JPMorgan American Investment Trust plc

Half Year Report & Accounts for the six months ended 30th June 2016

J.P.Morgan
Asset Management

Features

Objective

To achieve capital growth from North American investments by outperformance of the Company's benchmark.

Investment Policies

- To invest in North American quoted companies including, when appropriate, exposure to smaller capitalisation companies.
- To emphasise capital growth rather than income.

Gearing and Hedging Policies

- The Company uses short and long term gearing to increase potential returns to shareholders. The Company's gearing policy is to operate within a range of 5% net cash to 20% geared in normal market conditions. The Manager is accountable for tactically managing the gearing, within a +/-2.0% range around a 'normal' gearing level. The normal gearing level, which is set by the Board and kept under review, is currently 10%.
- To hedge the currency risk only in respect of the Company's sterling debenture.

Benchmark Index

The S&P 500 Index expressed in sterling total return terms.

Capital Structure

As at 30th June 2016, the Company's share capital comprised 266,693,992 ordinary shares of 5p each, including 14,939,918 shares held in Treasury.

The Company has a £50 million debenture in issue, carrying a fixed interest rate of 6.875%, per annum, repayable in June 2018. The Company also has a £35 million two year floating rate debt facility with ING Bank and a £25 million five year floating rate debt facility with National Australia Bank. When utilised both facilities are drawn in US dollars.

Management and Performance Fees

The management fee is charged at a rate of 0.5% per annum, paid quarterly in arrears, on the Company's total assets less current liabilities. The performance fee is calculated at the rate of 10% of the difference between the net asset value total return and the total return of the S&P 500 Index. The performance fee is capped in any one year at 0.25% of the cum-income debt at par net asset value at the previous 31st December, and any negative fee resulting from underperformance is deducted from any unpaid fees brought forward from prior years with any remaining amount carried forward until paid in full.

Management Company

The Company employs JPMorgan Funds Limited ('JPMF' or the 'Manager') as its Alternative Investment Fund Manager. JPMF delegates the management of the Company's portfolio to JPMorgan Asset Management ('JPMAM') which further delegates the management to JPMorgan Asset Management, Inc. All of these entities are wholly owned subsidiaries of J.P. Morgan Chase & Co.

FCA regulation of 'non-mainstream pooled investments'

The Company currently conducts its affairs so that the shares issued by the Company can be recommended by independent financial advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future.

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

AIC

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

Website

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

Contents

Half Year Performance

TOTAL RETURNS (INCLUDES DIVIDENDS REINVESTED) TO 30TH JUNE 2016

+11.6%
Return to shareholders[1]

+10.4%
Return on net assets[2]

+14.3%
Benchmark index[1,3]

2.25p
Interim Dividend (2015: 1.5p)

Financial Data

	30th June 2016	31st December 2015	% change
Shareholders' funds (£'000)	863,068	816,700	+5.7
Number of shares in issue[4]	266,693,992	276,283,026	-3.5
Net asset value per share with debt at par value	323.6p	295.6p	+9.5*
Net asset value per share with debt at fair value[5]	321.5p	293.4p	+9.6*
Share price	307.5p	277.9p	+10.7
Share price discount to net asset value per share with debt at fair value	4.4%	5.3%	
Gearing	7.9%	8.4%	
Ongoing charges	0.62%	0.62%	
Ongoing charges inclusive of any performance fee	0.62%	0.62%	
Exchange rate	£1 = $1.3368	£1 = $1.4819	

[1] Source: Morningstar.

[2] Source: J.P. Morgan.

[3] The Company's benchmark is the S&P 500 Index expressed in sterling total return terms.

[4] Excluding 14,939,918 (31st December 2015: 5,350,884) shares held in Treasury.

[5] The fair value of the £50m debenture issued by the Company has been calculated using discounted cash flow techniques, using the yield from a similar dated gilt plus a margin based on the five year average for the AA Barclays Sterling Corporate Bond spread.

* % change, excluding dividends paid.

A glossary of terms and definitions is provided on page 19.

CHAIRMAN'S STATEMENT

Results for the six month period

Despite a sharp downturn in the first few days of 2016, attributed to concerns over the growth of the Chinese economy, the US equity market was, in the end, reasonably robust over the first half of 2016, providing a return of 3.8%. This strength was considerably boosted to UK investors by the steep decline in sterling at the end of the period following the outcome of the UK referendum on membership of the European Union. That decline, of 9.8% over the period, resulted in an overall return in sterling terms, from the US equity market, of 14.3%. Indeed, total gains on investments of just under £83 million were entirely driven by the effects of sterling weakness following the result of the UK referendum. Since 30th June 2016 and as at the time of writing, the Company's assets have risen sharply in line with rises in the underlying US equity market, whilst the impact of currency movement has been much less marked.

Over this six months, your fund manager, Garrett Fish, provided a return of 10.4% in sterling terms, which is some way less than the benchmark although undoubtedly pleasing in absolute terms. He explains in some detail in his report the reasons for this underperformance in the first six months of 2016. Your Board considers both out and underperformance carefully, of course. We know that Garrett's portfolio is made up of companies which offer relatively good value in terms particularly of price to free cash flow, but also on other "value" characteristics. Historically, these characteristics have generally led to outperformance. Towards the end of last year, markets favoured very highly rated companies, such as Amazon and Facebook. In the first few months of 2016, preferences changed rather speedily to those stocks which had high dividend yields and low volatility (i.e. rather like bonds).

