction seen in May 2006. Thus we saw good returns up to and over the calendar year end. However, in the run up to our own half year end, we saw another set back in markets, which erased some but not all of the gains achieved since our financial year end in August.

Consequently, total returns including net income reinvested from UK equities came in at +5.1% as measured by the FTSE 350 High Yield Index. Fixed income stocks on the same basis saw more modest total returns of just +1.6% as measured by the Merrill Lynch Sterling Corporate Bond Index, as yields rose again over the period. The table below summarises the key performance data:

Total Returns to 28th February 2007:

Months	6	12	24	36
NAV Return	+11.6%	+14.4%	+39.4%	+62.5%
Benchmark	+4.6%	+6.9%	+27.1%	+49.4%
FTSE 350 High Yield	+5.1%	+8.0%	+30.4%	+55.6%
Merrill Lynch Sterling Corp Bond	+1.6%	+1.8%	+9.5%	+16.7%

Source: JPMAM and Fundamental Data

In terms of portfolio positioning, we started our new financial year with the portfolio still biased towards equities and geared investment trusts and consequently we had a modest overweight exposure to equities on a look through basis after taking account of bond exposure within our investment trust holdings. In addition to bond exposure, the investment trust holdings also give the portfolio a small amount of gearing which is estimated to have been around 6% to 7% over this reporting period, again on a look through basis.

Consequently, the underlying performance of the portfolio was good as asset allocation, exposure to geared investment trusts in a rising market and some good stock picking in UK equities all helped to deliver a total return on net assets of +11.6%. This compared favourably with the total return of +4.6% on the same basis from our composite benchmark index, which is split 85% / 15% between the equity and bond indices mentioned earlier. The return to shareholders, as measured by movement in the share price with dividends reinvested, was even better at +14.7%, as the discount moved from a small discount to a small premium over the period.

Portfolio Activity

The main event of this period was the rollover of JPMorgan Fleming Income & Growth Investment Trust plc, which occurred in December 2006. As we had 17% of the portfolio invested in this company at our last financial year end, more activity was required this period to restructure the portfolio. We elected to take out around £3m from our investment in capital shares in this company. For the remainder of our capital shares we elected to receive units in the new company and rolled our income shares into new income shares. We then reinvested the £3m into other high yielding funds and overall, as a result, slightly improved our revenue. We also used this as an opportunity to continue the diversification of our fund holdings by asset type and geography. Funds which brought us more overseas exposure included JPMorgan European, European Assets and JZ Equity Partners. In addition, we also

“In UK equities we continued to seek out the best income stocks offering a combination of the value, growth and momentum characteristics that we seek when investing on your behalf.”

added to our holdings in JPMorgan Income & Capital and ACP Mezzanine. Other funds which were purchased this period which also helped to further diversify the portfolio included BNP US High Income (US large Cap) and Summit Germany (German commercial property).

In UK equities we continued to seek out the best income stocks offering a combination of the value, growth and momentum characteristics that we seek when investing on your behalf. Additions of holdings in Anglo American, BT, Resolution and National Express were examples that met these requirements. Otherwise we added to existing attractive holdings such as Intermediate Capital, Investec and Cattles. This was funded by sales of larger slower growing companies such as Scottish & Newcastle, Diageo, Pearson and HSBC.

Outlook

The recent setback in the market does not come as a great surprise after such a strong rise without a correction since last summer. This reflects ongoing uncertainties about the extent and duration of the slow down in the US economy and its effects on corporate earnings around the world. We remain relatively relaxed about this as we view this slow down as a mid cycle affair, with plenty of growth coming through elsewhere to offset. In addition, low bond yields and the encouragement that these continue to provide to debt-driven merger and acquisition activity continues to support the market. The other attractive feature of the corporate sector is the strength of balance sheets, which gives them the flexibility to invest, acquire or return capital via share buy backs and enhanced dividend payments. Indeed a feature of the recent results season has been positive surprises from special dividends and on payouts generally.

