JPMorgan European Growth & Income plc

Annual Report & Financial Statements
for the year ended 31st March 2023

J.P.Morgan
ASSET MANAGEMENT

Key Features

Your Company

Following the merger of the Company's Growth and Income portfolios and share classes and change of name from JPMorgan European Investment Trust plc to JPMorgan European Growth & Income plc on 4th February 2022, the Company now consists of one single portfolio and one share class.

Objectives

The investment objective of the Company is to provide capital growth and a rising share price over the longer term from Continental European investments by out-performance of the benchmark and taking carefully controlled risks through an investment method that is clearly communicated to shareholders. See page 23 for a description of the investment process.

Investment Policies

- To invest in a diversified portfolio of companies in the equity markets of Continental Europe.
- To manage liquidity and borrowings to increase returns to shareholders.

See page 22 for details of the Company's Investment Restrictions and Guidelines.

Dividend Policy

Following the Company's restructuring on 4th February 2022, the dividend policy is to pay four dividends per financial year payable in July, October, January and March and calculated as 4% per annum based on the NAV as at close of business on 31st March of the preceding financial year.

Benchmark

The MSCI Europe ex UK Index (total return) in sterling terms.

Capital Structure

At 31st March 2023, the Company's share capital comprised 436,986,529 Ordinary shares with a nominal value of 0.5 pence per share including 2,548,683 shares held in Treasury. Since the year end to 1st June 2023, a further 518,906 shares have been repurchased into Treasury.

Tender Offer

The Performance-Related Tender Offer is proposed to be made for up to 25% of the issued share capital of the Company (excluding treasury shares) in the event that the NAV total return of the Company does not equal or exceed the total return of the Benchmark over the five-year period commencing on 4th February 2022, being the first day of trading in the Ordinary Shares. The Performance-Related Tender Offer allows Shareholders to realise the value of a portion of their Ordinary Shares at the NAV per Ordinary Share, less costs.

Management Company

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

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 JPMorgan European Growth & Income plc 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 shares are not classified as 'complex instruments' under the FCA's revised 'appropriateness' criteria adopted in the implementation of MiFID II.

Association of Investment Companies ('AIC')

The Company is a member of the AIC.

Website

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

- Successful long term investment approach supported by the significant resources of J P Morgan
- Differentiated and attractive dividend policy delivered by the close ended investment trust structure
- Active discount management and long term alignment with shareholders through a competitive fee structure and performance related tender

Why invest in JPMorgan European Growth & Income plc?

JPMorgan European Growth & Income plc has a distinctive strategy for investing in Europe – with an enhanced dividend policy. The investment managers focus on building a core portfolio of European equities comprising well managed companies with improving prospects and attractive valuations.

Our investment approach

JPMorgan European Growth & Income plc investment managers combine research from their in house fundamental analysts with the disciplined and objective output from quantitative analysis. The investment managers look to build a diversified portfolio of European stocks that aims to outperform in various market environments.

The Company introduced a new dividend policy in 2022 and will pay out 4% of the net asset value as dividends set at the start of each financial year subject to sufficient distributable reserves. This new dividend policy does not change the investment managers' investment approach, which is focused on continuing to generate total returns in excess of the MSCI Europe ex UK index.

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.

"Our disciplined approach enables us to identify the most attractive investment opportunities across a broad opportunity set, irrespective of size."

Alexander Fitzalan Howard, Investment Manager,
JPMorgan European Growth & Income plc

"Our combination of quantitative and in-house analytical research enables us to look through market noise and focus on company fundamentals."

Zenah Shuhaiber, Investment Manager,
JPMorgan European Growth & Income plc

"JPMAM's research and technology budget provides us with world-class tools and resources which is invaluable when building an investment portfolio."

Tim Lewis , Investment Manager,
JPMorgan European Growth & Income plc

4%

4% of NAV per annum as distribution

A disciplined, robust and consistent investment process buying quality stocks with attractive valuations and improving prospects