In these circumstances, the companies with the characteristics Garrett prefers have not performed so well. This recent underperformance leads them currently to look particularly reasonable value and the portfolio, taken as a whole, offers estimated earnings growth higher than that of the market as a whole, and its price/free cash flow and price/earnings ratio is estimated to be lower than the market as a whole. The sorts of characteristics which Garrett prefers are at extreme levels of unfashionableness.

These are turbulent times. We do not seek to chase short term volatility and style rotations. It makes more sense to stick to those companies which offer a plausible investment case, during a time of such uncertainty. Patience is a virtue, as they say, and value investors, over the last 50 years, have been rewarded for it.

Shareholders may remember that we have expressed our clear recognition of our responsibility to buy back shares, in the light of our issuance in recent years. Your Board took action in February to increase the rate of buybacks. The average discount at which the shares have traded over the last three months is 2.6%, compared with the 5.1% level in the previous three months. The Company bought in a total of 9.59 million shares, or 3.5% of the Company's issued share capital at the beginning of the year. We will continue to recognise that responsibility.

Dividend

The companies held in the portfolio have produced a robust increase in dividend income over the first six months of the year, in US dollar terms. As revenue is recognised on the date on which a stock goes ex-dividend, rather than at the period end, the dramatic decline in the value of sterling relative to the dollar after 23rd June, has had little effect on the income account. However, given the strength of our revenue reserves, we have considered it appropriate to raise the interim dividend payment and significantly to 2.25p per share, which is still more than covered by earnings for the period. This rate of increase should not

CHAIRMAN'S STATEMENT *CONTINUED*

be taken as a guide to the rate of increase in the final dividend, which will be affected by underlying dividend growth in the companies in which we invest as well as currency movements. This interim dividend will be payable on 11th October 2016 to shareholders on the register on 9th September 2016.

Gearing

Bar a one day dip marginally below 8% at the end of the reporting period, gearing has remained within the Board's strategic gearing level of 10%, plus or minus 2%. Our fund manager has the ability to hold cash of up to 5% of net assets if he feels there is a real risk of capital loss and we have indicated that our highest level of gearing would be 20%. The Company has bank facilities totalling £60 million, together with a £50 million debenture. Repayment dates for the bank debt are December 2016 and April 2020; the debenture matures in June 2018.

Board of Directors

As previously indicated to shareholders, Kate Bolsover will be standing down from the Board at the end of September this year and I plan to stand down in July 2017 when Dr Kevin Carter will succeed me as Chairman. In preparation for our departures and to ensure a continuity of knowledge, the Board of Directors has recently been increased to six in number following the appointment of Ms Nadia Manzoor with effect from 1st June 2016. Ms Manzoor commenced her career as a corporate lawyer at Slaughter & May and currently works for S.W. Mitchell Capital, a specialist European equities investment management house, where she is a Partner, Head of Business Development and General Counsel to the firm. Ms Manzoor is a scholar of Downing College, Cambridge University where she read Law. The Board composition will reduce to five before the appointment of a further director.

Outlook

After the political surprise of the referendum result in the UK, we have a sense of uncertainty about the outcome of the Presidential election in the US in November. Garrett Fish has described the economic conditions in his report, but politics is perhaps having a greater impact than usual. There is little clarity at this point over the detailed policies to be presented to the electorate by either Hillary Clinton or Donald Trump, the main candidates for the US Presidency.

So it is possible that we are in for a period of some volatility. However, market timing is difficult and very often costly. We were pleased to note that the Association of Investment Companies has just published analysis in which JPMorgan American is deemed to be the most consistent outperforming investment company of the decade (to the end of June 2016). The AIC has reached this conclusion by noting that your Company has outperformed the average return achieved by all investment companies (so a multitude of mandates) in eight out of the last 10 years, but with the lowest level of volatility in returns of the top 20 trusts in its results. This outcome is clearly the result of returns from the US market, as well as from the US dollar, as well as from Garrett's management of the trust, but perhaps shows the merits of your Company's approach.

Sarah Bates
Chairman 15th August 2016

INVESTMENT MANAGER'S REPORT

Market Review

US equity markets thus far in 2016 have experienced modest gains. However, the path that markets have chosen has not been easy. Volatility was attributable to a variety of factors including the devaluation of the Chinese renminbi (RMB), crude oil prices falling below $30.00/bbl., fear of a global economic slowdown and the unexpected vote by the citizens of the United Kingdom (UK) to leave the European Union (EU). Recovering commodity prices, a stable US dollar, signs of continued US economic growth, and the realisation that "Brexit" is a political issue rather than a financial crisis contributed to equity markets recovering the majority of those losses. In US dollar terms, large cap stocks as represented by the S&P 500 Index (S&P 500) rose 3.8% while small cap growth stocks measured by the Russell 2000 Growth Index declined 1.6%. For sterling investors, the returns looked more favourable due to the significant decline in the currency relative to the US dollar after the referendum. As a result of the currency movement, the returns in sterling were 14.3% for the S&P 500 Index and 8.5% for the Russell 2000 Growth Index.

Given mounting concerns over a global economic slowdown, the S&P 500 reached a low of 1829.08 on 11th February, representing a 10.5% calendar year-to-date decline. Crude prices also declined significantly, closing at a low of $26.21/bbl. on the same day. However, as US producers aggressively took offline the number of rigs drilling for oil and drastically reduced capital spending plans, crude oil prices have since rallied significantly. US crude oil production of 8.69 million barrels per day (mmbpd) is down 9.5% from production levels a year ago. The near-term contract for crude oil closed out June at $48.33/bbl., representing a 30.5% calendar year-to-date increase.

