JPMorgan Fleming

Asset Management

2431143

The Fleming European Fledgeling Investment Trust plc

ANNUAL REPORT & ACCOUNTS YEAR ENDED 31st MARCH 2002

Results.

-22.5% Ordinary share price total return[1]
(2001: -44.2%)

-13.5% Net asset value total return per ordinary share[2]
(2001: -44.2%)

-4.4% Benchmark Index total return[3,4]
(2001: -19.5%)

[1]*Change in share price with net dividends (if any) reinvested.*
(Source: Micropal).
[2]Change in net asset value with net dividends (if any) reinvested.
(Source: AITC/Fundamental Data).
[3]Source: Micropal.
[4]The Company's benchmark is the HSBC Smaller European Companies (ex UK) (in sterling terms). Comparison of the Company's performance is made with this benchmark. 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, therefore, there may be a degree of divergence from the stated index.

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Chairman's Statement

Michael Hart CHAIRMAN

For the second year running the performance of the majority of world stock markets has been disappointing. European small cap companies' share prices have mirrored the bearish sentiment. The Company produced a total return on net assets of -13.5%, compared with the benchmark index, the HSBC Smaller European Companies (ex UK) Index, which produced a total return of -4.4%. During the year to 31st March 2002, the share price fell from 285p to 221p, a reduction of 22.5%, while the net asset value per share fell from 314.9p to 272.4p, a reduction of 13.5%. The main reason for the underperformance has been the Company's relatively high (compared to the benchmark composition) exposure to growth stocks which have had a particularly difficult time. The Investment Managers' Report covers the investment performance and actions taken to restructure the portfolio in more detail.

Performance is better judged over the longer term. Over three and five years, the Company has beaten its benchmark by 46.8% and 55.6% respectively and is the top performer in its peer group, the AITC European Smaller Companies sector.

The Board remains confident that the Company will continue to give superior sector performance over the longer term for anyone wishing to have an exposure to Continental European small cap companies.

The level of gearing at the end of the financial year was 10.7%. This compares with 14.1% at 31st March 2001. The Board is committed to long term strategic gearing as it believes this adds value to the overall investment performance. However, the actual level of gearing at any one time is actively managed, based on the Investment Managers' view of the investment outlook. The Board has therefore continued with a borrowing policy which allows for optimum flexibility.

The level of discount of the share price to the net asset value per share at 31st March 2002 was 18.9% compared to 9.5% at the prior year end. The increase, while greater than desirable, largely reflects its asset class within the investment trust sector. The Board believes the ability of the Company to repurchase its shares is helpful in managing the discount. It has retained its power to repurchase shares and has used it where it deemed it appropriate to do so. During the year 2,925,000 shares were repurchased. The Board considers it is in the interest of shareholders to retain the power to repurchase shares and a resolution to renew this authority will be put to shareholders at the forthcoming AGM.

There is also a resolution to be placed before shareholders to increase the maximum aggregate Directors' fees from £70,000 (as set at the Company's inception in 1990) to £120,000. Currently, the actual total annual rate of fees paid to Directors is £59,000 (£15,000 for the Chairman and £11,000 each for the other four Directors). There is at present therefore very little headroom for an increase in total fees, especially if the Board were to feel it would be beneficial to increase the number of Directors.

Once again no dividend will be paid due to the Company's pursuit of capital growth and its use of gearing. It is unlikely given this policy that dividends will be payable in future.

Following the takeover of Flemings by Chase Manhattan and the subsequent merger with JPMorgan, shareholders will have noticed the change in the name of the Manager of the Company's portfolio. At the forthcoming Annual General Meeting a special resolution will be proposed to change the Company's name to 'JPMorgan Fleming European Fledgeling Investment Trust plc', to reflect this change.

Your Directors and I very much look forward to welcoming you to the Company's AGM which will be held at JPMorgan Fleming's Aldermanbury office on Monday 22nd July 2002 at 12 noon. The Investment Managers will review the past year and comment on the outlook for the current year. If you have any detailed or technical questions, you may wish to raise these in advance with the Company Secretary at Finsbury Dials, 20 Finsbury Street, London EC2Y 9AQ. Shareholders who are unable to attend the AGM in person are encouraged to use their proxy votes.

Michael Hart
Chairman

14th June 2002

"Performance is better judged over the longer term. Over three and five years, the Company has beaten its benchmark by 46.8% and 55.6% respectively and is the top performer in its peer group, the AITC European Smaller Companies sector."

"The reflationary impact of exceptionally low interest rates can be expected to continue to stimulate economic sentiment throughout 2002. However, the fortunes of corporate earnings may remain divided between a positive trend for early cyclical industries enjoying a healthy combination of lean cost structures and good demand and a more turbulent outcome for emergent growth companies in the first throes of restructuring."

Investment Managers' Report

Jim Campbell Francesco Conte

European Stockmarkets

The financial year ending 31st March 2002 was the second year of hangover for European equities from the technology euphoria of 1999 and 2000. Decelerating economic growth, whilst not quite reaching recession, fed through quickly to corporate earnings which were downgraded throughout the year. Once again, the greatest pain was suffered by the technology and telecom sectors which, respectively, had to combat stalling sales and the cost of excessive investment. Nevertheless, the tragedy of September 11th appears to have marked the low point of the cycle. Central banks acted promptly to further ease monetary conditions from the existing reflationary stance, generating a rapid recovery in corporate and consumer confidence. Meanwhile, stockmarkets had already endured several quarters of earnings disappointments and the process of corporate restructuring was gaining momentum with capacity curtailments and inventory cleansing. Following the marked decline in the first half of the Company's year, European markets recovered much of the lost ground in the second half. Over the twelve months to the end of March 2002, the blue chip FTSE World Europe (ex UK) Index produced a total return of -7.2 per cent in Sterling terms.

The performance of smaller companies over the year mirrored, in a more extreme fashion, that of blue chips. For some young growth companies, the adjustment to an environment of slower demand proved fatal, as witnessed by the fall of 39.8 per cent in the German Neuer Markt Index and of 43.0 per cent in the French Nouveau Marché Index, both in Sterling. The waning interest in smaller companies by blue chip investors compounded their sell-off, thereby curtailing the potential for new issues to come to the market. More positively, the smaller company universe has a substantial exposure to value cyclical industries such as construction, engineering and banks which enjoyed a sharp recovery as economic sentiment improved in the second half of the Company's year. For the year to 31st March 2002, the HSBC Smaller European Companies (ex UK) Index outperformed blue chips with a total return of -4.4 per cent in Sterling terms.

Investment Philosophy

The objective of the Company is to achieve capital growth from a portfolio of quoted smaller companies in Europe, excluding the United Kingdom. The investment universe is defined at the time of purchase by the countries and market capitalisation range of the constituents of the benchmark index which, at the end of March 2002, consisted of 1000 companies with a market value of between £18m and £1.1bn across 16 countries. The investment process is driven by bottom-up stock selection in a combination of growth companies with strong operational momentum and value companies with a catalyst for rerating. The large universe of potential smaller company investments is screened using a proprietary multi-factor model to which we apply fundamental analysis. Portfolios are constructed within a framework where portfolio risk is managed relative to the benchmark index industry, country and style weightings. The policy is not to hedge the currency exposure of the portfolio's assets.

HSBC Smaller European Companies (ex UK) Index sector performance over the 12 months to 31st March 2002

Sectors	Index Weight %	% Performance
Financials	16.5	-1.6
Consumer Goods	15.9	5.4
Natural Resources	3.5	-0.7
Basic Materials	13.3	3.7
Industrial Goods	12.6	-10.6
Retail Providers	8.3	-4.2
Business Providers	15.1	-10.4
Technology	14.8	-28.5

Portfolio Performance

The performance of the portfolio reflected the year of two halves outcome for European indices. In the first half of the year, the net asset value underperformed the benchmark HSBC index with a decline of 34.4 per cent. Performance was impaired by the ongoing derating of growth companies, where the portfolio was overweight, and the maintenance of a geared position. In the sharp recovery of the second half, the net asset value of the portfolio rose strongly by 29.6 per cent, outpacing the 26.7 per cent gain of the benchmark index. Over the twelve months to 31st March 2002, the total return on net assets was -13.5 per cent. The portfolio suffered from an overweighting for much of the period in the business providers and technology sectors which declined by 10.4 per cent and 28.5 per cent respectively.

The portfolio's largest investment, the Fleming Frontier European Discovery Fund, for the second consecutive year failed to add value with a sterling decline of -26.0 per cent. The fund is managed by the same team as your Company and focuses on the very smallest quoted companies in Continental Europe, i.e. those with a freely-floating market capitalisation of up to $150m at the time of purchase. Whilst the growth rates and valuation anomalies which exist amongst smaller companies remain most pronounced at this micro-cap end of the market, they suffered disproportionately from small cap aversion during the year.

