



JPMorgan Global Growth & Income plc

Annual Report & Financial Statements
for the year ended 30th June 2022

Key Features

Investment Objective

The objective of JPMorgan Global Growth & Income PLC (the 'Company') is to achieve superior total returns from world stock markets.

Investment Policy

To provide a diversified portfolio of approximately 50-90 stocks in which the Investment Manager has a high degree of conviction. To gain the appropriate exposure, the Investment Manager is permitted to invest in pooled funds.

Investment Strategy

To provide superior total returns and outperform the MSCI All Countries World Index (in sterling terms) over the long-term by investing in companies based around the world. The manager is focused on building a high conviction portfolio of typically 50-90 stocks, drawing on an investment process underpinned by fundamental research. Portfolio construction is driven by bottom-up stock selection rather than geographical or sector allocation. Currency exposure is predominantly hedged back towards the benchmark. The Company uses borrowing to gear the portfolio within a range of 5% net cash to 20% geared under normal market conditions.

Dividend Policy

The Company has a distribution policy whereby at the start of each financial year the Company will announce the distributions it intends to pay to shareholders in the forthcoming year in quarterly instalments. In aggregate, the current intention is to pay dividends totalling at least 4% of the net asset value ('NAV') of the Company as at the end of the preceding financial year. Where the target dividend is likely to result in a dividend yield that is materially out of line with the wider market, the Board may choose to set the target dividend at a different level that is more in-line with the wider market and other global income trusts and funds.

Gearing

The Company issued £30 million of fixed rate 30 year unsecured notes at an annual coupon of 2.93% on 9th January 2018. On 12th March 2021, the Company issued a further £20 million of fixed rate 15 year unsecured loan notes at an annual coupon of 2.36%. The notes are unsecured which gives the Company increased flexibility to manage its borrowings in the future. Further details can be found in note 24 on page 86.

Benchmark

The Company's benchmark is the MSCI All Countries World Index in sterling terms (total return with net dividends reinvested) (the 'Benchmark').

Capital Structure

At 30th June 2022, the Company's issued share capital comprised 166,086,285 Ordinary shares of 5p each. There are no shares held in Treasury. Further details can be found in note 16 on page 78.

Share Issuance and Repurchase Policy

Shares held in Treasury and new shares will only be reissued/issued at a premium to NAV. In order for the Company's shares to trade at a relatively narrow discount, the Company has a long-term policy of repurchasing its shares with the aim of maintaining an average discount of around 5% or less calculated with debt at par value. Any shares repurchased under this policy may be held in Treasury or cancelled.

Management Company and Company Secretary

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

Financial Conduct Authority ('FCA') regulation of 'non-mainstream pooled investments' and MiFID II 'complex instruments'

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.

The Company's Ordinary shares are not considered to be 'complex instruments' under the FCA's 'Appropriateness' rules and guidance in the Conduct of Business sourcebook.

Association of Investment Companies ('AIC')

The Company is a member of the AIC.

Website

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

Why invest in JPMorgan Global Growth & Income plc

The Company has a distinctive strategy for today’s market – aiming to provide the best of both worlds. The investment managers focus on investing in their best ideas from across the world’s stock market, whilst the Company provides a quarterly dividend distribution – set at the beginning of its financial year.

Our investment approach

The Company’s investment managers have the freedom to invest anywhere in the world in search of the best ideas from across JPMorgan’s team of over ninety in-house investment analysts. The investment managers look to build a portfolio of global stocks that offer the best total returns.

The Company introduced a new dividend policy in 2016 – and has paid out 4% of the NAV as dividends set at the start of each financial year since then. This dividend policy does not change the Managers’ investment approach, which is focused on continuing to generate total returns.

Environment, Social and Governance (‘ESG’) Considerations

ESG considerations are fully integrated into the stock selection process. JPMAM research teams compile proprietary ESG analyses on each company as well as using external vendor research to rank them. Following in-depth strategic and financial analysis, these ESG rankings and factors are also taken into consideration as part of the investment case.



“ THE BREADTH OF POTENTIAL INVESTMENTS WE RESEARCH ALLOWS US TO INVEST ONLY IN THOSE WITH THE VERY BEST CHARACTERISTICS ”

Helge Skibeli, Investment Manager,
JPMorgan Global Growth & Income plc



“ OUR WORLD-CLASS INVESTMENT TEAM HAS SOME OF THE MOST EXPERIENCED AND TALENTED INVESTORS YOU CAN FIND ”

Rajesh Tanna, Investment Manager,
JPMorgan Global Growth & Income plc



“ OUR RELENTLESS FOCUS ON FUNDAMENTAL RESEARCH AND THE LONG-TERM OUTLOOK ENSURES THAT WE CAN LOOK THROUGH THE NOISE AND CONCENTRATE ON WHAT IS IMPORTANT ”

Tim Woodhouse, Investment Manager,
JPMorgan Global Growth & Income plc

Facts

Europe
Research Team

15 Analysts

US
Research Team

25 Analysts

Asia
Research Team

16 Analysts

Emerging Markets/
Pacific Rim Research Team

35 Analysts

4%

Has paid out 4% of NAV per annum as distribution

91

Investment analysts located globally

50-90

Portfolio of global stocks representing high conviction best ideas

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Financial Highlights

Total returns (including dividends reinvested) to 30th June

	2022	2021	3 years cumulation	5 years cumulation
Return to shareholders ^{1,A}	-4.8%	+33.0%	+32.7%	+59.6%
Return on net assets ^{2,A}	-3.4%	+32.3%	+35.5%	+59.5%
Benchmark return ^{1,3}	-4.2%	+24.6%	+25.6%	+50.0%
Net asset return compared to benchmark return	+0.8%	+7.7%	+9.9%	+9.5%
Annual dividend per share	16.96p	13.16p		

¹ Source: Morningstar.

² Source: Morningstar/J.P. Morgan, using cum income net asset value per share with debt at par value.

³ Source: MSCI. The Company's benchmark is the MSCI All Countries World Index expressed in sterling terms.

^A Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 95 to 97.

Financial Highlights

Summary of results

	2022	2021	% change
Total returns for the year ended 30th June			
Return to shareholders ^{1.A}	-4.8%	+33.0%	
Return on net assets with debt at par value ^{2.A}	-3.4%	+32.3%	
Return on net assets with debt at fair value ^{2.A}	-1.5%	+33.8%	
Benchmark return ³	-4.2%	+24.6%	
Net asset value, share price and discount at 30th June			
Shareholders' funds (£'000)	669,413	653,374	+2.5
Net asset value per share with debt at par value ^A	403.1p	432.3p	-6.8
Net asset value per share with debt at fair value ^{4.A}	405.8p	427.2p	-5.0
Share price	396.0p	432.0p	-8.3
Share price discount to net asset value per share with debt at par value ^A	(1.8)%	(0.1)%	
Share price (discount)/premium to net asset value per share with debt at fair value ^A	(2.4)%	1.1%	
Shares in issue (excluding shares held in Treasury)	166,086,285	151,129,285	
Revenue for the year ended 30th June			
Net revenue attributable to shareholders (£'000)	11,482	7,958	+44.3
Revenue return per share	7.24p	5.46p	+32.6
Dividend per share	16.96p	13.16p	+28.9
Gearing/(Net cash) at 30th June^A	1.1%	0.2%	
Ongoing charges* excluding performance fee payable^A	0.56%	0.53%	
Ongoing charges* including performance fee payable^{5.A}	0.56%	1.60%	

¹ Source: Morningstar.

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

³ Source: MSCI. The Company's benchmark is the MSCI All Countries World Index expressed in sterling terms.

⁴ The fair values of the £1,000 debenture and £50m unsecured loan notes issued by the Company have been calculated by using discounted cash flow techniques using the yield on a long dated gilt plus a margin based on the five year average for the AA Barclays Corporate Bond.

⁵ Until 31st December 2021, a performance fee was payable by the Company to the Manager.

With effect from 1st January 2022, no performance fee accrues or is payable to the Manager with respect to any period from 1st January 2022.

^A Alternative Performance Measure ('APM').

* Ongoing charges ratio represents the total expenses of the Company, excluding transaction costs, interest payments, tax and non-recurring expenses expressed, as a percentage of the average daily net asset value, in accordance with guidance issued by the AIC.

Further details about the Company's combination with The Scottish Investment Trust PLC ('SCIN') can be found in note 25 on page 87 which details the post balance sheet date events, including details of the SCIN debt assumed by the Company post the year end.

A glossary of terms and APMs is provided on pages 95 to 97.

Chairman's Statement



Tristan Hillgarth
Chairman

First, I would like to extend a warm welcome to all shareholders in the Company. Many of you have been long-term investors in the Company and I very much welcome those of you who previously held shares in The Scottish Investment Trust PLC ('SCIN').

Combination with SCIN

The combination with SCIN, effected by way of a scheme of reconstruction of SCIN, was completed on 1st September 2022, following shareholders of both companies voting in favour of the combination. This combination brings together two investment trust companies with similar objectives that have both been in existence since 1887. We look forward to providing our shareholders with the benefits of economies of scale from the enlarged asset base, in particular, an enhanced profile, greater liquidity in the Company's shares and cost efficiencies.

On behalf of the Board, I would like to extend our thanks to our Manager and our advisors for their support and diligence in completing the Company's combination with SCIN.

Further details about the combination can be found in note 25 on page 87, which details the post balance sheet date events. The financial information in this annual report is as at 30th June 2022 and excludes the combination with SCIN.

At the time of writing (at 26th September 2022), the net asset value of your enlarged Company is £1,300,840,375.

FTSE 250 Index

The Board was pleased to note the Company's admittance into the FTSE 250 Index in August 2022. This promotion marks another milestone in our growth and recognises our sustained performance.

Management and Performance Fees

In addition to the above combination, the Board agreed revised management fee arrangements with JPMorgan, replacing the existing management fee and performance fee structure with a tiered management fee on the following basis:

- 0.55% on net assets up to £750 million;
- 0.40% on net assets between £750 million and £1.5 billion; and
- 0.30% on net assets in excess of £1.5 billion.

The revised fee structure was implemented with effect from 1st January 2022 and any performance fees accrued to that date have been paid in full. No further performance fee is payable after 1st January 2022.

Performance

During the year under review, the Company's total return on net assets was -3.4% compared with the return on our benchmark, the MSCI AC World Index (in sterling terms) of -4.2%, while the share price produced a total return of -4.8%, reflecting the widening of the share price discount from 1.1% premium to 2.4% discount over the year. After delivering good performance during the first half of the financial year, the second half presented a challenging environment for equity investments. While this near-term contraction in value is disappointing, it is to be expected given the deterioration in global equity markets amid tightening financial conditions, rising risks of recession and growing inflation. The markets' reaction to Russia's invasion of Ukraine at the beginning of the year, with significant increases in commodity and energy prices has led to a steep rise in inflation. Our Company's returns have also been impacted by these factors.

The performance attribution below analyses how the Company achieved its performance relative to its Benchmark. The Investment Managers' report that follows provides a detailed commentary on these figures and discusses activity, performance and the market outlook.

Dividend Policy

The Company's dividend policy has now been in place for over six years. As a reminder, the dividend policy aims to pay, in the absence of unforeseen circumstances, dividends totalling at least 4% of the NAV of the Company as at the end of the preceding financial year. Where, in the view of the Board, the target dividend is likely to result in a dividend yield that is materially out of line with the wider market,

Chairman's Statement

the Board may choose to set the target dividend at a different level that is more in-line with the wider market and other global income trusts and funds. The Company has the ability to pay dividends out of capital and does currently pay its dividends, in part, out of its realised capital profits.

The Board announced on 1st July 2022 that, in relation to the year commencing 1st July 2022, the Company intends to pay dividends totalling 17.00 pence per share (4.25 pence per share per quarter), which represents a small increase from the last financial year's total dividend of 16.96 pence per share. It is expected that the dividends will be paid by way of four equal distributions. The first interim dividend for the financial year ending 30th June 2023 of 4.25 pence per share (for the period to 30th September 2022), was declared on 1st July 2022 and will be paid on 7th October 2022 to shareholders on the register at the close of business on 2nd September 2022. The ex-dividend date was 1st September 2022.

Performance attribution

Year ended 30th June 2022

	%	%
Contributions to total returns		
Benchmark Total Return		-4.2
Asset allocation	0.0	
Stock selection	2.0	
Currency effect	0.2	
Gearing/cash	-0.9	
Investment Manager contribution		1.3
Portfolio total return		-2.9
Management fees/other expenses	-0.6	
Performance fee*		
Net asset value total return – prior to structural effects		-3.5
Structural effects		
Share buy-back/issuance	0.1	
Net Asset Value Total Return – Debt at Par		-3.4
Impact of Fair Value Valuation of Debt	1.9	
Net Asset Value Total Return – Debt at Fair		-1.5
Return to Shareholders		-4.8

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.

* Until 31st December 2021, a performance fee was payable by the Company to the Manager.

With effect from 1st January 2022, no performance fee accrues or is payable to the Manager with respect to any period from 1st January 2022.

A glossary of terms and APMs is provided on pages 95 to 97.

Share Issuance and Repurchases

The Company's shares continued to trade close to, or at a small premium to NAV during the year and we were able to reissue from Treasury the remaining 3,776,215 shares for a total consideration of £16,694,193. A block listing on the main market of 15 million Ordinary shares of the Company was secured in August last year. The Company further issued 11,180,785 new Ordinary shares for a total consideration of £50,194,157 up to 30th June 2022. Since then, our shares continued to trade at a premium to NAV over a period of time, allowing us to issue 2,473,000 new Ordinary shares for a total consideration of £10,867,549.

Chairman's Statement

As part of the combination with SCIN, 133,919,647 new Ordinary shares were also issued and admitted to listing on 1st September 2022. Following this, the total number of Ordinary shares in issue is 302,478,932 at the time of writing.

As resolutions renewing the Director's authorities to issue new Ordinary shares and Ordinary shares from Treasury, in both cases at a premium to NAV, and to disapply pre-emption rights over such issues, were passed at the Company's General Meeting held on 30th August 2022, the Company is not seeking renewal of these authorities at the forthcoming Annual General Meeting ('AGM').

A resolution to renew the authority to permit the Company to repurchase its own shares will be proposed at the Company's forthcoming AGM on 3rd November 2022.

Since the year end, the Company has made applications to the Financial Conduct Authority and the London Stock Exchange for a new block listing on the main market of 15 million Ordinary shares of the Company. The block listing is expected to become effective at 8:00a.m. on 3rd October 2022.

Debt and Gearing

The Company's policy on borrowing is set by the Board and remains unchanged following the combination with SCIN.

Gearing is regularly discussed between the Board and the Investment Managers. In 2018, the Company issued £30 million fixed rate 30 year unsecured notes at an annual coupon of 2.93%. On 12th March 2021, the Company issued a further £20 million of fixed rate 15 year unsecured notes at an annualised coupon of 2.36%. After the issuance of these notes, the Company's total notes amounted to £50 million as at 30th June 2022.

There has been no change in the permitted gearing range, as previously set by the Board, which limits gearing within the range of 5% net cash to 20% geared in normal market conditions.

At the start of the reporting period, the gearing level was 0.2% and increased to 1.1% at the end of the year under review. During the year, gearing varied between 3.1% geared and 2.5% cash.

As part of the combination with SCIN, the Company has been substituted as issuer and sole debtor of the SCIN Bonds of which £82,827,000 in aggregate principal amount remain outstanding. Following the substitution, the SCIN Bonds remain listed and traded on the London Stock Exchange.

At the time of writing (at 26th September 2022), the gearing level stands at 2.6%.

Purchase of £200,000 secured 4.5% Perpetual Debenture

As announced on 8th March 2022, the Company purchased £196,708 of its indenture stock from a large institutional investor representing 98.35% of the issue. This was conducted at a price of 154.81 pence compared to the par value of 100 pence. The Board decided it would be prudent given the combination with SCIN to redeem the debenture as an effort to simplify the Company's balance sheet going into the transaction. This redemption was achieved at a level that was accretive to the Company and so was viewed as a further benefit to the Company and its shareholders.

Following this purchase, there remains 1.65% of the issue outstanding across two minority investors, both of whom have been offered the same terms for redemption.

Currency Hedging

The Company continues its passive currency hedging strategy (implemented in late 2009) that aims to make stock selection the predominant driver of overall portfolio performance relative to the Benchmark. This is a risk reduction measure, designed to eliminate most of the differences between the portfolio's currency exposure and that of the Company's Benchmark. As a result the returns derived from, and the portfolio's exposure to currencies may differ materially from, that of the Company's competitors, who generally do not undertake such a strategy.

The Board

The Board composition has expanded following the combination with SCIN to consist currently of eight members. I am pleased to welcome James Will, Jane Lewis, Mick Brewis and Neil Rogan, who were each appointed to the Board on 1st September 2022. This expansion ensures that both sets of shareholders

Chairman's Statement

are fully represented during the initial stages of the combination. It is our intention to continue this approach to provide continuity. However, to manage the size of the Board, James Will and Gay Collins will both subsequently retire from the Board at the conclusion of the Company's AGM to be held on 3rd November 2022. Gay has also exceeded her nine-year tenure on the Board and will therefore not be seeking re-election to the Board.

Sarah Whitney will continue as Chair of the Audit & Management Engagement Committee and as Chair of the Remuneration Committee. It is intended that Jane Lewis will take over the responsibilities as Senior Independent Director upon Gay's retirement. I remain as Chairman of the Nomination Committee.

The Board is conscious of the increased focus on diversity and recognises the value and importance of diversity in the boardroom. No Directors are from a minority ethnic background. The appointment of Jane Lewis maintains the female representation on the Board following Gay's retirement from the Board at the conclusion of the forthcoming Annual General Meeting of the Company on 3rd November 2022.

The Board supports the overall recommendations of the FTSE Women Leaders Review, which continues the work of the Hampton-Alexander and Davies Reviews that came before it and the Parker Report. However, with the enlarged composition, and for continuity over the coming years following the SCIN combination, it is not seen to be in the best interests of the Company and its shareholders to set prescriptive diversity targets for the Board at this point. As we refresh the Board in the future, as well as ensuring that we have a diverse range of individuals with the necessary skills and knowledge, we will aim to achieve a more ethnically diverse Board and with female representation to meet the recommendations of the FTSE Women Leaders Review.

All directors, with the exception of Gay Collins and James Will are subject to election or re-election at the forthcoming Annual General Meeting on 3rd November 2022.

I would like to take this opportunity to thank Gay for her valuable contributions and wise counsel during her tenure as a Director and also to James for his invaluable support during the Company's combination with SCIN and subsequent period on the Board assisting with the integration of the companies.

Annual General Meeting

The Company's one hundred and thirty-fifth AGM will be held at 60 Victoria Embankment, London EC4Y 0JP London at 2.30 p.m. on 3rd November 2022.

We are delighted that this year we will once again be able to invite shareholders to join us in person for the Company's AGM, to hear from the Investment Managers. Their presentation will be followed by a question and answer session. For shareholders wishing to follow the AGM proceedings but choosing not to attend, we will be able to welcome you through conferencing software. Details on how to register, together with access details, will be available on the Company's website:

www.jpmmglobalgrowthandincome.co.uk or by contacting the Company Secretary at invtrusts.cosec@jpmorgan.com.

As is best practice, all voting on the resolutions will be conducted on a poll. Please note that shareholders viewing the meeting via conferencing software will not be able to vote on the poll and we therefore encourage all shareholders, and particularly those who cannot attend physically, to exercise their votes in advance of the meeting by completing and submitting their proxy.

Your Board encourages all shareholders to support the resolutions proposed.

If there are any changes to the above AGM arrangements, the Company will update shareholders through the Company's website and an announcement on the London Stock Exchange.

Outlook

Let me say in conclusion that after a strong 2021, 2022 has been a difficult year to date for equity markets with rising concerns about elevated inflation, central bank tightening and the terrible devastation of Russia's invasion of Ukraine, causing significant volatility.

Chairman's Statement

Concerns over rising inflation have led to increased bond yields and a severe de-rating in the valuation of growth companies, despite often strong underlying operational and financial performance. The direction of monetary policy is invariably a key determinant of the outlook for markets.

Central banks continue to deliver further interest rate rises, as anticipated given inflationary pressures. Global equity and fixed income markets rebounded in July as weaker activity data tempered expectations for further central bank tightening and Q2 earnings releases were better than feared. This said, the going is likely to get tougher for companies, faced with rising costs on the one hand and the removal of government support measures on the other, and hence we expect profit warnings and corporate failures to increase in the next 12 months.

In the shorter term we could well see increasing market volatility in a deteriorating global growth backdrop, with elevated inflation and risks to energy supply in Europe. However, we are inclined to view this prospect as a period of turbulence likely to provide attractive opportunities for our type of fundamental, longer term investment approach.

The Board is confident that the Investment Managers are well positioned to identify appropriate investment opportunities around the world and remain flexible to adjust the portfolio composition as they navigate market volatility, which is expected to remain high given investor sensitivity to inflation and the impact of tightening financial conditions against a weakening demand backdrop.

We believe that the Company's portfolio is well placed to deliver good performance over the longer term. The team has an excellent track record and we are optimistic that their disciplined approach will continue to generate good value for shareholders.

Tristan Hillgarth
Chairman

28th September 2022

Investment Managers' Report

Over the past financial year ended 30th June 2022, your Company's net asset value outperformed its Benchmark, the MSCI All Country World Index. While the Benchmark was down 4.2%, our portfolio declined by 3.4%. While this near-term contraction in value is disappointing, we invest for the long term and on this basis, the Company has delivered strongly positive absolute and relative returns, outperforming its Benchmark over three years and beyond. Over the past three years, the Company has made average annualised returns of 10.7%, 2.8 percentage points above the average annualised Benchmark return of 7.9%, while over ten years, average annualised returns were 12.9%, compared to a Benchmark return of 11.6%.

In this report we discuss the drivers of recent performance, the market outlook for the coming year and the ways in which we have positioned the portfolio to continue benefiting from long-term structural trends, while withstanding the risks posed by the many prevailing uncertainties.

A Period of Consolidation

The past two years have been exceptional in many ways. For financial markets, perhaps the most unexpected development was the strong equity market rebound following the initial days of the pandemic. This rally was driven in no small part by extraordinarily generous stimulus from central banks and governments. Not surprisingly, we are now dealing with the repercussions of this largesse, which has added to upward pressures on inflation and interest rates. After such a strong rally, a period of consolidation is to be expected, although this does not preclude intermittent volatility and periods of equity market weakness, as we have seen in recent months. The valuations of higher growth companies have been under particular pressure.

Performance Review and Spotlight on Stocks

However, we always view any such volatility as an opportunity to buy companies with compelling long term growth prospects, at more attractive prices. In this instance, we chose to concentrate on higher growth companies with large addressable markets and multiple growth channels, that are already generating significant free cash flow. We avoided the more speculative parts of the market. For example, we added to positions in companies such as Amazon, on weakness, but steered clear of all companies within the software sector, with the exception of Microsoft. We also maintained or increased our positions in cyclical names that we felt showed the most potential for earnings growth, thanks to their exposure to the reopening of economies after the pandemic subsided. We found opportunities in companies in several sectors, including restaurants (McDonalds), and travel-related businesses (Booking and Marriott). As pandemic-related hospitalisations declined, hospitals were able to resume elective surgeries, re-igniting demand for products such as hip and knee replacements. We added to our position in Zimmer Biomet accordingly.

Our careful attention to valuations, and the opportunities generated by a return to more normal life, ensured that stock selection continued to be the primary driver of your Company's outperformance over the past year. The top contributor to returns was Novo Nordisk, a Danish pharmaceutical company whose ground-breaking obesity treatment, Wegovy, has received widespread acclaim. In our view, the market opportunity for this drug is valued in tens of billions of dollars. In addition, Novo Nordisk's core diabetes business continues to go from strength to strength. It has only one competitor in this field, Eli Lilly, and we expect this fast-growing market to be a profitable duopoly for many years to come. Novo Nordisk's strong share price performance led us to trim the position size, but we continue to own the name, which we favour over Eli Lilly given our belief in their opportunities in this market.

Novo Nordisk was not the only healthcare company to contribute to performance over the review period. In fact, the Pharma/MedTech sector added the most value over the past year, thanks in further part to significant contributions from our positions in US drug manufacturers Bristol-Myers and AbbVie. Both these companies are subject to some controversy, and investors have doubts around the durability of their core franchises and competition positions once existing patents expire. We acknowledge that these companies face some risks, but in our view, the market does not fully appreciate either their capacity for cash flow generation over the next few years, or the potential value of their product pipelines. In the case of Bristol-Myers, the 2019 acquisition of Celgene, a US pharmaceutical company specialising in cancer and immunology drugs, added a number of exciting



Helge Skibeli
Investment Manager



Rajesh Tanna
Investment Manager



Tim Woodhouse
Investment Manager

Investment Managers' Report

pipeline assets, not just in oncology, where Bristol has historically been strong, but also in new therapeutic areas like hematology (the treatment of blood disorders). We continue to own both Bristol-Myers and AbbVie.

The software sector was the second highest contributor to returns at the sector level over the past year, thanks entirely to our exposure to Microsoft, which was the third largest contributor to performance at the stock level. We continue to like this company, which has two powerful growth drivers. Firstly, its Office business has one of the stickiest user bases of any product, and we believe its revenue base will continue to grow, reaching \$100 billion by the end of the decade. The second source of future growth is Microsoft's public cloud business, Azure, which, along with Amazon Web Services and Google Cloud, is poised to see exceptional expansion in the coming decade. Data consumption is only going to accelerate, and all three of these businesses will see significant growth in demand for both infrastructure and additional services. As noted above, we added to our position in Amazon over the review period, currently preferring it to Google as we control our exposure in advertising-related names.

At the stock level, the fast food operator McDonalds was another strong positive contributor. As we anticipated, this company benefited from the economic reopening, as consumers returned to casual dining away from home. An additional attractive feature of the stock is that McDonalds is largely a franchised business. This insulates the company from inflationary pressures, because revenue is driven by the franchise fee, rather than the proceeds of owning and operating the restaurants directly. The company continues to execute well, and we see this as an excellent asset to own in a period of higher inflation.