Investors approached the start of the US first quarter earnings season with caution given the disappointing results experienced over the past few quarters. Earnings season started off with "better than feared" earnings from the financial sector. While loss provisions for commodity exposure had to be taken, non-commodity credit was solid. Additionally, several banks cited lower expenses and stronger loan growth as contributors to profitability. Earnings shortfalls from Microsoft, Alphabet and Apple contributed to higher volatility during the period. The manufacturing sector, as highlighted by the US Markit Manufacturing PMI indicator, has remained around the 50 mark for the first half of the year, indicating continued modest growth in the sector.

The market's focus in June turned to the British referendum on European Union membership. The results of the Brexit referendum caught investors by surprise as 51.9% of British voters voted in favour of leaving the EU. The unexpected outcome threw global equity markets, bond yields and the British pound into a short tailspin. Over the next two trading days, the S&P 500 suffered a 5.3% decline, the yield on the US 10-Year Treasury Note fell to 1.44% and the British pound dropped 11.1%.

The S&P 500 rallied 4.9% on June's final three trading days and has risen 14.7% from the 11th February low. While the market's resilience is impressive, the tone of the market remains defensive. As bond yields declined further and investors searched for safe havens, the telecom services sector was the top performer thus far in 2016 returning 24.8%. The financial sector was the worst performer falling 3.1% as concerns over a flattening yield curve and delayed expectations for higher interest rates weighed on the sector.

INVESTMENT MANAGER'S REPORT *CONTINUED*

Performance

The Company's net asset value rose by 10.4% in total return terms over the first six months of 2016. The return was below the benchmark, the S&P 500 Net Index, which rose 14.3% in sterling terms. As you will recall we are valuation specific investors that are looking for "high quality merchandise that is on sale." The most important factor that we look at when investing in securities is the free cash flow of the company and the price we are paying for that stream of cash flows. In this specific period, we have suffered one of the worst periods in the last few decades as the markets have focused predominantly on two other factors; almost exclusively dividend yield and low volatility. While performance has suffered our focus has not wavered. We continue to believe that focusing on the valuation factors, among other things, that have worked well for us in the past will work in the future. A portfolio that is tilted towards valuation will generally lead to favourable results through time, this does not mean that these factors work all of the time. We continue to search out what we believe

PERFORMANCE ATTRIBUTION FOR THE SIX MONTHS ENDED 30TH JUNE 2016

	%	%
Contributions to total returns		
Net asset value total return (in sterling terms)		10.4
Benchmark total return (in sterling terms)		14.3
Excess return		-3.9
Contributions to total returns		
Large cap portfolio		-3.2
Sector selection effect	0.1	
Stock selection effect	-3.3	
Small cap portfolio		-0.4
Allocation effect	-0.4	
Cash		-0.1
Gearing		0.3
Cost of debt		-0.2
Currency hedge		-0.1
Share issuance/buyback		0.1
Management fee/expenses		-0.3
Performance fee		0.0
Total		-3.9

Source: JPMAM and Morningstar.

All figures are on a total return basis.

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

to be the most attractive areas of the market that are reasonably priced relative to their growth prospects and expect that this should be a rewarding strategy, as it has been in the past.

In general terms, sector selection marginally added value while stock selection detracted from performance for the six month period under review. Specifically, the portfolio benefitted from strong stock selection in the consumer staples sector. Within that sector, our overweight positions in both Tyson Foods and Wal-Mart Stores added value. Tyson Food reported very strong first quarter earnings including record earnings, record operating income, record margins and record cash flows. Besides the strong results and positive outlook for 2016, the company raised fiscal earnings guidance. Tyson Foods expects a rising domestic protein production and moderate export growth. Furthermore the raw material costs are expected to be lower due to continuous investments in innovation and new product launches. Wal-Mart was also able to deliver earnings numbers that were above consensus estimates. The retailer grew revenue year-on-year as well as earnings per share and same store sales.

On a stock specific basis, UGI and Northrop were the top contributors to relative performance. UGI, a distributor of natural gas products, benefitted from the growing demand for its products. It has managed to increase its margins even though the price of natural gas liquids has risen in the year to date period. Industrials concern Northrop, saw its share price rise after the company reported better than expected quarterly earnings which were driven by better revenue, margins and lower corporate costs. The company's order book grew as they won a significant contract earlier this year. Investors have been looking for potential growth in the defence industry and paying up for it as the defence budget expenditures have been greater than expected.

In contrast, our stock picking in the energy, financials and health care sectors detracted the most from our relative performance. The energy sector was the largest detractor as the rebound in oil prices resulted in our chosen stocks lagging their benchmark peer group. Additionally, some stock specific issues at Marathon Petroleum and Valero Energy weighed on our performance in this sector. Marathon Petroleum's share price came under pressure as its earnings were overshadowed by news that its newly formed midstream business, a combination of Markwest and MPLX, will cut its distribution in half for 2016 with no guidance provided beyond the current year. Early in the review period Valero Energy's stock price fell due to a decline in oil prices. Investors have become increasingly concerned with the costs and regulatory risk associated with ethanol blending. Unlike some of its peers, Valero does not produce its own ethanol and is therefore more exposed to these concerns. Later during the period the company reported earnings for the first quarter which missed consensus earnings estimates.