Portfolio Activity

The emphasis of activity during the year was to focus on companies with positive operational momentum across a diversified industrial spectrum. In the latter half of the 1990s the best equity returns were generated by relatively few industries from which the portfolio reaped rich reward. During the last twelve months, whilst there has been a large degree of sector rotation from technology related companies to more traditional businesses, the best returns have been generated by stocks from a broader spread of industries. In the portfolio we have moved to lower risk by reducing the size of divergence from the industry and sector weightings of the benchmark index and concentrated on adding value by identifying the best stocks across a broad spectrum.

As a consequence, the weightings in basic materials increased from 3.4 per cent to 11.6 per cent, industrial goods from 5.8 per cent to 11.4 per cent and financials from 6.5 per cent to 10.5 per cent during the year. On the flipside, the weightings in technology declined from 22.2 per cent to 13.2 per cent and in consumer goods from 25.1 per cent to 15.0 per cent. Following such moves, the largest active positions relative to the benchmark index at 31st March 2002 were an overweighting in business providers and underweighting in financials. Gearing on the portfolio declined from 14.1 per cent at 31st March 2001 to 10.7 per cent in March 2002.

Outlook

The reflationary impact of exceptionally low interest rates can be expected to continue to stimulate economic sentiment throughout 2002. However, the fortunes of corporate earnings may remain divided between a positive trend for early cyclical industries enjoying a healthy combination of lean cost structures and good demand and a more turbulent outcome for emergent growth companies in the first throes of restructuring. The performance of smaller companies in Europe has tended to be closely correlated to the expected trend in the economy and they have outperformed blue chips in recent quarters as economic leading indicators have recovered. We will pursue a policy of investing in a well diversified portfolio of strong franchise companies with positive earnings momentum.

Jim Campbell
Francesco Conte 14th June 2002

Features of the Portfolio

Davide Campari
Value (£'000): 2,427
1.3% of portfolio
Producer of branded spirits, wines and soft drinks.

DCC
Value (£'000): 1,683
0.9% of portfolio
Diversified holding company with operations in food, energy, healthcare and computer products distribution.

Industria Macchine Automatiche
Value (£'000): 1,959
1.1% of portfolio
Manufacturer of packaging machinery for the pharmaceutical industry.

Krones
Value (£'000): 1,448
0.8% of portfolio
Manufacturer of bottling machinery.

Permasteelisa
Value (£'000): 2,859
1.6% of portfolio
Manufacturer of external façades for large buildings.

Report & Accounts.

Facts.

OBJECTIVE / Capital growth from smaller European companies (excluding the UK).

POLICIES / To invest in a diversified portfolio of smaller companies in Europe, excluding the United Kingdom.

To use long term borrowings to increase potential returns to shareholders.

To emphasise capital growth rather than income. Shareholders should not therefore expect a regular dividend.

The Company invests in smaller companies with an emphasis on growth. Investments of this kind tend to be more volatile than those in larger companies and the Company's shares should therefore be regarded as carrying greater than average risk.

BENCHMARK / The performance benchmark is the HSBC Smaller European Companies (ex UK) Index in sterling terms.

Figures.

Summary of Results

	2002	2001	% change
TOTAL RETURNS			
for the year to 31st March[1]			
Ordinary share price[2]	**-22.5%**	-44.2%	
Net asset value per ordinary share[3]	**-13.5%**	-44.2%	
HSBC Smaller European Companies (ex UK) Index[4]	**-4.4%**	-19.5%	
ASSETS at 31st March			
Net assets for ordinary shareholders (£'000)	**158,938**	192,921	-17.6
Net asset value per share	**272.4p**	314.9p	-13.5
Share price	**221.0p**	285.0p	-22.5
Discount to net asset value	**18.9%**	9.5%	
REVENUE for the year ended 31st March			
Gross revenue return (£'000)	**2,779**	2,074	34.0
Revenue return to ordinary shareholders (£'000)	**(1,762)**	(5,062)	65.0
Loss per share	**(2.94)p**	(8.26)p	64.4
Dividend per share	**nil**	nil	
GEARING FACTOR			
Actual[5]	**110.7**	114.1	
Potential[6]	**114.5**	115.0	
TOTAL EXPENSE RATIO[7]	**1.12%**	1.23%	

[1] Comparison of the Company's performance is made with the benchmark as stated. 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 therefore there may be a degree of diversity on performance from the index stated.

[2] Change in share price with net dividends reinvested. (Source: Micropal.)

[3] Change in net asset value per share with net dividends reinvested. (Source: AITC/Fundamental Data.)

[4] Change in value with net dividends reinvested. (Source: Micropal.)

[5] Actual gearing means investments expressed as a percentage of shareholders' funds but treats investments in government bonds and liquidity funds as cash.

[6] Potential gearing means total assets less current liabilities expressed as a percentage of shareholders' funds.

[7] Management fees and all other operating expenses (including tax relief, where allowable, but excluding interest payments) expressed as a percentage of average net assets over the year.

Ten Largest Investments

at 31st March 2002[1]

Company	Country	Value £'000	% of portfolio
Fleming Frontier European Discovery Fund	Luxembourg	13,039	7.1
Micronas Semiconductor	Switzerland	3,003	1.6
Permasteelisa	Italy	2,859	1.6
Bank Sarasin	Switzerland	2,664	1.5
Buzzi Unicem	Italy	2,650	1.5
Van Der Moolen	Netherlands	2,643	1.4
Rhön Klinikum	Germany	2,464	1.4
Davide Campari	Italy	2,427	1.3
Coloplast	Denmark	2,410	1.3
Credito Emiliano	Italy	2,299	1.3
TOTAL		**36,458**	**20.0**

[1]Excludes investments in liquidity funds, which represents 3.6% of the portfolio (2001: £nil).

Financial Record and Analysis of Shareholders

Financial Record

As at 31st March	1992	1993	1994	1995[2]	1996	1997	1998	1999	2000	2001	**2002**
Total assets less current liabilities (£m)	30.0	31.3	43.9	53.9	84.6	94.7	129.9	140.3	412.9	221.9	**181.9**
Ordinary shareholders' funds (£m)	30.0	31.3	43.9	53.9	76.7	86.7	120.6	117.2	346.0	192.9	**158.9**
Share price (p)	60.5	61.5	106.5	88.5	122.0	135.8	161.8	151.0	511.0	285.0	**221.0**
Net asset value per ordinary share (p)	74.4	77.6	107.4	100.7	136.2	150.4	192.9	187.4	564.8	314.9	**272.4**
FT/S&P Actuaries Europe Index (ex-UK)[1] (expressed in sterling)	105.7	122.7	149.5	144.9	184.5	202.9	278.5	295.7	358.5	313.2	**285.6**
Warrant price (p)[4]	12.0	14.0	29.0	15.0	23.5	37.0	–	–	–	–	**–**
Discount (%)	18.7	20.7	0.8	12.2	10.4	9.7	16.1	19.4	9.5	9.5	**18.9**
Actual gearing[5]	106.2	96.2	120.4	99.5	107.8	110.4	114.6	117.1	118.7	114.1	**110.7**
Potential gearing[5]	–	–	–	–	110.4	109.2	107.7	119.7	119.3	115.0	**114.5**
Total expense ratio (%)[5]	0.43	0.40	0.49	0.58	0.75	0.87	0.82	0.84	0.85	1.23	**1.12**
Year to 31st March											
Gross revenue return (£'000)	622	874	710	1,423	1,280	1,794	1,661	2,494[3]	1,641	2,074	**2,779**
Revenue return per ordinary share (p)	0.09	0.44	(0.27)	0.37	(0.44)	(0.31)	(0.99)	(0.32)	(3.93)	(8.26)	**(2.94)**
Dividend per ordinary share (net) (p)	nil	0.15	nil	nil	nil	nil	nil	nil	nil	nil	**nil**
Rebased to 100 at 31st March 1992											
Net asset value per ordinary share	100.0	104.3	144.4	135.3	183.1	202.2	259.3	251.9	759.1	423.3	366.1
Net asset value per ordinary share – total return[1,4,5]	100.0	104.3	144.7	135.9	183.6	202.6	259.9	252.5	761.1	424.3	367.1
Ordinary share price	100.0	101.7	176.0	146.3	201.7	224.5	267.4	249.6	844.6	471.1	365.3
Ordinary share price – total return[1,5]	100.0	101.6	175.9	145.5	200.6	223.2	265.9	248.2	839.6	468.5	363.3
FT/S&P Actuaries Europe Index (ex-UK) (expressed in sterling) – total return[1]	100.0	100.8	138.2	133.4	155.6	174.0	226.2	221.8	288.7	260.5	222.2

[1]Source: Datastream

[2]Figures have been restated where necessary to reflect the change in accounting policy as regards the treatment of the income value of scrip dividends to comply with the Statement of Recommended Practice (SORP). The figures for 1994 and prior years have not been restated.

[3]Figures have been restated where necessary to comply with FRS16. The figures for 1998 and prior years have not been restated.

[4]Dealings in warrants ceased on 31st July 1997. Historic net asset value is therefore disclosed on a fully diluted basis.

[5]Definitions shown on page 11.