Of course, not every portfolio holding will always contribute positively to performance, and over the past financial year, the largest detractor from performance at the stock level was Lyft, the US ride sharing company. This company has seen a reversal of fortunes over the past year. This time last year, it was the largest contributor to performance for the financial year ended 30th June 2021 (FY21) and we wrote of our confidence in Lyft's prospects. As part of a duopoly with Uber in the US ridesharing market, we felt Lyft was uniquely positioned to generate excellent margins in coming years. However, our expectations have been disappointed and the company's contribution to performance during FY21 was more than offset by losses in the past year. There were several reasons behind Lyft's share price decline. It has only recently reached profitability, so it was punished by the market in the past year's selloff of unprofitable companies. Downward pressure on the share price was compounded by execution issues – while Uber invested in driver supply early in the economic re-opening, in anticipation of a recovery in demand for rides, Lyft failed to do so, and as a result, its recovery lagged. This triggered concerns that Lyft's market share would undershoot previous forecasts. So, while we are very positive in the outlook for the rideshare market, our concerns over execution led us to exit Lyft, and purchase Uber instead. We like Uber's more consistent delivery, and we believe it has more potential routes to profitability, including the food delivery and freight businesses.

Adidas, the German sportswear retailer, also detracted from performance over the review period. As with Lyft, our confidence in this company deteriorated to such an extent that we felt it no longer belonged in a best ideas portfolio. Adidas has faced particular challenges in China, where consumers are moving towards local brands. We grew increasingly concerned that the company was underinvesting in products that would appeal to Chinese consumers. The scale of the potential opportunity in China was an important pillar of our initial investment case for Adidas, but with question marks over that, we felt it was prudent to redirect capital elsewhere, so we closed our position.

Our decision not to own either Apple or Tesla also detracted from returns over the past year, as these two names have particularly large weightings in the Benchmark, and both performed well over the last 12 months. However in both instances, we believe that there are better opportunities elsewhere over the longer-term. Apple is an exceptional company, and demand for iPhones increased during the pandemic, as people sought to improve their connectivity. However, this brought forward future demand, at least to some extent, suggesting new iPhone sales will weaken in the near term. In addition, we believe Apple cannot maintain the recent pace of price increases of its iPhone range. Given the potential for sales growth to turn negative in coming quarters, and with no new products on

Investment Managers' Report

the horizon to stimulate fresh demand, we prefer to own other companies within the Technology sector.

In the case of Tesla, the company has done a fantastic job of executing in the past few years, but we believe its current valuation is excessive given the various challenges it faces. Indeed, the company will have to open between two and three new manufacturing plants every year for the next decade to reach a market share that justifies the current valuation, and we think this is unlikely, despite its execution capabilities. With increasing competition in the electric vehicle space, we prefer to own other auto manufacturers such as Honda, where valuations are much more attractive.

At the sector level, not owning Apple was the primary reason why the Semiconductor/Hardware sector had the greatest adverse impact on returns over the year. However, our exposure to other Semiconductor names also detracted, as concerns over economic growth, as well as concerns over a pending build-up of inventory, meant a number of our holdings saw a significant pullback. Despite these near-term issues, companies like the Netherland's NXP Semiconductors have strong structural tailwinds, thanks to the anticipated increase in the semiconductor content in vehicles over the next decade, so we are comfortable using this share price weakness as an opportunity to add to our positions.

Portfolio Positioning and Outlook

The macroeconomic outlook is always a key consideration for us as we seek to build a portfolio that we believe will generate strong performance. At present, economic and political uncertainty is probably greater than at any other time during our careers. Persistent, historically high inflation is being compounded by the war in Ukraine. Central banks are responding with unusually aggressive interest rate increases, which risk driving major economies into recession. Investors are also increasingly nervous about escalating tensions between China and the west, over China's ambitions to reclaim Taiwan.

At times like these, it is important to remember lessons from previous crises, while at the same time understanding the limitations of historical comparisons. As Mark Twain said, "History never repeats itself, but it does often rhyme". The similarities thus far between the current situation and previous episodes of extreme economic and financial market uncertainty appear to include the elevated valuations of 'defensive' companies, that can maintain earnings and dividends in challenging times, combined with a pullback in more economically sensitive cyclical companies. However, unlike in previous periods, we have not yet seen any easing in current, historically tight labour markets. Nor have we seen the negative earnings revisions we would typically expect given the current climate.

Time will tell just how much this period will rhyme with the past, but in the meantime we believe it is prudent for us to focus on our strengths. As proven by our most recent, and longer-term performance, our expertise lies in the bottom-up selection of stocks with positive future prospects, and we maintain our search for such companies regardless of near-term market conditions. We are supported in this process by our research team, whose detailed knowledge of companies and industries provides the insights that underpin our investment decisions.

In such uncertain times, it is equally important to ensure that the portfolio is not overly reliant on any individual macroeconomic outcome. 'Balance' is the word that we have used most often recently to describe the 'shape' of the portfolio, and in practice that means identifying the best opportunities across a range of sectors – some defensive, some more cyclical – but all capable, in our view, of generating strong performance regardless of the trajectory of the economy over the next 12 months.

One example of our efforts to balance the portfolio is the recent change to our positioning in Japan. In the past few years we have struggled to find many compelling Japanese investments, and this meant that the portfolio was usually about 4% underweight to Japan. More recently though, we have moved to a neutral weighting. This decision was motivated in part by the fact that the valuations of high-quality Japanese cyclicals reached attractive levels, compared to their global peers. Historically, higher quality Japanese stocks have tended to trade at a significant premium to their foreign counterparts and competitors, but this premium almost completely eroded in the first months of 2022. The yen's recent weakness has also increased the appeal of Japanese equities. The yen has depreciated by around 30% from its pre-pandemic levels, but we expect this weakness to be a

Investment Managers' Report

short-term phenomenon. If we are correct, the yen's revaluation will generate a sizeable tailwind for UK investors in coming years. Japanese names that we purchased include Bridgestone, a premium tyre manufacturer, Keyence, an industrial company that manufactures sensors and measuring instruments, and Tokyo Electron, a producer of semiconductor manufacturing machines.

As discussed above, recent market volatility has also provided us with opportunities to add other new names (as well as top up existing positions) that we feel have been punished excessively in the market selloff, despite their favourable longer term prospects. We have focused on companies that have a history of executing well, but have some shorter-term issues that we expect to be resolved with time. One such new acquisition was Uber (mentioned above), whose guidance of \$5 billion of EBITDA in 2024 is likely to prove conservative. We also opened a new position in Deere, the US agricultural equipment manufacturer. Deere has invested a significant amount in developing their 'Precision Agriculture' solution, which aims to give farmers higher crop yields at lower cost. By connecting their entire farms to the cloud, this product offering allows farmers to utilise data in innovative ways that facilitate more efficient seed placement and fertiliser distribution. We believe this will prove to be a powerful driver of growth for Deere in the coming decade.

To fund these purchases, we have reduced or closed positions where fundamentals are deteriorating or valuations are no longer attractive. The Consumer Staples sector displayed both of these characteristics, and as a result we sold Coca Cola and Procter & Gamble, the US household and personal products supplier. While both companies are very well run, we think they will be forced to raise prices to cover rising costs, and this will erode demand and margins. Both companies also have stretched valuations, so we have chosen to prioritise other names. Deteriorating fundamentals were also the motivation for the disposal of Lyft and Adidas, as discussed above.

We have kept gearing relatively tightly controlled, edging it up only slightly to around 2%. We believe this to be an appropriate level as we weigh significant macroeconomic uncertainty against the interesting investment opportunities we see at the stock level. Valuation spreads, which measure the gap between the cheapest and most expensive names in the market, are currently wide relative to history, which typically signals buying opportunities. However any decision to alter the level of gearing will be depend on the macroeconomic data released over coming months.

This year brought news of the combination with the Scottish Investment Trust, which completed on 31st August 2022. There will be no change to our investment process as a result of this transaction. However, we are excited about the benefits it brings for both our existing and new shareholders, namely a reduction in fees and increased liquidity, and we look forward to a partnership with our new shareholders that is as fruitful as the one we currently enjoy with existing shareholders.

As always, we appreciate your continued support. Current uncertainties are likely to persist over the coming year, but we invest for the long term, and we believe our portfolio is now well-positioned to weather any further volatility, so we urge you to stay invested through any future difficult periods, in order to realise the returns and outperformance we are confident our portfolio will deliver over time.

Helge Skibeli
Rajesh Tanna
Tim Woodhouse
Investment Managers

28th September 2022

Environmental, Social and Governance Report

Introduction

ESG is an acronym which stands for Environmental, Social and Governance. It describes the broad field of sustainability in the corporate sector and is widely used when assessing the environmental impact of businesses, when considering how companies acquit themselves in respect of their broad social responsibilities and when reviewing the practices and standards followed by companies in their own management.

Awareness of these issues has increased significantly in recent years within the asset management industry, including the Investment Managers responsible for the Company's portfolio, among the Directors of your Company, among shareholders and potential shareholders in the Company and, indeed in society at large.

The basics: what is ESG?

E is for Environmental. This component considers a company's impact on the world we live in, relating to the quality and functioning of the natural environment and natural systems.

S is for Social. Social factors address the way that companies act within society; this includes the way that employee interests are managed, and the broader impact a company has on society.

G is for Governance. This component relates to how companies are managed. It considers the measures that protect shareholder interests as well as the way any company meets regulatory and other external obligations.

Why do we integrate ESG into our investment processes?

Considerations of sustainability have long been intrinsic to our approach to managing the Company's portfolio. When we invest the Company's capital, we have to make judgements about future risks and rewards of any investment which have always included ESG factors, because all of them have the potential to affect the future value of a company and its shares. A business that produces huge amounts of carbon emissions or plastic waste, for example, is likely to find itself the subject of scrutiny from regulators and consumers and failure to anticipate this and to change will likely lead to a loss of value for shareholders in the long run. The same is true of businesses that neglect their social responsibilities or fail in matters of governance.

Of course, a more explicit integration of ESG factors brings with it other benefits. The market in which we invest is increasingly paying attention to these factors when assessing sectors and companies, discriminating starkly between companies which are offering compelling narratives of transition to a low-carbon approach, and those which have yet to do so. So ESG has had to become a bigger and more important part of any investment judgement.

Finally, as investment managers we have responsibilities and obligations, not only to the Board and shareholders of the Company, but as a social actor in a broader sense. We have a duty not just to produce good investment outcomes for our clients, but to be responsible corporate citizens.

ESG Integration within the Company's portfolio

For us, ESG integration does not simply involve paying external vendors for ESG information; it rests heavily on our own proprietary research, on both a fundamental and a quantitative basis. In addition, a quantitative-led ESG score uses third-party ESG data, to the extent it is available, weighted according to our own views on materiality.

While we do not explicitly exclude individual stocks on ESG criteria, ESG factors influence our level of conviction and thus impact a stock's position size within the portfolio. We also work with a central stewardship team which sets priorities for corporate engagement both in terms of issues and in terms of significant individual investments held in portfolios.

Engagement

Active engagement with companies has long been an integral part of our approach to investment and to ESG. We use it not only to understand how companies consider issues related to ESG but also to try to influence their behaviour and encourage best practice. We believe that companies which maintain high standards of ESG and which respond to shareholder engagement are likely over time to provide good returns to their shareholders.

Our scale and long history of active management and experience in good stewardship practices allow us to have direct access to the management teams of portfolio companies and so encourage best practice on ESG matters. Alongside this direct engagement, we endeavour to vote at all of the meetings called by companies in which your portfolio invests.

Environmental, Social and Governance Report

A few examples of our engagement activity over the last year are provided below.

We have been engaging with **Amazon** on warehouse working conditions over the last two years given the controversies and resulting risks tied to human rights and Amazon's reputation. As a result of these broadly shared concerns, Amazon received a shareholder proposal to 'Commission a Third Party Audit on Working Conditions'. Our Investment Stewardship Team, together with equity investors, met with Amazon's Head of ESG and ESG Manager to discuss the proposal in more detail. We had requested the company disclose workplace injury data and provide an update on how they are improving ergonomics of warehouse working conditions. We acknowledge the company was responsive to our request by publishing 'Amazon's Delivered with Care Report on Safety and Well-being' which showed the recordable injury rate and lost time incident rate (LTIR) and noted an improvement in the LTIR. However, we also noted that injury rates in the US appeared significantly higher than the rest of the world; the company did not disclose warehouse attrition rates and there was no discussion on hiring practices ensuring individuals were physically fit for warehouse employment. While recognising some encouraging signs and responsiveness, we believe their reporting should continue to evolve to provide shareholders and stakeholders with adequate information to assess risk and remediation efforts. We engaged with the company on the subject and continue to monitor their progress.

We engaged with **Iberdrola**, the Spanish utility company, on a number of ESG issues. The company feels the current conflict and energy crisis are ultimately accelerating progress towards their decarbonisation targets. More than ever, Europe needs to be energy self-sufficient and the permitting process for renewables projects should be easier. While, in the short-term, countries may slow decarbonisation and assess the life of conventional plants, Iberdrola feel renewables growth itself will not slow. They are confident supply chain issues won't be a constraint to development for Iberdrola. We also asked about the Climate Action 100+ report on Utilities published at the end last year (which Iberdrola is listed as a contributor to), in which there is a strong call for utilities companies to accelerate global net zero targets from 2050 to 2040. Iberdrola acknowledged this push and explained their intention to 'materially improve' their targets which will more closely align with these asks, this will be announced at the Capital Markets Day (CMD) later this year.

We also discussed remediation of Iberdrola's UN Global Compact flag, raised in September 2021 around the Teles Pires dam in Brazil. The accusation is that the project did not consult with communities prior to starting. Iberdrola did not own the Teles Pires dam at the time of its construction and exploration. The company claims they have been proactive and have tried to push for a remediation plan, ultimately leading the flag to be downgraded from red to amber.

Moving forward we will monitor the change in the company's decarbonisation targets at the CMD later this year. We will continue to engage with the company on social issues that carry potential reputational risk, while encouraging continued leadership regards the low carbon transition.

We met with senior management at German company **RWE** twice this quarter. Our first meeting was a collaborative engagement as part of the Climate Action 100+ initiative. This investor-led initiative aims to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. Later in the quarter we again met with RWE's CEO to discuss the energy transition. RWE is one of the largest renewable power providers in Europe, but their coal business also makes RWE one of the top carbon emitters. The company describes coal as a non-core, declining part of their business. There is a strong commitment by the German government to exit coal by 2030. However, RWE stressed that there is a difference between political desire and what gets legalised. Phasing out coal is contingent on security of energy supply, requiring an acceleration of renewables build out, reductions in the time it takes for approvals, and the build out of the grid. In our second meeting with the company, we discussed the implications of the conflict between Russia and Ukraine. RWE is positively exposed to the acceleration toward renewable energy. However, concerns about energy security led the German government to ask RWE to bring back recently closed coal plans and/or extend the life of those due to close soon. RWE's position is that it will do whatever it is asked to, but the company wants it to be fully value neutral (compensated for the costs, but not to make any profit), and that it remains committed to its coal phase-out programme (exit coal by 2030).

During the period of the report, we met and engaged with US companies **Zimmer Biomet Holdings (ZBH)** and **Vertex Pharmaceuticals**. We met with ZBH on human capital management. ZBH is reviewing how to improve human capital disclosures in future reports. They pay very close attention to employee engagement and turnover/retention data. They have promised that, if they disclose something one year, they will continue doing so in future years. The company holds town halls multiple times per year and conducts regular surveys (95% participation). The Leadership Team reviews findings in detail, which are presented to the board. Results of these surveys lead to action plans to improve and new initiatives. ZBH is in the process of developing 2026 goals for representation for women and minorities. As of the end of 2020, women were 36% of the employee population and 23% of people at the Director level and above. Minorities were 25% and 14%, respectively. We encouraged them to disclose full Equal Employment Opportunity (EEO-1) data.

Environmental, Social and Governance Report

During the reporting period we conducted an ESG engagement with Vertex Pharmaceuticals. The conversation focused on capital allocation, access to VRTX products from a health equity/affordability perspective, and human capital management. The company's pricing of cystic fibrosis drugs continues to garner negative press given the very high cost of treatment and significant revenues that it contributes to the firm. While diversification could have been a possible way to alleviate this ESG risk, we came away thinking VRTX is not likely to alter its acquisition strategy solely because biotech valuations have come down. We also believe VRTX may have a better story in regard to access to its products from an affordability perspective than it is currently telling in its ESG materials, and that the company is committed to Diversity, Equity and Inclusion ('DE&I') and appears ahead of most companies in using employee engagement data to drive concrete actions that improve employee retention and DE&I.

Proxy Voting

J.P. Morgan Asset Management exercises the voting rights of shares held in client portfolios, where entrusted with this responsibility. We seek to vote in a prudent and diligent manner, based exclusively on our reasonable judgement of what will best serve the financial interests of our clients. We aim to vote at all meetings called by the companies in which we are invested, unless there are any market restrictions or conflicts of interests.

We believe that corporate governance is integral to our investment process. We examine the share structure and voting structure of the companies in which we invest, as well as the board balance, oversight functions and remuneration policy. For full details, please see the J.P. Morgan Asset Management Corporate Governance Policy & Voting Guidelines, copies of which are available on request, or to download from our website.

JPMorgan Global Growth and Income Investment Trust plc: Voting at shareholder meetings over the year to 30th June 2022

	For	Against	Abstain	Against/ Abstain Total	Total Items	% Against
Routine Business	107	4	5	9	116	7.8
Director Related	519	12	15	27	546	4.9
Capitalisation	47	0	4	4	51	7.8
Reorganisation and Mergers	7	0	0	0	7	0.0
Non-salary Compensation	90	7	4	11	101	10.9
Antitakeover Related	4	0	0	0	4	0.0
Director Election	50	0	0	0	50	0.0
Compensation	4	1	0	1	5	20.0
Shareholder Routine/Business	1	8	0	8	9	88.9
Shareholder Director Related	1	17	13	30	31	96.8
Shareholder Corporate Governance	4	1	0	1	5	20.0
Shareholder Social/Human Rights	5	18	1	19	24	79.2
Shareholder Compensation	0	4	0	4	4	100
Shareholder Health/Environment	7	12	2	14	21	66.7
Shareholder Miscellaneous	11	20	3	23	34	67.6
Shareholder Social Proposal	1	3	0	3	4	75.0
Total	858	107	47	154	1012	15.2

An example of our proxy voting activity over the last year is provided below.

Environmental, Social and Governance Report

Unilever is a consumer staples business, focusing on household brands, with five distinct business groups: Beauty & Wellbeing, Personal Care, Home Care, Nutrition, and Ice Cream. We held several engagements with the company during 2021, raising concerns on operational performance and the company's approach to allocating capital. We elected to vote against the remuneration report, management team, Chair and one director at the 2022 annual shareholder meeting due to no changes in operational performance and concerns over the Board's effectiveness. We will continue to engage with the company and will encourage best practice.

Net Zero Asset Managers Initiative

JPMAM has recently become a signatory to the Net Zero Asset Managers Initiative. This is an international group of asset managers committed to supporting investing aligned with the goal of net zero greenhouse gas emissions by 2050 or sooner. In addition to the transition to net zero, they will continue to accelerate corporate engagement and stewardship, consistent with net zero ambitions. The initiative includes 220 members with \$57.4 trillion in assets under management (as at 17th November 2021). In addition, JPMorgan Chase is a member of the Net Zero Banking Alliance – a group of financial institutions representing over a third of global banking assets committed to aligning their lending and investment portfolios with the goal of net-zero emissions by 2050.

The Future

In investing your Company's assets we have always looked for companies with the ability to create value in a sustainable way. That scrutiny remains firmly embedded in our process and we know that the Directors of the Company, shareholders and potential investors view attention to ESG factors as important in their assessment of us as Investment Managers. We expect ESG to remain a major theme in the Company's portfolio and the course being taken by regulators suggests that its importance will only increase in years to come. The research we do and the approach we take in investing the Company's assets will continue to reflect that and to evolve as necessary.

On 7th September 2022, J.P.Morgan Asset Management successfully become a signatory to the UK Stewardship Code. This reflects our commitment to our stewardship responsibilities to drive positive corporate change and industry developments that benefit our clients and the communities we serve.

J.P. Morgan Asset Management

28th September 2022

Portfolio Information

Ten Largest Investments

As at 30th June

Company	Country	2022 Valuation		2021 Valuation	
		£'000	% ¹	£'000	% ¹
Microsoft	United States	38,478	5.7	31,867	4.9
Amazon.com	United States	36,687	5.4	31,098	4.8
LVMH ³	France	21,555	3.2	—	—
McDonald's ³	United States	19,433	2.9	—	—
American Express ²	United States	18,967	2.8	11,840	1.8
Mastercard	United States	17,111	2.5	18,870	2.9
Bristol-Myers Squibb ²	United States	16,878	2.5	10,370	1.6
NXP Semiconductors	Netherlands	16,579	2.4	19,973	3.0
Vinci ²	France	16,391	2.4	13,987	2.1
Progressive ²	United States	16,265	2.4	6,321	1.0
Total		218,344	32.2		

¹ Based on total investments of £676.8m (2021: £654.7m).

² Not included in the ten largest equity investments at 30th June 2021.

³ Not held in the portfolio at 30th June 2021.

At 30th June 2021, the value of the ten largest investments amounted to £219.9 million representing 33.6% of total investments.

Portfolio Information

Geographical Analysis

	30th June 2022		30th June 2021	
	Portfolio % ¹	Benchmark %	Portfolio % ¹	Benchmark %
United States	71.4	60.6	64.9	58.7
France	10.9	2.8	9.7	2.9
Japan	5.4	5.5	1.9	5.9
Denmark	3.3	0.7	3.2	0.7
Germany	3.0	1.9	7.9	2.4
Taiwan	1.8	1.7	1.6	1.8
Sweden	1.6	0.8	3.0	1.0
Belgium	1.2	0.2	—	0.2
Korea	0.8	1.3	2.4	1.7
Australia	0.6	1.9	—	1.8
China and Hong Kong	—	4.9	—	5.7
United Kingdom	—	3.9	1.1	3.7
Canada	—	3.2	—	2.9
Switzerland	—	2.6	—	2.5
India	—	1.5	—	1.3
Netherlands	—	1.0	0.5	1.1
Brazil	—	0.6	—	0.7
Italy	—	0.6	—	0.6
Spain	—	0.6	—	0.6
Saudi Arabia	—	0.5	—	0.4
Singapore	—	0.4	—	0.3
South Africa	—	0.4	—	0.5
Mexico	—	0.3	1.0	0.2
Finland	—	0.2	—	0.3
Indonesia	—	0.2	—	0.1
Israel	—	0.2	—	0.1
Malaysia	—	0.2	—	0.2
Norway	—	0.2	—	0.2
Thailand	—	0.2	—	0.2
United Arab Emirates	—	0.2	—	0.1
Chile	—	0.1	—	0.1
Ireland	—	0.1	1.5	0.2
Kuwait	—	0.1	—	0.1
Philippines	—	0.1	—	0.1
Poland	—	0.1	—	0.1
Portugal	—	0.1	—	—
Qatar	—	0.1	—	0.1
New Zealand	—	—	—	0.1
Austria	—	—	1.3	—
Russia	—	—	—	0.4
Total	100.0	100.0	100.0	100.0

¹ Based on total investments of £676.8m (2021: £654.7m).

Portfolio Information

Sector Analysis

	30th June 2022		30th June 2021	
	Portfolio % ¹	Benchmark %	Portfolio % ¹	Benchmark %
Pharm/Medtech	12.4	10.7	11.1	9.7
Banks	10.3	8.4	10.7	8.5
Technology – Semi & Hardware	10.2	11.1	12.1	11.4
Industrial Cyclical	9.5	6.8	9.6	7.0
Media	8.8	8.4	11.1	10.8
Retail	7.2	5.3	7.8	5.7
Technology – Software	6.8	7.4	4.9	7.9
Consumer Cyclical & Services	4.9	2.0	4.4	2.4
Automobiles & Auto Part	4.5	3.0	5.4	2.9
Energy	4.3	5.1	3.2	3.5
Financial Services	3.6	4.5	2.9	4.9
Insurance	3.4	3.3	2.7	3.0
Utilities	2.6	3.2	1.4	2.6
Transportation	2.4	1.9	1.1	2.0
Basic Industries	2.4	5.1	1.5	5.1
Health Services & Systems	2.2	2.3	1.4	1.8
Consumer Staples	1.6	6.0	3.3	5.5
Telecommunications	1.5	2.7	3.2	3.1
Property	1.4	2.8	2.2	2.2
Total	100.0	100.0	100.0	100.0

¹ Based on total investments (excluding cash and gearing) of £676.8m (2021: £654.7m).