Jamieson Streeter
Investment Manager

17th May 2007

Ten Largest Investments

as at 28th February 2007

Company	Valuation	
	£'000	% ¹
JPM Income & Growth Investment Trust (Income Shares & Units)	8,421	12.5
JPM Income & Capital Investment Trust (Ord. & Zero Div Pref.)	3,476	5.2
HBOS	2,930	4.3
HSBC	2,575	3.8
Royal Dutch Shell	2,469	3.7
BP	2,388	3.5
Barclays	2,167	3.2
JPM European Investment Trust (Income)	1,635	2.4
Intermediate Capital	1,505	2.2
British American Tobacco	1,440	2.1
TOTAL²	29,006	42.9

¹Based on total assets less current liabilities of £67.5m.

²As at 31st August 2006, the value of the ten largest holdings represented 45.3% of total assets less current liabilities.

Investment Activity

Portfolio	28th February 2007		31st August 2006	
	Company	Benchmark	Company	Benchmark
	%	%	%	% ¹
UK equities	50.1	85.0	53.9	85.0
Investment companies [#]	47.1	—	43.9	—
Fixed interest	—	15.0	1.0	15.0
Net current assets	2.8	—	1.2	—
TOTAL	100.0	100.0	100.0	100.0

Based on total assets less current liabilities of £67.5m (2006:£62.3m).

[#]This is made up of both JPM and other investment companies.

Portfolio Analysis

Sector	28th February 2007		31st August 2006	
	Company	Benchmark	Company	Benchmark
	%	%	%	% ¹
Investment companies	47.1	—	43.9	—
Financials	26.1	33.9	23.1	32.7
Oil & Gas	7.2	19.5	9.3	23.2
Utilities	5.8	6.9	6.3	6.5
Consumer goods	4.0	7.7	6.7	7.3
Consumer services	1.5	4.4	4.7	5.0
Basic materials	2.6	—	0.5	—
Telecommunications	2.0	9.6	—	8.1
Industrials	0.9	2.9	1.9	2.2
Healthcare	—	—	1.4	—
Fixed interest	—	15.0	1.0	15.0
Technology	—	0.1	—	—
Net current assets	2.8	—	1.2	0.0
TOTAL	100.0	100.0	100.0	100.0

Based on total assets less current liabilities of £67.5m (2006:£62.3m).

Income Statement

for the six months ended 28th February 2007

	(Unaudited) Six months ended 28th February 2007			(Unaudited) Six months ended 28th February 2006			(Audited) Year ended 31st August 2006		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains from investments held at fair value through profit or loss	—	5,846	5,846	—	6,964	6,964	—	6,690	6,690
Income from investments	1,370	—	1,370	1,125	—	1,125	2,633	—	2,633
Other interest receivable and similar income	60	—	60	10	—	10	26	—	26
Gross return	1,430	5,846	7,276	1,135	6,964	8,099	2,659	6,690	9,349
Management fee	(99)	(99)	(198)	(87)	(87)	(174)	(185)	(185)	(370)
Other administrative expenses	(56)	—	(56)	(46)	—	(46)	(91)	—	(91)
Net return on ordinary activities before taxation	1,275	5,747	7,022	1,002	6,877	7,879	2,383	6,505	8,888
Taxation	16	—	16	19	—	19	43	—	43
Net return on ordinary activities after taxation	1,291	5,747	7,038	1,021	6,877	7,898	2,426	6,505	8,931
Return per Managed Income share	2.27p	10.09p	12.36p	1.79p	12.04p	13.83p	4.23p	11.33p	15.56p

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

The total column of this statement is the profit and loss account of the Managed Income pool of assets and the revenue and capital columns represent supplementary information.

Balance Sheet

as at 28th February 2007

	(Unaudited) 28th February 2007 £'000	(Unaudited) 28th February 2006 £'000	(Audited) 31st August 2006 £'000
Fixed assets			
Investments at fair value through profit or loss	65,582	61,458	61,583
Current assets			
Debtors	313	1,036	448
Cash and short term deposits	1,694	599	427
Creditors: amounts falling due within one year	2,007 (118)	1,634 (28)	876 (112)
Net current assets	1,869	1,606	764
Total assets less current liabilities	67,451	63,064	62,347
Total net assets	67,451	63,064	62,347
Net asset value per Managed Income share	119.3p	109.1p	108.7p

Interim Performance

TOTAL RETURNS (for the six months ended 28th February 2007)

Managed Cash Share Class

+1.4%

Total return to shareholders¹

+1.8%

Total return on net assets²

¹Source: Standard & Poor's – www.funds-sp.com.