Analysis of Shareholders

	Number of shares 31st March 2002	% held 31st March 2002
Pension Funds	18,317,315	31.4
Insurance Companies	7,059,308	12.1
Unit Trusts	2,700,999	4.6
Other Institutions	3,498,297	6.0
Investment Trusts	1,694,267	2.9
Total institutions	**33,270,186**	**57.0**
Retail investors held directly through bank and broker nominee accounts	16,953,884	29.1
Individuals in the Investment Trust Share Plan[1]	4,361,342	7.5
Individuals in the Investment Trust PEP[1]	2,054,215	3.5
Individuals in the Investment Trust ISA[1]	1,005,459	1.7
Individuals in the Investment Trust Pension Account[1]	696,431	1.2
Total individuals	**25,071,331**	**43.0**
Total shares in issue	**58,341,517**	**100.0**

Nominee accounts have been allocated to their appropriate category.

[1]Wrapper products managed by JPMorgan Fleming as explained on page 43.

Analysis of Portfolio

Analysis of Assets

at 31st March 2002

Geographic	**Portfolio 2002 %**	**Index 2002 %**	Portfolio 2001 %	Index 2001 %
Italy	**11.8**	**11.3**	10.8	10.6
France	**10.9**	**14.6**	19.2	15.3
Germany	**10.6**	**10.7**	15.7	11.8
Switzerland	**8.9**	**8.7**	7.9	10.2
Sweden	**8.6**	**8.4**	16.1	6.7
Finland	**7.8**	**4.4**	2.3	4.5
Netherlands	**7.8**	**7.7**	6.1	8.0
Luxembourg	**7.2**	**0.4**	11.4	0.7
Norway	**4.5**	**5.1**	2.4	5.0
Austria	**–**	**2.0**	–	2.1
Denmark	**4.4**	**3.2**	4.2	3.4
Spain	**4.1**	**6.4**	5.3	6.5
Ireland	**4.0**	**2.7**	4.9	1.7
Belgium	**3.6**	**3.4**	1.3	4.2
Liquidity Fund	**3.7**	**–**	–	–
Portugal	**1.5**	**1.3**	–	0.7
Greece	**1.0**	**5.9**	–	5.9
Turkey	**–**	**3.7**	–	2.7
UK	**–**	**0.1**	–	–
Net current liabilities	**(0.4)**	**–**	(7.6)	–
	100.0	**100.0**	100.0	100.0

Based on total assets less current liabilities of £182m (2001: £222m).

Sector	**Portfolio 2002 %**	**Index 2002 %**	Portfolio 2001 %	Index 2001 %
Business Providers	**20.1**	**15.1**	23.0	15.0
Consumer Goods	**15.0**	**15.9**	25.1	13.3
Technology	**13.2**	**14.8**	22.2	15.3
Basic Materials	**11.6**	**13.3**	3.4	13.0
Industrial Goods	**11.4**	**12.6**	5.8	12.1
Financials	**10.5**	**16.5**	6.5	19.7
Funds	**7.2**	**–**	11.4	–
Retail Providers	**5.9**	**8.3**	1.8	8.2
Natural Resources	**1.8**	**3.5**	–	3.4
Liquidity Stocks/ Bonds	**3.7**	**–**	8.4	–
Net current liabilities	**(0.4)**	**–**	(7.6)	–
	100.0	**100.0**	100.0	100.0

Based on total assets less current liabilities of £182m (2001: £222m).

Performance and Discount

Ten Year Performance

Figures have been rebased to 100 at 31st March 1992

Performance Relative to Benchmark Index

Figures have been rebased to 100 at 31st March 1992

The benchmark index is represented by the bold horizontal line.

Discount

Investment Activity

Investment Activity

for the year ended 31st March 2002

	Value at 31st March 2001 £'000	%	Purchases £'000	Sales £'000	Changes in value £'000	**Value at 31st March 2002 £'000**	**%**
Italy	24,050	10.1	32,795	35,621	385	**21,609**	**11.8**
France	42,550	17.9	41,427	58,309	(5,834)	**19,834**	**10.9**
Germany	34,785	14.6	31,668	40,757	(6,340)	**19,356**	**10.6**
Switzerland	17,568	7.4	31,944	29,006	(4,396)	**16,110**	**8.8**
Sweden	35,403	14.8	38,044	52,497	(5,377)	**15,573**	**8.5**
Netherlands	13,441	5.6	25,144	24,578	157	**14,164**	**7.8**
Finland	5,004	2.1	23,319	16,344	2,200	**14,179**	**7.7**
Luxembourg	25,381	10.6	889	6,554	(6,677)	**13,039**	**7.1**
Norway	5,310	2.2	15,811	14,377	1,387	**8,131**	**4.5**
Denmark	9,364	3.9	17,378	18,742	(27)	**7,973**	**4.4**
Spain	11,846	5.0	17,738	21,612	(543)	**7,429**	**4.1**
Ireland	10,784	4.5	5,716	9,671	531	**7,360**	**4.0**
Liquidity Funds	–	–	34,630	27,627	(264)	**6,739**	**3.7**
Belgium	2,939	1.2	8,039	3,229	(1,114)	**6,635**	**3.6**
Portugal	278	0.1	2,847	445	(11)	**2,669**	**1.5**
Greece	–	–	2,880	972	(41)	**1,867**	**1.0**
Austria	–	–	1,578	1,194	(384)	**–**	**–**
Total Portfolio	238,703	100.0	331,847	361,535	(26,348)	**182,667**	**100.0**

List of Investments

at 31st March 2002

Belgium

	£'000
Barco	1,742
Mobistar	1,611
Omega Pharmaceutical	1,590
Solvus	1,153
Deceuninck	467
D'Ieteren	72
	6,635

Denmark

	£'000
Coloplast	2,410
DSV	1,678
Navision	1,509
Topdanmark	1,448
Sydbank	928
	7,973

Finland

	£'000
Tietoenator	1,671
Lassila & Tikanoja	1,582
Instrumentarium	1,443
Huhtamaki	1,396
Elisa Communications	1,330
Kone Corp	1,251
Amer	1,194
Yit-Yhtyma	1,132
KCI KoneCranes	1,004
Pohjola	898
Stockmann	796
Uponor	482
	14,179

France

	£'000
Infogrames Entertainment	2,249
SEB	2,248
Soitec	2,116
Prosodie	1,951
A Novo	1,867
Vallourec	1,752
Eiffage	1,690
Club Méditerranée	1,558
Gemplus	1,275
Bacou-Dalloz	1,139
Fimalac	1,041
April	773
Wavecom	175
	19,834

Germany

	£'000
Rhön Klinikum	2,464
Puma	1,535
Krones	1,448
Prosieben	1,340
Hugo Boss	1,315
Bilfinger & Berger	1,299
GFK	1,279
Pfeiffer Vacuum	1,190
Grenke Leasing	1,170
Stada	1,016
Medion	993
AWD	980
K&S	948
Buderus	939
DIS	812
Singulus Technologies	340
Mediclin	288
	19,356

List of Investments continued

at 31st March 2002

Greece

	£'000
Intralot	964
Heracles General Cement	903
	1,867

Ireland

	£'000
Grafton	1,964
DCC	1,683
United Drug	1,375
Anglo Irish Bank	1,359
Power Leisure	979
	7,360

Italy

	£'000
Permasteelisa	2,859
Buzzi Unicem	2,650
Davide Campari	2,427
Credito Emiliano	2,299
Industria Macchine Automatiche	1,959
Interpump	1,809
De'Longhi	1,800
Italmobiliare	1,766
Caltagirone Editoriale	1,605
Amplifon	1,491
Engineering Ingegneria	563
Gewiss	381
	21,609

Luxembourg

	£'000
Fleming Frontier European Discovery Fund	13,039
JPMorgan Euro Liquidity Fund	6,739
	19,778

Netherlands

	£'000
Van Der Moolen	2,643
Fox Kids Europe	1,974
BE Semiconductor	1,970
Imtech	1,588
Heijmans	1,447
Exact	1,421
Boskalis Westminster	1,281
KLM	988
New Skies Satellite	544
OCE	308
	14,164

Norway

	£'000
TGS Nopec	2,272
Ekornes	1,819
Prosafe	1,388
Hydralift	1,349
Gjensidige NOR Sparebank	1,303
	8,131

Portugal

	£'000
Vodafone Telecel	1,636
Semapa	1,033
	2,669

List of Investments continued

at 31st March 2002

Spain

	£'000
Cementos Portland	1,678
Indra Sistemas	1,386
Zardoya-Otis	1,344
Iberia Lineas	1,295
Prosegur	919
Red Electrica	807
	7,429

Sweden

	£'000
Swedish Match	1,632
Axfood	1,521
Modern Times Group	1,354
Europolitan	1,281
OM	1,261
Perbio Science	1,235
D Carnegie	1,164
Munters	1,037
Capio	983
Eniro	966
Billerud	966
Trelleborg	960
Lindex	679
Proffice	534
	15,573

Switzerland

	£'000
Micronas Semiconductor	3,003
Bank Sarasin	2,664
Publigroupe	2,290
Kuoni Reisen	2,049
Sig	1,798
Sez	1,359
Siegfried	1,060
Unilabs	852
Kuehne & Nagel	580
Vontobel	234
Unaxis	221
	16,110

	£'000
Total Portfolio	**182,667**

Faces.
Board of Directors

Michael Hart* (Chairman)
Age 64
A Director since 1997
Appointed Chairman in 1998
Formerly Chief Executive of Sun Life and Provincial plc. A Director of Furness Building Society and Time Group Limited. A Member of Council, Lancaster University.