Portfolio Information

List of investments

As at 30th June 2022

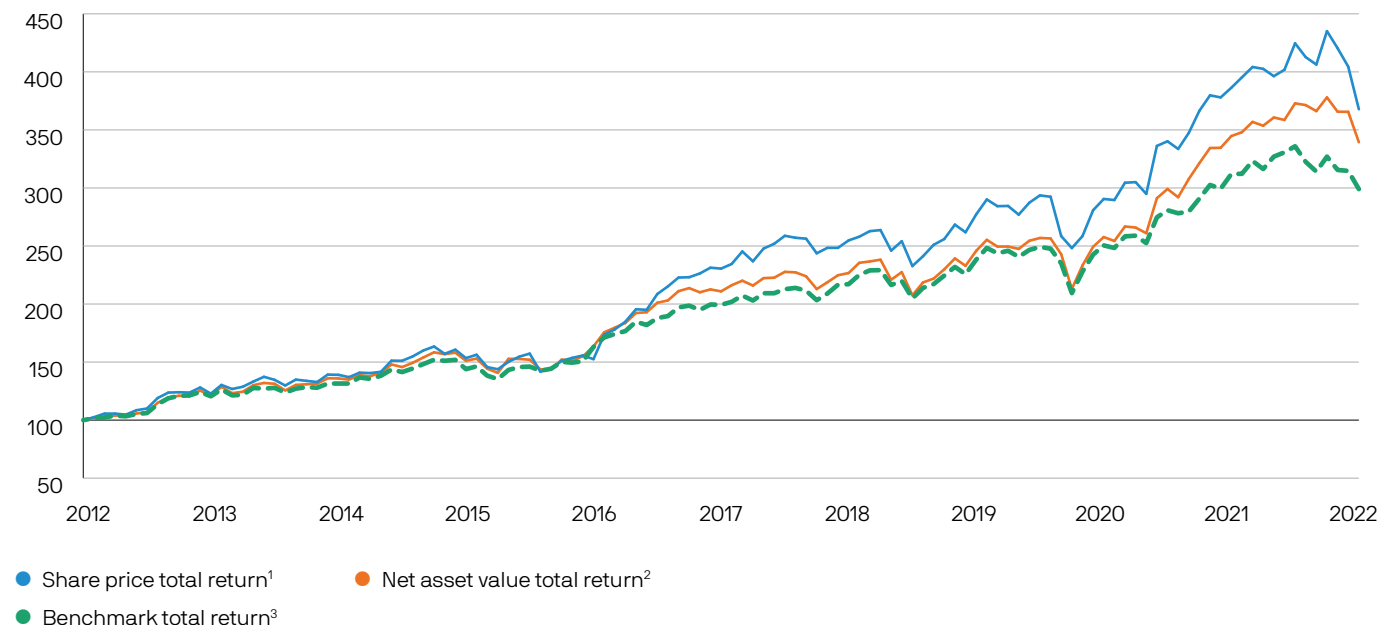
Company	Valuation £'000	Company	Valuation £'000
United States		France	
Microsoft	38,478	LVMH	21,555
Amazon.com	36,687	Vinci	16,391
McDonald's	19,433	Safran	12,801
American Express	18,967	Airbus	11,558
Mastercard	17,111	Capgemini	7,693
Bristol-Myers Squibb	16,878	BNP Paribas	3,746
NXP Semiconductors	16,579		73,744
Progressive	16,265	Japan	
Marriott International	15,989	Bridgestone	7,979
Texas Instruments	15,950	Honda Motor	7,495
Bank of America	15,417	Tokyo Electron	7,448
UnitedHealth	15,131	Shin-Etsu Chemical	6,990
Boston Scientific	14,796	Tokio Marine	6,539
AbbVie	14,173		36,451
Meta Platforms	13,798	Denmark	
Chevron	13,479	Novo Nordisk	13,810
Zimmer Biomet	12,966	Carlsberg	8,342
Wells Fargo	12,412		22,152
Ingersoll Rand	11,944	Germany	
Booking	11,494	Deutsche Post	8,387
Regeneron Pharmaceuticals	11,439	RWE	7,170
Trane Technologies	11,396	Volkswagen Preference	4,692
Truist Financial	10,642		20,249
NextEra Energy	10,595	Taiwan	
Charter Communications	10,267	Taiwan Semiconductor Manufacturing ¹	12,621
Prologis	9,380		12,621
ConocoPhillips	8,574	Sweden	
Norfolk Southern	8,037	Volvo	10,634
Ross Stores	7,507		10,634
BlackRock	7,034	Belgium	
Baker Hughes	6,893	KBC	8,445
Southwest Airlines	5,793		8,445
Lam Research	5,499	Korea	
Analog Devices	5,274	Samsung Electronics	5,527
Eastman Chemical	5,115		5,527
Snap	3,400	Australia	
Lyft	3,154	BHP	3,837
Coca-Cola	2,828		3,837
Uber Technologies	2,344		
	483,118	Total Investments	676,778

¹ ADRs (American Depositary Receipts).

Ten Year Record

Ten Year Performance

Figures have been rebased to 100 at 30th June 2012



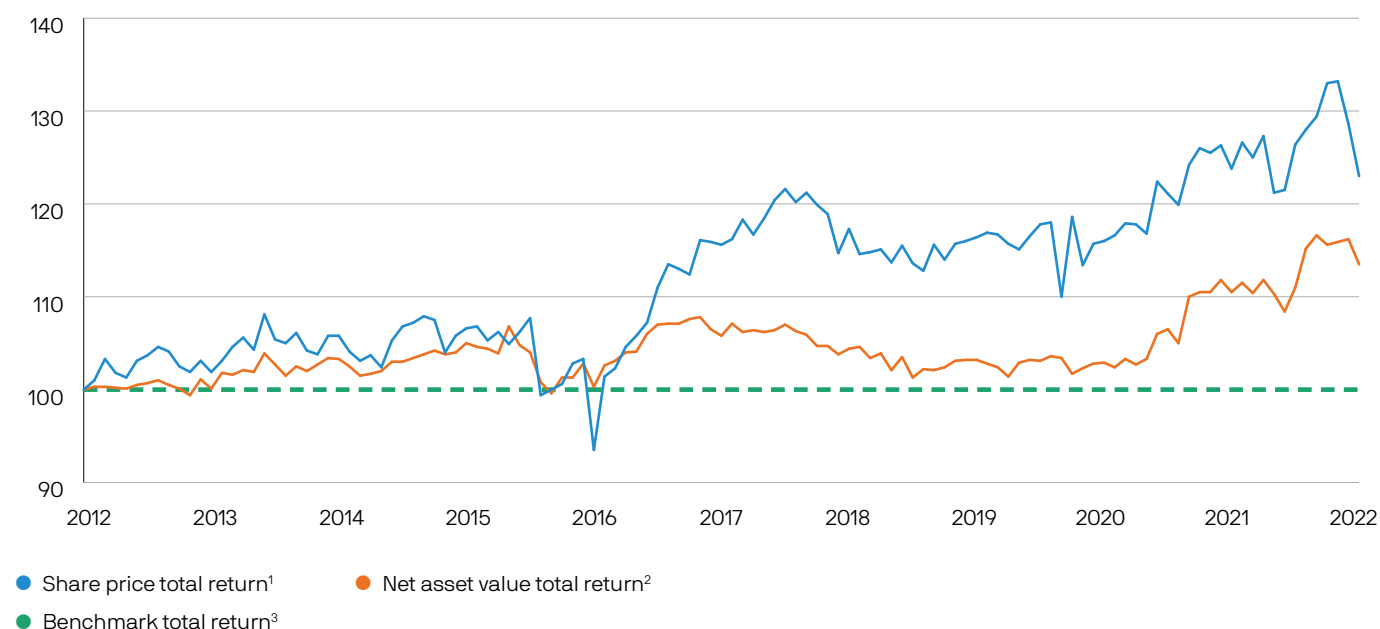
¹ Source: Morningstar

² Source: Morningstar/J.P. Morgan, using cum income net asset value per share with debt at fair value

³ Source: MSCI. The Company's benchmark is the MSCI All Countries World Index expressed in sterling terms.

Ten Year Performance relative to Benchmark

Figures have been rebased to 100 at 30th June 2012



¹ Source: Morningstar

² Source: Morningstar/J.P. Morgan, using cum income net asset value per share with debt at fair value.

³ Source: MSCI. The Company's benchmark is the MSCI All Countries World Index expressed in sterling terms

Ten Year Record

At 30th June	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Shareholders' funds (£m)	1999	2211	245.6	269.1	300.2	377.2	410.8	441.5	478.8	653.4	669.4
Net asset value per share with debt at fair value (p) ^{1,A}	157.5	188.3	211.0	232.6	242.6	304.9	316.0	329.0	331.4	427.2	405.8
Share price (p) ¹	143.7	173.4	193.2	210.0	205.5	299.8	319.0	333.5	336.0	432.0	396.0
Share price (discount)/premium (%) ^{2,A}	(8.8)	(7.9)	(8.4)	(9.7)	(15.3)	(1.7)	0.9	1.4	1.4	1.1	(2.4)
Gearing/(net cash) (%) ^A	(0.7)	8.5	8.2	7.5	3.1	6.3	4.9	3.8	(1.2)	0.2	1.1

Year ended 30th June

Revenue attributable to shareholders (£'000)	3,278	4,010	2,915	3,038	4,002	4,624	5,342	6,352	5,483	7,958	11,482
Revenue return per share (p)	2.53	3.31	2.48	2.64	3.24	3.74	4.24	4.87	4.00	5.46	7.24
Dividends per share (p) ¹	2.70	3.00	3.00	3.20	3.20	6.60	12.16	12.52	13.04	13.16	16.96
Ongoing charges excluding performance fee (%) ^A	0.63	0.65	0.63	0.64	0.64	0.57	0.56	0.56	0.55	0.53	0.56
Ongoing charges including performance fee (%) ^A	0.69	0.65	0.85	0.91	0.64	0.57	0.56	0.56	0.66	1.60	0.56

Figures rebased to 100 since 30th June 2012

Total return to shareholders ^{3,A}	100.0	122.8	139.0	153.4	152.5	230.5	254.8	277.2	290.5	386.3	367.8
Total return on net assets ^{4,A}	100.0	120.7	135.9	151.1	163.5	210.9	226.7	245.8	257.7	344.7	339.4
Benchmark total return ⁵	100.0	120.5	131.5	143.9	163.0	199.3	217.1	238.2	250.5	312.0	299.0

¹ 2015 and prior years' comparative figures have been restated due to the sub-division of each existing ordinary share of 25p into five ordinary shares of 5p each on 8th January 2016.

² Source: J.P. Morgan, using cum income net asset value per share with debt at fair value.

³ Source: J.P. Morgan/Morningstar.

⁴ Source: J.P. Morgan/Morningstar, using cum income net asset value per share with debt at fair value.

⁵ Source: MSCI. The Company's benchmark is the MSCI All Countries World Index expressed in sterling terms.

^A Alternative Performance Measure ('APM').

* Until 31st December 2021, a performance fee was payable by the Company to the Manager.

With effect from 1st January 2022, no performance fee accrues or is payable to the Manager with respect to any period from 1st January 2022.

A glossary of terms and APMs is provided on pages 95 to 97.

Business Review

Business Review

The aim of the Strategic Report is to provide shareholders with the ability to assess how the Directors have performed their duty to promote the success of the Company during the year under review. To assist shareholders with this assessment, the Strategic Report sets out the structure and objective of the Company, its investment policies and risk management, investment restrictions and guidelines, performance, total return, revenue and dividends, key performance indicators, share capital, Board diversity, discount, employees, social, community and human rights issues, principal and emerging risks and how the Company seeks to manage those risks and finally its long term viability.

Business Model

The Company is an externally managed investment trust and its shares are listed on the premium segment of the Official List and traded on the main market of the London Stock Exchange. It also has a listing on the New Zealand Stock Exchange.

Its investment objective and policy is set out below.

As an externally managed investment trust, all of the Company's day-to-day management and administrative functions are outsourced to service providers. As a result, the Company has no executive directors, employees or internal operations.

The Board is responsible for all aspects of the Company's affairs, including the setting of parameters for and the monitoring of the investment strategy as well as the review of investment performance and policy. It also has responsibility for all strategic issues, the dividend policy, the share issuance and buy-back policy, gearing, share price and discount/premium monitoring and corporate governance matters.

The Company's Purpose, Values, Strategy and Culture

The purpose of the Company is to provide an investment vehicle which meets the needs of investors, whether large institutions, professional advisers or individuals, who seek a dividend income combined with capital growth from world stock markets in an accessible, cost effective way. The Company was formed in 1887, operating as a general investment trust until 1982, when it adopted its current objective. Its objective is to provide investors with a dividend income combined with the potential for long term capital growth from global markets investments. It seeks to outperform its Benchmark over the longer term and to manage risk by investing in a diversified portfolio of companies based around the world.

To achieve this, the Board engages and oversees its Investment Manager to ensure that it has the appropriate capability, resources and controls in place to actively manage the Company's assets in order to meet its investment

objective. The Investment Manager employs an investment process with a strong focus on research that integrates ESG considerations and enables it to identify what it believes to be the most attractive stocks in the market. The investment management agreement with JPM is reviewed annually by the Audit & Management Engagement Committee.

To ensure that the Company's purpose, values, strategy and culture are aligned, the Board comprises independent non-executive Directors from a diverse background who have a breadth of relevant skills and experience, act with professional integrity and who contribute in an open boardroom culture that both supports and challenges the Investment Manager and the Company's other third party suppliers. For more information, please refer to pages 44 and 45.

Objective

The Company's objective is to achieve superior total returns from world stockmarkets.

Status

The Company is governed by its articles of association, amendments to which must be approved by shareholders through a special resolution. The Company is also subject to the UK Companies Act 2006. As it is listed on the Main Market of the London Stock Exchange, the Company is subject to the Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules published by the Financial Conduct Authority ('FCA').

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006 and has been approved by HM Revenue & Customs as an investment trust (for the purposes of Sections 1158 and 1159 of the Corporation Tax Act 2010) for the year ended 30th June 2013 and future years. The Board is not aware of any reasons for that approval to be revoked. The Company is not a close company for taxation purposes.

Investment Policies and Risk Management

In order to achieve the investment objective and to seek to manage risk, the Company invests in a diversified portfolio of companies.

The Company manages liquidity and borrowings to increase potential sterling returns to shareholders; the Board has set a normal range of 5% net cash to 20% geared.

The Company's aim is to provide a diversified portfolio of approximately 50-90 stocks in which the Investment Manager has a high degree of conviction. At the year end, the number of investments held was 60. To gain the appropriate exposure, the Investment Manager is permitted to invest in pooled funds. JPMAM is responsible for management of the Company's assets. On a day-to-day basis the assets are managed by

Business Review

portfolio managers based in London and in New York, supported by a strong equity research team.

The Company has implemented a passive currency hedging strategy that aims to make stock selection the predominant driver of overall portfolio performance relative to the Benchmark. This is a risk reduction measure, designed to eliminate most of the differences between the portfolio's currency exposure and that of the Company's benchmark. As a result, the returns derived from, and the portfolio's exposure to, currencies may materially differ from that of the Company's competitors who generally do not undertake such a strategy.

Investment Restrictions and Guidelines

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

- In accordance with the Listing Rules of the Financial Conduct Authority, the Company will not invest more than 15% of its gross assets in other UK listed investment companies and will not invest more than 10% of its gross assets in companies that themselves may invest more than 15% of gross assets in UK listed investment companies at the time of acquisition.
- No individual stock will represent more than the higher of 7.5% of gross assets or a 4% 'active' overweight position relative to the Company's benchmark, each measured at the time of acquisition. The aggregate of the Company's top 10 holdings and top 20 holdings will not exceed 45% and 65% of gross assets, respectively.
- The Company does not normally invest in unquoted investments and to do so requires prior Board approval.
- No more than 25% of the Company's gross assets may be invested in non-OECD Countries.
- No more than 80% of the Company's gross assets in aggregate, may be invested in the US, Japan and the UK.
- The Company does not normally enter into derivative transactions, other than foreign currency transactions, and to do so requires prior Board approval.
- The Company manages liquidity and borrowings to increase potential Sterling returns to Shareholders. The Board has set a normal range of 5% net cash to 20% geared.

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

The investment limits and guidelines remain unchanged following the combination with SCIN.

Performance

The Board reviews the Company's performance by reference to a number of key performance indicators, which measure

the Company's absolute and relative performance. In the year to 30th June 2022, the Company produced a total return to shareholders of -4.8% (2021: +33.0%) and a total return on net assets of -3.4% (2021: +32.3%). This compares with the total return on the Company's Benchmark of -4.2% (2021: +24.6%). As at 30th June 2022, the value of the Company's investment portfolio was £676.8 million (2021: £654.7 million). The Investment Managers' Report on pages 13 to 16 includes a review of developments during the year as well as information on investment activity within the Company's portfolio.

Total Return, Revenue and Dividends

Gross total loss for the year amounted to £18.8 million (2021: Gross total return £166.4 million) and net total loss after deducting the management fee, performance fee, other administrative expenses, finance costs and taxation, amounted to £25.6 million (2021: net total return £155.2 million). Distributable income for the year amounted to £11.5 million (2021: £8.0 million).

The Company has a distribution policy whereby at the start of each financial year the Company will announce the distribution it intends to pay to shareholders in the forthcoming year in quarterly instalments. In aggregate, the current intention is to pay dividends totalling at least 4% of the NAV of the Company as at the end of the preceding financial year. Where the target dividend is likely to result in a dividend yield that is materially out of line with the wider market, the Board may choose to set the target dividend at a different level that is more in-line with the wider market and other global income trusts and funds. Dividends will be paid by way of four equal interim dividends in October, January, April and July. During the year, the Company has declared four interim dividends of 4.24p per share. The four dividends amount to 16.96p per share in total, which represents a yield of 4% of the NAV per share with debt at fair value as at 30th June 2021. The Company has the ability to pay dividends out of capital and does currently pay its dividends, in part, out of its realised capital profits.

Key Performance Indicators ('KPIs')

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

- **Performance against the Benchmark**

This is the most important KPI by which performance is judged. Information on the Company's performance is given in the Chairman's Statement and the Investment Managers' Report. (Also please refer to the graphs on page 25).

- **Performance against the Company's peers**

The principal objective is to achieve total returns and out-performance relative to the Benchmark. However, the

Business Review

Board also monitors the performance relative to a range of competitor funds.

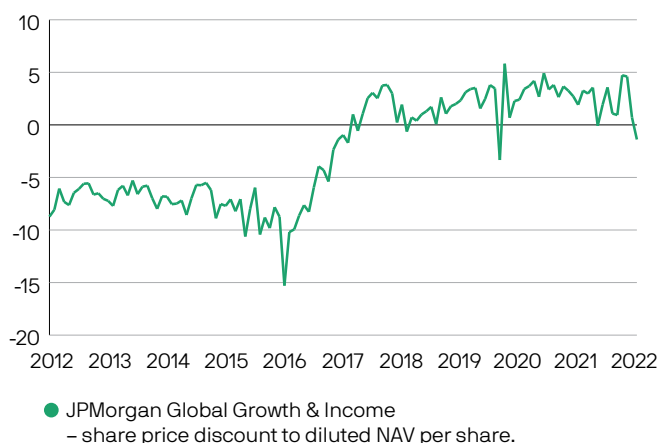
● Performance attribution

The purpose of performance attribution analysis is to assess how the Company achieved its performance relative to its Benchmark, i.e. to understand the impact on the Company's relative performance of the various components such as asset allocation and stock selection. Details of the attribution analysis for the year ended 30th June 2022 are given in the Chairman's Statement Report on page 9.

● Share price premium/(discount) to NAV per share

The share price discount/premium to the NAV per share is considered a key indicator of performance as it impacts the share price total return of shareholders and can provide an indication of how investors view the Company's performance and its Investment Objective. The Board continues to operate a share repurchase policy which seeks to address imbalances in supply of and demand for the Company's shares within the market and thereby minimise the volatility and absolute level of the discount to NAV at which the Company's shares trade. Under this policy, the Company repurchases its shares with the aim of maintaining an average discount of around 5% or less with any borrowings valued at book value. In the year to 30th June 2022, the share price (based on the cum income NAV with debt at par value) ranged between a premium of 4.7% and a discount of 1.4% to NAV.

(Discount)/Premium Performance



Source: Morningstar (month end data).

Cum income NAV discount with debt at fair value.

● Ongoing Charges

The Ongoing Charges is an expression of the Company's management fee and all other operating expenses excluding finance costs and the performance fee, expressed as a percentage of the average of the daily net

assets during the year. The Ongoing Charges excluding any performance fee for the year ended 30th June 2022 were 0.56% (2021: 0.53%).

The Ongoing Charges including any performance fee payable is the ratio, expressed in percentage terms, of the management fee plus all other operating expenses plus any performance fee payable, but excluding finance costs, to the average of the daily net assets during the year.

The Ongoing Charges including the performance fee payable for the year ended 30th June 2022 is 0.56% (2021: 1.60%). A revised fee structure was implemented with effect from 1st January 2022 and any performance fees accrued to that date have been paid in full. No further performance fee is being accrued nor payable since 1st January 2022.

The Directors monitor the Company's expenditure at each board meeting and review the ongoing charges ratio disclosed in the Interim and Annual Reports. On an annual basis, the Board reviews an analysis which shows a comparison of the Company's Ongoing Charges and its main expenses with those of its peers.

Share Capital

The Directors have authority to issue new Ordinary shares and to repurchase shares on behalf of the Company.

At 30th June 2022, the issued share capital comprised 166,086,285 Ordinary shares of 5 pence each. The Company does not hold shares in treasury.

During the year under review, the Company issued 3,776,215 Ordinary shares from Treasury and 11,180,785 new Ordinary shares. On 1st September 2022, the Company issued 133,919,647 new Ordinary shares in connection with the reconstruction and voluntary winding up of SCIN.

In addition to the shares issued following the combination with SCIN, since the year end and the date of this report, the Company has issued a further 2,473,000 new Ordinary shares.

Since the year end, no shares have been reissued from Treasury.

No shares have been repurchased for cancellation or into Treasury during the year, or between the year end and the date of this report.

As resolutions renewing the Director's authorities to issue new shares and shares from Treasury, in both cases at a premium to NAV, and to disapply pre-emption rights over such issues, were passed at the Company's General Meeting held on 30th August 2022, the Company is not seeking renewal of these authorities at the forthcoming Annual General Meeting ('AGM').

A resolution to renew the authority to permit the Company to repurchase its own shares will be proposed at the AGM on 3rd November 2022.

Business Review

Diversity and Inclusion

At 30th June 2022, there were two male Directors and two female Directors on the Board. The Company supports the objectives of improving the performance of corporate boards by encouraging the appointment of the best people from a range of differing perspectives and backgrounds. All Board appointments are subject to a formal, rigorous and transparent procedure. The Board's policy for the appointment of non-executive directors is based on its belief in the benefits of having a diverse range of experience, knowledge, skills, perspectives, opinions and backgrounds on the Board, which facilitate discussion and debate and enable the successful delivery of strategy. Gender and Ethnicity will be taken into account in future Board appointments.

The Nomination Committee is cognisant of the recommendations of the FTSE Women Leaders Review, which is the third and successor phase to the Hampton-Alexander and Davies Reviews, as well as the Parker Review and the FCA's rules announced in April 2022 on diversity and inclusion on company boards.

The Board is committed to increasing diversity and inclusion over time. However, with the enlarged Board composition and to provide continuity over the coming years following the SCIN combination it is not seen to be in the best interests of the Company and its shareholders to set prescriptive diversity targets for the Board at this point.

Employees, Social, Community, Environmental and Human Rights Issues

The Company is managed by JPMF, has no employees and all of its Directors are non-executive, the day to day activities being carried out by third parties. There are therefore no disclosures to be made in respect of employees.

An increasingly broad spectrum of investors focus on 'ESG' issues for their portfolios. They want to know that their managers are aware of these issues, that they take them into account in building their portfolios and that they raise issues directly with investee companies. The Company is aware of the Investment Manager's approach to ESG considerations, which are fully embedded into the investment process.

Companies that address ESG issues and adopt sustainable business practices are better placed to maximise their performance and create enduring value for shareholders. Corporate governance issues have the most direct bearing on the risk/reward profile of the Company's portfolio; as such it

is the area most integrated into the Manager's investment process. However, environmental concerns and social issues are relevant and again the focus is on the economic impact of the involvement. The Manager engages in meaningful interactions with investee companies through dedicated meetings and exercises the Company's proxy votes in a prudent and diligent manner in the interests of our shareholders. See the Company's Corporate Governance and Voting Policy in the Directors Report on page 48 for further details on Proxy Voting and Stewardship/Engagement.

Greenhouse Gas Emissions

The Company has a management contract with JPMF. It has no employees and all of its Directors are non-executive. The day to day activities are carried out by third parties. There are therefore no disclosures to be made in respect of employees. The Company itself has no premises, consumes no electricity, gas or diesel fuel and consequently does not have a measurable carbon footprint. As a low energy user under HMRC guidelines it is not required to disclose energy and carbon information. The Board notes the JPMAM policy statements in respect of Social, Community and Environmental and Human Rights issues and Greenhouse Gas Emissions and that JPMAM, is a signatory to the Carbon Disclosure Project and JPMorgan Chase is a signatory to the Equator Principles on managing social and environmental risk in project finance.

The Modern Slavery Act 2015 (the 'MSA')

The MSA requires companies to prepare a slavery and human trafficking statement for each financial year of the organisation. As the Company has no employees and does not supply goods and services, the MSA does not apply directly to it. The MSA requirements more appropriately relate to JPMF and JPMAM. JPMorgan's statement on the MSA can be found on the following website:

<https://www.jpmorganchase.com/about/our-business/human-rights>

Corporate Criminal Offence

The Company maintains zero tolerance towards tax evasion. Shares in the Company are purchased through intermediaries or brokers, therefore no funds flow directly into the Company.

Principal and Emerging Risks

The Directors confirm that they have carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.

With the assistance of the Manager, the Audit & Management Engagement Committee maintains a risk matrix which identifies the principal risks to which the Company is exposed and methods of mitigating against them as far as practicable. The risks identified and the broad categories in which they fall, and the ways in which they are managed or mitigated are summarised below.





The AIC Code of Corporate Governance requires the Audit & Management Engagement Committee to put in place procedures to identify emerging risks. At each meeting, the Board considers emerging risks which it defines as potential trends, sudden events or changing risks which are characterised by a high degree of uncertainty in terms of occurrence probability and possible effects on the Company. As the impact of emerging risks is understood, they may be entered on the Company's risk matrix and mitigating actions considered as necessary. During the year, the directors agreed that the changing macroeconomic environment, exacerbated by the Russian invasion of Ukraine, and global inflation and the impact on markets were identified as emerging risks to the Company. These emerging risks and the impact to the Company were evaluated and subsequently considered to be principal risks facing the Company.