²Source: Fundamental Data – www.funddata.com.

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

Financial Data	28th FEB 2007	31st AUG 2006	CHANGE %
Total net assets (£'000)	27,342	28,094	-2.7
Number of shares in issue	27,034,912	27,777,834	-2.7
Net asset value per share	101.1p	101.1p	0.0
Share price	98.5p	99.0p	-0.5
Discount of share price to net asset value	2.6%	2.1%	

Investment Manager's Report

Managed Cash

Portfolio Activity

The Managed Cash portfolio is invested in sterling liquidity funds in broadly equal amounts. The portfolio is actively managed, with liquidity funds selected on the basis of their yield, credit rating (all AAA) and the competitive nature of their management fees. As at 28th February 2007, net yields to investors on these funds ranged from 4.71% to 4.83%¹

Jonathan Lowe

Investment Manager

17th May 2007

¹ 1 year returns to 31st August 2007. Source: IMMFA Money Fund Report, iMoneyNet.

Investments

as at 28th February 2007

Company	Yield % ¹	Rating ²	Valuation £'000	% ³
Insight Sterling Liquidity Fund	4.83	AAA	4,969	18.2
Fidelity Institutional Sterling Cash Fund	4.79	AAA	4,919	18.0
Standard Life Sterling Liquidity Fund	4.83	AAA	4,715	17.3
Barclays Global Investors Sterling Liquidity Fund	4.80	AAA	4,715	17.2
Royal Bank of Scotland Sterling Global Treasury Fund	4.76	AAA	4,430	16.2
Scottish Widows Global Sterling Liquidity Fund	4.71	AAA	3,940	14.4
JPMorgan Sterling Liquidity Fund	4.73	AAA	7	0.0
TOTAL⁴			27,695	101.3

¹1 year returns to 28th February 2007. Source: IMMFA Money Fund Report, iMoneyNet.

²Ratings given by recognised credit rating agencies.

³Based on total assets less current liabilities of £27.3m.

⁴As at 31st August 2006, the value of the investments represented 101.1% of total assets less current liabilities.

Portfolio Analysis

Company	28th February 2007 Company %	31st August 2006 Portfolio %
Sterling liquidity funds	101.3	101.1
Net current liabilities	(1.3)	(1.1)
	100.0	100.0

Based on total assets less current liabilities of £27.3m (2006:£28.1m).

Income Statement

for the six months ended 28th February 2007

	(Unaudited) Six months ended 28th February 2007			(Unaudited) Six months ended 28th February 2006			(Audited) Year ended 31st August 2006		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income from investments	675	—	675	551	—	551	1,177	—	1,177
Other interest receivable and similar income	—	—	—	1	—	1	2	—	2
Gross return	675	—	675	552	—	552	1,179	—	1,179
Other administrative expenses	(19)	—	(19)	(21)	—	(21)	(40)	—	(40)
Net return on ordinary activities before taxation	656	—	656	531	—	531	1,139	—	1,139
Taxation	(159)	—	(159)	(67)	—	(67)	(190)	—	(190)
Net return on ordinary activities after taxation	497	—	497	464	—	464	949	—	949
Return per Managed Cash share	1.83p	—	1.83p	1.85p	—	1.85p	3.65p	—	3.65p

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period. The total column of this statement is the profit and loss account of the Managed Cash pool of assets and the revenue and capital columns represent supplementary information.