Financials were the worst performing sector in the S&P 500 for the period as fears of a US recession as well as concerns about credit losses from the energy sector caused investment sentiment to turn negative. Within the sector, our overweight positions in Citigroup and Voya Financial were the largest detractors from relative performance. Better than expected earnings from Citigroup were not enough to overcome investor concerns. While the stock is very cheap, trading at levels significantly below book value, the perception of a weak global economy, interest rates that are stuck at historically low levels, as well as a tough US regulatory environment have all caused the stock to underperform in 2016. With regards to Voya Financial, the company reported first quarter earnings that were weaker than expected. Operating earnings and revenue numbers were negatively impacted by the volatility in equity markets.

Within health care, an overweight position in Gilead Sciences hurt relative performance. The company's first quarter 2016 earnings report indicated that they were facing pricing pressure in their US Hepatitis C business. The company increased discounting in order to broaden drug access to earlier-stage patients and increase overall volumes. While these efforts will likely increase patient volumes, we do recognise the broader pricing pressures in the Hepatitis C market.

INVESTMENT MANAGER'S REPORT *CONTINUED*

In terms of our portfolio positioning, the Company's largest overweight allocations are within the technology, consumer staples and health care sectors and has small overweight allocations in telecom and utilities. We find technology to be a fertile ground for stock picking, supported by its valuation and free cash flow. We are overall optimistic on the technology sector, with a broadly diversified exposure to semiconductors, semiconductor capital equipment, data processing and computer hardware. The trust has its biggest underweights in financials, consumer discretionary and materials as we are less excited about the long term growth prospects of these sectors as well as their unappealing valuation levels relative to other sectors. The cyclical exposure was reduced through 2016 by reducing exposure to both the financials and materials sectors. The underweight in financials is mainly driven by the flat yield curves and low rates environment, which is making it more difficult for financial stocks to earn a positive spread between the short and long end of the curve. The greatest exposures from a factor standpoint are valuation and quality. The exposure to momentum is at the low end of its historical range.

The Company's level of gearing remains unchanged from six months ago. As always, we will look to add or trim our gearing on an opportunistic basis around the Board's strategic gearing level. If there is a compelling reason to do so, a decision to move outside the strategic gearing level will be taken in consultation with the Board.

Market Outlook

One bright spot for US equity markets could be the upcoming earnings season. We have maintained the view that S&P 500 earnings will reaccelerate as the headwinds of a rising US dollar and lower crude oil prices begin to fade. Even though the US dollar gained in value relative to sterling during the first half of 2016, the US dollar lost value relative to a broader basket of currencies. The movement in crude oil prices from the first quarter to the second quarter was even more positive. Crude oil futures averaged $45.64/bbl. for the second quarter, a 35.7% increase from the prior quarter average price of $33.63/bbl. Improved corporate profits would most certainly be welcome.

Brexit uncertainty, a contentious US Presidential election, unconventional monetary policies and low economic growth rates around the world lead us to believe that more volatility lies ahead. Yet we are also of the view that the strongest positioned and most attractively valued securities will fare best.

Garrett Fish
Investment Manager

15th August 2016

TEN LARGEST EQUITY INVESTMENTS

Company	Sub sector	30th June 2016 Valuation £'000	%[1]	31st December 2015 Valuation £'000	%[1]
Apple	Information Technology	51,487	5.5	50,618	5.7
Microsoft	Information Technology	46,322	5.0	45,527	5.1
Northrop Grumman	Industrials	32,158	3.5	24,775	2.8
Gilead Sciences	Health Care	27,220	2.9	23,496	2.7
Qualcomm[2]	Information Technology	23,113	2.5	9,470	1.1
Johnson & Johnson[3]	Health Care	21,329	2.3	–	–
Pfizer	Health Care	20,770	2.2	17,270	2.0
Citigroup	Financials	19,980	2.1	28,248	3.2
McDonald's[2]	Consumer Discretionary	19,891	2.1	6,925	0.8
Amgen[2]	Health Care	18,142	2.0	14,259	1.6
Total		**280,412**	**30.1**		

[1] Based on total investments of £931.4m (2015: £885.4m).

[2] Not included in the ten largest equity investments at 31st December 2015.

[3] Not Included in the total investments at 31st December 2015.

At 31st December 2015 the value of the ten largest equity investments amounted to £260.3 million representing 29.4% of total investments.

For a full list of investments please refer to the Company's website at www.jpmamerican.co.uk, where the portfolio is uploaded on a monthly basis a month in arrears.

PORTFOLIO ANALYSES

Sector Analysis

	30th June 2016		31st December 2015	
	Portfolio %[1]	Benchmark %	Portfolio %[1]	Benchmark %
Information Technology	23.1	19.8	24.5	20.7
Health Care	17.1	14.7	15.0	15.1
Consumer Staples	12.6	10.5	13.3	10.1
Financials	10.4	15.7	14.6	16.5
Consumer Discretionary	9.8	12.3	8.2	12.9
Industrials	8.3	10.2	7.8	10.0
Energy	6.2	7.4	6.7	6.5
Utilities	3.9	3.6	2.8	3.0
Telecom Services	3.1	2.9	2.1	2.4
Materials	–	2.9	0.7	2.8
Small and unquoted companies[2]	5.5	–	4.3	–
Total	**100.0**	**100.0**	**100.0**	**100.0**

[1] Based on total investments of £931.4m (2015: £885.4m).