John Thornton*
(Chairman of Audit Committee)
Age 58
A Director since 1994
Chairman of Thorntons plc, a retailer and manufacturer of confectionery, and a Director of Ottakars plc.

Jacques Drossaert*
Age 63
A Director since 1999
Managing Director of PanEuroLife, a Luxembourg life and pensions company.

Elisabeth Airey*
Age 43
A Director since January 2000
A Director of Harrison Lovegrove & Co. and Non-Executive Director of AMEC plc and Telemetrix plc and Chairman of The Advisory Council of the Government's Export Credits Guarantees Department.

Patrick Gifford
Age 57
A Director since 1987
Chairman from 1987 until 1998
A Director of a number of investment trusts and formerly Chairman of Fleming Investment Trust Management Limited.

*Member of Audit Committee.

Directors' Report

Business of the Company
The Company carries on business as an investment trust and was approved by the Inland Revenue as an investment trust in accordance with Section 842 of the Income and Corporation Taxes Act 1988 for the year ended 31st March 2001. In the opinion of the Directors, the Company has subsequently conducted its affairs so that it should continue to qualify. The Company will continue to seek approval under Section 842 of the Income and Corporation Taxes Act 1988 each year. Approval for the year ended 31st March 2001 is subject to review should there be any subsequent enquiry under Corporation Tax Self Assessment. The Company is not a close company for taxation purposes. The Company is an investment company within the meaning of Part VIII of the Companies Act 1985.

Revenue
Gross revenue return for the year totalled £2,779,000 and after deducting interest, management expenses and taxation there was a deficit of £1,762,000.

No dividend is recommended and the deficit will be transferred to the revenue reserve. The revenue reserve after this transfer will have a deficit balance of £10,133,000.

Going Concern
After making enquiries, the Directors consider that the Company has adequate resources, an appropriate financial structure and suitable arrangements in place for its management to continue in operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the accounts.

Payment Policy
It is the Company's policy to obtain the best terms for all business and therefore there are no standard payment terms. In general, the Company agrees with its suppliers the terms on which business will take place and it is our policy to abide by those terms. As at 31st March 2002, the Company had no outstanding trade creditors.

Directors
The Directors of the Company at the end of the year together with their interests in the Company's ordinary shares, all beneficially owned, are given below:

	31st March 2002	1st April 2001 or at date of appointment
Ordinary shares		
EP Airey	5,538	3,152
J Drossaert	6,973	4,002
PAF Gifford	18,559	18,559
Michael Hart	14,661	11,817
J Thornton	10,604	10,604

Jacques Drossaert has acquired 936 ordinary shares in the Company since the year end.

The Directors retiring by rotation are Elisabeth Airey and Michael Hart, who being eligible, offer themselves for re-election at the Annual General Meeting.

Acquisition of the Company's Own Shares
The Company repurchased a total of 2,925,000 shares for cancellation during the year, representing 4.8% of the Company's issued share capital at the previous year end, for a total consideration of £6,301,000. A special resolution to renew the authority to repurchase shares will be put to shareholders for approval at the Annual General Meeting as detailed on page 24.

Management
Following the merger between Chase Manhattan and JP Morgan which became effective on 2nd January 2001, Chase Fleming Asset Management (UK) Limited changed its name to J.P. Morgan Fleming Asset Management (UK) Limited ('JPMFAM'), with effect from 14th May 2001. JPMFAM is a wholly-owned subsidiary of JPMorgan Chase & Co. which, through other subsidiaries, also provides banking, dealing and custodian services to the Company.

Directors' Report continued

Management Fee

The Manager and Secretary is employed under a contract terminable on one year's notice. The management fee is charged at a rate of 1.0% per annum of the Company's total assets less current liabilities and is calculated and paid monthly in arrears.

Funds managed or advised by JPMorgan Fleming or any of its associated companies are excluded from the calculation and therefore attract no further fee.
Underlying
The management fee of The Fleming Frontier European Discovery Fund is charged at a rate of 1.0% per annum, in line with the management fee of the Company.

Notifiable Share Interests

As at the date of this report the following had declared a notifiable interest in the Company's issued ordinary share capital:

Shareholder	Number of shares held	%
Henderson Nominees Limited[1]	7,453,683	12.8
JPMorgan Chase & Co.	5,103,952	8.7
Lattice Group Pension Fund	2,995,094	5.1
British Aerospace Pension Fund	2,875,000	4.9
United Assurance Group plc	2,831,061	4.9
Reed Elsevier Pension Scheme	2,356,112	4.0

[1]Included within this are shares held on behalf of participants in the Investment Trust ISA, PEP and Share Plan.

Auditors

PricewaterhouseCoopers have expressed their willingness to continue in office and a resolution to re-appoint them and to authorise the Directors to determine their remuneration for the ensuing year will be proposed at the forthcoming Annual General Meeting.

Corporate Governance

To ensure the appropriate level of corporate governance, the Board has put in place arrangements which it believes are suitable for an investment trust and enable the Company to comply with the Principles of Good Governance and Code of Best Practice (the 'Combined Code'), published by the Committee on Corporate Governance in June 1998. The Board considers that the Company has complied with the provisions contained within Section 1 of the Combined Code throughout the year ended 31st March 2002 and the following describes how the relevant principles of governance are applied to the Company.

The Board

The Board consists solely of non-executive Directors, the majority of whom are independent of the Company's Manager. Accordingly, the Board does not believe that it is necessary to appoint a senior independent director. The composition of the Board is reviewed on an annual basis.

A management agreement between the Company and JPMFAM sets out matters over which the Manager has authority. All other matters are reserved for the approval of the Board.

The Board meets on at least four occasions each year and between those meetings there is regular contact with the Manager who provides the Board with appropriate and timely management information. JPMFAM also provide company secretarial advice and services. The Directors also have access, where necessary, in the furtherance of their duties, to independent professional advice at the expense of the Company.

Board Committees

The Board as a whole fulfils the function of the Nomination Committee which meets when necessary to select and propose suitable candidates for appointment to the Board. The Board as a whole also fulfils the function of the Remuneration Committee and reviews Directors' fees on a regular basis.

An Audit Committee, which consists entirely of independent non-executive Directors, meets at least twice each year. To ensure its independence from the Manager, the Audit Committee excludes from membership all Directors who are employed by, or who are former employees of, JPMFAM, or

Directors' Report continued

any of its subsidiaries or associated companies.

The Committee reviews the terms of the management agreement and examines the effectiveness of the Company's internal control systems, receives information from the Manager's compliance department and also reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the external auditors.

Directors' Remuneration
With effect from 1st April 2001, the Chairman's fee increased to £15,000 and the fee for each of the other Directors to £11,000 . In aggregate, fees must not exceed £70,000 . Any increase in the aggregate amount requires both Board and shareholder approval.

Relations with Shareholders
The Investment Managers hold regular discussions with shareholders, the feedback from which is valued by the Board. In addition, a presentation by the Investment Managers which reviews the Company's activities, is a feature of the Company's Annual General Meeting, where both the Directors and the Investment Managers are available to answer shareholders' questions.

Internal Control
The Combined Code requires the Directors at least annually to conduct a review of the effectiveness of the Company's system of internal control and to report to shareholders that they have done so. This extended the previous requirement which focused on internal financial control, and now encompasses a review of all controls which the Board has identified as including business, financial, operational, compliance and risk management.

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

Since investment management, custody of assets and all administrative services are provided to the Company by JPMFAM and its associates, the Company's system of internal control mainly comprises monitoring the services provided by JPMFAM and its associates, including the operating controls established by them to ensure that they meet the Company's business objectives.

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

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

Management Agreement – Appointment of a manager and custodian regulated by the FSA whose responsibilities are clearly defined in a written agreement.

Management Systems – Inclusion in the Manager's system of internal control of organisational agreements which clearly define the lines of responsibility, delegated authority, control procedures and systems. JPMFAM's Compliance department regularly monitors compliance with FSA rules.

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

The Board keeps under review the effectiveness of the Company's system of internal control by monitoring the operation of the key operating controls of the Manager and its associates as follows:

- the Board, through the Audit Committee, reviews the terms of the management agreement and receives regular reports from JPMFAM's Compliance department;

Directors' Report continued

- the Directors review the report on the internal controls and the operations of its custodian, JPMorgan Chase Bank, which is independently reported on; and
- the Directors review every six months a report on the internal controls and the operations of JPMFAM which is independently reported on.

By the means of the procedures set out above, the Board confirms that it has reviewed the effectiveness of the Company's system of internal control for the year ended 31st March 2002.