Balance Sheet

as at 28th February 2007

	(Unaudited) 28th February 2007 £'000	(Unaudited) 28th February 2006 £'000	(Audited) 31st August 2006 £'000
Fixed assets			
Investments at fair value through profit or loss	27,695	25,726	28,398
Current assets			
Debtors	225	184	110
Cash and short term deposits	5	9	10
Creditors: amounts falling due within one year	230 (583)	193 (299)	120 (424)
Net current liabilities	(353)	(106)	(304)
Total assets less current liabilities	27,342	25,620	28,094
Total net assets	27,342	25,620	28,094
Net asset value per Managed Cash share	101.1p	101.1p	101.1p

Income Statement

for the six months ended 28th February 2007

	(Unaudited) Six months ended 28th February 2007			(Unaudited) Six months ended 28th February 2006			(Audited) Year ended 31st August 2006		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains from investments held at fair value through profit or loss	—	27,383	27,383	—	46,272	46,272	—	40,718	40,718
Income from investments	3,276	—	3,276	2,821	—	2,821	6,549	—	6,549
Other interest receivable and similar income	220	—	220	142	—	142	432	—	432
Gross return	3,496	27,383	30,879	2,963	46,272	49,235	6,981	40,718	47,699
Management fee	(156)	(269)	(425)	(134)	(230)	(364)	(290)	(497)	(787)
Other administrative expenses	(284)	—	(284)	(229)	—	(229)	(447)	—	(447)
Net return on ordinary activities before taxation	3,056	27,114	30,170	2,600	46,042	48,642	6,244	40,221	46,465
Taxation	(106)	—	(106)	—	—	—	(39)	—	(39)
Net return on ordinary activities after taxation	2,950	27,114	30,064	2,600	46,042	48,642	6,205	40,221	46,426
Return per share (note 3):									
Managed Growth	2.27p	41.75p	44.02p	2.02p	70.96p	72.98p	5.23p	62.31p	67.54p
Managed Income	2.27p	10.09p	12.36p	1.79p	12.04p	13.83p	4.23p	11.33p	15.56p
Managed Cash	1.83p	—	1.83p	1.85p	—	1.85p	3.65p	—	3.65p

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period. The total column of this statement is the profit and loss account of the Company and the revenue and capital columns represent supplementary information. The total column represents all the information that is required to be disclosed in a "Statement of Total Recognised Gains and Losses" ('STRGL'). For this reason a STRGL has not been presented.

Reconciliation of Movements in Shareholders' Funds

(Unaudited)

for the six months ended 28th February 2007

	Share Capital £'000	Share premium account £'000	Other reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 31st August 2005	24	43,045	203,459	222	3,097	249,847
Adjustment to opening shareholders' funds at 1st September 2005 to reflect the adoption of bid prices (1,047)		–	–	–	(1,047)	–
Shares bought back and cancelled	–	–	(22,641)	–	–	(22,641)
Shares issued	–	11,722	–	–	–	11,722
Total return from ordinary activities	–	–	–	40,221	6,205	46,426
Dividends appropriated in the year	–	–	–	–	(5,670)	(5,670)
At 31st August 2006	24	54,767	180,818	39,396	3,632	278,637
Shares bought back and cancelled	–	–	(9,485)	–	–	(9,485)
Shares issued	–	1,958	–	–	–	1,958
Total return from ordinary activities	–	–	–	27,114	2,950	30,064
Dividends appropriated in the period	–	–	–	–	(3,353)	(3,353)
At 28th February 2007	24	56,725	171,333	66,510	3,229	297,821

Balance Sheet

as at 28th February 2007

	Growth £'000	(Unaudited) 28th February 2007 Income £'000	Cash £'000	Total £'000	(Unaudited) 28th February 2006 Total £'000	(Audited) 31st August 2006 Total £'000
Fixed assets						
Investments at fair value through profit or loss	198,068	65,562	27,695	291,325	281,835	268,806
Current assets						
Debtors	2,342	313	225	2,880	1,788	1,427
Cash and short term deposits	4,253	1,694	5	5,952	7,207	11,115
	6,595	2,007	230	8,832	8,995	12,542
Creditors: amounts falling due within one year	(1,635)	(118)	(583)	(2,336)	(482)	(2,711)
Net current assets/(liabilities)	4,980	1,888	(353)	6,496	8,513	9,831
Total assets less current liabilities	203,028	67,451	27,342	297,821	290,348	278,637
Total net assets	203,028	67,451	27,342	297,821	290,348	278,637
Capital and reserves						
Called up share capital	18	4	2	24	24	24
Share premium account	17,723	26,220	12,782	56,725	49,107	54,767
Other reserve	136,839	20,197	14,297	171,333	192,808	180,818
Capital reserve	47,034	19,476	—	66,510	45,217	39,396
Revenue reserve	1,414	1,554	261	3,229	3,192	3,632
Shareholders' funds	203,028	67,451	27,342	297,821	290,348	278,637