[2] This includes small companies' assets of 5.3% and unquoted companies of 0.2% (2015: 4.2% and 0.1%).

STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30TH JUNE 2016

	(Unaudited) Six months ended 30th June 2016			(Unaudited) Six months ended 30th June 2015			(Audited) Year ended 31st December 2015		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss	–	82,731	82,731	–	139	139	–	34,526	34,526
Net foreign currency (losses)/gains[1]	–	(6,869)	(6,869)	–	574	574	–	(4,940)	(4,940)
Income from investments	9,852	–	9,852	9,150	–	9,150	17,746	–	17,746
Interest receivable	43	–	43	12	–	12	34	–	34
Gross return	**9,895**	**75,862**	**85,757**	**9,162**	**713**	**9,875**	**17,781**	**29,586**	**47,367**
Management fee	(425)	(1,701)	(2,126)	(435)	(1,742)	(2,177)	(853)	(3,413)	(4,266)
Performance fee[2]	–	–	–	–	(246)	(246)	–	507	507
Other administrative expenses	(360)	–	(360)	(357)	–	(357)	(747)	–	(747)
Net return/(loss) on ordinary activities before finance costs and taxation	**9,110**	**74,161**	**83,271**	**8,370**	**(1,275)**	**7,095**	**16,181**	**26,680**	**42,861**
Finance costs	(388)	(1,549)	(1,937)	(376)	(1,506)	(1,882)	(782)	(3,125)	(3,907)
Net return/(loss) on ordinary activities before taxation	**8,722**	**72,612**	**81,334**	**7,994**	**(2,781)**	**5,213**	**15,399**	**23,555**	**38,954**
Taxation	(1,370)	–	(1,370)	(1,177)	–	(1,177)	(2,488)	–	(2,488)
Net return/(loss) on ordinary activities after taxation	**7,352**	**72,612**	**79,964**	**6,817**	**(2,781)**	**4,036**	**12,911**	**23,555**	**36,466**
Return/(loss) per share (note 4)	**2.72p**	**26.84p**	**29.56p**	**2.43p**	**(0.99)p**	**1.44p**	**4.64p**	**8.47p**	**13.11p**

[1] Includes gains and losses on forward foreign currency contracts which are used to hedge the currency risk in respect of some of the geared portion of the portfolio. Details of the hedging contracts can be found in note 5.

[2] During the period ended 30th June 2016, the Company's net asset value total return underperformed the total return of the S&P 500 Index, expressed in sterling terms, by 3.9 percentage points. This resulted in a negative performance fee calculation accrual of £3,183,000 in respect of the period ended 30th June 2016. Further details on the fee are given on the features page at the front of the report.

The interim dividend declared in respect of the six months ended 30th June 2016 amounts to 2.25p (2015: 1.5p) per share, costing £6,001,000.

All revenue and capital items in the above statement derive from continuing operations. The return/(loss) per share represents the profit/(loss) per share for the period and also the total comprehensive income per share.

The 'Total' column of this statement is the profit and loss account of the Company and the 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies.

STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30TH JUNE 2016

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves[1] £'000	Revenue reserve[1] £'000	Total £'000
Six months ended 30th June 2016 (Unaudited)						
At 31st December 2015	14,082	151,850	8,151	622,025	20,592	816,700
Repurchase of shares into Treasury	–	–	–	(26,867)	–	(26,867)
Net return on ordinary activities	–	–	–	72,612	7,352	79,964
Dividends paid in the period	–	–	–	–	(6,729)	(6,729)
At 30th June 2016	14,082	151,850	8,151	667,770	21,215	863,068
Six months ended 30th June 2015 (Unaudited)						
At 31st December 2014	14,052	150,172	8,151	613,646	18,129	804,150
Issue of ordinary shares net of costs to the market	30	1,678	–	–	–	1,708
Repurchase of shares into Treasury	–	–	–	(14,414)	–	(14,414)
Net (loss)/return on ordinary activities	–	–	–	(2,781)	6,817	4,036
Dividends paid in the period	–	–	–	–	(6,304)	(6,304)
At 30th June 2015	14,082	151,850	8,151	596,451	18,642	789,176
Year ended 31st December 2015 (Audited)						
At 31st December 2014	14,052	150,172	8,151	613,646	18,129	804,150
Issue of ordinary shares net of costs to the market	30	1,678	–	–	–	1,708
Repurchase of shares into Treasury	–	–	–	(15,176)	–	(15,176)
Net return on ordinary activities	–	–	–	23,555	12,911	36,466
Dividends paid in the period	–	–	–	–	(10,448)	(10,448)
At 31st December 2015	14,082	151,850	8,151	622,025	20,592	816,700

[1] These reserves form the distributable reserves of the Company and may be used to fund distribution of profits to investors via dividend payments.