Socially Responsible Investment
The following, which has been reviewed and approved by the Board, is a summary of JPMFAM's policy statement on socially responsible investment:

> *Unless instructed otherwise, we believe it is our primary duty to act in the best financial interests of our clients and to achieve good financial returns consistent with an acceptable level of risk in the management of our clients' investments. A company run in the long-term interests of its shareholders with the objective of enhancing shareholder value over time will need to manage effectively relationships with its employees, suppliers and customers, to behave ethically and to have regard to the environment and society as a whole. In our pursuit of good financial returns for our clients, our investment managers take account of these and all other factors affecting the valuation of the companies in which they are currently invested or considering investment on behalf of clients.*

Corporate Governance and Voting Policy
The following, which has been reviewed and approved by the Board, is a summary of JPMFAM statement on corporate governance and voting policy:

> *JPMFAM vote on all resolutions and seek to promote good practice on all corporate governance issues, with the overall aim of minimising corporate mismanagement and failure. To this end, we regard regular, systematic and direct contact with senior company management, both executive and non-executive, as crucially important. Our research based monitoring approach includes the use not only of our independent in-house research team, but also of outside voting services. We also keep in close touch with similarly interested parties at other major investment institutions.*
>
> *Whilst generally supportive of management, our pro-active approach seeks general adherence to the principles set out in the Combined Code. Our policy is to vote on all company resolutions and we therefore seek full voting discretion from our clients, it is our practice to liaise with clients to discuss potentially contentious issues and to keep them in touch with corporate governance issues generally.*

Annual General Meeting

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

i) Repurchase of the Company's Shares
At last year's Annual General Meeting, shareholders renewed the authority of the Board to repurchase for cancellation up to 14.99% of the then issued share capital. At that time shareholders were informed that this authority may be renewed at the 2002 Annual General Meeting. The Directors consider that the renewal of the authority to repurchase the Company's shares would be in the interest of shareholders as a whole, as the purchase of shares at a discount to the underlying NAV would enhance the NAV of the remaining shares.

Directors' Report continued

The Company will therefore seek renewal of the authority at the AGM to repurchase up to 8,715,413 ordinary shares or, if less, that number of shares which is equal to 14.99% of the Company's issued share capital as at the date of the passing of Resolution 5 set out in the Notice of Annual General Meeting, the maximum permitted under the Listing Rules of the Financial Services Authority, at a price that is not less than 25 pence per share (the nominal value of each share) and not more than 5% above the average of the middle market quotations for the five business days preceding the day of purchase. The authority being sought will last until 21st January 2004 at the latest, but may be renewed at any other general meeting or at the next Annual General Meeting in 2003.

Purchases of the Company's shares will be made at the discretion of the Board and within guidelines set from time to time by the Board in the light of prevailing market conditions.

The Directors consider that the renewal of the share buy-back facility is in the interests of shareholders as a whole and unanimously recommend all shareholders to vote in favour.

ii) Change of Company name

The Directors recommend that the Company's name be changed to 'JPMorgan Fleming European Fledgeling Investment Trust plc'. Details of this recommendation are given in the Chairman's Statement on page 2.

iii) Aggregate Directors' Fees

The Company's Articles of Association currently restrict the aggregate remuneration of Directors to £70,000 per annum. The current remuneration is £15,000 for the Chairman and £11,000 for each of the other Directors, giving a total paid in the year to 31st March 2002 of £59,000. Should the Board wish to recruit another Director, the aggregate annual limit would be reached. A proposal to increase the aggregate Directors' fees from £70,000 to £120,000 per annum with effect from 1st April 2002 is therefore set out as Resolution 7 in the Notice of Annual General Meeting on page 26.

By order of the Board
J M Latter, for and on behalf of
J.P. Morgan Fleming Asset Management (UK) Limited,
Secretary
14th June 2002

Directors' Responsibilities in Respect of the Accounts

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the year and of the revenue for the year. In preparing those accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 1985. 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.

Notice of Meeting

Notice is hereby given that the thirteenth Annual General Meeting of The Fleming European Fledgeling Investment Trust plc will be held at 10 Aldermanbury, London EC2V 7RF on Monday 22nd July 2002 at 12.00 noon for the following purposes:

1 To receive the Directors' Report, the Annual Accounts and the Auditors' Report for the year ended 31st March 2002.

2 To re-elect Elisabeth Airey as a Director.

3 To re-elect Michael Hart as a Director.

4 To re-appoint PricewaterhouseCoopers as Auditors to the Company and to authorise the Directors to determine their remuneration.

Special Business:
To consider the following resolution which will be proposed as a Special Resolution:

5 THAT the Company be generally and subject as hereinafter appears unconditionally authorised in accordance with Section 166 of the Companies Act 1985 (the 'Act') to make market purchases (within the meaning of Section 163 of the Act) of its issued ordinary shares of 25 pence each in the capital of the Company.

PROVIDED ALWAYS THAT

(i) the maximum number of ordinary shares hereby authorised to be purchased shall be 8,715,413 or, if less, that number of ordinary shares which is equal to 14.99% of the Company's issued share capital as at the date of the passing of this resolution;

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

(iii) the maximum price which may be paid for an ordinary share shall be an amount equal to 105 per cent of the average of the middle market quotations for an ordinary share taken from and calculated by reference to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is purchased;

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

(v) the authority hereby conferred shall expire on 21st January 2004 unless the authority is renewed at the Company's Annual General Meeting in 2003 or at any other general meeting prior to such time; and

(vi) the Company may make a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority and may make a purchase of ordinary shares pursuant to any such contract notwithstanding such expiry.

To consider the following resolution which will be proposed as a Special Resolution:

6 THAT subject to the consent of the Registrar of Companies, the name of the Company be changed to 'JPMorgan Fleming European Fledgeling Investment Trust plc'.

To consider the following resolution which will be proposed as an Ordinary Resolution:

7 THAT in accordance with Article 90 (1) of the Company's Articles of Association, the aggregate Directors' fees payable be increased to £120,000 per annum with effect from 1st April 2002.

By order of the Board
JM Latter, for and on behalf of
J.P. Morgan Fleming Asset Management (UK) Limited
Secretary
14th June 2002

Notes

1 A shareholder entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and on a poll vote on his behalf. A proxy need not be a shareholder of the Company. The lodging of a form of proxy does not prevent a shareholder from attending and voting if he so wishes.

2 Proxy forms must be lodged not less than 48 hours before the time of the meeting at the office of the Registrar.

3 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), shareholders must be entered on the Company's register of members 48 hours before the time of the meeting (the 'Specified Time'). If the meeting is adjourned to a time not more than 48 hours after the Specified Time applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of shareholders to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Meeting. If however the Meeting is adjourned for a longer period then, to be so entitled, shareholders must be entered on the Company's register of members at the time which is 48 hours before the time fixed for the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in that notice.

4 Admittance to the above Meeting will be restricted to shareholders. Guests will only be admitted by prior arrangement.

Independent Auditors' Report

Independent Auditors' report to the members of The Fleming European Fledgeling Investment Trust plc

We have audited the financial statements which comprise the Statement of Total Return, the Balance Sheet, the Cash Flow Statement and notes 1 to 19.

Respective Responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, United Kingdom Auditing Standards issued by the Auditing Practices Board and the Listing Rules of the Financial Services Authority.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law or the Listing Rules regarding Directors' remuneration and transactions are not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Chairman's Statement, Investment Managers' Report and the Directors' Report, including the corporate governance statement.

We review whether the corporate governance statement reflects the Company's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls or to form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

Basis of Audit Opinion

We conducted our audit in accordance with the Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company at 31st March 2002 and of its total return and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and
Registered Auditors London, 14th June 2002

Statement of Total Return

for the year ended 31st March 2002

		2002			2001		
	Notes	**Revenue £'000**	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
Realised losses on investments	13	–	**(31,034)**	**(31,034)**	–	(88,513)	(88,513)
Net change in unrealised appreciation	13	–	**4,686**	**4,686**	–	(57,780)	(57,780)
Currency (losses)/gains on cash and short term deposits held during the year	13	–	**(224)**	**(224)**	–	358	358
Unrealised currency gains/(losses) on Euro loans	13	–	**344**	**344**	–	(1,749)	(1,749)
Realised currency gains/(losses) on Euro loans	13	–	**362**	**362**	–	(318)	(318)
Other capital charges	13	–	**(54)**	**(54)**	–	(31)	(31)
Income from investments	1	**2,414**	–	**2,414**	1,524	–	1,524
Other income	1	**365**	–	**365**	550	–	550
Gross return		**2,779**	**(25,920)**	**(23,141)**	2,074	(148,033)	(145,959)
Management fee	2	**(1,969)**	–	**(1,969)**	(3,249)	–	(3,249)
Other administrative expenses	3	**(407)**	–	**(407)**	(397)	–	(397)
Interest payable	4	**(1,911)**	–	**(1,911)**	(3,265)	–	(3,265)
Return before taxation		**(1,508)**	**(25,920)**	**(27,428)**	(4,837)	(148,033)	(152,870)
Taxation	5	**(254)**	–	**(254)**	(225)	–	(225)
Transfer from reserves		**(1,762)**	**(25,920)**	**(27,682)**	(5,062)	(148,033)	(153,095)
Loss per ordinary share	6	**(2.94)p**	**(43.29)p**	**(46.23)p**	(8.26)p	(241.62)p	(249.88)p

All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued in the year.