	28th February 2007		28th February 2006		31st August 2006	
Net asset value per share (note 4)	Net asset value (pence)	Net assets £'000	Net asset value (pence)	Net assets £'000	Net asset value (pence)	Net assets £'000
Managed Growth	402.4	203,028	371.2	201,664	362.0	188,196
Managed Income	119.3	67,451	109.1	63,064	108.7	62,347
Managed Cash	101.1	27,342	101.1	25,620	101.1	28,094

Cash Flow Statement

for the six months ended 28th February 2007

	(Unaudited) Six months ended 28th February 2007 £'000	(Unaudited) Six months ended 28th February 2006 £'000	(Audited) Six months ended 31st August 2006 £'000
Net cash inflow from operating activities	2,788	2,276	5,428
Taxation recovered	16	24	24
Net cash inflow from capital expenditure and financial investment	2,944	7,092	17,271
Equity dividends paid	(3,353)	(2,505)	(5,670)
Net cash outflow from financing	(7,562)	(4,517)	(10,776)
(Decrease)/increase in cash for the period	(5,167)	2,370	6,277

Notes to the Accounts

1. Accounting policies

The accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP") and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies" dated 31st December 2005.

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

The accounting policies applied to these interim accounts are consistent with those applied in the accounts for the year ended 31st August 2006.

2. Dividends

	(Unaudited) Six months ended 28th February 2007 £'000	(Unaudited) Six months ended 28th February 2006 £'000	(Audited) Year ended 31st August 2006 £'000
Dividends paid			
Managed Growth Shares 3rd interim of 2.60p (2005: 2.22p) ¹	1,340	1,233	1,233
Managed Growth Shares 1st interim of 1.00p (2005: 2.00p)	516	—	1,070
Managed Growth Shares 2006 2nd interim of 0.60p	—	—	321
Managed Income Shares 4th quarterly dividend of 0.75p (2005: 0.65p)	431	364	364
Managed Income Shares 1st quarterly dividend of 0.98p (2006: 0.75p)	559	423	423
Managed Income Shares 2006 2nd quarterly dividend of 0.85p	—	—	491
Managed Income Shares 2006 3rd quarterly dividend of 1.40p	—	—	809
Managed Cash Shares 4th quarterly dividend of 0.94p (2005: 1.05p)	261	260	260
Managed Cash Shares 1st quarterly dividend of 0.90p (2006: 0.91p)	246	225	225
Managed Cash Shares 2006 2nd quarterly dividend of 0.96p	—	—	243
Managed Cash Shares 2006 3rd quarterly dividend of 0.92p	—	—	231
Total dividends paid in the period	3,353	2,505	5,670
Dividends declared			
Managed Growth Shares 1st interim of 2.00p	—	1,070	—
Managed Growth Shares 2nd interim of 1.20p (2005: 0.60p)	603	321	—
Managed Growth Shares 3rd interim dividend of 2.60p	—	—	1,352
Managed Income Shares 2nd quarterly dividend of 1.66p (2006: 0.85p)	939	491	—
Managed Income Shares 4th quarterly dividend of 0.75p	—	—	431
Managed Cash Shares 2nd quarterly dividend of 0.98p (2006: 0.96p)	265	243	—
Managed Cash Shares 4th quarterly dividend of 0.94p	—	—	261
Total dividends payable²	1,807	2,125	2,044

¹ The dividend payment is less than the amount shown in the accounts due to repurchase of shares between the previous year end and the record date.