STATEMENT OF FINANCIAL POSITION AT 30TH JUNE 2016

	(Unaudited) 30th June 2016 £'000	(Unaudited) 30th June 2015 £'000	(Audited) 31st December 2015 £'000
Fixed assets			
Investments held at fair value through profit or loss	931,390	860,089	885,383
Current assets			
Derivative financial assets (note 5)	–	2,959	939
Debtors	24,008	1,548	923
Cash and cash equivalents[1]	14,901	9,521	18,789
	38,909	**14,028**	**20,651**
Creditors:			
Amounts falling due within one year	(54,051)	(1,080)	(36,417)
Derivative financial liabilities (note 5)	(3,238)	–	(2,990)
Net current (liabilities)/assets	**(18,380)**	**12,948**	**(18,756)**
Total assets less current liabilities	**913,010**	**873,037**	**866,627**
Creditors:			
Amounts falling due after more than one year	(49,942)	(83,452)	(49,927)
Performance fees	–	(409)	–
Net assets	**863,068**	**789,176**	**816,700**
Capital and reserves			
Called up share capital	14,082	14,082	14,082
Share premium	151,850	151,850	151,850
Capital redemption reserve	8,151	8,151	8,151
Capital reserves	667,770	596,451	622,025
Revenue reserve	21,215	18,642	20,592
Shareholders' funds	**863,068**	**789,176**	**816,700**
Net asset value per share (note 6)	**323.6p**	**285.4p**	**295.6p**

[1] This line item combines the two lines of 'Cash equivalents including (liquidity funds) at fair value through profit and loss' and 'Cash and short term deposits' in the prior periods into one.

STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30TH JUNE 2016

	(Unaudited) Six months ended 30th June 2016 £'000	(Unaudited) Six months ended 30th June 2015 £'000	(Audited) Year ended 31st December 2015 £'000
Net cash outflow from operations before dividends and interest (note 7)	(1,169)	(2,909)	(4,378)
Dividends received	8,121	7,901	15,041
Interest received	43	12	33
Interest paid	(1,984)	(1,898)	(3,865)
Overseas tax recovered	355	101	100
Net cash inflow from operating activities	**5,366**	**3,207**	**6,931**
Purchases of investments and derivatives	(166,661)	(219,766)	(354,123)
Sales of investments and derivatives	201,796	234,584	377,466
Settlement of forward currency contracts	(3,861)	(4,043)	(2,239)
Net cash inflow from investing activities	**31,274**	**10,775**	**21,104**
Dividends paid	(6,729)	(6,304)	(10,448)
Repayment of bank loans	(7,633)	(5,859)	(6,446)
Drawdown of bank loans	971	10,079	10,369
Issue of ordinary shares	–	1,708	1,708
Repurchase of the Company's own shares for cancellation	(27,137)	(14,414)	(14,758)
Net cash outflow from financing activities	**(40,528)**	**(14,790)**	**(19,575)**
(Decrease)/increase in cash and cash equivalents	**(3,888)**	**(808)**	**8,460**
Cash and cash equivalents at start of period	18,789	10,329	10,329
Cash and cash equivalents at end of period	14,901	9,521	18,789
(Decrease)/increase in cash and cash equivalents	**(3,888)**	**(808)**	**8,460**
Cash and cash equivalents consist of:			
Cash and short term deposits	22	24	305
Cash held in JPMorgan US Dollar Liquidity Fund	14,879	9,497	18,484
Total	**14,901**	**9,521**	**18,789**

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH JUNE 2016

1. Financial statements

The information contained within the financial statements in this half year report has not been audited or reviewed by the Company's auditors.

The figures and financial information for the year ended 31st December 2015 are extracted from the latest published financial statements of the Company and do not constitute statutory accounts for that year. Those financial statements 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 498(2) or 498(3) of the Companies Act 2006.

2. Accounting policies

The financial statements are prepared in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ('UK GAAP'), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the Association of Investment Companies in November 2014.

FRS 104, 'Interim Financial Reporting', issued by the Financial Reporting Council ('FRC') in March 2015 has been applied in preparing this condensed set of financial statements for the six months ended 30th June 2016.

In March 2016, the FRC published amendments to FRS 102 concerning fair value hierarchy disclosures. These amendments are effective for accounting periods beginning on or after 1st January 2017. The Company has elected to early adopt these amendments in these interim financial statements. Full disclosure is given in note 8.

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

The accounting policies applied to this condensed set of financial statements are consistent with those applied in the financial statements for the year ended 31st December 2015.

3. Dividends paid[1]

	(Unaudited) Six months ended 30th June 2016 £'000	(Unaudited) Six months ended 30th June 2015 £'000	(Audited) Year ended 31st December 2015 £'000
Final dividend paid in respect of the year ended 31st December 2015 of 2.5p (2014: 2.25p)	6,729	6,304	6,304
Interim dividend paid in respect of the six months ended 30th June 2015 of 1.5p	–	–	4,144
Total dividends	**6,729**	**6,304**	**10,448**

[1] All the dividends paid in the period have been funded from the Revenue Reserve.

An interim dividend of 2.25p has been declared in respect of the six months ended 30th June 2016, costing £6,001,000.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

4. Return/(loss) per share

	(Unaudited) Six months ended 30th June 2016 £'000	(Unaudited) Six months ended 30th June 2015 £'000	(Audited) Year ended 31st December 2015 £'000
Return per share is based on the following:			
Revenue return	7,352	6,817	12,911
Capital return/(loss)	72,612	(2,781)	23,555
Total return	**79,964**	**4,036**	**36,466**
Weighted average number of shares in issue	270,570,528	279,968,588	278,231,109
Revenue return per share	2.72p	2.43p	4.64p
Capital return/(loss) per share	26.84p	(0.99)p	8.47p
Total return per share	**29.56p**	**1.44p**	**13.11p**

5. Derivative financial instruments

The Company has hedged against the currency risk arising from its £50 million debenture liability. The forward currency contracts settled on 21st July 2016 and are for the purpose of hedging the risk of fluctuation in the £/US$ exchange rate. These contracts continue to be rolled over on a quarterly basis.