Principal risk	Description	Mitigation/Control	Movement in risk status in year to 30th June 2022
Investment and Strategy	Poor implementation of the investment strategy, for example as to thematic exposure, sector allocation, stock selection, undue concentration of holdings, factor risk exposure or the degree of total portfolio risk, may lead to underperformance against the Company's Benchmark index and peer companies, resulting in the Company's shares trading on a wider discount to NAV per share.	The Board reviews investment strategy. The Board manages these risks by diversification of investments through its investment restrictions and guidelines which are monitored and reported by the Manager. The Manager provides the Directors with timely and accurate management information, including performance data and attribution analyses, revenue estimates, liquidity reports and shareholder analyses. The Board monitors the implementation and results of the investment process with the Investment Managers, who attend all Board meetings, and reviews data which show statistical measures of the Company's risk profile. The Investment Managers employ the Company's gearing within a strategic range set by the Board. The Board may hold a separate meeting devoted to strategy each year.	➔

Principal and Emerging Risks

Principal risk	Description	Mitigation/Control	Movement in risk status in year to 30th June 2022
Market	<p>The investments of the Company and their pricing are subject to the risk of changes in market prices and/or macroeconomic factors, including those factors arising as a result of the current conflict in Ukraine which, in addition to its impact on human lives and livelihoods, is beginning to have an impact on the global economy, ranging from decreases to supply (and/or increases to the costs) of goods to increases (and increased volatility) in oil and gas prices and inflation. In addition, the Company's investments are subject to risks arising from inflation driven by the knock-on effects of ongoing COVID related disruptions to global supply chains, central bank stimulus and/or underinvestment in critical industries and services.</p> <p>These risks represent the potential loss the Company might suffer through holding investments in the face of negative market movements.</p>	<p>This risk is managed to some extent by diversification of investments and by regular communication with the Manager on matters of investment strategy and portfolio construction which will directly or indirectly include an assessment of these risks. The Board receives regular reports from the Manager regarding market outlook and gives the Investment Mangers discretion regarding acceptable levels of gearing and/or cash. The Board monitors the implementation and results of the investment process with the Manager.</p>	
Accounting, Legal and Regulatory	<p>In order to qualify as an investment trust, the Company must comply with Section 1158 of the Corporation Tax Act 2010 ('Section 1158'). Details of the Company's approval are given under 'Structure of the Company' within the Business Review section above. Were the Company to breach Section 1158, it might lose investment trust status and, as a consequence, gains within the Company's portfolio could be subject to Capital Gains Tax.</p>	<p>The Section 1158 qualification criteria are continually monitored by the Manager and the results reported to the Board each month. The Company must also comply with the provisions of the Companies Act 2006 and, since its shares are listed on the London Stock Exchange, the FCA Listing Rules and Disclosure, Guidance and Transparency Rules ('DTRs'). A breach of the Companies Act 2006 could result in the Company and/or the Directors being fined or the subject of criminal proceedings. Breach of the FCA Listing Rules or DTRs could result in the Company's shares being suspended from listing, which in turn would breach Section 1158. The Board relies on the services of its Company Secretary to ensure compliance with the Companies Acts and the FCA Listing Rules and DTRs.</p>	

Principal and Emerging Risks

Principal risk	Description	Mitigation/Control	Movement in risk status in year to 30th June 2022
Operational and Cyber Crime	<p>Loss of key staff by the Manager, their expertise and ability to source and advise appropriately on investments, could affect the performance of the Company. Disruption to, or failure of, the Manager's accounting, dealing or payments systems or the depositary's or custodian's records could prevent accurate reporting and monitoring of the Company's financial position.</p> <p>The threat of cyber attack is regarded as at least as important as more traditional physical threats to business continuity and security.</p> <p>In addition to threatening the Company's operations, such an attack is likely to raise reputational issues which may damage the Company's share price and reduce demand for its shares.</p>	<p>The Manager takes steps to reduce the likelihood of such an event by ensuring appropriate succession planning and the adoption of a team based approach, as well as ensuring the team are appropriately remunerated and incentivised in this role.</p> <p>On 1st July 2014, the Company appointed the Bank of New York Mellon (International) Limited to act as the depositary, responsible for overseeing the operations of the custodian, JPMorgan Chase Bank, N.A., and the Company's cash flows. Details of how the Board monitors the services provided by the Manager and its associates and the key elements designed to provide effective internal control are included with the Risk Management and Internal Control section of the Corporate Governance report. The threat of cyber attack, in all its guises, is regarded as at least as important as more traditional physical threats to business continuity and security.</p> <p>The Company benefits directly and/or indirectly from all elements of JPMorgan's Cyber Security programme. The information technology controls around the physical security of JPMorgan's data centres, security of its networks and security of its trading applications are tested by independent auditors and reported every six months against the AAF Standard.</p>	
Going concern	Pursuant to the Sharman Report, Boards are now advised to consider going concern as a potential risk, whether or not there is an apparent issue arising in relation thereto.	Going concern is considered rigorously on an ongoing basis and the Board's statement on going concern is detailed on page 51.	
Financial	The financial risks faced by the Company include market price risk, interest rate risk, liability risk and credit risk.	Further details are disclosed in note 23 on pages 84 to 86.	
Pandemics	The emergence of COVID-19 has highlighted the speed and extent of economic damage that can arise from a pandemic. There is the risk that emergent strains may not respond to current vaccines and maybe more lethal and that they may spread as global travel increases.	<p>The Board receives reports on the business continuity plans of the Manager and other key service providers.</p> <p>The effectiveness of these measures has been assessed throughout the course of the COVID-19 pandemic and the Board will continue to monitor developments as they occur and seek to learn lessons which may be of use in the event of future pandemics.</p> <p>To date the portfolio's holdings have not exhibited a material long-term impact and have recovered as the containment measures eased, although the pandemic has yet to run its course.</p>	

Principal and Emerging Risks

Principal risk	Description	Mitigation/Control	Movement in risk status in year to 30th June 2022
Climate Change	<p>Climate change is one of the most critical issues confronting asset managers and their investors. Climate change may have a disruptive effect on the business models and profitability of individual investee companies, and indeed, whole sectors. The Board is also considering the threat posed by the direct impact of climate change on the operations of the Manager and other major service providers.</p>	<p>The Manager's investment process integrates consideration of environmental, social and governance factors into decisions on which stocks to buy, hold or sell. This includes the approach investee companies take to recognising and mitigating climate change risks. In the Company's and Manager's view, companies that successfully manage climate change risks will perform better in the long-term. Consideration of climate change risks and opportunities is an integral part of the investment process. The Manager aims to influence the management of climate related risks through engagement and voting and is a participant of Climate Action 100+ and a signatory of the United Nations Principles for Responsible Investment.</p>	↑
Inflation	<p>Rising levels of inflation in the medium term (with a domino effect on valuations and/or growth) could lead to depressed levels of demand and market volatility.</p>	<p>There is little direct control of risk possible. The Manager seeks to diversify the global equity portfolio with appropriate asset allocation and the application of relevant policies on gearing and liquidity.</p>	↑
Geopolitical Risk	<p>Geopolitical Risk is the potential for political, socio-economic and cultural events and developments to have an adverse effect on the value of the Company's assets.</p> <p>The Company and its assets may be impacted by geopolitical instability, in particular concerns over global economic growth. The crisis in Ukraine has already affected energy and commodity markets and may cause further damage to the global economy.</p> <p>The ongoing conflict between Russia and Ukraine has heightened the possibility that tensions will spill over and intensify geo-political unrest between other countries sharing a common border.</p>	<p>There is little direct control of risk possible. However, it can be managed to some extent by diversification of investments and by regular communication with the Manager on matters of investment strategy and portfolio construction which will directly or indirectly include an assessment of these risks.</p> <p>The Board can, with shareholder approval, amend the investment policy and objectives of the Company to gain exposure to or mitigate the risks arising from geopolitical instability although this is limited if it is truly global.</p>	↑

Long Term Viability

The UK Corporate Governance Code and the AIC Code of Corporate Governance requires the Board to assess the prospects of the Company over a longer period than the 12 months required by the 'Going Concern' provision.

The Company's current position and prospects are set out in the Chairman's Report, the Investment Managers' Report and the Strategic Report. The principal and emerging risks are set out on pages 31 to 34.

The Company is an investment trust that has been in existence for more than 135 years, having invested through many difficult economic and market cycles, including the ongoing COVID-19 crisis and the recent heightened market volatility. The Board is cognisant of the recent market uncertainty, which has now been exacerbated by Russia's invasion of Ukraine, together with its impact on the UK and global economy and the prospects for many of the Company's portfolio holdings. Notwithstanding this crisis, given the factors stated below, the Board expects the Company to continue for the foreseeable future and has conducted its assessment for a period of five years.

The Board has taken account of the Company's current position, the principal and emerging risks and their potential impact on its future development and prospects, and the mitigation measures which key service providers, including the Manager, have in place to maintain operational resilience and business continuity. Equity markets across the world are being impacted by inflationary concerns, rate rises and risks to energy supply. Notwithstanding the uncertainty, the Board does not believe that it calls into question the long term viability of the Company, particularly as the Company's debt covenants and liabilities can be readily met. The Directors have reviewed income and expense projections and the liquidity of the investment portfolio in making their assessment. The Board is cognisant that the combination

with SCIN will result in greater liquidity in the Company's shares and a reduction in ongoing charges as a result of the management fee tiering arrangements, a larger asset base and cost efficiencies from the Company being spread across a larger asset base. As an investment company with a relatively liquid equity portfolio being capable of being realised fairly quickly and largely fixed ongoing charges which equate to a very small proportion of net assets, it would easily be able to meet its ongoing operating costs as they fall due. The Directors have assessed the prospects of the Company, to the extent that they are able to do so, over the next five years. They have made that assessment by considering those principal and emerging risks, the Company's investment objective and strategy, the investment capabilities of the Manager and the current outlook for the global economy and equity market.

In determining the appropriate period of assessment the Directors had regard to their view that, given the Company's objective of achieving long term total returns, shareholders should consider the Company as a long term investment proposition. Thus the Directors consider five years to be an appropriate time horizon to assess the Company's viability.

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

For and on behalf of the Board

Divya Amin

for and on behalf of

JPMorgan Funds Limited, Secretary

28th September 2022

Duty to Promote the Success of the Company

Section 172 of the Companies Act 2006 requires that a Director must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members (i.e. shareholders) as a whole and in doing so, have regard (amongst other matters) to the likely consequences of any decision in the long term; the need to foster the Company's business relationships with suppliers, customers and others; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly as between members of the Company.

The Board is responsible for all decisions relating to the Company's investment objective and policies, gearing, discount management, corporate governance and strategy, and for monitoring the performance of the Company's third party service providers, including the Manager. The Board's philosophy is that the Company should foster a culture where

all parties are treated fairly and with respect and the Board recognises the importance of keeping the interests of the Company's stakeholders, and of acting fairly between them, front of mind in its key decision making. As an externally managed investment company with no employees, the Board considers that the Company's key stakeholders are its shareholders, its Manager, its investee companies, and its other professional third party service providers (corporate broker, registrar, auditor, custodian and depositary) and wider society. The Board believes the best interests of the Company are aligned with those of these key stakeholders as all parties wish to see and ultimately benefit from the Company achieving its investment objectives whilst carrying on business in compliance with the highest possible regulatory, legal, ethical and commercial standards.

The table below sets out details of the Company's engagement with these stakeholders:

Stakeholder Engagement

Shareholders

Continued shareholder engagement is critical to the continued existence of the Company and the successful delivery of its long-term strategy. The Board is focused on fostering and maintaining open channels of communication with shareholders. Key mechanisms of engagement include invitations to key shareholders to hold meetings with members of the Board and the Manager, encouraging investors to attend and vote at the Company's AGM, information on the Company's website which hosts marketing commentaries, annual and half-year reports, press releases, factsheets and market announcements with other information on key decision making. Feedback on all meetings with investors is reported to the Board, and the Board reviews shareholder correspondence addressed to it. The Board recognises the importance of understanding the views of shareholders in order to incorporate them into the Board's strategic thinking and decision making. Interaction and engagement with shareholders enables the Board to run the Company and make decisions in line with shareholders' interests as a whole and for the Company's long-term success, for not only shareholders but all stakeholders in the Company.

Clear communication of our performance to our shareholders can help the Company's share price trade at a premium or narrower discount to its net asset value which benefits shareholders. Also, by understanding the Company's activities, performance, risks and prospects, both our shareholders and potential investors will be able to make informed decisions about their investment. Full details on how the Board ensures it is fully apprised of shareholder views and how it engages with all shareholder groups can be found on page 47. The Board is pleased to invite shareholders to attend the AGM and Investment Manager's presentation for the year ended 30th June 2022. More details are on page 11 and in the AGM Notice.

Manager

The principal supplier is the Manager, in particular the investment management team who are responsible for managing the Company's assets in order to achieve its stated investment objective. The Board maintains a good working relationship with the Manager, who also provides administrative support and promotes the Company through its investment trust sales and marketing teams. The Manager's investment management function is fundamental to the long term success of the Company through the pursuit of the investment objective. The Board monitors the Company's investment performance at each Board Meeting in relation to its objective and also to its investment policy and strategy. The Board also maintains strong lines of communication with the Manager via its dedicated company secretary and client director whose interactions extend well beyond the formal business addressed at each Board and Committee meeting. This enables the Board to remain regularly informed of the views of the Manager and the Company's shareholders (and vice versa). This close relationship enables both the Manager and directors to explore and understand performance and what may be expected in the future.

Duty to Promote the Success of the Company

Investee companies

The Board is committed to responsible investing and actively monitors the activities of investee companies through its delegation to the Manager. In order to achieve this, the Manager has discretionary powers to exercise voting rights on behalf of the Company on all resolutions proposed by the investee companies. In respect of the year under review, the Manager voted at all of the annual general meetings and extraordinary meetings held during the year by the Company's portfolio companies (full details can be found in the ESG report on page 19). The Board monitors investments made and divested and provides appropriate challenge to the Manager's rationale for exposures taken and voting decisions made.

Other key service providers

The Board ensures that it promotes the success of the Company by engaging specialist third party suppliers, with appropriate capability, performance records, resources and controls in place to deliver the services that the Company requires for support in meeting relevant obligations and safeguarding the Company's assets. For this reason, the Board considers the Company's custodian, depositary, registrar, auditor and broker to be stakeholders. The Board maintains regular contact with its key external service providers, either directly, or via its dedicated company secretary or client director, and receives regular reporting from these providers at Board and Committee meetings. This ongoing and constructive communication between the Board and its key service providers ensures that the Company is provided with a high level of service in an collegiate environment to support the Company's performance and in meeting its objectives, which is to the benefit of the Company as a whole and all of its stakeholders. The Audit & Management Engagement Committee meets annually to review and appraise its key service providers.

Wider society and the Environment

Whilst strong long term investment performance is essential for an investment trust, the Board recognises that to provide an investment vehicle that is sustainable over the long term, both it and the Manager must have regard to ethical and environmental issues that impact society. Hence environmental, social and governance ('ESG') considerations are integrated into the Manager's investment process and will continue to evolve. Further details of the Manager's integrated approach to ESG can be found on pages 17 to 19.

Since the year end, the Manager has become a signatory to the UK Stewardship Code. This reflects the Manager's commitment to stewardship responsibilities and to drive positive corporate change and industry developments to benefit not only the Company but also the environment and wider society over the long-term.

The Directors confirm that they have considered their duty under Section 172 when making decisions during the financial year under review. Some of the key decisions and actions during the year which have required the Directors to have regard to applicable section 172 factors include:

Key Decisions and Actions

A new tiered management fee structure and removal of performance fee

The Board negotiated a new tiered management fee structure with the Manager, that included the removal of the performance fee with effect from 1st January 2022. In making its decision, the Board considered the interests of its shareholders and that of the Manager. The Board was conscious of ensuring that the Manager remained sufficiently motivated whilst seeking a fee that aligned with shareholder interests. A reduction in the investment management fee reduces the costs borne by shareholders and therefore assists growth in the NAV per share for the benefit of shareholders. The Board sought guidance from its Corporate Broker.

Combination with The Scottish Investment Trust plc ('SCIN') by way of a section 110 scheme of reconstruction by SCIN and a transfer of assets to the Company

A key strategic decision made by the Board was the combination of the Company with SCIN. The Board sought the views of the Manager and the Corporate Broker. In making its decision, the Board considered the interests of shareholders and the Manager. The Board deemed the combination to be in the best interests of shareholders as a whole as a result of the benefits of the enlarged asset base following the combination:

- The combined entity is expected to benefit from an enhanced profile which has the potential to generate further interest in the Company's shares;
- The combined entity should result in a greater number of shares in issue, which, in turn, will enlarge the free float of the Company's shares and result in a broader Shareholder base, which should improve liquidity;

Duty to Promote the Success of the Company

- The fixed costs of the Company will be spread of a larger asset base and thus be reduced per share; and
- The new management fee with the increase in the net assets of the Company following the combination should reduce the total expense ratio of the Company.

The Company's shareholders approved the combination with SCIN at a general meeting held on 30th August 2022.

Adjustment of restrictions within the Company's investment policy

A further strategic decision by the Board was a change to the Company's investment restrictions within its investment policy to provide the Manager with increased flexibility to manage and grow the portfolio. The changes to the investment restrictions are set out on page 28.

Purchase of a portion of the Company's £200,000 secured 4.5% Perpetual Debenture 1895 (the 'Indenture Stock')

During the year under review, the Board agreed the purchase of £196,708 of its Indenture Stock from a large institutional investor which represented 98.35% of the entire issue of Indenture Stock. This had the benefit of reducing the Company's costs.

Issue of Equity

During periods throughout the year under review when the Company's shares traded at a premium to NAV, the Board approved the re-issuance of shares from Treasury. There are currently no shares held in Treasury. Furthermore, the Company has been able to issue new shares throughout the year under review to meet the demand for the Company's shares. In making its decisions to issue the Company's shares, the Board considered the benefits to existing shareholders in improving the liquidity of the Company's shares, demand for the Company's shares and managing capital.

Since the year end, the Company has made applications to the Financial Conduct Authority and the London Stock Exchange for a block listing of 15 million shares to be able to continue to issue new shares to meet demand and grow the Company.

Dividend for the year ending 30th June 2023

In line with the Company's dividend policy, the Board agreed that a total dividend of 17.0 pence per share for the year ending 30th June 2023 would be paid from a combination of revenue and capital reserves, in the absence of any unforeseen circumstances. In making its decision regarding the 2023 dividend the Board considered shareholders' expectations, the net revenue generated by the Company and the capacity of the Company to pay dividends out of reserves, taking into account future dividend liquidity requirements and availability.

Other Actions that Continue to Promote the Success of the Company

In addition, the Directors have continued to hold the Manager to account on investment performance; undertaken a robust review of the principal and emerging risks faced by the Company; and continued to encourage the Manager and the Broker to enhance their sales, marketing and PR efforts, having initiated a series of new promotional strategies to raise awareness of the Company.

The Board is in regular contact with the Manager on key matters relating to portfolio activity, gearing and the level of premium or discount to NAV at which the Company's shares trade. The Board also receives regular updates on the operational effectiveness of the Manager and the Company's key service providers.

For and on behalf of the Board

Tristan Hillgarth

Chairman

28th September 2022



Board of Directors



Tristan Hillgarth*§† (Chairman of the Board and Nomination Committee)

A Director since 11th November 2014.

Last reappointed to the Board: 2021.

Tristan has over 30 years of experience in the asset management industry having been a director of Jupiter Asset Management for eight years. Before that he was at Invesco where he held several senior positions over 14 years including CEO of Invesco's UK and European business. He was previously head of European Equities at Framlington. He is currently a non-executive member of the Leverhulme Investment Committee. Tristan is a Fellow of the Institute of Chartered Accountants in England and Wales.

Shared directorships with other Directors: None.

Shareholding in Company: 60,000 Ordinary shares.



Sarah Whitney*§† (Chairman of the Audit and Management Engagement Committee and Remuneration Committee)

A Director since 1st January 2020.

Last reappointed to the Board: 2021.

Sarah, a Chartered Accountant, has over 30 years' experience in the corporate finance, investment, and real estate sectors. Her executive career was primarily spent as a corporate finance partner at PricewaterhouseCoopers, and in senior executive roles at DTZ Holdings Plc (now Cushman & Wakefield) and CBRE. She chairs the Supervisory board of BBGI Global Infrastructure SA, and she is a non-executive director of Tritax Eurobox Plc and Bellway Plc. Sarah is Treasurer of the Council of University College London, and a trustee of the Canal & River Trust, and chairs the investment committees of both organisations. Sarah is a Fellow of the Institute of Chartered Accountants in England and Wales.

Shared directorships with other Directors: None.

Shareholding in Company: 5,600 Ordinary shares.



James Macpherson*§†

A Director since 1st April 2021.

Last appointed to the Board: 2021.

James was until recently Deputy CIO, Fundamental Active Equities at BlackRock where he led the Global, Thematic, Natural Resources and Health Science strategies and Equity Closed-end funds. He was a senior fund manager at BlackRock and predecessor companies for 35 years, and was co-head of UK Equities from 2001-2016.

Shared directorships with other Directors: None.

Shareholding in Company: 2,229 Ordinary shares.



Gay Collins*§† (Senior Independent Director)

A Director since 21st February 2012.

Last reappointed to the Board: 2021.

Gay is a founding partner of Montfort Communications, a strategic and financial communications company. She has 30 years experience in PR and specialises in advising companies in the financial services space. She is a Non-executive Director of Dunedin Income Growth Investment Trust plc and a director of the Association of Investment Companies. Previous experience includes selling Eurobonds at Merrill Lynch and Dean Witter in London and New York.

Shared directorships with other Directors: None.

Shareholding in Company: 17,801 Ordinary shares.

Since the year end, four new Directors have joined the Board on 1st September 2022. These individuals were former directors of The Scottish Investment Trust Plc ('SCIN') and joined the Board following SCIN's combination with the Company. All new members have joined the Board's committees.

* Member of the Audit and Management Engagement Committee.

§ Member of the Nomination Committee.

† Member of the Remuneration Committee.

All Directors are considered independent of the Manager.

Board of Directors

**James Will**^{*§†}

A Director since 1st September 2022.

Last reappointed to the Board: n/a.

James Will is a former chairman of law firm Shepherd and Wedderburn LLP where he was a senior corporate partner, heading its financial sector practice. He has experience of working with companies in a wide range of industry sectors including financial services, technology, energy and life sciences. He is chair of Asia Dragon Trust plc and a director of Herald Investment Trust plc.

Shared directorships with other Directors: None.

Shareholding in Company: 20,237 Ordinary shares.

**Jane Lewis**^{*§†}

A Director since 1st September 2022.

Last reappointed to the Board: n/a.

Jane Lewis is an investment trust specialist who, until August 2013, was a director of corporate finance and broking at the Winterflood Investment Trusts. Prior to this, she worked at Henderson Global Investors and Gartmore Investment Management Limited in investment trust business development and at WestLB Panmure as an investment trust broker. She is chair of Invesco Perpetual UK Smaller Companies Investment Trust PLC and a director of BlackRock World Mining Trust plc, CT UK Capital and Income Investment Trust PLC and Majedie Investments PLC.

Shared directorships with other Directors: None.

Shareholding in Company: 5,059 Ordinary shares.

**Mick Brewis**^{*§†}

A Director since 1st September 2022

Last appointed to the Board: n/a.

Mick Brewis is an experienced investor who was a partner at Baillie Gifford for 21 years, heading the North American equities team and having global asset allocation responsibilities. Prior to that he managed UK equity portfolios at the firm. He has a non-executive advisory role with Castlebay Investment Partners and is a trustee of the National Library of Scotland Foundation.

Shared directorships with other Directors: None.

Shareholding in Company: 20,238 Ordinary shares.

**Neil Rogan**^{*§†}

A Director since 1st September 2022.

Last reappointed to the Board: n/a.

Neil Rogan has broad experience of investment companies both as an investment manager and as a non-executive director. He was Head of Global Equities at Gartmore with sole responsibility for Gartmore Global Focus Fund. At Jardine Fleming Investment Management and Fleming Investment Management, he was the lead manager of Fleming Far Eastern Investment Trust for many years. He is chair of both Murray Income Trust PLC and Invesco Asia Trust plc.

Shared directorships with other Directors: None.

Shareholding in Company: 17,113 Ordinary shares.

* Member of the Audit and Management Engagement Committee.

§ Member of the Nomination Committee.

† Member of the Remuneration Committee.

All Directors are considered independent of the Manager.

Directors' Report

The Directors present their report and the audited financial statements for the year ended 30th June 2022.

Management of the Company

The Manager and Company Secretary is JPMorgan Funds Limited ('JPMF'), a company authorised and regulated by the FCA.

The active management of the Company's assets is delegated by JPMF to an affiliate, JPMorgan Asset Management (UK) Limited ('JPMAM').

The Manager is a wholly owned subsidiary of JPMorgan Chase Bank which, through other subsidiaries, also provides accounting, banking, dealing and custodian services to the Company.

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

The Board conducts a formal evaluation of the Manager on an annual basis. The evaluation includes consideration of the investment strategy and process of the Manager, noting performance against the benchmark over the long term and the quality of the support that the Company receives from the Manager. As a result of the evaluation process, the Board confirms that it is satisfied that the continuing appointment of the Manager on the terms agreed is in the interests of the shareholders as a whole.

The Alternative Investment Fund Managers Directive ('AIFMD')

JPMF is the Company's alternative investment fund manager ('AIFM'). It is approved as an AIFM by the FCA. For the purposes of the AIFMD the Company is an alternative investment fund ('AIF').

JPMF has delegated responsibility for the day to day management of the Company's portfolio to JPMAM. The Company has appointed The Bank of New York Mellon (International) Limited ('BNY') as its depositary. BNY has appointed JPMorgan Chase Bank, N.A. as the Company's custodian. BNY is responsible for the oversight of the custody of the Company's assets and for monitoring its cash flows.

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

Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a primary information provider.

JPMF's remuneration disclosures are set out on pages 89 and 90.