² In accordance with the accounting policy of the Company, these dividends will be reflected in the accounts of the following period.

3. Return per share

	(Unaudited) Six months ended 28th February 2007 £'000	(Unaudited) Six months ended 28th February 2006 £'000	(Audited) Year ended 31st August 2006 £'000
Managed Growth			
Return per Managed Growth share is based on the following:			
Revenue return	1,162	1,115	2,830
Capital return	21,367	39,165	33,716
Total return	22,529	40,280	36,546
Weighted average number of shares in issue	51,177,576	55,192,855	54,106,947
Revenue return per share	2.27p	2.02p	5.23p
Capital return per share	41.75p	70.96p	62.31p
Total return per share	44.02p	72.98p	67.54p

Notes to the Accounts continued

	(Unaudited) Six months ended 28th February 2007 £'000	(Unaudited) Six months ended 28th February 2006 £'000	(Audited) Year ended 31st August 2006 £'000
Managed Income			
Return per Managed Income share is based on the following:			
Revenue return	1,291	1,021	2,426
Capital return	5,747	6,877	6,505
Total return	7,038	7,898	8,931
Weighted average number of shares in issue	56,931,837	57,123,962	57,390,085
Revenue return per share	2.27p	1.79p	4.23p
Capital return per share	10.09p	12.04p	11.33p
Total return per share	12.36p	13.83p	15.56p
Managed Cash			
Return per Managed Cash share is based on the following:			
Revenue return	497	464	949
Capital return	—	—	—
Total return	497	464	949
Weighted average number of shares in issue	27,224,185	25,069,682	26,007,274
Revenue return per share	1.83p	1.85p	3.65p
Capital return per share	—	—	—
Total return per share	1.83p	1.85p	3.65p

4. Net asset value per share

	JPM Elect Managed Growth	(Unaudited) 28th February 2007 JPM Elect Managed Income	JPM Elect Managed Cash
The net asset values per share are calculated as follows:			
Net assets attributable (£'000)	203,028	67,451	27,342
Ordinary shares in issue	50,460,432	56,537,109	27,034,912
Net asset value per share (pence)	402.4	119.3	101.1
(Unaudited) 28th February 2006			
	JPM Elect Managed Growth	JPM Elect Managed Income	JPM Elect Managed Cash
Net assets attributable (£'000)	201,664	63,064	25,620
Ordinary shares in issue	54,321,356	57,801,082	25,333,089
Net asset value per share (pence)	371.2	109.1	101.1
(Audited) 31st August 2006			
	JPM Elect Managed Growth	JPM Elect Managed Income	JPM Elect Managed Cash
Net assets attributable (£'000)	188,196	62,347	28,094
Ordinary shares in issue	51,990,259	57,368,257	27,777,834
Net asset value per share (pence)	362.0	108.7	101.1

5. Accounts for year ended 31st August 2006

The figures and financial information for the year ended 31st August 2006 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under either section 237(2) or 237(3) of the Companies Act 1985.

Information about the Company

JPMorgan Elect plc adopted its present structure as a result of the combination of JPMorgan Fleming Managed Growth plc and JPMorgan Fleming Managed Income plc and the subsequent capital reorganisation. The Company's name reflects the capital structure and the investment flexibility it offers to shareholders. There are three share classes, each with distinct investment policies, objectives and underlying investment portfolios. Each share class is listed separately and traded on the London Stock Exchange. This capital structure means that shareholders may benefit from greater investment flexibility in a tax-efficient manner.

Capital Structure

• Managed Growth Shares

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

• Managed Income Shares

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

• Managed Cash Shares

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

Repurchase of Managed Cash shares

In order to mitigate the impact of the market spread on the Managed Cash shares it is also possible for holders of Managed Cash shares to elect to have all or part of their holding of such shares repurchased by the Company for cash at a price close to net asset value on each conversion date (see below).

Conversion Opportunities

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

The conversion mechanism allows shareholders to alter their investment profile to match their changing investment needs in a tax-efficient manner. Conversion dates arise every six months on 30th November and 31st May (if such a date is not a business day, then the conversion date will move to the next business day). The Company, or its Manager, will make no administrative charge for any of the above conversions.