6. Net asset value per share

	(Unaudited) 30th June 2016 £'000	(Unaudited) 30th June 2015 £'000	(Audited) 31st December 2015 £'000
Net assets	863,068	789,176	816,700
Number of shares in issue	266,693,992	276,533,411	276,283,026
Net asset value per share	**323.6p**	**285.4p**	**295.6p**

7. Reconciliation of total return on ordinary activities before finance costs and taxation to net cash inflow from operating activities

	(Unaudited) Six months ended 30th June 2016 £'000	(Unaudited) Six months ended 30th June 2015 £'000	(Audited) Year ended 31st December 2015 £'000
Net return on ordinary activities before finance costs and taxation	83,271	7,095	42,861
(Less capital return)/Add capital loss on ordinary activities before finance costs and taxation	(74,161)	1,275	(26,680)
(Increase)/decrease in accrued income and other debtors	(22)	6	(115)
(Decrease)/increase in accrued expenses	(25)	169	11
Overseas withholding tax	(1,726)	(1,267)	(2,592)
Management and performance fee charged to capital	(1,701)	(2,086)	(3,548)
Dividends received	(8,121)	(7,901)	(15,041)
Interest received	(43)	(12)	(33)
Realised gains/(losses) on foreign currency transactions	117	(374)	(435)
Exchange gains on Liquidity Funds	1,242	186	1,194
Net cash outflow from operations before dividends and interest	**(1,169)**	**(2,909)**	**(4,378)**

8. Fair valuation of financial instruments

The fair value hierarchy analysis for financial instruments held at fair value at the period end is as follows:

	(Unaudited) Six months ended 30th June 2016		(Unaudited) Six months ended 30th June 2015		(Audited) Year ended 31st December 2015	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices for identical instruments in active markets	929,840	–	858,951	–	884,169	–
Level 2: Prices of recent transactions for identical instruments[1]	–	(3,238)	2,959	–	939	(2,990)
Level 3: Valuation techniques using non-observable data[2]	1,339	–	1,138	–	1,214	–
Total	**931,390**	**(3,238)**	**863,048**	**–**	**886,322**	**(2,990)**

[1] Consisting of forward foreign currency contracts.

[2] Consisting of unquoted stock of Kane holdings.

INTERIM MANAGEMENT REPORT

The Company is required to make the following disclosures in its half year report.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company remain unchanged and fall into the following broad categories: investment and strategy; market; accounting, legal and regulatory; corporate governance and shareholder relations; operational; financial; political and economic. Information on each of these areas is given in the Business Review within the Annual Report and Accounts for the year ended 31st December 2015.

Related Parties Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or the performance of the Company.

Going Concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future and, more specifically, that there are no material uncertainties pertaining to the Company that would prevent its ability to continue in such operation existence for at least twelve months from the date of the approval of this half yearly financial report. For these reasons, they consider there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

Directors' Responsibilities

The Board of Directors confirms that, to the best of its knowledge:

(i) the condensed set of financial statements contained within the half year financial report has been prepared in accordance with FRS 104 'Interim Financial Reporting' and gives a true and fair view of the state of affairs of the Company, and of the assets, liabilities, financial position and net return of the Company as at 30th June 2016 as required by the UK Listing Authority Disclosure and Transparency Rules 4.2.4R; and

(ii) the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure and Transparency Rules.

In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

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

and the Directors confirm that they have done so.

For and on behalf of the Board
Sarah Bates
Chairman

15th August 2016

GLOSSARY OF TERMS AND DEFINITIONS

Return to shareholders

Total return to the investor, on a mid-market price to mid-market price basis, assuming that all dividends received were reinvested, without transaction costs, in the shares of the Company at the time the shares were quoted ex-dividend.

Return on Net Assets

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

In accordance with industry practice, dividends payable which have been declared but which are unpaid at the balance sheet date are deducted from the NAV when calculating the total return on net assets.

Benchmark return

Total return on the benchmark, on a mid-market value to mid-market value basis, assuming that all dividends received were reinvested, without transaction costs, in the shares of the underlying companies at the time the shares were quoted ex-dividend.

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

Gearing/Net Cash

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

Share price discount/premium to net asset value per share

If the share price of an investment trust is lower than the net asset value ('NAV') per share, the shares are 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.

Ongoing Charges

Estimated annualised management fee and all other operating expenses, excluding finance costs, expressed as a percentage of the average of the daily net assets during the period. Ongoing charges are calculated in accordance with guidance issued by the Association of Investment Companies in May 2012. The figures as at 30th June 2016 are estimated annualised figures based on the six months to 30th June 2016.