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

The notes on pages 31 to 41 form part of these accounts.

Balance Sheet

at 31st March 2002

	Notes	2002 £'000	2001 £'000
ASSETS EMPLOYED			
Fixed assets			
Investments at valuation	7	**182,667**	238,703
Current assets			
Debtors	8	**3,277**	5,073
Cash and short-term deposits		**2,864**	2,265
		6,141	7,338
Current liabilities			
Creditors: Amounts falling due within one year	9	**6,859**	24,187
Net current liabilities		**(718)**	(16,849)
Total assets less current liabilities		**181,949**	221,854
Creditors			
Amounts falling due after more than one year	10	**(22,974)**	(28,914)
Provisions for liabilities and charges			
Deferred taxation	11	**(37)**	(19)
Total net assets		**158,938**	192,921
FINANCED BY			
Capital and reserves			
Called-up share capital	12	**14,586**	15,317
Capital redemption reserve	13	**1,050**	319
Other reserve	13	**39,149**	45,450
Capital reserve – realised	13	**98,011**	152,073
Capital reserve – unrealised	13	**16,275**	(11,867)
Revenue reserve	13	**(10,133)**	(8,371)
Equity shareholders' funds		**158,938**	192,921
Net asset value per ordinary share		**272.4p**	314.9p

The accounts on pages 28 to 41 were approved by the Directors on 14th June 2002 and are signed on their behalf by:

P A F Gifford
Director

The notes on pages 31 to 41 form part of these accounts.

Cash Flow Statement

for the year ended 31st March 2002

		2002	2001
	Note 16	**£'000**	£'000
Operating activities			
Cash received from investments		**2,708**	493
Deposit interest received		**398**	518
Management fee paid		**(1,969)**	(3,249)
Directors' fees paid		**(59)**	(53)
Other cash payments		**(228)**	(349)
Net cash inflow/(outflow) from operating activities		**849**	(2,640)
Servicing of finance			
Interest paid		**(2,460)**	(2,887)
Net cash outflow from servicing of finance		**(2,460)**	(2,887)
Taxation			
Income tax recovered		**90**	28
Overseas tax (paid)/recovered		**(101)**	79
Total tax (paid)/recovered		**(11)**	107
Capital expenditure and financial investment			
Purchases of investments		**(328,211)**	(465,117)
Sales of investments		**362,765**	491,890
Other capital charges		**(54)**	(31)
Net cash inflow from capital expenditure and financial investment		**34,500**	26,742
Net cash inflow before financing		**32,878**	21,322
FINANCING			
Partial repayment of Euro 65m loan		**(20,149)**	(19,511)
Repayment of Euro 9m loan		**(5,605)**	–
Repurchase of Ordinary Shares		**(6,301)**	–
Decrease in short term loans		**-**	(7,793)
Net cash outflow from financing		**(32,055)**	(27,304)
Increase/(decrease) in cash for the year		**823**	(5,982)

The notes on pages 31 to 41 form part of these accounts.

Notes to the Accounts

for the year ended 31st March 2002

A SUMMARY OF THE PRINCIPAL ACCOUNTING POLICIES, ALL OF WHICH HAVE BEEN APPLIED CONSISTENTLY THROUGHOUT THE YEAR, IS SET OUT BELOW:

i. Basis of accounting

The accounts are prepared under the historical cost convention, modified to include the revaluation of investments and in accordance with applicable accounting standards and with the Statement of Recommended Practice 'Financial statements of investment trust companies' (SORP).

ii. Valuation of investments

Listed investments are valued at middle market prices. Where trading in the securities of an investee company is suspended, the investment is valued at the Board's estimate of its net realisable value. Realised profits or losses on the disposal of investments and permanent impairments in the value of investments are taken to capital reserve – realised, and unrealised appreciation and depreciation on the revaluation of investments are taken to capital reserve – unrealised.

iii. Income

Dividends from equity shares are included in the revenue account on an ex-dividend basis.

Where the Company has elected to receive its dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend foregone is recognised in capital reserve – unrealised.

Overseas dividends are accounted for net of any tax credit on overseas income, with the tax credit shown as a deduction from the tax charge. However, overseas dividends continue to include withholding taxes.

iv. Finance costs

Finance costs are charged wholly to the revenue account and are accounted for on an accruals basis. Where the Company has entered into interest rate swaps to hedge its interest rate exposure the interest differentials are recognised by accruing the differential along with net interest payable. Interest rate swaps are not revalued to fair value or shown on the balance sheet at the year end.

v. Expenses

All expenses are accounted for on an accruals basis. Expenses are charged wholly to the revenue account except as follows:

- expenses which are incidental to the acquisition of an investment are included within the cost of the investment;
- expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment.

vi. Foreign currency

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as at the date of the transaction or, where appropriate, at the rate of exchange in a related forward exchange contract. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end or, where appropriate, at the rate of exchange in a related forward exchange contract. Gains and losses on realised exchange differences of a capital nature are accounted for in the capital reserve – realised. Unrealised exchange differences of a capital nature are accounted for in the capital reserve – unrealised.

vii. Deferred taxation

Deferred taxation is provided for in respect of all timing differences that have originated but not reversed by the balance sheet date. A deferred tax asset is only recognised to the extent that it is recoverable.

Deferred tax is recorded in accordance with FRS19 'Deferred Tax'. The adoption of this standard has had no impact on current or prior year results.

Notes to the Accounts continued

		2002 £'000	2001 £'000
1.	**Income**		
	Income from investments		
	Overseas dividends	**2,259**	989
	Overseas interest	**139**	457
	Scrip dividends	**16**	78
		2,414	1,524
	Other income		
	Deposit interest	**365**	550
	Total income	**2,779**	2,074
	Total income comprises:		
	Dividends	**2,275**	1,067
	Interest	**139**	457
	Other income	**365**	550
		2,779	2,074
	Analysis of income from investments:		
	Listed overseas	**2,414**	1,524
		2,414	1,524

		2002 £'000	2001 £'000
2.	**Management fee**		
	Management fee	**1,727**	2,880
	Irrecoverable VAT thereon	**242**	369
		1,969	3,249

		2002 £'000	2001 £'000
3.	**Other administrative expenses**		
	Other management expenses	**311**	307
	Directors' fees[1]	**59**	53
	Auditors' remuneration	**14**	13
	Irrecoverable VAT	**23**	24
		407	397

[1]The Chairman is paid at the rate of £15,000 per annum (2001: £13,000). Other Directors are paid at the rate of £11,000 per annum each (2001: £10,000).

The total Directors' fees of £59,000 (2001: £53,000) comprise £59,000 (2001: £53,000) in respect of aggregate emoluments paid to Directors and £nil (2001: £nil) paid to third parties for making available the services of no Directors (2001: no Directors).

Notes to the Accounts continued

	2002 £'000	2001 £'000
4. Interest payable		
Short-term loans	**636**	54
Fixed loans	**1,275**	3,211
	1,911	3,265

All interest is payable on loans which are repayable within 5 years, not by instalments.

	2002 £'000	2001 £'000
5. Taxation		
Overseas taxation	**232**	233
Write off of previous years' overseas tax not recoverable	**44**	–
Tax credit relating to overseas taxation	**(35)**	(22)
Deferred taxation	**18**	14
Prior year adjustment	**(5)**	–
	254	225

The Company has an unrecognised deferred tax asset at £3,452,579 (2001: £2,922,427). This has arisen from deductible expenses exceeding taxable income. Under the Company's current investment policy, there are no foreseeable circumstances in which this asset will be utilised.

The actual tax charge reconciles to the tax charge on Revenue before tax based on the standard rate of corporation tax of 30% as follows:

current	31st March 2002	31st March 2001
Effective rate based on tax charge against revenue before tax	**-16.04%**	-4.27%
Permanent difference – overseas tax irrecoverable	**17.40%**	4.79%
Permanent difference – avoir fiscal shown within tax	**-1.53%**	-0.56%
Deferred asset tax not recognised	**30.50%**	30.04%
Prior year adjustment	**-0.33%**	–
Standard rate of UK corporation tax	**30.00%**	30.00%

Notes to the Accounts continued

	2002 Revenue £'000	**2002 Capital £'000**	**2002 Total £'000**	2001 Revenue £'000	2001 Capital £'000	2001 Total £'000
6. Return per ordinary share						
Attributable to ordinary shareholders	**(1,762)**	**(25,920)**	**(27,682)**	(5,062)	(148,033)	(153,095)
Loss per ordinary share	**(2.94)p**	**(43.29)p**	**(46.23)p**	(8.26)p	(241.62)p	(249.88)p

The revenue return per ordinary share is based on the revenue on ordinary activities after taxation and on 59,870,762 (2001: 61,266,517) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

The capital return per ordinary share is based on net capital returns and on 59,870,762 (2001: 61,266,517) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

	2002 £'000	2001 £'000
7. Investments		
Listed investments	**182,667**	238,703
	182,667	238,703

Analysis of investments:

	Listed overseas[1] £'000
Opening book cost	**251,611**
Opening unrealised depreciation	**(12,908)**
Opening valuation	**238,703**
Movements in the year:	
Purchases at cost	**331,847**
Sales – proceeds	**(361,535)**
– realised losses	**(31,034)**
Change in unrealised depreciation	**4,686**
	182,667
Closing book cost	**167,305**
Closing unrealised appreciation	**15,362**
Closing valuation	**182,667**

[1]The total portfolio consists of investments listed overseas.