Conversion between the share classes

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

Instructions must be received no earlier than 45 and no later than 14 days before a chosen conversion date.

The number of shares that will arise upon conversion will be determined on the basis of the relative net asset values of each share class, taking into account the costs of the conversion process. Conversion will not affect the net asset value per share of those shares held by any shareholder who does not convert.

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

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

More details concerning conversion dates and conversion instruction forms can be found on the Company's website: www.jpmelect.com

Information about the Company

Financial Calendar

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

History

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

Directors

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

Company Numbers

Company registration number: 3845060
London Stock Exchange Sedol numbers:
Managed Growth 0852814, Managed Income 3408021,
Managed Cash 3408009
Bloomberg codes:
Managed Growth JPE LN, Managed Income JPEI LN,
Managed Cash JPEC LN
Reuters codes:
Managed Growth JPE.L, Managed Income JPEI.L, Managed
Cash JPEC.L

Market Information

The Company's net asset values are published daily, via the London Stock Exchange.
The Company's shares are listed on the London Stock Exchange. The market prices are shown daily in The Daily Telegraph, the Financial Times, The Independent, The Herald, The Times, The Scotsman, on BBC Ceefax and on the Company website at www.jpmelect.com, where the share prices are updated every fifteen minutes during trading hours.

Share Transactions

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

Website

www.jpmelect.com

Manager and Secretary

JPMorgan Asset Management (UK) Limited

Company's Registered Office

Finsbury Dials
20 Finsbury Street
London EC2Y 9AQ
Telephone: 020 7742 6000
For company secretarial and administrative matters, please contact Jonathan Latter.

Registrar

Lloyds TSB Registrars
Reference 2018
The Causeway
Worthing
West Sussex BN99 6DA
Telephone: 0870 600 3984
Notifications of changes of address and enquiries regarding certificates or dividend cheques should be made in writing to the Registrar quoting reference 2018.
Registered shareholders can obtain further details on individual holdings on the internet by visiting www.shareview.co.uk

Savings Product Administrators

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

Independent Auditors

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

Brokers

Winterflood Securities Limited
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2GA
Telephone: 020 3100 0000

Glossary of Terms

Total Return to shareholders

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

Total Return on net assets

Total return on net asset value (NAV) per share, on a bid value to bid value basis, assuming that all dividends paid out by the Company (net of tax) were reinvested in the shares of the Company at time the shares were quoted ex-dividend.

Prior to 31st December 2005 total return on net assets were based on a mid value to mid value basis. However to ensure consistency in the total return valuation basis, all net asset values prior to the 31st December have been adjusted to a bid-market value basis using an average factor compiled from the twelve month end valuations in the year to 31st December 2005 by Fundamental Data.

It should be noted that there may be a degree of divergence in the total return on net assets and the % change in net asset value per share quoted within the accounting records if the Trust has elected not to restate previous period end valuations onto a bid-market value basis under paragraph 108D of FRS 26.

Benchmark Total Return

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

The benchmark is a recognised index of stocks which should not be taken as wholly representative of the Company's investment universe. The Company's investment strategy does not follow or "track" this index and consequently, there may be some divergence between the Company's performance and that of the stated index.

Actual Gearing Factor

Investments expressed as a percentage of shareholders' funds. This shows the effect of gearing on the net asset value if the market value of the portfolio was to increase by 100%.

Discount/Premium

If the share price of an investment company is lower than the net asset value (NAV) per share, the trust is said to be trading at a discount. The discount is shown as a percentage of the NAV. The opposite of a discount is a premium. It is more common for an investment company to trade at a discount than a premium.

Notes

Notes

JPMorgan Helpline

Freephone 0800 40 30 30 or 0207 742 9999
8.30 am to 6.00 pm Monday to Friday

JPMorgan Pension Helpline

Freephone 0800 41 31 76 or 0172 241 4888
9.00 am to 5.00 pm Monday to Friday

Please use this number if you have any queries relating to the Pension Account.

Your telephone call may be recorded for your security

www.jpmelect.co.uk