WHERE TO BUY J.P. MORGAN INVESTMENT TRUSTS

Savings Plan

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

Stocks & Shares Individual Savings Accounts (ISA)

The Company's shares are eligible investments within J.P. Morgan's Stocks & Shares ISA. For the 2016/17 tax year, from 6th April 2016 and ending 5th April 2017, the total ISA allowance is £15,240. Details are available from J.P. Morgan Asset Management free on 0800 20 40 20 or via its website at am.jpmorgan.co.uk

There are a number of ways that you can buy shares in investment trust companies; you can invest through J.P. Morgan Online or on the following:

Fund supermarkets:

AJ Bell Youinvest
Alliance Trust Savings
Bank of Scotland Share Dealing
Barclays Stockbrokers
Bestinvest
Cavendish Online
Charles Stanley Direct
Close Brothers Asset Management
Clubfinance
Fidelity Personal Investing
Halifax Share Dealing
Hargreaves Lansdown
Interactive Investor
iWeb Share Dealing
James Brearley
James Hay
Selftrade
Strawberry Invest
TD Direct Investing
Telegraph Investor
The Share Centre
TQ Invest
Trustnet Direct
Willis Owen

Alternatively you can invest through an Investment Professional (e.g. a Financial Adviser) on the following 3rd party platforms:

AJ Bell Investcentre
Alliance Trust
Ascentric
Avalon
Aviva Platform
Axa Elevate
FundsNetwork
James Hay
Novia
Nucleus
Seven IM
Standard Life
Transact

Please note that these websites are third party websites and J.P. Morgan Asset Management does not endorse or recommend any of them. This list is not exhaustive and is subject to change. Please observe each site's privacy and cookie policies as well as their platform charges structure.

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

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

Financial Conduct Authority

Beware of share fraud

In association with: icsa Registrars Group

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment. While high profits are promised, if you buy or sell shares in this way you will probably lose your money.

How to avoid share fraud

1. Keep in mind that firms authorised by the FCA are unlikely to contact you out of the blue with an offer to buy or sell shares.
2. Do not get into a conversation, note the name of the person and firm contacting you and then end the call.
3. Check the Financial Services Register from **www.fca.org.uk** to see if the person and firm contacting you is authorised by the FCA.
4. Beware of fraudsters claiming to be from an authorised firm, copying its website or giving you false contact details.
5. Use the firm's contact details listed on the Register if you want to call it back.
6. Call the FCA on **0800 111 6768** if the firm does not have contact details on the Register or you are told they are out of date.
7. Search the list of unauthorised firms to avoid at **www.fca.org.uk/scams**.
8. Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme.
9. Think about getting independent financial and professional advice before you hand over any money.
10. **Remember:** if it sounds too good to be true, it probably is!

Report a scam

If you are approached by fraudsters please tell the FCA using the share fraud reporting form at **www.fca.org.uk/scams**, where you can find out more about investment scams.

You can also call the FCA Consumer Helpline on **0800 111 6768**.

If you have already paid money to share fraudsters you should contact Action Fraud on **0300 123 2040**.

5,000 people contact the Financial Conduct Authority about share fraud each year, with victims losing an average of £20,000

Information about the Company

FINANCIAL CALENDAR

Financial year end	31st December
Final results announced	March
Half year end	30th June
Half year results announced	August
Dividend (if any)	May/October
Annual General Meeting	April/May

History

The Company has its origins in the Alabama, New Orleans, Texas and Pacific Junction Railways Company Limited which was formed in 1881 to acquire interests in, and to undertake the completion of, three American railroads - the Vicksburg and Meridian, the Vicksburg, Shreveport and Pacific and the New Orleans and North Eastern. In 1917 the Company was reorganised, a proportion of the railroad interests were sold, and the investment powers were widened enabling its assets to be invested in several countries including the United Kingdom. To reflect the new objectives the name was changed to The Sterling Trust. The Company's investment policy reverted to North American securities in 1982 when the name was changed to The Fleming American Investment Trust plc. The name was changed to JPMorgan Fleming American Investment Trust plc in April 2002 and to its present form in 2006. JPMorgan has been the Company's manager and secretary since 1966.

Directors

Sarah Bates (Chairman)
Kate Bolsover
Simon Bragg (Audit Committee Chairman)
Dr Kevin Carter
Sir Alan Collins (Risk Committee Chairman and Senior Independent Director)
Nadia Manzoor

Company Numbers

Company registration number: 15543
London Stock Exchange Sedol code: BKZGVH6
ISIN: GB00BKZGVH64
Bloomberg code: JAM LN

Market Information

The Company's shares are listed on the London Stock Exchange. The market price is shown daily in the Financial Times, The Times, The Daily Telegraph, The Scotsman and on the J.P. Morgan internet site at www.jpmamerican.co.uk, where the share price is updated every fifteen minutes during trading hours.

Website

www.jpmamerican.co.uk

Share Transactions

The Company's shares may be dealt in directly through a stockbroker, intermediary or professional adviser acting on an investor's behalf. They may also be purchased and held through the J.P. Morgan Investment Account and J.P. Morgan ISA. These products are all available on the online wealth manager service, J.P. Morgan WealthManager+ available at www.jpmorganwealthmanagerplus.co.uk

Manager and Secretary

JPMorgan Funds Limited

Company's Registered Office

60 Victoria Embankment
London EC4Y 0JP

Telephone: 020 7742 4000

For company secretarial and administrative matters please contact Alison Vincent.

Depositary

BNY Mellon Trust and Depositary (UK) Limited
BNY Mellon Centre
160 Queen Victoria Street
London EC4V 4LA

Custodian

JPMorgan Chase Bank, N.A.
25 Bank Street
Canary Wharf
London E14 5JP

Registrars

Equiniti
Reference 1077
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Telephone: 0371 384 2316

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1077.

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

Independent Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
Stonecutter Court
1 Stonecutter Street
London EC4A 4TR

Brokers

Winterflood Securities Limited
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2GA

Telephone number: 020 7621 0004

Savings Product Administrators

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

aic
The Association of Investment Companies

A member of the AIC

www.jpmamerican.co.uk

J.P. Morgan Helpline

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

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

J.P.Morgan
Asset Management