Management and Performance Fee

Until 31st December 2021, the following management and performance fees were payable by the Company to the Manager:

- a management fee of 0.40% on the Company's assets minus current liabilities; and
- a performance fee of 15% on any excess of the total return attributable to Shareholders (change in net asset value plus dividend, excluding the effect of share repurchases) which exceeded the total return of the Company's Benchmark by more than 0.50%.

Payment of any amount earned under the performance fee in any relevant period was spread equally over four years. Performance was measured on a cumulative basis. Any performance fee accrued but not paid was reduced by any underperformance in subsequent years. Any adjustment in respect of underperformance was deducted at the first opportunity from any amount accrued in respect of previous years' outperformance. The amount of any performance fee paid in any one year was capped at 0.80% of the published net assets of the Company at the end of the relevant period. Any excess was carried forward until paid in full (or offset against subsequent underperformance).

With effect from 1st January 2022, the previous management fee and performance fee structure has been replaced with a tiered management fee on the following basis:

- 0.55% on net assets up to £750 million;
- 0.40% on net assets between £750 million and £1.5 billion; and
- 0.30% on net assets in excess of £1.5 billion.

The performance fee accrued to 31st December 2021 has been paid in full and no further performance fee is being accrued or is payable from 1st January 2022.

There was no performance fee in respect of the results for the year ended 30th June 2022 (2021: £5,967,000).

Directors

The biographies of Directors of the Company who were in office at the year end are detailed on page 40. Since the year end, the Board composition has been extended with the appointments of Mick Brewis, Jane Lewis, Neil Rogan and James Will. Their biographies are set out on page 41.

Details of Directors' beneficial shareholdings may be found in the Directors' Remuneration Report on page 56. No changes

Directors' Report

have been reported to the Directors' shareholdings since the year end.

In accordance with corporate governance best practice, all Directors, other than Gay Collins and James Will (who will be retiring from the Board at the conclusion of the Annual General Meeting), will retire at the forthcoming Annual General Meeting and, being eligible, will offer themselves for appointment/ reappointment by shareholders. The Board seeks to balance the need for refreshment of its members with the value derived from their experience and continuity. The Nomination Committee, having considered their qualifications, performance and contribution to the Board and its committees, confirms that each Director continues to be independent, effective and demonstrates commitment to the role, and the Board recommends to shareholders that they be appointed/reappointed.

Upon Gay's retirement from the Board at the forthcoming Annual General Meeting, Jane Lewis will assume the responsibilities of the Senior Independent Director.

Director Indemnification and Insurance

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

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

Disclosure of information to the Auditor

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

- (a) so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's Auditor is unaware; and
- (b) each of the Directors has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

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

Independent auditor

Ernst & Young LLP have expressed their willingness to continue in office as the Auditor to the Company. A resolution to reappoint Ernst & Young LLP for the ensuing year is being put to shareholders at the forthcoming Annual General Meeting and to authorise the Directors to determine their remuneration.

Section 992 Companies Act 2006

Capital structure

The Company's capital structure is summarised on the inside front cover of this report. The Ordinary shares have a premium listing on the London Stock Exchange.

Voting rights in the Company's shares

Details of the voting rights in the Company's shares as at the date of this report are given in note 17 to the Notice of Annual General Meeting on page 94.

Notifiable interests in the Company's voting rights

At 30th June 2022, the following shareholders had declared a notifiable interest in the Company's voting rights:

Shareholders	Number of voting rights	voting %
Rathbone Investment Management Ltd	14,496,530	10.0

Post the year end combination with SCIN, the voting rights in the Company have increased. Please see note 25 on page 87 for details.

Since the year end and following the combination with SCIN, 1607 Capital Partners, LLC notified its holding of 7,616,022 (4.82%) voting rights in the Company.

Miscellaneous information

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

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

Listing Rule 9.8.4R

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

Annual General Meeting

The notice covering the Annual General Meeting of the Company to be held on 3rd November 2022 is given on pages 92 to 94. The full text of the Resolutions is set out in the notice of meeting.

Corporate Governance Statement

At the Company's General Meeting held on 30th August 2022, The Board was granted authority to allot shares in the Company up to an aggregate nominal amount of 1,501,491.35 (representing 10% of the estimated issued share capital on 1st September 2022), excluding Treasury shares. The Board was also granted the authority to disapply pre-emption rights in respect of the allotment of shares for cash and by way of a sale of Treasury shares up to an aggregate nominal amount of 1,501,491.35 (representing 10% of the estimated issued share capital on 1st September 2022), excluding Treasury shares.

These authorities will expire at the end of the Annual General Meeting of the Company to be held in 2023 unless renewed at a general meeting prior to such time.

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

(i) Authority to repurchase the Company's shares (Resolution 11)

The authority to repurchase up to 14.99% of the Company's issued share capital, granted by shareholders at the 2021 Annual General Meeting, will expire on 26th April 2023 unless renewed at the forthcoming Annual General Meeting. The Directors consider that the renewal of the authority is in the interests of shareholders as a whole, as the repurchase of shares at a discount to NAV enhances the NAV of the remaining shares. The Board will therefore seek shareholder approval at the Annual General Meeting to renew this authority, which will last until 2nd May 2024 unless the authority is renewed at the Annual General Meeting in 2023 or at a general meeting prior to that. The full text of the resolution is set out in the Notice of Annual General Meeting on pages 92 to 94. Repurchases will be made at the discretion of the Board and will only be made in the market at prices below the prevailing NAV per share, thereby enhancing the NAV of the remaining shares, as and when market conditions are appropriate.

(ii) Approval of dividend policy (Resolution 12)

The Directors seek approval of the Company's dividend policy to continue to pay four quarterly interim dividends during the year. The Company declared four interim dividends of 4.24p per share each during the year ended 30th June 2022.

Recommendation

The Board considers that resolutions 11 to 12 are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings which amount in aggregate to 148,277 shares.

Corporate Governance Statement

Compliance

The Board is committed to high standards of corporate governance. It has considered the principles and provisions of the AIC Code of Corporate Governance published in 2019 (the 'AIC Code'), which addresses the principles and provisions set out in the UK Corporate Governance Code (the 'UK Code') published in 2018, as they apply to investment trust companies. It considers that reporting against the AIC Code, therefore, provides more appropriate information to the Company's shareholders. Through ongoing advice throughout the year from the Company Secretary and the use of a detailed checklist the Board confirms that the Company has complied with the principles and provisions of the AIC Code, in so far as they apply to the Company's business, throughout the year under review. As all of the Company's day-to-day management and administrative functions are outsourced to third parties, it has no executive directors, employees or internal operations and therefore has not reported in respect of the following:

- the role of the executive directors and senior management;
- executive directors' and senior management remuneration; and
- the workforce.

Copies of the UK Code and AIC Code may be found on the respective organisations' websites: www.frc.org.uk and www.theaic.co.uk

Role of the Board

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

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

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

Corporate Governance Statement

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

Board composition

The Board, chaired by Tristan Hillgarth, currently consists of eight non-executive Directors following the Company's combination with SCIN. All Directors are regarded by the Board as independent, including the Chairman. The Directors have a breadth of investment knowledge, business and financial skills and experience relevant to the Company's business and brief biographical details of each Director are set out on pages 40 and 41. There have been no changes to the Chairman's other significant commitments during the year under review.

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

Reappointment of Directors

The Directors of the Company and their brief biographical details are set out on pages 40 and 41. The skills and experience that each Director brings to the Board, and hence why their contributions are important to the long term success of the Company, are summarised in the biographical details referred to above. As disclosed in the Chairman's Statement, the Board will reduce to six members following the Annual General Meeting on 3rd November 2022 as Gay Collins and James Will will both be retiring at the conclusion of the Annual General Meeting.

Resolution 4 is for the appointment of Mick Brewis. He joined the Board on 1st September 2022.

Resolution 5 is for the appointment of Jane Lewis. She joined the Board on 1st September 2022. Subject to her appointment at the forthcoming AGM, Jane will be assuming the role of Senior Independent Director on the Board.

Resolution 6 is for the appointment of Neil Rogan. He joined the Board on 1st September 2022.

Resolution 7 is for the reappointment of Tristan Hillgarth. He joined the Board in November 2014 and assumed the role of Chairman of the Board and Chairman of the Nomination Committee in October 2021.

Resolution 8 is for the reappointment of James Macpherson. He joined the Board in April 2021.

Resolution 9 is for the reappointment of Sarah Whitney. She joined the Board in January 2020. Sarah became Chairman of the Audit and Management Engagement Committee after the 2020 AGM and Chairman of the Remuneration Committee following Tristan's appointment as Chairman of the Board.

The Board confirms that each of the Directors standing for appointment/reappointment at the forthcoming AGM continues to contribute effectively and recommends that shareholders vote in favour of their appointment/reappointment.

Tenure

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

The table below details the tenure of Directors as at the forthcoming Annual General Meeting and projected forward to 2030.

Director	Appointment Date	2022 AGM	2023 AGM	2024 AGM	2025 AGM	2026 AGM	2027 AGM	2028 AGM	2029 AGM	2030 AGM
Gay Collins*	21st February 2012		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tristan Hillgarth	11th November 2014									
Sarah Whitney	1st January 2020									
James Macpherson	1st April 2021									
James Will*	1st September 2022		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mick Brewis	1st September 2022									
Jane Lewis	1st September 2022									
Neil Rogan	1st September 2022									

*Will retire at the conclusion of the Annual General Meeting on 3rd November 2022.

Key – tenure

● 0-6 years ● 7-8 years ● 9+ years

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

A schedule of interests (including time commitments) for each Director is maintained by the Company and reviewed at

Corporate Governance Statement

every Board meeting. New interests are considered carefully, taking into account the circumstances surrounding them and, if considered appropriate, are approved.

Induction and Training

On appointment, the Manager and Company Secretary provide all Directors with induction training. Thereafter, regular briefings are provided on changes in law and regulatory requirements that affect the Company and the Directors. Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trust companies. Regular reviews of the Directors' training needs are carried out by the Chairman by means of the evaluation process described below.

Meetings and committees

The Board delegates certain responsibilities and functions to committees. Details of membership of Committees are shown with the Directors' profiles on pages 41 and 42. Directors who are not members of Committees may attend at the invitation of the Chairman.

The table below details the number of Board and Committee meetings attended by each Director. During the year, there were four full Board meetings, two Audit and Management Engagement Committee meetings, one Nomination Committee meeting and one Remuneration Committee meeting.

	Board Meetings Attended	Audit and Management Engagement Committee Meetings Attended	Nomination Committee Meetings Attended	Remuneration Committee Meetings Attended
Nigel Wightman ¹	2/2	1/1	—	—
Sarah Whitney	4/4	2/2	1/1	1/1
Gay Collins	4/4	2/2	1/1	1/1
Tristan Hillgarth	4/4	2/2	1/1	1/1
James Macpherson	4/4	2/2	1/1	1/1

¹ Nigel Wightman resigned from the Board on 27th October 2021. He also attended meetings of the Audit and Management Engagement Committee by invitation only.

It is noted that James Will, Jane Lewis, Mick Brewis and Neil Rogan joined the Board post the year in review.

As well as the formal meetings detailed above, the Board meets and communicates frequently by email or telephone to deal with day to day matters as they arise. During the year under review, the Board met on several occasions in relation to the Company's combination with SCIN.

Board committees

Nomination committee

The Nomination Committee, chaired by Tristan Hillgarth, following the retirement of Nigel Wightman from the Board, consists of all of the Directors and meets at least annually to ensure that the Board has an appropriate balance of skills and experience to carry out its fiduciary duties and to select and propose suitable candidates for appointment when necessary. A variety of sources, including the use of external search consultants, may be used to ensure that a wide range of candidates is considered.

The Company supports the objectives of improving the performance of corporate boards by encouraging the appointment of the best people from a range of differing perspectives and backgrounds.

The Board's policy for the appointment of non-executive directors is based on its belief in the benefits of having a diverse range of experience, knowledge, skills, perspectives, opinions and backgrounds. The appointment process takes account of the benefits of diversity. All Board appointments are subject to a formal, rigorous and transparent procedure.

The Board's policy on diversity is to take account of the benefits of these factors during the appointment process. However, the Board remains committed to appointing the most appropriate candidate, regardless of gender or other forms of diversity. Currently, no targets have been set against which to report but this remains under consideration.

The Nomination Committee is cognisant of the recommendations of the FTSE Women Leaders Review, as well as the Parker Review and the FCA's rules announced in April 2022 on diversity and inclusion on company boards.

The Committee conducts an annual performance evaluation of the Board, its committees and individual Directors to ensure that all Directors have devoted sufficient time and contributed adequately to the work of the Board and its Committees. The evaluation of the Board considers the balance of experience, skills, independence, corporate knowledge, its diversity, and how it works together. Questionnaires, drawn up by the Board, with the assistance of the Manager and a firm of independent consultants, are completed by each Director. The responses are collated and then discussed by the Committee. The evaluation of individual Directors is led by the Chairman. The Senior Independent Director leads the evaluation of the Chairman's performance. With the Company's recent entrance into the FTSE 250 index, the Board is cognisant of the recommendation that FTSE 350 companies hold externally facilitated board evaluations at least every three years and will consider this for next year's evaluation.

Remuneration Committee

The Remuneration Committee, chaired by Sarah Whitney, consists of all of the Directors and meets at least annually to

Corporate Governance Statement

review Directors' fees and to make recommendations to the Board as and when appropriate, in relation to remuneration policy. Please refer to the Directors' Remuneration Report on pages 54 to 56.

Audit and Management Engagement Committee

The report of the Audit and Management Engagement Committee is set out on pages 50 to 52. Since the year end, the Board has considered separating the roles of this committee. It has agreed to form a separate Management Engagement Committee and a separate Audit and Risk Committee with effect from 3rd November 2022 and new terms of reference for these committees will be available on the Company's website.

Terms of reference

The Audit and Management Engagement Committee, the Nomination Committee and the Remuneration Committee all have written terms of reference which define clearly their respective responsibilities, copies of which are available on the Company's website, on request at the Company's registered office and at the Company's Annual General Meeting.

Relations with Shareholders

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

All shareholders are encouraged to attend the Company's Annual General Meeting at which the Directors and representatives of the Manager are available in person to meet shareholders and answer their questions. In addition, a presentation is given by the Investment Manager who reviews the Company's performance. During the year the Company's Brokers, the Investment Manager and the Manager hold regular discussions with larger shareholders. The Directors are made fully aware of their views. The Chairman and Directors make themselves available as and when required to address shareholder queries. The Directors may be contacted through the Company Secretary whose details are shown on page 99.

The Company's annual report and financial statements is published in time to give shareholders at least 20 working days' notice of the Annual General Meeting. Shareholders wishing to raise questions in advance of the meeting are encouraged to write to the Company Secretary at the address shown on page 99.

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

Risk management and internal control

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

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

Since investment management, custody of assets and all administrative services are provided to the Company by the Manager and its associates, the Company's system of risk management and internal control mainly comprises monitoring the services provided by the Manager and its associates, including the operating controls established by them, to ensure that they meet the Company's business objectives. There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company (see Principal and Emerging Risks on pages 31 to 34). This process has been in place for the year under review and up to the date of approval of the annual report and financial statements, and it accords with the Financial Reporting Council's guidance.

Given the foregoing, and in common with most investment trust companies, the Company does not have an internal audit function of its own. The Manager's internal audit department conducts regular and rigorous reviews of the various functions within its asset management business. Any significant findings that are relevant to the Company and/or the Manager's investment trust business are reported to the Board.

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, analysis of transactions and performance comparisons.

Management Agreement – Appointment of a manager and custodian or depositary regulated by the Financial Conduct

Corporate Governance Statement

Authority (FCA), whose responsibilities are clearly defined in a written agreement.

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

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

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

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

By the means of the procedures set out above, the Board confirms that it has reviewed the effectiveness of the Company's system of risk management and internal control for the year ended 30th June 2022, and to the date of approval of this annual report and financial statements.

During the course of its review of the system of risk management and internal control, the Board has not identified nor been advised of any failings or weaknesses which it has determined to be significant.

Corporate Governance and Voting Policy

The Company delegates responsibility for voting to JPMAM through the Manager. A summary of the JPMAM's policy statements on corporate governance, voting policy and social and environmental issues is shown below in italics, which has been reviewed and noted by the Board. Details on social and environmental issues are included in the Strategic Report on page 30.

New Zealand Listing

The Company is listed on the London Stock Exchange and the New Zealand Stock Exchange. The corporate governance

rules and principles of the UK Listing Authority and London Stock Exchange may differ materially from the New Zealand Stock Exchange's corporate governance rules and the principles of the Corporate Governance Best Practice Code. The Company relies on the Financial Markets Conduct (Overseas FMC Reporting Entities) Exemption Notice 2016, issued by the New Zealand Financial Markets Authority, which exempts it from certain financial reporting obligations under the Financial Markets Conduct Act 2013. Investors may find out more information about the corporate governance and principles applicable in the United Kingdom for the UK Listing Authority and London Stock Exchange websites: www.fca.org.uk/firms/markets/ukla and www.londonstockexchange.com.

Corporate Governance

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

Proxy Voting

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

Stewardship/Engagement

JPMAM believes effective investment stewardship can materially contribute to helping build stronger portfolios over the long term for our clients. At the heart of JPMAM's approach lies a close collaboration between our portfolio managers, research analysts and investment stewardship specialists to engage with the companies in which JPMAM invests. Regular engagement with JPMAM's investee companies through investment-led stewardship has been a vital component of JPMAM's active management heritage.

JPMAM continues to exercise active ownership through regular and ad hoc meetings, and through its voting responsibilities.

JPMAM's formal stewardship structure is designed to identify risks and understand its portfolio companies' activities, in order to enhance value and mitigate risks associated with them. JPMAM has identified five main investment stewardship

Corporate Governance Statement

priorities it believes have universal applicability and will stand the test of time:

- governance;
- strategy alignment with the long term;
- human capital management;
- stakeholder engagement; and
- climate risk.

Within each priority area, JPMAM identified related themes it is seeking to address over a shorter time frame. These themes will evolve as JPMAM engages with companies to understand issues and promote best practice. This combination of long-term priorities and evolving, shorter-term themes provides JPMAM with a structured and targeted framework to guide its investors and investment stewardship teams globally as JPMAM engages with investee companies around the world.

JPMAM is also committed to reporting more widely on our activities, including working to meet the practices laid out by the Financial Reporting Council ('FRC') in the UK Stewardship Code, to which JPMAM is a signatory.

JPMAM's Voting Policy and Corporate Governance Guidelines are available on request from the Company Secretary or can be downloaded from JPMAM's website:

<https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/institutional/communications/lux-communication/corporate-governance-principles-and-voting-guidelines.pdf>

By order of the Board
Divya Amin,
for and on behalf of
JPMorgan Funds Limited,
Company Secretary.

28th September 2022

Audit and Management Engagement Committee Report

Composition and role

The Audit and Management Engagement Committee (the 'Committee') is chaired by Sarah Whitney. The membership is set out on pages 40 and 41, and the Committee meets at least twice each year. The members of the Committee consider that at least one member has recent and relevant financial experience and that the Committee as a whole has competency relevant to the sector in which the Company operates. For details of their qualifications, see pages 40 and 41.

The Committee reviews the actions and judgements of the Manager in relation to the half year and annual report and financial statements and the Company's compliance with the AIC Code of Corporate Governance.

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 reviews the scope and results of the external audit, its effectiveness and cost effectiveness and the independence and objectivity of the external auditors including the provision of non-audit services and the period of service held by the audit engagement partner. The Company's year ended 30th June 2022 is the current audit partner's third of a five year maximum term. The Committee has reviewed the independence and objectivity of the Auditor of the Company and is satisfied that the Auditor is independent.

Financial statements and significant accounting matters

During its review of the Company's financial statements for the year ended 30th June 2022, the Committee considered the following significant issues, including those communicated by the Auditors during their reporting:

Significant issue	How the issue was addressed
Valuation, existence and ownership of investments	The valuation of investments is undertaken in accordance with the accounting policies, disclosed in note 1 to the financial statements on page 70. Controls are in place to ensure that valuations are appropriate and existence is verified through Custodian reconciliations. The Board monitors significant movements in the underlying portfolio.

Significant issue	How the issue was addressed
Calculation of management and performance fees	Consideration is given to the methodology used to calculate fees, matched against the criteria set out in the Investment Management Agreement. The Board considers the schedule of performance fees at each Board meeting.
Compliance with Sections 1158 and 1159	Approval for the Company as an investment trust under Sections 1158 and 1159 for financial years commencing on or after 1st July 2012 has been obtained and ongoing compliance with the eligibility criteria is monitored by the Board on a regular basis.
Recognition of investment income	The recognition of investment income is undertaken in accordance with accounting policy note 1(d) to the financial statements on page 71. The Board reviews elements of income such as special dividends and agrees their accounting treatment.
Going Concern/ Long Term Viability	<p>The Committee has reviewed the appropriateness of the adoption of the Going Concern basis in preparing the accounts, particularly in view of the ongoing impact of the COVID-19 pandemic and the heightened market volatility and other economic headwinds resulting from the conflict between Russia and Ukraine. The Committee recommended that the adoption of the Going Concern basis is appropriate (see Going Concern statement below).</p> <p>The Committee has further reviewed the Company's borrowing and debt facilities and considers that despite market falls over the year the Company continues to meet its financial covenants in respect of these facilities and has a wide margin before any relevant thresholds are reached.</p> <p>The Committee also assessed the Long Term Viability of the Company as detailed on page 35 and recommended to the Board its expectation that the Company would remain in operation for the five year period of the assessment.</p>

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

Throughout the year under review, the Board as a whole considered all information relating to the Company's combination with SCIN and it was the Board as a whole that made all decisions relating to the combination with SCIN.

Audit and Management Engagement Committee Report

Going Concern

In accordance with The Financial Reporting Council's guidance on going concern and liquidity risk, the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern. The Directors believe that having considered the Company's investment objective (see page 2), risk management policies (see pages 80 to 86), capital management policies and procedures (see pages 86 and 87), the nature of the portfolio and revenue as well as expenditure projections, taking into account the heightened market volatility since the COVID-19 outbreak and more recently the Russian invasion of Ukraine on the revenue expected from underlying investments in these projections, the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence to 30th September 2023, being at least 12 months from approving this annual report and financial statements. The Company's investments are in quoted securities which are readily realisable and exceed its liabilities significantly. Gearing levels and compliance with loan notes covenants are reviewed by the Manager and Board on a regular basis. The Company's key third party suppliers, including its Manager are not experiencing any operational difficulties to adversely affect their services to the Company. The Board has, in particular, considered the impact of heightened market volatility since the COVID-19 outbreak and more recently the Russian invasion of Ukraine, but does not believe the Company's going concern status is affected, as highlighted in the Chairman's statement (see page 8).

Post the year end, the Company has completed the combination with SCIN and assumed the SCIN debt. After having taken this into consideration, the Directors are satisfied that the Company remains a going concern.

For these reasons, they consider that there is reasonable evidence to continue to adopt the going concern basis in preparing the financial statements. They have not identified any material uncertainties in the Company's ability to continue to do so over a period of at least 12 months from the date of approval of these financial statements.

The Committee assesses the Company's ability to continue as a going concern to 30th September 2023 and makes recommendations to the Board to approve the going concern concept for preparation of the financial statements.

Internal Audit

The Committee continues to believe that the Company does not require an internal audit function, as it delegates its day-to-day operations to third parties from whom it receives internal control reports.

Risk Management and Internal Control

The Committee 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 external audit, its cost effectiveness and the independence and objectivity of the external Auditor.

The Directors have a robust process for identifying, evaluating and managing the significant risks faced by the Company, which are recorded in a risk matrix. The Committee, on behalf of the Board, considers each key risk as well as reviewing the mitigating controls in place. Each risk is rated for its likelihood of their occurrence and their potential impact, how these risks are monitored and mitigating controls in place. The Board has delegated to the Committee the responsibility for the review and maintenance of the risk matrix.

Audit Appointment and Tenure

The Committee also has the primary responsibility for making recommendations to the Board on the reappointment and the removal of the external Auditor. The Committee also receives confirmations from the Auditor, as part of their reporting, in regard to their objectivity and independence. Representatives of the Company's Auditor attend the Committee meeting at which the draft annual report and financial statements are considered and they also attend the half-year committee meeting to present their audit plan for the subsequent year's audit.

As part of its review of the continuing appointment of the Auditor, the Committee considered the length of tenure of the audit firm, its fee, its independence from JPMF and the Investment Manager and any matters raised during the audit. A formal tender exercise was undertaken in 2019, as a result of which Ernst & Young LLP was appointed in place of PricewaterhouseCoopers LLP. This is the Audit Partner's (Caroline Mercer) third of a five year maximum term. In accordance with requirements relating to the appointment of auditors, the Company will conduct a competitive audit tender no later than in respect of the financial year ending 30th June 2029.

The Committee has adopted a policy on non-audit services from the Auditor, reviews and approves any non-audit services provided by the independent Auditor and assesses the impact of any non-audit work on the ability of the Auditor to remain independent. No such work was undertaken during the year. The Committee has assessed the impact of any non-audit work carried out and is content with the Auditor's ability to remain independent and objective. The Committee has recommended the continued appointment of Ernst & Young LLP as Auditor of the Company, to the Board.

Details of the fees paid for audit services are included in note 6 on page 73.

Audit and Management Engagement Committee Report

Fair Balanced and Understandable

Having taken all available information into consideration and having discussed the content of the annual report and financial statements with the AIFM, the Investment Manager, the Company Secretary and other third party service providers, the Committee has concluded that the Annual Report and Financial Statements for the year ended 30th June 2022, taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy, and has reported on these findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 58.

Review of the Manager

The Board keeps the ongoing performance of the Manager under review, and through the Committee, conducts an annual appraisal of the Manager, along with the performance and competitiveness of the fees of the Company's key service providers.

During the year under review, the Board agreed a revised management fee with the Manager. Please see note 73 for details.

The Committee recommended the continued appointment of the Manager on the revised tiered management fee to the Board.