During the year £23,584,000 of prior year unrealised depreciation has been transferred to realised appreciation as disclosed in note 13.

7. Investments continued

Significant interests

At 31st March 2002 the Company held 10% or more of a class of units of the following investment fund which is valued in the accounts at mid market price. The investment did not represent a participating interest.

Name of Company	Country of registration	% held
Fleming Frontier European Discovery Fund	Luxembourg	22.81

	2002 £'000	2001 £'000
8. Debtors		
Sales for future settlement	**2,808**	4,038
Taxation recoverable	**–**	85
Foreign tax recoverable	**300**	242
Dividends and interest receivable	**126**	666
Other debtors	**43**	42
	3,277	5,073

	2002 £'000	2001 £'000
9. Creditors – Amounts falling due within one year:		
Purchases for future settlement	**6,504**	2,884
Short-term bank loans and overdrafts	**–**	20,520[1]
Loan interest	**172**	721
Other creditors	**183**	62
	6,859	24,187

[1]€33 million. This facility was repaid on 23rd February 2002. Total facility available was €65 million.

Notes to the Accounts continued

	2002 £'000	2001 £'000
10. Creditors – Amounts falling due after more than one year:		
Euro 11,000,000 loan from The Royal Bank of Scotland expiring on 14/07/2003 at a rate of 4.875% per annum	**6,739**	6,840
Euro 9,000,000 loan from The Royal Bank of Scotland expiring on 31/03/2004 at a rate of 4.175% per annum	**–**	5,596
Euro 12,000,000 loan from The Royal Bank of Scotland expiring on 06/12/2004 at a rate of 4.7225% per annum	**7,352**	7,462
Euro 14,500,000 loan from Lloyds Bank plc expiring on 31/12/2005 at a rate of 5.695% per annum	**8,883**	9,016
	22,974	28,914

The Euro 11 million loan was drawn on 14th July 1998. The effective rate payable by the Company has been fixed at 4.875% by entering into an interest rate swap agreement with Lloyds Bank plc.

The Euro 12 million loan was drawn down on 9th December 1999. The effective rate was fixed at 4.7225% for the first two years by entering into an interest rate swap agreement with Lloyds Bank plc. On 10th January 2002, a new interest rate swap was agreed with Llodys Bank plc, fixing the effective rate at 4.687%.

The Euro 14.5 million loan was drawn down on 14th February 2000. The effective rate has been fixed at 5.695% by entering into an interest rate swap agreement with Lloyds Bank plc.

The Euro 9 million loan was repaid on 28th September 2001.

	2002 £'000	2001 £'000
11. Provisions for liabilities and charges		
These are in respect of deferred taxation, and comprise:		
Timing differences related to revenue	**37**	19
The movement on deferred taxation comprises:		
Opening balance	**19**	5
Charged in respect of revenue	**18**	14
Closing balance	**37**	19

Deferred taxation represents taxation to be paid or suffered on income accrued.

Notes to the Accounts continued

	2002 £'000	2001 £'000
12. Called-up share capital		
Authorised:		
280,000,000 ordinary shares of 25p each	**70,000**	70,000
Allotted and fully paid:		
Opening balance	**15,317**	15,317
Repurchase of 2,925,000 ordinary shares	**(731)**	–
Closing balance[1]	**14,586**	15,317

[1]Represented by 58,341,517 (2001: 61,266,517) ordinary shares of 25p each.

	Capital redemption reserve £'000	Other reserve £'000	2002 Capital reserve – realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000
13. Reserves					
Opening balance	319	45,450	152,073	(11,867)	(8,371)
Currency losses on cash and short-term deposits held during the year	–	–	(224)	–	–
Realised losses on investments	–	–	(31,034)	–	–
Net change in unrealised appreciation	–	–	–	4,686	–
Net change in unrealised currency gain on Euro loans	–	–	–	344	–
Realised currency gain on Euro loans	–	–	362		
Transfer on disposal of investments	–	–	(23,584)	23,584	–
Unrealised gain now realised on Euro loans	–	–	472	(472)	–
Other capital charges	–	–	(54)	–	–
Repurchase of shares	731	(6,301)	–	–	–
Revenue loss for the year	–	–	–	–	(1,762)
Closing balance	1,050	39,149	98,011	16,275	(10,133)

14. Net asset value per share

The net asset value per share at the year end, is as follows:

	Net asset value per share 2002 p	2001 p	Net asset values attributable 2002 £'000	2001 £'000
Ordinary shares	**272.4**	314.9	**158,938**	192,921

The net asset value per ordinary share is based on net assets at the year end and on 58,341,517 (2001: 61,266,517) ordinary shares, being the number of ordinary shares in issue at the year end.

	2002 £'000	2001 £'000
15. Reconciliation of movements in shareholders' funds		
Opening shareholders' funds	**192,921**	346,016
Total recognised losses for the year	**(27,682)**	(153,095)
Repurchase of ordinary shares	**(6,301)**	–
Closing shareholders' funds	**158,938**	192,921

	2002 £'000	2001 £'000
16. Cash flow statement		
Reconciliation of operating profit to operating cash flows		
Income before interest payable and taxation	**403**	(1,572)
Scrip dividends received as income	**(16)**	(78)
Decrease/(increase) in accrued income	**540**	(649)
Increase in other debtors	**(1)**	(9)
Increase in other creditors	**121**	4
Tax on unfranked investment income	**(198)**	(336)
	849	(2,640)

Reconciliation of net cash flow to movement in net debt

	2002	2001
Increase/(decrease) in cash for the year	**823**	(5,982)
Change in debt for the year	**25,754**	27,304
Change in net funds arising from cash flows	**26,577**	21,322
Effect of changes in foreign exchange rates	**482**	(1,709)
Movement in net funds for the year	**27,059**	19,613
Net debt at beginning of the year	**(47,169)**	(66,782)
Closing net debt	**(20,110)**	(47,169)

Analysis of net debt	At 1st April 2001 £'000	Cash flow £'000	Exchange movement £'000	**At 31st March 2002 £'000**
Cash and short-term deposits	2,265	823	(224)	**2,864**
Debt due within one year	(20,520)	20,149	371	–
Debt due after one year	(28,914)	5,605	335	**(22,974)**
Total	(47,169)	26,577	482	**(20,110)**

Notes to the Accounts continued

17. Transactions with JPMorgan Fleming

Details of the management contract are set out on page 22. The terms ensure that the management charges on investments held in funds managed by JP Morgan Fleming are no greater than if those investments were held directly by the Company. There were no such amounts due to JPMFAM at the year end (2001: £nil). The management fee paid to JPMFAM for the year can be found in note 2, page 32. In addition, JPMFAM was paid £104,892 for the marketing and administration of "wrapper" products (2001: £96,000). Other management expenses, as shown in note 3, page 32, include safe custody fees of £112,000 (2001: £54,000) of which £112,000 (2001: £8,000) was outstanding at the end of the year. These fees were paid to JPMorgan Chase.

JPMFAM carries out some of its dealing transactions through other group subsidiaries. These transactions are carried out at arm's length. The commission paid in the year was £406 (2001: £12,172). The Company has been informed that certain of its dealing transactions may be subject to soft commission arrangements.

The Company holds investments in two funds managed by JPMFAM. At 31st March 2002 these were valued at £19.8m (2001: £25.4m) and represented 10.8% of the Company's investment portfolio (2001: 10.6%). During the year the Company made purchases with a total value of £20.8m and sales with a total value of £19.6m (2001: £6.1m). Investment income of £67,000 was received from these funds (2001: £nil).

18. Financial instruments

The Company's financial instruments comprise:

- Investments in equity shares of European companies and fixed interest securities of European governments. These are held in accordance with the Company's investment objective and policies;
- Bank loans denominated in Euros for which the main purpose is to raise finance for the Company's operations;
- Short-term debtors, creditors and immaterial cash amounts arising directly from its operations;
- Derivative transactions which the Company enters into, principally interest rate swaps, the purpose of which is to manage the interest rate risk arising from the bank loans.

As an investment trust the Company invests in securities for the long-term. Accordingly it is, and has been throughout the year under review, the Company's policy that no short-term trading in investments or other financial instruments shall be undertaken.

The main risk arising from the Company's financial instruments is market price risk which incorporates both foreign currency and interest rate risk. The Board's policy for managing each of these risks is summarised below. These policies have remained unchanged throughout the current and preceding years.

Market price risk

Market risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of adverse price movements.