Sarah Whitney,

Audit & Management Engagement Committee Chair

28th September 2022



Directors' Remuneration Report

Statement from the Chairman

I am pleased to present the Directors' Remuneration Report for the year ended 30th June 2022, which has been prepared in accordance with the requirements of Section 421 of the Companies Act 2006 as amended.

The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on pages 60 to 65.

Remuneration of the Directors is considered by the Remuneration Committee on a regular basis. The Remuneration Committee makes recommendations to the Board as and when appropriate.

Directors' Remuneration Policy

The Directors' Remuneration Policy is subject to a triennial binding shareholder vote, however, a decision has been taken to seek shareholder approval annually, and therefore an ordinary resolution to approve this policy will be put to shareholders at the forthcoming Annual General Meeting. The policy subject to the vote, is set out in full below and is currently in force.

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

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

All of the Directors are non-executive. There are no performance-related elements to their fees and the Company does not operate any type of incentive, share scheme, award or pension scheme and therefore no Directors receive bonus payments or pension contributions from the Company or hold options to acquire shares in the Company. Directors are not granted exit payments and are not provided with compensation for loss of office. No other payments are made to Directors, other than the reimbursement of reasonable

out-of-pocket expenses incurred in attending the Company's business.

In the year under review, Directors' fees were paid at the following rates: Chairman £43,500 per annum; Chairman of the Audit and Management Engagement Committee £36,000 per annum; and the other Directors £32,000 per annum.

With effect from 1st July 2022, Directors' annual fees have been increased to the following annual rates: Chairman £50,000; Chairman of the Audit and Management Engagement Committee £40,000; the Senior Independent Director £37,000 and other Directors £35,000. The new Directors appointed to the Board on 1st September 2022 are each being paid an annual rate of £35,000. There have been no other major decisions on Directors' remuneration or any other changes to the remuneration paid to each individual director in the year under review.

The changes followed a review of fee levels which utilised external published reviews of fees in the investment trust industry as a whole and takes into account the increased size of the Company and additional work load associated with the SCIN transaction.

The total Directors' fees of £153,966 (2021: £155,734) were all paid to Directors.

No amounts (2021: nil) were paid to third parties for making available the services of Directors.

At the General Meeting held on 30th August 2022, shareholders approved an increase in the aggregate Directors fee cap to £280,000 per annum. Any increase in the maximum aggregate amount requires both Board and shareholder approval.

The Remuneration Committee considers any comments received from shareholders on remuneration policy on an ongoing basis and will take account of these views if appropriate.

The Directors do not have service contracts with the Company. The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for review at the Company's Annual General Meeting and the Company's registered office. Details of the Board's policy on tenure are set out on page 45.

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

Directors' Remuneration Policy Implementation

The Directors' Remuneration Policy Report is subject to an annual advisory vote and therefore an ordinary resolution to approve this report will be put to shareholders at the forthcoming Annual General Meeting. There have been no changes to the policy compared with the year ended 30th June 2021 and no changes are proposed for the year ending 30th June 2023.

Directors' Remuneration Report

At the Annual General Meeting held on 27th October 2021, out of votes cast, 99.61% of votes cast were in favour of (or granted discretion to the Chairman who voted in favour of) the Resolution to approve the Directors' Remuneration Policy and 0.39% voted against. Abstentions were received from less than 0.01% of the votes cast. Of votes cast in respect of the Directors' Remuneration Report, 99.58% were in favour (or granted discretion to the Chairman who voted in favour) and 0.1% were against. Abstentions were received from less than 0.1% of the votes cast.

Details of voting on both the Remuneration Policy and the Directors' Remuneration Report from the 2022 Annual General Meeting will be given in the annual report for the year ending 30th June 2023.

Details of the implementation of the Company's remuneration policy are given below. No advice from remuneration consultants was received during the year under review.

Single total figure of remuneration

The single total figure of remuneration for the Board as a whole for the year ended 30th June 2022 was £153,966. The single total figure of remuneration for each Director is detailed below together with the prior year comparative. There are no performance targets in place for the Directors of the Company and there are no benefits for any of the Directors which will vest in the future. There are no taxable benefits, pension, bonus, long term incentive plans, exit payments or arrangements in place on which to report.

Single Total Figure Table¹

	Total fees 2022 £	Total fees 2021 £
Nigel Wightman ²	14,185	42,000
Gay Collins	32,000	30,500
Tristan Hillgarth ³	39,781	30,500
Sarah Whitney	36,000	33,109
James Macpherson	32,000	7,625
Total	153,966	155,734

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

² Retired from the Board on 27th October 2021.

³ Appointed Chairman with effect from 27th October 2021.

No amounts (2021: nil) were paid to third parties for making available the services of Directors. A table showing the total remuneration for the Chairman over the five years ended 30th June 2022 is below:

Annual Percentage Change in Directors' Remuneration

The following table sets out the annual percentage change in Directors' fees for the year to 30th June 2022:

	% change for the year to 30th June 2022	% change for the year to 30th June 2021*
Nigel Wightman ¹	n/a	0.0
Gay Collins	4.9	0.0
Tristan Hillgarth ²	3.5	0.0
Sarah Whitney	4.3	0.0
James Macpherson ³	4.9	n/a

¹ Retired from the Board on 27th October 2021.

² Assumed role of Chairman on 27th October 2021. For ease of comparison, it is assumed that Mr Hillgarth was Chairman for the whole of the year ended 30th June 2022.

³ Assumes that Mr Macpherson was a director for the whole of 2021.

* Directors fees were not increased in 2021 from levels in 2020.

Remuneration for the Chairman over the five years ended 30th June 2022

Year ended 30th June	Fees	Performance related benefits received as a percentage of maximum payable ¹
2022	£43,500	n/a
2021	£42,000	n/a
2020	£42,000	n/a
2019	£40,500	n/a
2018	£39,000	n/a

¹ In respect of one year period and periods of more than one year.

Directors' Remuneration Report

Directors' Shareholdings¹

There are no requirements pursuant to the Company's Articles of Association for the Directors to own shares in the Company. As at 30th June 2022, the Directors' beneficial shareholdings are detailed below:

Director	30th June 2022 Number of shares held	30th June 2021 Number of shares held
Ordinary shares held		
Gay Collins	17,801	17,592
Tristan Hillgarth	60,000	60,000
Nigel Wightman ²	—	80,000
Sarah Whitney	5,600	Nil
James Macpherson	2,229	Nil

¹ Audited information.

² Retired 27th October 2021.

Since the year end, four new directors have been appointed to the Board. Their beneficial shareholdings in the Company are as follows:

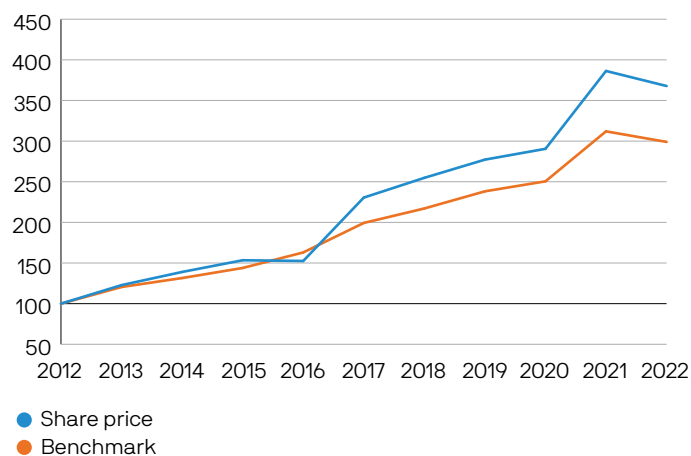
Director	Number of shares held
James Will	20,237
Mick Brewis	20,238
Jane Lewis	5,059
Neil Rogan	17,113

As at the latest practicable date before the publication of this report there have been no changes to the Directors' shareholdings.

The Directors have no other share interests or share options in the Company and no share schemes are available.

In accordance with the Companies Act 2006, a graph showing the Company's share price total return compared with its Benchmark is shown below. The Board believes that this index is the most representative comparator for the Company, because the Company's investment universe is defined at the time of purchase by the countries of the constituents of the Benchmark.

Ten Year Share Price and Benchmark Total Return Performance to 30th June 2022



Source: Morningstar/MSCI.

The table below is provided to enable shareholders to assess the relative importance of expenditure on Directors' remuneration. It compares the remuneration with distributions to shareholders by way of dividends and share repurchases.

Expenditure by the Company on remuneration and distributions to shareholders

	Year ended 30th June	
	2022	2021
Remuneration paid to all Directors	153,966	155,734
Distribution to shareholders		
— by way of dividend	24,915,000	18,884,000

For and on behalf of the Board

Tristan Hillgarth

Chairman

28th September 2022



Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 the 'Financial Reporting Standard Applicable in the UK and Republic of Ireland' (FRS 102). Under Company law the Directors must not approve the financial statements unless they are satisfied that, taken as a whole, the annual report and financial statements are fair, balanced and understandable, provide the information necessary for shareholders to assess the Company's performance, business model and strategy and that they give a true and fair view of the state of affairs of the Company and of the total return or loss of the Company for that period. In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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.

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

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

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

Each of the Directors, whose names and functions are listed on pages 40 and 41 confirm that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with applicable law and United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 the 'Financial Reporting Standard Applicable in the UK and Republic of Ireland' (FRS 102), give a true and fair view of the assets, liabilities, financial position and return or loss of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

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

For and on behalf of the Board

Tristan Hillgarth

Chairman

28th September 2022



Independent Auditor's Report

Independent auditor's report to the members of JPMorgan Global Growth & Income plc

Opinion

We have audited the financial statements of JPMorgan Global Growth & Income plc (the 'Company') for the year ended 30th June 2022 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows and the related notes 1 to 25, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 30th June 2022 and of its net loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included the following procedures:

- We confirmed our understanding of the Company's going concern assessment process and engaged with the Directors and the Company Secretary to determine if all key factors were considered in their assessment.

- We inspected the Directors' assessment of going concern, including the revenue forecast, for the period to 30th September 2023 which is at least 12 months from the date the financial statements will be authorised for issue.
- We have reviewed the factors and assumptions, including the impact of the COVID-19 pandemic, as applied to the revenue forecast and the liquidity assessment of the investments. We have considered the appropriateness of the methods used to calculate the revenue forecast and the liquidity assessment and determined, through testing of the methodology and calculations, that the methods, inputs and assumptions utilised are appropriate to be able to make an assessment for the Company.
- We considered the mitigating factors included in the revenue forecasts that are within the control of the Company. We reviewed the Company's assessment of the liquidity of investments held and evaluated the Company's ability to sell those investments in order to cover working capital requirements should revenue decline significantly.
- In relation to the Company's borrowing arrangements, we have inspected the Directors' assessment of the risk of breaching the debt covenants as a result of a reduction in the value of the Company's portfolio. We recalculated the Company's compliance with debt covenants in the scenarios assessed by the Directors and performed reverse stress testing in order to identify what factors would lead to the Company breaching the financial covenants.
- We reviewed the Company's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period covered by the directors, to 30th September 2023 which is at least 12 months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Independent Auditor's Report

Overview of our audit approach

- Key audit matters**
- Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Statement of Comprehensive Income
 - Risk of incorrect valuation or ownership of the investment portfolio.

- Materiality**
- Overall materiality of £6.70 million which represents 1% of shareholders' funds.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Climate change

There has been increasing interest from stakeholders as to how climate change will impact companies. The Company has determined that the impact of climate change could affect the Company's investments and their valuations. This is explained in the principal risks section on pages 31 to 34 which forms part of the 'Other information', rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements,

or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

Our audit effort in considering climate change was focused on the adequacy of the Company's disclosures in the financial statements as set out in note 1(a) and conclusion that there was no material impact of climate change on the valuation of the investments. We also challenged the directors' considerations of climate change in their assessment of viability and associated disclosures.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit and Management Engagement Committee
<p>Incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Statement of Comprehensive Income Refer to the Audit and Management Engagement Committee Report (page 50); Accounting policies (page 71);</p> <p>The total revenue for the year to 30th June 2022 was £14.68 million (2021: £10.68 million), consisting primarily of dividend income from listed equity investments.</p> <p>The Company received special dividends amounting to £1.38 million (2021: £0.66 million). All were classified as revenue.</p>	<p>We have performed the following procedures:</p> <p>We obtained an understanding of the Administrator's process and controls surrounding revenue recognition by performing walkthrough procedures.</p> <p>For all dividends received, we recalculated the dividend income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend per share, which was agreed to an independent data vendor. We also agreed all exchange rates to an external source and, for a sample of dividends received, we agreed the amounts to bank statements.</p>	<p>The results of our procedures identified no material misstatements in relation to the risk of incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital items in the Statement of Comprehensive Income</p>

Independent Auditor's Report

Risk	Our response to the risk	Key observations communicated to the Audit and Management Engagement Committee
<p>There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment.</p> <p>In addition, the directors are required to exercise judgment in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Statement of Comprehensive Income.</p>	<p>To test completeness of recorded income, we tested that expected dividends for each investee company held during the year had been recorded as income with reference to an external source.</p> <p>For all dividends accrued at the year end, we reviewed the investee company announcements to assess whether the entitlement arose prior to 30th June 2022. We agreed the dividend rate to corresponding announcements made by the investee company, recalculated the amount receivable and agreed the subsequent cash receipts to post-year end bank statements.</p> <p>For all investments held during the year, we inspected the type of dividends paid with reference to an external data source to identify those which were special dividends. We confirmed six special dividends, amounting to £1.38 million, were received during the year. We identified and tested two special dividends above our testing threshold, amounting to £1.18 million, by recalculating the amount received and assessing the appropriateness of classification as revenue or capital by reviewing the underlying circumstances of the special dividends received.</p>	
<p>Risk of incorrect valuation or ownership of the investment portfolio (Refer to the Audit and Management Engagement Committee's Report (page 50) ; Accounting policies (page 70).</p> <p>The valuation of the investment portfolio as at 30th June 2022 was £676.78 million (2021: £654.69 million) consisting primarily of listed equities. The Company also holds exchange traded derivatives amounting to £4.6 million, that are classified separately in the financial statements.</p> <p>The valuation of investments held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment pricing, or failure to maintain proper legal title of the investments held by the Company, could have a significant impact on the portfolio valuation and the return generated for shareholders.</p>	<p>We have performed the following procedures:</p> <p>We obtained an understanding of the Administrator's processes and controls surrounding investment valuation and legal title by performing walkthrough procedures.</p> <p>For all listed investments and exchange traded derivatives in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year end.</p> <p>We inspected the stale pricing reports produced by the Administrator to identify prices that have not changed within one business day and verified whether the listed price is a valid fair value. We did not identify any investments with stale pricing.</p>	<p>The results of our procedures identified no material misstatements in relation to the risk of incorrect valuation or ownership of the investment portfolio.</p>

Independent Auditor's Report

Risk	Our response to the risk	Key observations communicated to the Audit and Management Engagement Committee
The fair value of listed investments and exchange traded derivatives is determined using listed market bid prices at close of business on the reporting date.	We compared the Company's investment holdings at 30th June 2022 to independent confirmations received directly from the Company's Custodian and Depository.	

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £6.70 million (2021: £6.53 million), which is 1% (2021: 1%) of shareholders' funds. We believe that shareholders' funds provides us with materiality aligned to the key measure of the Company's performance.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2021: 75%) of our planning materiality, namely £5.02 million (2021: £4.9 million). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for Investment Trusts, we also applied a separate testing threshold for the revenue column of the Statement of Comprehensive Income of £0.64 million (2021: £0.46 million), being 5% of the net revenue return before taxation.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit and Management Engagement Committee that we would report to them all uncorrected audit differences in excess of £0.33 million (2021: £0.33 million), which is set at 5% of planning materiality, as well as

differences below that threshold that, in our view, warranted reporting on qualitative grounds. .

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' reports have been prepared in accordance with applicable legal requirements;

Independent Auditor's Report

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 51;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 35;
- Directors' statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 35;
- Directors' statement on fair, balanced and understandable set out on page 52;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 31 to 34;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 48; and

- The section describing the work of the audit & management engagement committee set out on page 50.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 58, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are FRS 102, the

Independent Auditor's Report

Companies Act 2006, the Listing Rules, UK Corporate Governance Code, the Association of Investment Companies' Code and Statement of Recommended Practice, Section 1158 of the Corporation Tax Act 2010 and The Companies (Miscellaneous Reporting) Regulations 2018.

- We understood how the Company is complying with those frameworks through discussions with the Audit and Management Engagement Committee and Company Secretary, review of board minutes and papers provided to the Audit and Management Engagement Committee.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to incomplete or inaccurate revenue recognition through incorrect classification of special dividends as revenue or capital. Further discussion of our approach is set out in the key audit matter above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the Company Secretary's reporting to the directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the Audit and Management Engagement Committee, we were appointed by the Company on 12th November 2019 to audit the financial statements for the year ending 30th June 2020 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is three years, covering the years ending 30th June 2020 to 30th June 2022.
- The audit opinion is consistent with the additional report to the Audit and Management Engagement Committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for

no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Caroline Mercer (Senior Statutory Auditor)
for and on behalf of
Ernst & Young LLP, Statutory Auditor
Edinburgh

28th September 2022



Statement of Comprehensive Income

For the year ended 30th June 2022

	Notes	2022			2021		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments held at fair value through profit or loss	3	—	(36,835)	(36,835)	—	153,997	153,997
Net foreign currency gains		—	3,386	3,386	—	1,764	1,764
Income from investments	4	14,520	—	14,520	10,633	—	10,633
Interest receivable and similar income	4	160	—	160	49	—	49
Gross return/(loss)		14,680	(33,449)	(18,769)	10,682	155,761	166,443
Management fee	5	(825)	(2,474)	(3,299)	(577)	(1,731)	(2,308)
Performance fee charge	5	—	—	—	—	(5,967)	(5,967)
Other administrative expenses	6	(591)	—	(591)	(612)	—	(612)
Net return/(loss) before finance costs and taxation		13,264	(35,923)	(22,659)	9,493	148,063	157,556
Finance costs	7	(374)	(1,122)	(1,496)	(259)	(779)	(1,038)
Net return/(loss) before taxation		12,890	(37,045)	(24,155)	9,234	147,284	156,518
Taxation	8	(1,408)	—	(1,408)	(1,276)	—	(1,276)
Net return/(loss) after taxation		11,482	(37,045)	(25,563)	7,958	147,284	155,242
Return/(loss) per share	9	7.24p	(23.37)p	(16.13)p	5.46p	101.00p	106.46p

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

The 'Total' column of this statement 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. Net return/(loss) after taxation represents the profit/(loss) for the year and also Total Comprehensive Income.

The notes on pages 70 to 87 form an integral part of these financial statements.

Statement of Changes in Equity

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves ¹ £'000	Revenue reserve ¹ £'000	Total £'000
At 30th June 2020	7,746	71,672	27,401	372,018	—	478,837
Issue of shares from Treasury	—	20,347	—	17,832	—	38,179
Net return	—	—	—	147,284	7,958	155,242
Dividends paid in the year (note 10)	—	—	—	(10,926)	(7,958)	(18,884)
At 30th June 2021	7,746	92,019	27,401	526,208	—	653,374
Issue of shares	559	49,636	—	—	—	50,195
Issue of shares from Treasury	—	9,836	—	6,858	—	16,694
Project costs - in relation to shares	—	(270)	—	—	—	(270)
Blocklisting fees paid	—	—	—	(102)	—	(102)
Net (loss)/return	—	—	—	(37,045)	11,482	(25,563)
Dividends paid in the year (note 10)	—	—	—	(13,433)	(11,482)	(24,915)
At 30th June 2022	8,305	151,221	27,401	482,486	—	669,413

¹ These reserves form the distributable reserves of the Company and may be used to fund distributions to investors.

The notes on pages 70 to 87 form an integral part of these financial statements.

Statement of Financial Position

At 30th June 2022

	Notes	2022 £'000	2021 £'000
Fixed assets			
Investments held at fair value through profit or loss	11	676,778	654,694
Current assets			
Derivative financial assets	12	4,637	2,567
Debtors		3,270	7,153
Cash and cash equivalents		41,963	55,933
		49,870	65,653
Current liabilities			
Creditors: amounts falling due within one year	13	(2,417)	(11,041)
Derivative financial liabilities		(5,072)	(1,271)
Net current assets		42,381	53,341
Total assets less current liabilities		719,159	708,035
Creditors: amounts falling due after more than one year	14	(49,746)	(49,932)
Provision for liabilities and charges			
Performance fee payable	15	—	(4,729)
Net assets		669,413	653,374
Capital and reserves			
Called up share capital	16	8,305	7,746
Share premium	17	151,221	92,019
Capital redemption reserve	17	27,401	27,401
Capital reserves	17	482,486	526,208
Revenue reserve	17	—	—
Total shareholders' funds		669,413	653,374
Net asset value per share	18	403.1p	432.3p

The financial statements on pages 67 to 69 were approved and authorised for issue by the Directors on 28th September 2022 and were signed on their behalf by:

Tristan Hillgarth
Chairman

The notes on pages 70 to 87 form an integral part of these financial statements.

Company is incorporated and registered in England and Wales number: 24299.

Statement of Cash Flows

For the year ended 30th June 2022

	Notes	2022 £'000	2021 £'000
Net cash outflow from operations before dividends and interest	19	(9,945)	(3,212)
Dividends received		12,531	8,535
Interest received		147	21
Overseas tax recovered		37	162
Interest paid		(1,475)	(893)
Net cash inflow from operating activities		1,295	4,613
Purchases of investments		(554,563)	(460,877)
Sales of investments		493,049	435,206
Settlement of forward currency contracts		4,843	811
Net cash outflow from investing activities		(56,671)	(24,860)
Dividends paid		(24,915)	(18,884)
Issue of shares		50,195	—
Issue of shares from Treasury		16,694	38,179
Issue of secured bond loan (net of costs)		—	19,894
Repayment of bank loans		(199)	—
Project costs		(270)	—
Block listing fees		(102)	—
Net cash inflow from financing activities		41,403	39,189
(Decrease)/increase in cash and cash equivalents		(13,973)	18,942
Cash and cash equivalents at start of year		55,933	36,972
Unrealised gain on foreign currency cash and cash equivalents		3	19
Cash and cash equivalents at end of year		41,963	55,933
Cash and cash equivalents consist of:			
Cash and short term deposits		7,942	8,350
Cash held in JPMorgan Sterling Liquidity Fund		34,021	47,583
Total		41,963	55,933

The notes on pages 70 to 87 form an integral part of these financial statements.

Reconciliation of net debt

	As at 30th June 2021 £'000	Cash flows £'000	Exchange movement £'000	As at 30th June 2022 £'000
Cash and cash equivalents				
Cash	8,350	(411)	3	7,942
Cash equivalents	47,583	(13,562)	—	34,021
	55,933	(13,973)	3	41,963
Borrowings				
Debt due after one year	(49,932)	199	(13)	(49,746)
	(49,932)	199	(13)	(49,746)
Total	6,001	(13,774)	(10)	(7,783)

Notes to the Financial Statements

For the year ended 30th June 2022

1. Accounting policies

(a) Basis of accounting

The financial statements are prepared under the historical cost convention, modified to include fixed asset investments and derivatives financial instruments at fair value, and 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 with 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 April 2021. In preparing these financial statements the Directors have considered the impact of climate change risk as a principal risk as set out on page 34, and have concluded that it does not have a material impact on the Company's investments. In line with FRS 102 investments are valued at fair value, which for the Company are quoted bid prices for investments in active markets at the 30th June 2022 and therefore reflect market participants view of climate change risk.

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

The financial statements have been prepared on a going concern basis. In forming this opinion, the directors have considered any potential impact of the ongoing COVID-19 pandemic on the going concern and viability of the Company. They have considered the potential impact of COVID-19 and the mitigation measures which key service providers, including the Manager, have in place to maintain operational resilience particularly in light of COVID-19. The Directors have reviewed the compliance with debt covenants in assessing the going concern and viability of the Company. The Directors have reviewed income and expense projections to 30th September 2023 and the liquidity of the investment portfolio in making their assessment. Further details of Directors' considerations regarding this are given in the Chairman's Statement, Investment Managers' report, Going Concern Statement, Viability Statement and Principal Risks section of this Annual Report.

The policies applied in these financial statements are consistent with those applied in the preceding year.

(b) Valuation of investments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. The portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy and information is provided internally on that basis to the Company's Board of Directors.

Accordingly, upon initial recognition the investments are designated by the Company as 'held at fair value through profit or loss'. They are included initially at fair value which is taken to be their cost, excluding expenses incidental to purchase which are written off to capital at the time of acquisition. Subsequently the investments are valued at fair value, which are quoted bid prices for investments traded in active markets. For investments which are not traded in active markets, unlisted and restricted investments, the Board takes into account the latest traded prices, other observable market data and asset values based on the latest management accounts.

All purchases and sales are accounted for on a trade date basis.

(c) Accounting for reserves

Gains and losses on sales of investments including the related foreign exchange gains and losses, realised gains and losses on foreign currency contracts, any performance fee realised, management fee and finance costs allocated to capital and any other capital charges, are included in the Statement of Comprehensive Income and dealt with in capital reserves within 'Gains and losses on sales of investments'.

The cost of repurchasing ordinary shares including stamp duty and transaction costs are included in the Statement of Changes in Equity and dealt with in capital reserves within 'Gains and losses on sales of investments'.

Increases and decreases in the valuation of investments held at the year end including the related foreign exchange gains and losses, are included in the Statement of Comprehensive Income and dealt with in capital reserves within 'Investment holding gains and losses'. Unrealised gains and losses on foreign currency contracts and any performance fee provision, are included in the Statement of Comprehensive Income and dealt with in capital reserves within the 'unrealised reserve'.

(d) Income

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

Overseas dividends are included gross of any withholding tax.

Notes to the Financial Statements

Special dividends are looked at individually to ascertain the reason behind the payment. This will determine whether they are treated as revenue or capital.

Where the Company has elected to receive scrip dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised in revenue. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital.

Deposit interest receivable is taken to revenue on an accruals basis.