The Board meets on at least four occasions to consider the asset allocation of the portfolio and as part of their reviews consider the risk associated with particular countries or industry sectors. Individual fund managers have responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameters described above and seek to ensure that individual stocks also meet the risk reward profile that is acceptable.

Interest rate risk

The Company finances part of its investment activities through bank borrowings. The Company enters into foreign currency borrowings at both fixed and floating rates of interest and then uses interest rate swaps both to generate the desired interest rate profile and, to manage the Company's exposure to interest rate fluctuations. The Company also invests in fixed rate securities of European governments.

Foreign currency risk

The income and capital value of the Company's investments can be significantly affected by exchange rate movements as the majority of the Company's assets and income are denominated in currencies other than sterling which is the Company's reporting currency.

The Board has identified three principal areas where foreign currency risk could impact the Company:

- Movements in rates affecting the value of investments;
- Movements in rates affecting short term timing differences; and
- Movements in rates affecting the income received.

The Company does not currently hedge the sterling value of investments that are priced in other currencies, although, as set out above, it will finance part of its investment activities with foreign currency borrowings thereby hedging part of the movements in the value of investments attributable to exchange rate fluctuations.

The Company may be subject to short-term exposure to exchange rate movement, for instance where there is a difference between the date an investment is bought or sold and the date when settlement of the transaction occurs.

Liquidity risk

The Company's assets comprise mainly realisable securities, which can be sold to meet funding requirements if necessary. Short-term flexibility is achieved through the use of overdraft facilities.

The material accounting policies adopted in accounting for financial instruments are disclosed on page 31.

With the exception of the note on currency exposures, the Company has excluded short-term debtors and creditors in the following analyses.

Currency exposures

The following is an analysis of the Company's net assets by currency other than sterling at 31st March:

	Euro £m 2002	Euro £m 2001	**Skr £m 2002**	Skr £m 2001	**SFr £m 2002**	SFr £m 2001	**Other £m 2002**	Other £m 2001	**Total £m 2002**	Total £m 2001
Investments	**128.2**	171.1	**15.6**	35.4	**16.6**	17.6	**22.7**	14.6	**182.7**	238.7
Net current assets	**0.2**	3.3	**(0.1)**	(0.2)	**(0.9)**	–	**–**	0.5	**(0.8)**	3.6
Loans	**(23.0)**	(49.4)	**–**	–	**–**	–	**–**	–	**(23.0)**	(49.4)
Financial instruments outstanding at year ended	**105.5**	125.0	**15.5**	35.2	**15.5**	17.6	**22.7**	15.1	**158.9**	192.9

Notes to the Accounts continued

Interest rate risk profile of financial assets and financial liabilities

Assets

The majority of the Company's financial assets are equity shares or other investments which neither pay interest nor have a maturity date. The portfolio did not contain fixed interest securities at 31st March 2002 (2001: £18m). The interest rate profile of such investments was nil (2001: 5.15%) based on a weighted average basis. The average period for the fixed rate investments was nil (2001: two years).

Liabilities

The interest rate profile of the Company's financial liabilities at 31st March is:

	Euro £m 2002	Euro £m 2001
Fixed rate liabilities	**23.0**	28.9
Floating rate liability	**–**	20.5
	23.0	49.4

The interest rate, on a weighted average basis, is 5.14% (2001: 4.96%) and the average period for which the interest rate is fixed is two years (2001: three years).

Further details regarding maturity can be found in notes 9 and 10 on page 35 and 36.

Fair value of financial instruments

Financial assets and liabilities are included in the balance sheet at values which represent fair values except in respect of the items disclosed below. The fair values of the loans, which are stated after the effect of interest rate swaps, have been calculated by estimating the costs of breaking the loan and the interest rate swaps:

	Accounts value £m 2002	Accounts value £m 2001	**Fair value £m 2002**	Fair value £m 2001
Unsecured loans	**23.0**	49.4	**23.4**	49.7

19. Capital commitments

At the balance sheet date there were no capital commitments (2001: £nil).

Information about the Company

FINANCIAL CALENDAR

Financial year end	31st March
Interim results announced	October
Final results announced	June
Annual General Meeting	July

History

On 24th April 1990, the Company acquired the undertaking and assets of Fleming European Fledgeling Fund Limited (the 'Fund') in exchange for the issue of its shares and warrants. The Fund was an open-ended, unquoted investment company based in Jersey and formed in June 1987 with the same objectives and investment policies as the Company.

Company Numbers

Company registration number: 2431143
London Stock Exchange code: FEF LN

Market Information

The Company's ordinary shares are listed on the London Stock Exchange. The market price is shown daily in the Financial Times, The Times, The Daily Telegraph, The Independent, The Guardian, The Yorkshire Post, The Herald and The Scotsman, BBC Ceefax and on the JPMorgan Fleming internet site at www.jpmorganfleming.com/its, where the share price is updated every fifteen minutes during trading hours.

Share Transactions

The shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf. They may also be purchased and held through the JPMorgan Fleming Investment Trust Share Plan, Individual Savings Account (ISA), Personal Equity Plan (PEP) and Pension Account, details of which are given on page 43.

Manager, Secretary and Registered Office

J.P. Morgan Fleming Asset Management (UK) Limited, Finsbury Dials, 20 Finsbury Street, London EC2Y 9AQ

Telephone number: 020 7742 6000

Please contact Jonathan Latter for company secretarial and administrative matters.

Registrars

Lloyds TSB Registrars, Reference 1083, The Causeway, Worthing, West Sussex BN99 6DA

Telephone number: 0870 600 3984

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1083.

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

Auditors

PricewaterhouseCoopers, 1 Embankment Place, London WC2N 6NN

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

Investing through JPMorgan Fleming

JPMorgan Fleming have a range of 'wrapper' products available which enable investors to purchase shares in our range of investment trusts as follows:

Share Plan

The Investment Trust Share Plan is a low-cost savings plan allowing investments in any of the Fleming investment trusts, as shown below. The minimum investment is £50 per month or a lump sum of £500. There is a 1% transaction charge (plus 0.5% Government stamp duty) on all purchases, with a minimum charge of £1 and a maximum charge of £50 for each transaction in each trust.

Individual Savings Account ('ISA')

All of the Fleming investment trusts are available through either a mini or maxi stocks and shares component ISA. Under current legislation, investments grow free of income and capital gains tax. The minimum investment is £100 per month per trust or a lump sum of £1,000 per trust, subject to the overall annual allowances.

Personal Equity Plan ('PEP')

Although no new subscriptions can be made to a PEP, existing plans from other managers can be transferred into the Investment Trust PEP.

The annual management charge is a flat fee of £25 plus VAT per trust.

Pension Account

The Investment Trust Pension Account is simple, flexible and low cost. There is no annual account charge and only a 0.3% dealing charge on purchases (0.5% Government stamp duty is also payable, excluding the Cash Fund). Under current regulations, tax relief is available on all contributions and investments grow free of capital gains tax. The minimum investment is £100 gross per month or £1,000 gross lump sum.

You can visit our web site at **www.jpmorganfleming.com/its**

The investment trust range from JPMorgan Fleming

JPMorgan Fleming American	Capital growth from North American investments
JPMorgan Fleming Asian	Capital growth from Asian investments, excluding Japan
JPMorgan Fleming Chinese	Capital growth from Greater China investments
Fleming Claverhouse	Capital and income growth from UK investments
Fleming Continental European	Capital growth from Continental European investments
Fleming Emerging Markets	Capital growth from emerging markets worldwide
Fleming European Fledgeling	Capital growth from smaller Continental European companies
JPMorgan Fleming Income & Capital	Income and capital growth from UK investments through a split-capital structure
JPMorgan Fleming Income & Growth	Income and capital growth from higher-yielding investments through a split-capital structure
JPMorgan Fleming Indian	Capital growth from investment in India
Fleming Japanese	Capital growth from Japanese investments
Fleming Japanese Smaller Companies	Capital growth through investment in small and medium-sized Japanese companies
Fleming Managed Growth	Long-term capital growth from investing in the range of investment trusts managed by JPMorgan Fleming
Fleming Managed Income	Growth of income with potential of long-term capital growth from investing in JPMorgan Fleming managed funds and fixed income securities
Fleming Mercantile	Capital growth from a portfolio of medium and smaller UK companies
JPMorgan Fleming Mid Cap	Capital growth from medium-sized UK companies
Fleming Overseas	Capital growth from overseas markets
Fleming Smaller Companies	Capital and income growth from UK smaller companies
Fleming Technology	Capital growth from investment in the global technology sector
JPMorgan Fleming US Discovery	Capital growth from US micro cap companies
Fleming Worldwide Income	High income with capital growth through a split-capital structure from a portfolio of equities and bonds with international exposure

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JPMorgan Fleming Brochureline

Freephone 0800 40 30 30

8.00 am to 6.00 pm Monday to Friday, 9.00 am to 5.00 pm weekends

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The Investment Trust Pension Account

Freephone 0800 413 176 or 01722 414 888

Please use this service if you would like more information or have an account query.

You can visit our website at **www.jpmorganfleming.com/its**