Securities lending income is taken to revenue on an accruals basis.

(e) Expenses

All expenses are accounted for on an accruals basis. Expenses are allocated wholly to revenue with the following exceptions:

- performance fee is allocated 100% to capital;
- management fee is allocated 25% to revenue and 75% to capital in line with the Board's expected long term split of revenue and capital return from the Company's investment portfolio (2021: same).
- expenses incidental to the purchase and sale of an investment are charged to capital. These expenses are commonly referred to as transaction costs and include items such as stamp duty and brokerage commissions. Details of transaction costs are given in note 11 on page 76; and
- expenses incidental to the issuance of the £30 million loan notes & £20 million secured bond are charged to capital.

(f) Finance costs

Finance costs are accounted for on an accruals basis using the effective interest method.

Finance costs are allocated 25% to revenue and 75% to capital, in line with the Board's expected long term split of revenue and capital return from the Company's investment portfolio (2021: same).

(g) Financial instruments

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

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

Bank loans and debentures are classified as financial liabilities at amortised cost. They are initially measured at proceeds net of direct issue costs and subsequently measured at amortised cost. Interest payable on bank loans is accounted for on an accruals basis in the Statement of Comprehensive Income. The amortisation of direct issue costs are accounted for on an accruals basis in the Statement of Comprehensive Income using the effective interest method.

Derivative financial instruments, including short term forward currency contracts are valued at fair value, which is the net unrealised gain or loss, and are included in current assets or current liabilities in the Statement of Financial Position. Changes in the fair value of derivative financial instruments are recognised in the Statement of Comprehensive Income as capital.

(h) Taxation

Current tax is provided at the amounts expected to be paid or received.

Deferred tax is provided on all timing differences that have originated but not reversed by the balance sheet date. Deferred tax liabilities are recognised for all taxable timing differences but deferred tax assets are only recognised to the extent that it is more likely than not that taxable profits will be available against which those timing differences can be utilised.

Deferred tax is measured at the tax rate which is expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates that have been enacted or substantively enacted at the balance sheet date and is measured on an undiscounted basis.

(i) Value Added Tax ('VAT')

Expenses are disclosed inclusive of the related irrecoverable VAT. Recoverable VAT is calculated using the partial exemption method based on the proportion of zero rated supplies to total supplies.

Notes to the Financial Statements

1. Accounting policies (continued)

(j) Foreign currency

The Company is required to identify its functional currency, being the currency of the primary economic environment in which the Company operates.

The Board, having regard to the currency of the Company's share capital and the predominant currency in which its shareholders operate, has determined that sterling is the functional currency. Sterling is also the currency in which the financial statements are presented.

Transactions denominated in foreign currencies are converted at actual exchange rates at the date of the transaction. Monetary assets, liabilities and equity investments held at fair value, denominated in foreign currencies at the year end are translated at the rates of exchange prevailing at the year end.

Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included in the Statement of Comprehensive Income as an exchange gain or loss in revenue or capital, depending on whether the gain or loss is of a revenue or capital nature.

(k) Dividends payable

Dividends are included in the financial statements in the year in which they are paid.

(l) Performance fee

Any performance fee falling due for payment immediately is included in 'Creditors: amounts falling due within one year'. Amounts which are carried forward for payment in future years but are subject to reduction by any future underperformance are included in 'Provisions for liabilities and charges' within 'Creditors: amounts falling due after one year', and dealt with in capital reserves within the 'unrealised reserve'.

(m) Repurchase of shares into Treasury

The cost of repurchasing ordinary shares including the related stamp duty and transactions costs is charged to capital reserves and dealt with in the Statement of Changes in Equity. Share repurchase transactions are accounted for on a trade date basis. Where shares held in Treasury are subsequently cancelled, the nominal value of those shares is transferred out of called up share capital and into the capital redemption reserve.

Should shares held in Treasury be reissued, the sales proceeds will be treated as a realised capital profit up to the amount of the purchase price of those shares and will be transferred to capital reserves. The excess of the sales proceeds over the purchase price will be transferred to share premium.

2. Significant accounting judgements, estimates and assumptions

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

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

3. Gains on investments held at fair value through profit or loss

	2022 £'000	2021 £'000
Realised gains on sales of investments	87,857	87,185
Net change in unrealised gains and losses on investments	(124,670)	66,831
Other capital charges	(22)	(19)
Total capital (losses)/gains on investments held at fair value through profit or loss	(36,835)	153,997

Notes to the Financial Statements

4. Income

	2022 £'000	2021 £'000
Income from investments		
Overseas dividends	14,466	9,927
UK dividends	54	706
	14,520	10,633
Interest receivable and similar income		
Interest from liquidity fund	146	21
Securities lending	13	28
Deposit interest	1	—
	160	49
Total income	14,680	10,682

5. Management and performance fees

	2022			2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fee	825	2,474	3,299	577	1,731	2,308
Performance fee charge	—	—	—	—	5,967	5,967
	825	2,474	3,299	577	7,698	8,275

Details of the management fee and performance fee are given in the Directors' Report on page 42.

6. Other administrative expenses

	2022 £'000	2021 £'000
Administration expenses	294	355
Directors' fees ¹	154	156
Depositary fees ²	87	68
Auditor's remuneration for audit services ³	42	33
Savings scheme costs ⁴	14	—
	591	612

¹ Full disclosure is given in the Directors' Remuneration Report on page 55.

² Includes £nil (2021: £3,000) irrecoverable VAT.

³ Includes £nil (2020: £1,000) irrecoverable VAT.

⁴ Paid to the Manager for the administration of saving scheme products. Includes £nil (2021: £nil) irrecoverable VAT.

Notes to the Financial Statements

7. Finance costs

	2022			2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest on bank loans and loan notes	345	1,036	1,381	257	772	1,029
Debenture interest	29	86	115	2	7	9
	374	1,122	1,496	259	779	1,038

8. Taxation

(a) Analysis of tax charge for the year

	2022			2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Overseas withholding tax	1,408	—	1,408	1,276	—	1,276
Total tax charge for the year	1,408	—	1,408	1,276	—	1,276

(b) Factors affecting total tax charge for the year

The total tax charge for the year is lower (2021: lower) than the UK corporation tax rate chargeable for the year of 19.0% (2021: 19.0%). The factors affecting the current tax charge for the year are as follows:

	2022			2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net return/(loss) before taxation	12,890	(37,045)	(24,155)	9,234	147,284	158,518
Net return/(loss) before taxation multiplied by the applicable rate of corporation tax of 19.0% (2021: 19.0%)	2,449	(7,039)	(4,590)	1,754	27,984	29,738
Effects of:						
Non taxable capital losses	—	6,355	6,355	—	(29,595)	(29,595)
Non taxable UK dividends	(10)	—	(10)	(134)	—	(134)
Non taxable overseas dividends	(2,706)	—	(2,706)	(1,845)	—	(1,845)
Overseas withholding tax	1,408	—	1,408	1,276	—	1,276
Income taxed in different years	—	—	—	—	—	—
Double taxation relief expensed	(6)	—	(6)	(6)	—	(6)
Unrelieved expenses	273	684	957	231	1,611	1,842
Total tax charge for the year	1,408	—	1,408	1,276	—	1,276

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £11,896,000 (2021: £10,656,000) based on a prospective corporation tax rate of 25% (2021: 19%). The deferred tax asset has arisen due to the cumulative excess of deductible expenses over taxable income. Given the composition of the Company's portfolio, it is not likely that this asset will be utilised in the foreseeable future and therefore no asset has been recognised in the financial statements.

Given the Company's status as an Investment Trust Company and the intention to continue meeting the conditions required to obtain approval, the Company has not provided for deferred tax on any capital gains or losses arising on the revaluation or disposal of investments.

Notes to the Financial Statements

9. (Loss)/return per share

	2022 £'000	2021 £'000
Revenue return	11,482	7,958
Capital (loss)/return	(37,045)	147,284
Total (loss)/return	(25,563)	155,242
Weighted average number of shares in issue	158,538,647	145,827,704
Revenue return per share	7.24p	5.46p
Capital (loss)/return per share	(23.37)p	101.00p
Total (loss)/return per share	(16.13)p	106.46p

10. Dividends

(a) Dividends paid and declared

	2022 £'000	2021 £'000
Dividends paid		
2021 fourth interim dividend of 3.29p (2020 fourth interim: 3.26p)	4,963	4,599
2022 first interim dividend of 4.24p (2021: 3.29p)	6,535	4,673
2022 second interim dividend of 4.24p (2021: 3.29p)	6,638	4,768
2022 third interim dividend of 4.24p (2021: 3.29p)	6,779	4,844
Total dividends paid in the year	24,915	18,884
Dividend declared		
2022 fourth interim dividend of 4.24p (2021: 3.29p)	7,023	4,972

The fourth interim dividend of 4.24p has been declared and was paid on 1st July 2022 for the financial year ending 30th June 2022. In accordance with the accounting policy of the Company, this dividend will be reflected in the financial statements for the year ending 30th June 2023.

(b) Dividend for the purposes of Section 1158 of the Corporation Tax Act 2010 ('Section 1158')

The requirements of Section 1158 are considered on the basis of dividends declared in respect of the financial year, shown below. The revenue available for distribution by way of dividend for the year is £11,482,000 (2021: £7,958,000). The revenue reserve during payment of the first interim dividend (2021: first interim) reduced to £nil (2021: £nil) and the remaining amount has been drawn from the capital reserve.

	2022 £'000	2021 £'000
2022 first interim dividend of 4.24p (2021: 3.29p)	6,535	4,673
2022 second interim dividend of 4.24p (2021: 3.29p)	6,638	4,768
2022 third interim dividend of 4.24p (2021: 3.29p)	6,779	4,844
2022 fourth interim dividend of 4.24p (2021: 3.29p)	7,023	4,972
	26,975	19,257

The fourth interim dividend proposed at the year end will be funded from the capital reserves.

Notes to the Financial Statements

11. Investments held at fair value through profit or loss

	2022 £'000	2021 £'000
Investments listed on a recognised stock exchange	676,778	654,694
Opening book cost	518,243	403,567
Opening investment holding gains	136,451	69,620
Opening valuation	654,694	473,187
Movements in the year:		
Purchases at cost	547,515	456,782
Sales proceeds	(488,618)	(429,290)
(Losses)/gains on sale of investments	(36,813)	154,015
	676,778	654,694
Closing book cost	664,997	518,243
Closing investment holding gains	11,781	136,451
Total investments held at fair value through profit or loss	676,778	654,694

The Company received £488,618,000 (2021: £429,290,000) from investments sold in the year. The book cost of these investments when they were purchased was £400,761,000 (2021: £342,106,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

Transaction costs on purchases during the year amounted to £369,000 (2021: £357,000) and on sales during the year amounted to £142,000 (2021: £128,000). These costs comprise mainly brokerage commission.

12. Current assets

	2022 £'000	2021 £'000
Derivative financial assets		
Forward foreign currency contracts	4,637	2,567
	2022 £'000	2021 £'000
Debtors		
Securities sold awaiting settlement	1,314	5,773
Dividends and interest receivable	624	850
Overseas withholding tax recoverable	1,230	460
Other debtors	102	70
	3,270	7,153

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

Cash and cash equivalents

Cash and cash equivalents comprise bank balances, short term deposits and liquidity funds. The carrying amount of these represents their fair value.

Notes to the Financial Statements

13. Current liabilities

	2022 £'000	2021 £'000
Creditors: amounts falling due within one year		
Securities purchased awaiting settlement	1,692	8,740
Performance fee	—	1,618
Loan interest payable	565	554
Other creditors and accruals	160	129
	2,417	11,041

The Directors consider that the carrying amount of creditors falling due within one year approximates to their fair value.

	2022 £'000	2021 £'000
Derivative financial liabilities		
Forward foreign currency contracts	5,072	1,271

14. Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
£30 million 2.93% unsecured loan notes	29,844	29,838
£20 million 2.36% secured bond	19,901	19,894
£1,000 4.5% perpetual debenture	1	200
	49,746	49,932

On 9th January 2018, the Company issued £30 million fixed rate 30 year unsecured loan notes at an annual coupon of 2.93% which will expire on 9th January 2048.

On 12th March 2021, the Company issued £20 million fixed rate 15 year unsecured loan notes at an annual coupon of 2.36% which will expire on 12th March 2036.

The debenture is redeemable at the option of the holder and secured by a floating charge over the assets of the Company.

15. Provisions for liabilities and charges

	2022 £'000	2021 £'000
Performance fee payable		
Opening balance	4,729	380
Performance fee charge for the year	—	5,967
Amount realised during the period	(4,729)	(1,618)
	—	4,729

Further details of the performance fee are given in the Director's Report on page 42.

Notes to the Financial Statements

16. Called up share capital

	2022 £'000	2021 £'000
Allotted and fully paid share capital:		
Ordinary shares		
Opening balance of 151,129,285 (2021: 141,311,285) Ordinary shares of 5p each excluding shares held in Treasury	7,557	7,066
Issue of 11,180,785 shares (2021: nil)	559	491
Issue of 3,776,215 (2021: 9,818,000) shares from Treasury	189	—
Subtotal of 166,086,285 (2021: 151,129,285) Ordinary shares excluding shares held in Treasury	8,305	7,557
Nil (2021: 3,776,215) shares held in Treasury	—	189
Closing balance of 166,086,285 (2021: 154,905,500) Ordinary shares including shares held in Treasury	8,305	7,746

Further details of transactions in the Company's shares are given in the Business Review on page 29.

17. Capital and reserves

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves ¹			Revenue reserve ¹ £'000	Total £'000
				Gains and losses on sales of investments £'000	Investment holding gains and losses £'000	Unrealised reserve £'000		
Opening balance	7,746	92,019	27,401	393,188	136,451	(3,431)	—	653,374
Net foreign currency gains	—	—	—	3,824	—	—	—	3,824
Unrealised losses on foreign currency contracts	—	—	—	—	—	(435)	—	(435)
Unrealised gains on forward foreign currency contracts from prior year now realised	—	—	—	1,296	—	(1,296)	—	—
Realised gains on sale of investments	—	—	—	87,857	—	—	—	87,857
Net change in unrealised gains and losses on investments	—	—	—	—	(124,670)	—	—	(124,670)
Performance fee now realised	—	—	—	(4,729)	—	4,729	—	—
Issue cost of ordinary shares	559	49,636	—	—	—	—	—	50,195
Issue of shares from Treasury	—	9,836	—	6,858	—	—	—	16,694
Project costs in relation to Shares	—	(270)	—	—	—	—	—	(270)
Blocklisting fees paid	—	—	—	(102)	—	—	—	(102)
Unrealised losses on loans	—	—	—	—	—	(3)	—	(3)
Finance cost charged to capital	—	—	—	(1,122)	—	—	—	(1,122)
Management fee charged to capital	—	—	—	(2,474)	—	—	—	(2,474)
Other capital charges	—	—	—	(22)	—	—	—	(22)
Dividends paid in the year	—	—	—	(13,433)	—	—	(11,482)	(24,915)
Retained revenue for the year	—	—	—	—	—	—	11,482	11,482
Closing balance	8,305	151,221	27,401	471,141	11,781	(436)	—	669,413

¹ These reserves form the distributable reserves of the Company and may be used to fund distributions to investors.

Notes to the Financial Statements

18. Net asset value per share

	2022	2021
Net assets (£'000)	669,413	653,374
Number of ordinary shares in issue	166,086,285	151,129,285
Net asset value per share	403.1p	432.3p

19. Reconciliation of net (loss)/return before finance costs and taxation to net cash outflow from operations before dividends and interest

	2022 £'000	2021 £'000
Net (loss)/return before finance costs and taxation	(22,659)	157,556
Less: capital loss/(return) before finance costs and taxation	35,923	(148,063)
Decrease/(increase) in accrued income and other debtors	194	(453)
Increase in accrued expenses	37	—
Management fee charged to capital	(2,474)	(1,731)
Performance fee paid	(6,347)	(333)
Overseas withholding tax	(2,215)	(1,658)
Dividends received	(12,531)	(8,535)
Interest received	(147)	(21)
Realised gains on foreign exchange transactions	274	26
Net cash outflow from operations before dividends and interest	(9,945)	(3,212)

20. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2021: nil).

21. Transactions with the Manager and related parties

Details of the management contract are set out in the Directors' Report on page 42. The management fee payable to the Manager for the year was £3,299,000 (2021: £2,308,000) of which £nil (2021: £nil) was outstanding at the year end.

A performance fee charge of £nil (2021: £5,967,000) is applicable for the year and £nil (2021: £1,618,000) is immediately payable. An amount of £nil (2021: £4,728,000) is carried forward.

During the year £14,000 (2021: £nil) was payable to the Manager for administration of savings scheme products, of which £nil (2021: £nil) was outstanding at the year end.

Included in administration expenses in note 6 on page 73 are safe custody fees amounting to £32,000 (2021: £29,000) payable to JPMorgan Chase Bank N.A. of which £4,000 (2021: £18,000) was outstanding at the year end.

The Manager may carry out some of its dealing transactions through group subsidiaries. These transactions are carried out at arm's length. Commission amounting to £nil (2021: £nil) was payable to JPMorgan Securities Limited for the year of which £nil (2021: £nil) was outstanding at the year end.

Handling charges on dealing transactions amounting to £21,000 (2021: £19,000) were payable to JPMorgan Chase Bank, N.A. of which £5,000 (2021: £11,000) was outstanding at the year end.

The Company holds cash in the JPMorgan Sterling Liquidity Fund, which is managed by JPMF. At the year end this was valued at £34.0 million (2021: £47.6 million). Interest amounting to £146,000 (2021: £21,000) was receivable during the year of which £nil (2021: £nil) was outstanding at the year end.

Fees amounting to £13,000 (2021: £28,000) were receivable from securities lending transactions during the year. JPMorgan Chase Bank, N.A. commissions in respect of such transactions amounted to £1,000 (2021: £3,000).

At the year end, total cash of £7,942,000 (2021: £8,350,000) was held with JPMorgan Chase Bank, N.A. A net amount of interest of £1,000 (2021: £nil) was receivable by the Company during the year of which £nil (2021: £nil) was outstanding at the year end.

Full details of Directors' remuneration and shareholdings can be found on page 59 and in note 6 on page 73.

Notes to the Financial Statements

22. Disclosures regarding financial instruments measured at fair value

The fair value hierarchy disclosures required by FRS 102 are given below.

The Company's financial instruments within the scope of FRS 102 that are held at fair value comprise its investment portfolio.

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

- (1) **The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date**
- (2) **Inputs other than quoted prices included within Level 1 that are observable (i.e.: developed using market data) for the asset or liability, either directly or indirectly**
- (3) **Inputs are unobservable (i.e.: for which market data is unavailable) for the asset or liability**

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

Details of the valuation techniques used by the Company are given in note 1(b) on page 70.

The following table sets out the fair value measurements using the FRS 102 hierarchy at 30th June.

	2022		2021	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	676,778	—	654,694	—
Level 2 ¹	4,637	(5,072)	2,567	(1,271)
Total	681,415	(5,072)	657,261	(1,271)

¹ Forward foreign currency contracts.

There were no transfers between Level 1, 2 or 3 during the year (2021: nil).

23. Financial instruments' exposure to risk and risk management policies

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

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

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

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

The Company's classes of financial instruments are as follows:

- investments in equity shares of overseas companies, which are held in accordance with the Company's investment objective;
- cash held within a liquidity fund;
- short term debtors, creditors and cash arising directly from its operations;
- forward currency contracts which are bought and sold pursuant to the Company's passive currency hedging strategy; and
- a fixed rate debenture and fixed rate loan notes issued by the Company.

(a) Market risk

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

Notes to the Financial Statements

to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

(i) Currency risk

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

Management of currency risk

Since November 2009, the Company has engaged in a passive currency hedging strategy, the aim of which is to eliminate currency risk arising from active stock positions in the portfolio relative to the Benchmark. The Company may also use short term forward currency contracts to manage working capital requirements. Income receivable denominated in foreign currency is converted into sterling on receipt.

Foreign currency exposure

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

	2022							
	US	Japanese		Hong Kong	Korean	Canadian	Other	Total
	Dollar	Euro	Yen	Dollar	Won	Dollar		
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Current assets	41,610	22,965	25,845	23,259	30	21,431	33,058	168,198
Creditors	(79,999)	(73,233)	(27,966)	—	—	—	(22,889)	(204,087)
Foreign currency exposure on net monetary items	(38,389)	(50,268)	(2,121)	23,259	30	21,431	10,169	(35,889)
Investments held at fair value through profit or loss	495,738	102,439	36,451	—	5,527	—	32,786	672,941
Total net foreign currency exposure	457,349	52,171	34,330	23,259	5,557	21,431	42,955	637,052

	2021							
	US	Japanese		Hong Kong	Korean	Canadian	Other	Total
	Dollar	Euro	Yen	Dollar	Won	Dollar		
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Current assets	41,303	22,303	24,634	24,805	56	—	46,149	159,250
Creditors	(43,056)	(106,114)	—	—	—	13,497	(47,349)	(183,022)
Foreign currency exposure on net monetary items	(1,753)	(83,811)	24,634	24,805	56	13,497	(1,200)	(23,772)
Investments held at fair value through profit or loss	439,152	132,988	12,374	—	15,944	—	47,151	647,609
Total net foreign currency exposure	437,399	49,177	37,008	24,805	16,000	13,497	45,951	623,837

In the opinion of the Directors, the above year end amounts are broadly representative of the exposure to foreign currency risk during the year.

Foreign currency sensitivity

The following table illustrates the sensitivity of return after taxation for the year and net assets with regard to the Company's monetary financial assets and financial liabilities and exchange rates. The sensitivity analysis is based on the Company's monetary currency financial instruments held at each balance sheet date and the income receivable in foreign currency and assumes a 10% (2021: 10%) appreciation or depreciation in sterling against the US\$, Euro, Yen, Hong Kong dollars, Swiss Franc and other currencies to which the Company is exposed, which is considered to be a reasonable illustration based on the volatility of exchange rates during the year.

Notes to the Financial Statements

22. Financial instruments' exposure to risk and risk management policies (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity (continued)

	2022		2021	
	If sterling strengthened by 10% £'000	If sterling weakened by 10% £'000	If sterling strengthened by 10% £'000	If sterling weakened by 10% £'000
Statement of Comprehensive Income – return after taxation				
Revenue return	(1,432)	1,432	(993)	993
Capital return	3,589	(3,589)	2,377	(2,377)
Total return after taxation	2,157	(2,157)	1,384	(1,384)
Net assets	2,157	(2,157)	1,384	(1,384)

In the opinion of the Directors, the above sensitivity analysis is broadly representative of the whole year.

(ii) Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on variable rate borrowings when interest rates are reset.

Management of interest rate risk

The Company does not normally hold significant cash balances. Short term borrowings are used when required.

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

Interest rate exposure

The exposure of financial assets and liabilities to floating interest rates, giving cash flow interest rate risk when rates are reset, is shown below. The £1,000 debenture in issue, the £30 million loan notes and £20 million secured bond, carry a fixed rate of interest and therefore have no exposure to interest rate movements.

	2022 £'000	2021 £'000
Exposure to floating interest rates:		
Cash and cash equivalents	7,942	8,350
JPMorgan Sterling Liquidity Fund	34,021	47,583
Total exposure	41,963	55,933

Interest receivable on cash balances, or paid on overdrafts, is at a margin below or above SONIA respectively (2021: same).

The target interest earned on the JPMorgan Sterling Liquidity Fund is the 7 day sterling London Interbank Bid Rate.

Details of the loan notes are given in note 14 on page 77.

Notes to the Financial Statements

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 1% (2021: 1%) increase or decrease in interest rates in regards to the Company's monetary financial assets and financial liabilities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's monetary financial instruments held at the balance sheet date with all other variables held constant.

	2022		2021	
	1% increase in rate £'000	1% decrease in rate £'000	1% increase in rate £'000	1% decrease in rate £'000
Statement of Comprehensive Income – return after taxation				
Revenue return	420	(420)	559	(559)
Capital return	–	–	–	–
Net assets	420	(420)	559	(559)

In the opinion of the Directors, this sensitivity analysis may not be representative of the Company's future exposure to interest rate changes due to fluctuations in the level of cash balances, cash held in the liquidity fund and amounts drawn down on the Company's loan facility.

(iii) Other price risk

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

Management of other price risk

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

The Company's exposure to changes in market prices at 30th June comprises its holding in equity investments as follows:

	2022 £'000	2021 £'000
Investments held at fair value through profit or loss	676,778	654,694

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

Concentration of exposure to other price risk

An analysis of the Company's investments is given on pages 22 to 24. This shows that the investments' value is in a broad spread of countries with the highest proportion in the United States. Accordingly there is a concentration of exposure to that country. However, it should be noted that an investment may not be wholly exposed to the economic conditions in its country of domicile or of listing.

Other price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to an increase or decrease of 10% (2021: 10%) in the fair value of the Company's equities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's equities and adjusting for change in the management fee, but with all other variables held constant.

Notes to the Financial Statements

22. Financial instruments' exposure to risk and risk management policies (continued)

(a) Market risk (continued)

(iii) Other price risk (continued)

Other price risk sensitivity (continued)

	2022		2021	
	10% increase in fair value £'000	10% decrease in fair value £'000	10% increase in fair value £'000	10% decrease in fair value £'000
Statement of Comprehensive Income – return after taxation				
Revenue return	(68)	68	(65)	65
Capital return	67,475	(67,475)	65,273	(65,273)
Total return after taxation for the year	67,407	(67,407)	65,208	(65,208)
Net assets	67,407	(67,407)	65,208	(65,208)

(b) Liquidity risk

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

Management of the risk

Liquidity risk is not significant as the Company's assets comprise readily realisable securities, which can be sold to meet funding requirements if necessary. Short term flexibility is achieved through the use of overdraft facilities.

The Board's policy is for the Company to remain fully invested in normal market conditions and that short term borrowings be used to manage short term liabilities and working capital requirements and to gear the Company as appropriate. Details of the current loan notes are given in note 14 on page 77.

Liquidity risk exposure

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

	2022		Total £'000
	Within one year £'000	More than one year £'000	
Creditors:			
Securities purchased awaiting settlement	1,692	—	1,692
Other creditors and accruals	160	—	160
Derivative financial liabilities	5,072	—	5,072
£30 million 2.93% unsecured loan notes	1,302	51,575	52,877
£20 million 2.36% secured bond	614	25,999	26,613
Perpetual debenture stock	—	1	—
	8,840	77,575	86,415

Notes to the Financial Statements

	Within one year £'000	2021 More than one year £'000	Total £'000
Creditors:			
Securities purchased awaiting settlement	8,740	—	8,740
Other creditors and accruals	129	—	129
Derivative financial liabilities	1,271	—	1,271
Performance fee payable	1,618	4,728	6,346
£30 million 2.93% unsecured loan notes	1,290	52,454	53,744
£20 million 2.36% secured bond	615	26,471	27,086
Perpetual debenture stock	—	200	200
	13,663	83,853	97,516

The liabilities shown above represent future contractual payments and therefore may differ from the amounts shown in the Statement of Financial Position.

(c) Credit risk

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

Management of credit risk**Portfolio dealing**

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

Cash and cash equivalents

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

Exposure to JPMorgan Chase

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

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

Credit risk exposure

The amounts shown in the Statement of Financial Position under derivative financial assets, debtors and cash and cash equivalents represent the maximum exposure to credit risk at the current and comparative year ends.

The aggregate value of securities on loan at 30th June 2022 amounted to £8.9 million (2021: £4.2 million). The highest value of securities on loan during the year ended 30th June 2022 amounted to £43.7 million (2021: £33.3 million) based on month end data. Collateral is called in on a daily basis to a value of 102% of the value of the securities on loan if that collateral is denominated in the same currency as the securities on loan and 105% if it is denominated in a different currency. The Depository monitors and is responsible for collateral.

Notes to the Financial Statements

23. Financial instruments' exposure to risk and risk management policies (continued)

(d) Fair values of financial assets and financial liabilities

All financial assets and liabilities are either included in the Statement of Financial Position at fair value or the carrying amount in the Statement of Financial Position is a reasonable approximation of fair value, except for the debenture and unsecured loan disclosed below.

The fair value of the £1,000 debenture, the fair value of the £30 million 2.93% unsecured loan notes and the fair value of the £20 million 2.36% secured bond issued by the Company have been calculated using discounted cash flow techniques using the yield on a long dated gilt plus a margin based on the five year average for the AA Barclays Corporate Bond.

The Company's debt and capital structure comprises the following:

	Accounting value 2022 £'000	Accounting value 2021 £'000	Fair value 2022 £'000	Fair value 2021 £'000
Debt:				
£1,000 4.5% perpetual debenture	1	200	—	481
£30 million 2.93% unsecured loan notes	29,844	29,838	27,437	35,851
£20 million 2.36% Secured Bond	19,901	19,894	17,732	21,485
Total	49,746	49,932	45,169	57,817

24. Capital management policies and procedures

The Company's debt and capital structure comprises the following:

	2022 £'000	2021 £'000
Debt:		
£30 million 2.93% unsecured loan notes	29,844	29,838
£20 million 2.36% Secured Bond	19,901	19,894
£1,000 4.5% perpetual debenture stock	1	200
	49,746	49,932
Equity:		
Called up share capital	8,305	7,746
Reserves	661,108	645,628
	669,413	653,374
Total Debt and Equity	719,159	703,306

The Company's capital management objectives are to ensure that it will continue as a going concern and to maximise the income and capital return to its equity shareholders through an appropriate level of gearing.

The Board's policy is to limit gearing within the range of 5% net cash to 20% geared in normal market conditions.

	2022 £'000	2021 £'000
Investments held at fair value through profit or loss	676,778	654,694
Net assets	669,413	653,374
Gearing/(Net cash)	1.1%	0.2%

Notes to the Financial Statements

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

- the planned level of gearing, which takes into account the Manager's views on the market;
- the need to buy back equity shares, either for cancellation or to hold in Treasury, which takes into account the share price discount or premium; and
- the opportunity for issues of new shares, including issues from Treasury.

25. Subsequent events

On 31st August 2022, the Board announced that the Company had acquired substantially all of the net assets of The Scottish Investment Trust PLC ('SCIN') in consideration for the issue of 133,919,647 new Ordinary shares in the capital of the Company in connection with the reconstruction and voluntary winding up of SCIN under section 110 of the Insolvency Act 1986 (the 'Scheme').

Following this, the total voting rights in the Company as at 1st September 2022 was 302,478,932 Ordinary shares (excluding Treasury shares), with each Ordinary Share holding one voting right. There are currently no shares held in Treasury.

Further, in accordance with the terms of the Scheme, the Company was substituted as issuer and sole debtor of the SCIN Bonds and has assumed the rights and obligations of SCIN under the SCIN Bonds and the Amended and Restated Trust Deed (the 'Substitution'). Furthermore, the Company and the Security Trustee have entered into a new instrument of floating charge to replace the previous instrument of floating charge.

Following the Substitution, the SCIN Bonds remain listed and traded on the London Stock Exchange with £82,827,000 in aggregate principal amount remaining outstanding.

On 1st September 2022, four new Directors were appointed to the Board: James Will, Jane Lewis, Mick Brewis and Neil Rogan.

The Company has an unrecognised deferred tax asset of £11,896,000 (2021: £10,656,000) based on a prospective corporation tax rate from 1st April 2023 of 25%, as enacted by the Finance Act 2021. The UK fiscal statement on 23rd September 2022 included a measure to cancel the scheduled April 2023 tax rate rise and keep the corporation tax rate at 19%. If this measure is substantively enacted, it would reduce the unrecognised deferred tax asset.

On 28th September 2022, the Company repurchased 75,029 of its own Ordinary shares to hold in Treasury.



Regulatory Disclosures

Alternative Investment Fund Managers Directive Disclosures (Unaudited)

Leverage

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

The Company's maximum and actual leverage levels at 30th June 2022 are shown below:

	Gross Method	Commitment Method
Leverage exposure		
Maximum limit	300%	200%
Actual	163%	119%

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

This section of the annual report has been prepared in accordance with the AIFMD, the European Commission Delegated Regulation supplementing the AIFMD, and the 'Guidelines on sound remuneration policies' issued by the European Securities and Markets Authority under the AIFMD. The information in this section is in respect of the most recent complete remuneration period ('**Performance Year**') as at the reporting date.

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

Remuneration Policy

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

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

The Board reviews and adopts the Remuneration Policy on an annual basis, and oversees its implementation, including the classification of AIFMD Identified Staff. The Board last reviewed and adopted the Remuneration Policy that applied for the 2021 Performance Year in June 2021 with no material changes and was satisfied with its implementation.

Quantitative Disclosures

The table below provides an overview of the aggregate total remuneration paid to staff of the Management Company in respect of the 2021 Performance Year and the number of beneficiaries. These figures include the remuneration of all staff of JP Morgan Asset Management (UK) Ltd (the relevant employing entity) and the number of beneficiaries, both apportioned to the Management Company on an Assets Under Management ('AUM') weighted basis.

Due to the Firm's operational structure, the information needed to provide a further breakdown of remuneration attributable to the Company is not readily available and would not be relevant or reliable. However, for context, the Management Company manages 32 Alternative Investment Funds (with 4 sub-funds) and 2 UCITS (with 42 sub-funds) as at 31st December 2021, with a combined AUM as at that date of £23.4 billion and £24.8 billion respectively.

	Fixed remuneration	Variable remuneration	Total remuneration	Number of beneficiaries
All staff of the Management Company (US\$'000s)	23,244	16,065	39,309	153

The aggregate 2021 total remuneration paid to AIFMD Identified Staff was USD \$84,714,000, of which USD \$6,570,000 relates to Senior Management and USD \$78,144,000 relates to other Identified Staff.¹

¹ Since 2017, the AIFMD identified staff disclosures includes employees of the companies to which portfolio management has been formally delegated in line with the latest ESMA guidance.

Regulatory Disclosures

Securities Financing Transactions Regulation ('SFTR') Disclosures (Unaudited)

Global Data

Amount of securities on loan

The total value of securities on loan as a proportion of the Fund's total lendable assets, as at the balance sheet date, is 1%. Total lendable assets represents the aggregate value of assets types forming part of the Fund's securities lending programme.

Amount of assets engaged in securities lending

The following table represents the total value of assets engaged in securities lending:

	Value £'000	% of AUM
Securities lending	8,880	1.34%

Concentration and Aggregate Transaction Data

Counterparties

The following table provides details of the counterparties (based on gross volume of outstanding transactions with exposure on a gross absolute basis) in respect of securities lending as at the balance sheet date:

Collateral	Country of Incorporation	Value £'000
Barclays	United Kingdom	5,646
BNP	France	2,034
CITIGROUP	United States of America	1,101
Goldman	United States of America	99
Total		8,880

Maturity tenure of security lending transactions

The Company's securities lending transactions have open maturity.

Issuers

The following table lists the issuers by value of non-cash collateral received by the Company by way of title transfer collateral arrangement across securities lending transactions, as at the balance sheet date.

Issuer	Collateral Value £'000
Federal Republic of Germany Government	1,194
French Republic Government	6,417
Japan	1,212
Kingdom of Belgium Government	156
Kingdom of Netherlands Government	77
Republic of Austria Government	10
Total	9,066

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, re-invested or pledged.

Type, quality and currency of collateral

The following table provides an analysis of the type, quality and currency of collateral received by the Company in respect of securities lending transactions as at the balance sheet date.

Type	Quality	Currency	Value £'000
Sovereign Debt	Investment Grade	EUR	7,853
Sovereign Debt	Investment Grade	JPY	1,213
Total			9,066

Maturity tenure of collateral

The following table provides an analysis of the maturity tenure of collateral received in relation to securities lending transactions as at the balance sheet date.

Maturity	Value £'000
1 day to 1 week	1,133
1 week to 1 month	1,133
1 to 3 months	2,405
3 to 12 months	1,629
more than 1 year	2,766
Total	9,066

Settlement and clearing

The Company's securities lending transactions including related collaterals are settled and cleared either bi-laterally, tri-party or through a central counterparty.

Re-use of collateral

Share of collateral received that is reused and reinvestment return

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, re-invested or pledged.

Cash collateral, of £9,066,000, received in the context of securities lending transactions may be reused in accordance with the provisions contained within the Prospectus, however the Company does not currently reinvest cash collateral received in respect of securities lending transactions.

Safekeeping of collateral

All collateral received by the Company in respect of securities lending transactions as at the balance sheet date is held by the Depository.

Return and cost

JPMorgan Chase Bank, N.A (JPMCB), the lending agent, receives a fee of 10% of the gross revenue for its services related to the Securities Lending Transactions. The remainder of the revenue, 90%, is received by the Company i.e. for the benefit of Shareholders.



Notice of Annual General Meeting

Notice is hereby given that the one hundred and thirty-fifth Annual General Meeting of JPMorgan Global Growth & Income plc will be held at 60 Victoria Embankment, London EC4Y 0JP on Thursday, 3rd November 2022 at 2.30 p.m. for the following purposes:

1. To receive the Directors' Report, the Annual Financial Statements and the Auditor's Report for the year ended 30th June 2022.
 2. To approve the Directors' Remuneration Policy.
 3. To approve the Directors' Remuneration Report for the year ended 30th June 2022.
 4. To appoint Mick Brewis as a Director of the Company.
 5. To appoint Jane Lewis as a Director of the Company.
 6. To appoint Neil Rogan as a Director of the Company.
 7. To reappoint Tristan Hillgarth as a Director of the Company.
 8. To reappoint James Macpherson as a Director of the Company.
 9. To reappoint Sarah Whitney as a Director of the Company.
 10. That Ernst & Young LLP be reappointed as Auditor of the Company and that its remuneration be fixed by the Directors.
- (iv) any purchase of ordinary shares will be made in the market for cash at prices below the prevailing NAV per share (as determined by the Directors);
 - (v) the authority hereby conferred shall expire on 2nd May 2024 unless the authority is renewed at the Company's Annual General Meeting in 2023 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 shares pursuant to any such contract notwithstanding such expiry.

Approval of dividend policy – Ordinary Resolution

12. To approve the Company's dividend policy to continue to pay four quarterly interim dividends during the year.

By order of the Board

Divya Amin, for and on behalf of JPMorgan Funds Limited,
Secretary

28th September 2022

Special Business

To consider the following resolution:

Authority to repurchase shares – Special Resolution

11. THAT the Company be generally and subject as hereinafter appears unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the 'Act') to make market purchases (within the meaning of Section 693 of the Act) of its issued Ordinary shares in the capital of the Company,

PROVIDED ALWAYS THAT

- (i) the maximum number of Ordinary shares hereby authorised to be purchased shall be 45,341,592, 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 5 pence;
- (iii) the maximum price which may be paid for a share, shall be an amount equal to: (a) 105% of the average of the middle market quotations for an Ordinary share, taken from and calculated by reference to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is purchased; or (b) the price of the last independent trade; or (c) the highest current independent bid;

Notice of Annual General Meeting

Notes

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

1. If law or Government guidance so requires at the time of the Meeting, the Chairman of the Meeting will limit, in his sole discretion, the number of individuals in attendance at the Meeting. In addition, the Company may still impose entry restrictions on certain persons wishing to attend the AGM in order to secure the orderly and proper conduct of the Meeting.
2. A member entitled to attend and vote at the Meeting may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the Meeting. A member can appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Your proxy could be the Chairman, another Director of the Company or another person who has agreed to attend to represent you. Details of how to appoint the Chairman or another person(s) as your proxy or proxies using the proxy form are set out in the notes to the proxy form. If a voting box on the proxy form is left blank, the proxy or proxies will exercise his/their discretion both as to how to vote and whether he/they abstain(s) from voting. Your proxy must attend the Meeting for your vote to count. Appointing a proxy or proxies does not preclude you from attending the Meeting and voting in person.
4. Any instrument appointing a proxy, to be valid, must be lodged in accordance with the instructions given on the proxy form.
5. You may change your proxy instructions by returning a new proxy appointment. The deadline for receipt of proxy appointments also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same Meeting, the one which is last received (regardless of its date or the date of its signature) shall be treated as replacing and revoking the other or others as regards that share; if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.
6. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members as at 6.30 p.m. two business days prior to the Meeting (the 'specified time'). If the Meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original Meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Meeting. If however the Meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members as at 6.30 p.m. two business days prior to the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in that notice. Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote at the Meeting or adjourned Meeting.
7. Entry to the Meeting will be restricted to shareholders and their proxy or proxies, with guests admitted only by prior arrangement.
8. A corporation, which is a shareholder, may appoint an individual(s) to act as its representative(s) and to vote in person at the Meeting (see instructions given on the proxy form). In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative. However, please note that, in the light of the COVID-19 pandemic and associated Government guidance, including the rules on physical distancing and limitations on public gatherings, it is unlikely that your vote will be counted where a representative other than the Chairman of the Meeting is appointed as additional third parties are unlikely to be permitted entry to the meeting.

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

Notice of Annual General Meeting

10. Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the Meeting except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the Meeting or if it would involve the disclosure of confidential information.
11. Under Sections 338 and 338A of the 2006 Act, members meeting the threshold requirements in those sections have the right to require the Company: (i) to give, to members of the Company entitled to receive notice of the Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Meeting; and/or (ii) to include in the business to be dealt with at the Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Meeting. A resolution may properly be moved, or a matter properly included in the business unless: (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than the date that is six clear weeks before the Meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
12. A copy of this notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under Section 146 of the Companies Act 2006 (a 'Nominated Person'). The rights to appoint a proxy can not be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the Meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
13. In accordance with Section 311A of the Companies Act 2006, the contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM, the total voting rights members are entitled to exercise at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.jpmglobalgrowthandincome.co.uk.
14. The register of interests of the Directors and connected persons in the called-up share capital of the Company and the Directors' letters of appointment are available for inspection at the Company's registered office during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted). It will also be available for inspection at the AGM. No Director has any contract of service with the Company.
15. You may not use any electronic address provided in this Notice of Meeting to communicate with the Company for any purposes other than those expressly stated.
16. As an alternative to completing a hard copy Form of Proxy/Voting Direction Form, you can appoint a proxy or proxies electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder Reference Number (this is the series of numbers printed under your name on the Form of Proxy/Voting Direction Form). Alternatively, if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk. Full instructions are given on both websites.
17. As at 28th September 2022 (being the latest business day prior to the publication of this Notice), the Company's called-up share capital consists of 302,478,932 Ordinary shares (excluding treasury shares) carrying one vote each. Therefore the total voting rights in the Company are 302,478,932.

Electronic appointment – CREST members

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

Glossary of Terms and Alternative Performance Measures (Unaudited)

Return to Shareholders (APM)

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

	Page	Year ended 30th June 2022	Year ended 30th June 2021	
Total return calculation				
Opening share price (p)	7	432.0	336.0	(a)
Closing share price (p)	7	396.0	432.0	(b)
Total dividend adjustment factor ¹		1.038807	1.034452	(c)
Adjusted closing share price (d = b x c)		411.4	446.9	(d)
Total return to shareholders (e = d / a - 1)		-4.8%	33.0%	(e)

¹ The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the

Return on Net Assets with Debt at Par Value (APM)

Total return on net asset value ('NAV') per share, on a bid value to bid value basis, assuming that all dividends paid out by the Company were reinvested, without transaction costs, into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

	Page	Year ended 30th June 2022	Year ended 30th June 2021	
Total return calculation				
Opening cum-income NAV per share with debt at par value (p)	7	432.3	338.9	
(-) the 4th interim dividend declared but not paid pre year-end date		(3.29)	(3.26)	
Adjusted opening cum-income NAV per share (p)		429.0	335.6	(a)
Closing cum-income NAV per share debt at par value (p)	7	403.1	432.3	
(-) the 4th interim dividend declared but not paid pre year-end date		(4.24)	(3.29)	
Adjusted closing cum-income NAV per share (p)		398.9	429.0	(b)
Total dividend adjustment factor ¹		1.039298	1.034970	(c)
Adjusted closing cum-income NAV per share (d = b x c)		414.5	444.1	(d)
Total return on net assets with debt at par value (e = d / a - 1)		-3.4%	32.3%	(e)

¹ The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the cum-income NAV at the ex-dividend date.

Return on Net Assets with Debt at Fair Value (APM)

The Company's debt (debenture) is valued in the Statement of Financial Position (on page 68) at amortised cost, £49,746,000 which is materially equivalent to the repayment value of the debt on the assumption that it is held to maturity. This is often referred to as 'Debt at Par Value'.

The current replacement or market value of the debt, which assumes it is repaid and renegotiated under current market conditions, is often referred to as the 'Debt at Fair Value'.

This fair value is explained in note 23d (on page 86) on the accounts. The difference between fair and par values of the debt is subtracted from the NAV to derive the NAV with debt at fair value. The fair value of the £1,000 perpetual debenture, the £20 million secured bond and the fair value of the £30 million loan notes issued by the Company has been calculated using discounted cash flow techniques, using the yield from similar dated gilt plus a margin based on the five year average for the AA Barclays Sterling Corporate Bond spread.

As at 30th June 2022, the cum-income NAV with debt at fair value was £673,990,000 (2021: £645,624,000) or 405.8p (2021: 427.2p) per share.

Glossary of Terms and Alternative Performance Measures (Unaudited)

	Page	Year ended 30th June 2022	Year ended 30th June 2021	
Total return calculation				
Opening cum-income NAV per share with debt at fair value (p)	7	427.2	331.4	
(-) the 4th interim dividend declared but not paid pre year-end date		(3.29)	(3.26)	
Adjusted opening cum-income NAV per share (p)		423.9	328.1	(a)
Closing cum-income NAV per share debt at fair value (p)	7	405.8	427.2	
(-) the 4th interim dividend declared but not paid pre year-end date		(4.24)	(3.29)	
Adjusted closing cum-income NAV per share (p)		401.6	423.9	(b)
Total dividend adjustment factor ¹		1.039716	1.035572	(c)
Adjusted closing cum-income NAV per share (d = b x c)		417.5	439.0	(d)
Total return on net assets with debt at fair value (e = d / a - 1)		-1.5%	33.8%	(e)

¹ The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the cum-income NAV at the ex-dividend date.

Benchmark total return

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

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

Gearing/(Net Cash) (APM)

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

	Page	Year ended 30th June 2022 £'000	Year ended 30th June 2021 £'000	
Gearing calculation				
Investments held at fair value through profit or loss	72	676,778	654,694	(a)
Net assets	79	669,413	653,455	(b)
Gearing/(Net cash) (c = a / b - 1)		1.1%	0.2%	(c)

Ongoing Charges (APM)

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

Glossary of Terms and Alternative Performance Measures (Unaudited)

Ongoing charges calculation	Page	Year ended 30th June 2022	Year ended 30th June 2021	
Management Fee	73	3,299	2,308	
Other administrative expenses	73	591	612	
Total management fee and other administrative expenses		3,890	2,920	(a)
Performance fee payable		—	5,967	
Total management fee, other administrative expenses and performance fee payable		3,890	8,887	(b)
Average daily cum-income net assets		697,972	554,397	(c)
Ongoing Charges excluding performance fee payable (d = a / c)		0.56%	0.53%	(d)
Ongoing Charges including performance fee payable (e = b / c)		0.56%	1.60%	(e)

Share Price (Discount)/Premium to Net Asset Value ("NAV") per Share (APM)

If the share price of an investment trust is lower than the NAV per share, the shares are said to be trading at a discount. The discount is shown as a percentage of the NAV per share. The opposite of a discount is a premium.

Portfolio Turnover

Portfolio turnover is based on the average equity purchases and sales expressed as a percentage of average opening and closing portfolio values (excluding liquidity funds).

Performance attribution

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

Performance Attribution Definitions:

Asset allocation

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

Stock selection

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

Currency effect

Measures the impact of currency exposure differences between the Company's portfolio and its benchmark.

Gearing/(net cash)

Measures the impact on returns of borrowings or cash balances on the Company's relative performance.

Management fee/Other expenses

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

Share Buyback

Measures the enhancement to net asset value per share of buying back the Company's shares for cancellation at a price which is less than the Company's net asset value per share.

American Depositary Receipts (ADRs)

Certificates that are traded on US stock exchanges representing a specific number of shares in a non-US company. ADRs are denominated and pay dividends in US dollars and may be treated like regular shares of stock.

Where to Buy J.P. Morgan Investment Trusts

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

1. Via a third party provider

Third party providers include:

AJ Bell You Invest	Halifax Share Dealing
Barclays Smart Investor	Hargreaves Lansdown
Charles Stanley Direct	Interactive Investor
Fidelity Personal Investing	

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

The Board encourages all of its shareholders to exercise their rights and notes that many specialist platforms provide shareholders with the ability to receive company documentation, to vote their shares and to attend general meetings, at no cost. Please refer to your investment platform for more details, or visit the Association of Investment Companies' website at www.theaic.co.uk/aic/shareholder-voting-consumer-platforms for information on which platforms support these services and how to utilise them.

2. Through a professional adviser

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

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

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

Be ScamSmart

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

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

If so, you might have been contacted by fraudsters.

Avoid investment fraud

1 Reject cold calls

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

2 Check the FCA Warning List

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

3 Get impartial advice

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

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

Report a Scam

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

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

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



Information About the Company

FINANCIAL CALENDAR

Financial year end	30th June
Half year results announced	February
Final results announced	
Interim dividends paid	January, April, July and October
Interest payment on 4.5% perpetual debenture stock	1st January, 1st July
Interest payment on 15 yr unsecured 2.36% loan notes	12th March and 12th September
Interest payment on 30 yr unsecured 2.93% loan notes	9th January and 9th July
Annual General Meeting	November

History

The Company was formed in 1887. The Company was a general investment trust until 1982, when it adopted its current objective. The current name was adopted on 8th July 2016 from JPMorgan Overseas Investment Trust plc.

Company Information

Company registration number: 24299
 Country of registration: England & Wales
 London Stock Exchange SEDOL Number: BNMKY69
 Bloomberg Code: JGGI LN
 ISIN: GB000BNYMKY695
 LEI: 5493007C31005PJKR078

Market Information

The Company's net asset value is published daily, via the London Stock Exchange. The Company's shares are listed on the London Stock Exchange and the New Zealand Stock Exchange. The market price is shown daily in the Financial Times, The Times, The Daily Telegraph, The New Zealand Herald, The Scotsman and on the JPMorgan website at www.jpmglobalgrowthandincome.co.uk, where the share price is updated every 15 minutes during trading hours.

Website

www.jpmglobalgrowthandincome.co.uk

Share Transactions

The Company's shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf.

Manager and Company Secretary

JPMorgan Funds Limited

Company's Registered Office

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

For company secretarial and administrative matters, please contact Divya Amin at the above address.

Depository

The Bank of New York Mellon (International) Limited
 160 Queen Victoria Street
 London EC4V 4LA

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

UK Registrar

Equiniti Limited
 Reference 1103
 Aspect House
 Spencer Road
 Lancing
 West Sussex BN99 6DA

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

JPMorgan Global Growth & Income plc helpline: +44 121 415 0225.

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1103. Registered shareholders can obtain further details on individual holdings on the internet by visiting www.shareview.co.uk.

New Zealand Registrar

Computershare Investor Services Limited
 Private Bag 92119
 Auckland 1142
 Level 2
 159 Hurstmere Road
 Takapuna Auckland
 New Zealand
 Telephone 09 488 8777

Notifications of changes of address and enquiries regarding holdings or dividend payments should be made in writing to the Registrars.

Independent Auditor

Ernst & Young LLP
 Statutory Auditor
 Atria One
 144 Morrison Street
 Edinburgh EH3 8EX

UK Broker

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

New Zealand Broker

First NZ Capital Securities
 P.O. Box 396
 Wellington
 New Zealand
 Telephone: 0800 800 968 (NZ Toll Free)
 Please contact Peter Irwin



The Association of
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