160%

160% return to shareholders over ten years

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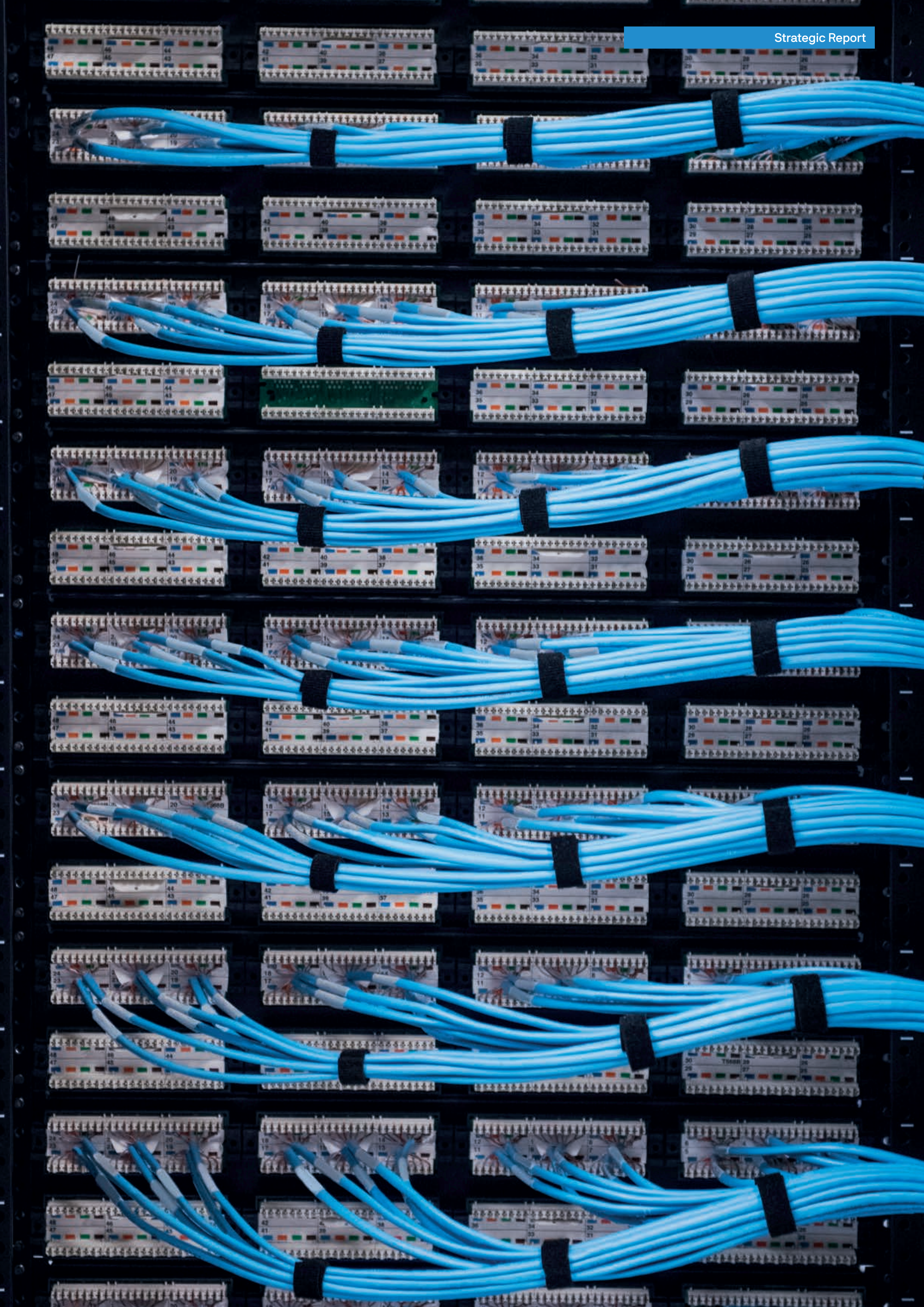


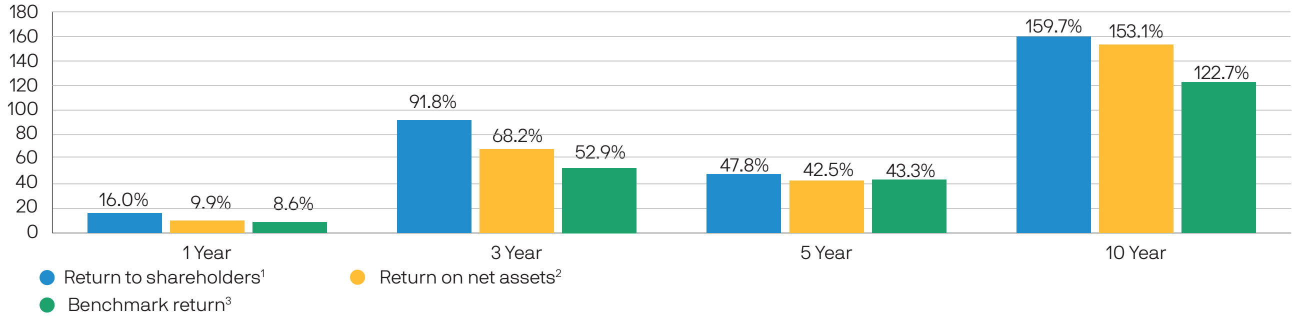
Financial Highlights

Total investments as at 31st March 2023: £469.2 million

Total returns (including dividends reinvested) to 31st March

	2023	2022	3 years Cumulative	5 years Cumulative	10 Years Cumulative
Return to shareholders[1,A]	+16.0%	+7.5%[6]	+91.8%	+47.8%	+159.7%
Return on net assets[2,4,A]	+9.9%	+8.7%[6]	+68.2%	+42.5%	+153.1%
Benchmark return[3]	+8.6%	+5.5%	+52.9%	+43.3%	+122.7%
Ordinary dividend	4.0p[5]	7.80p			

Long Term Performance (total returns) for periods ended 31st March 2023



[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 portfolio's benchmark is the MSCI Europe ex UK Index (total return) in sterling terms.
[4] The net asset value above is calculated on the basis that the Company's private placement debt is valued at par. The net assets value identified in the Company's monthly fact sheet is calculated on the basis that the Company's private placement debt is valued at fair value.
[5] A transitional basis has been adopted for the presentation of the Company's year ended 31st March 2022 dividend and consists of Growth share dividend of 2.5p; Income share dividend of 4.20p; and Growth & Income share dividend of 1.10p.
[6] Following the restructuring and merger of the Growth and Income portfolios during the year ended 31st March 2022, the Company's performance for the year ended 31st March 2022 has been calculated on a rebased Growth portfolio as at 31st January 2022 and the merged Growth & Income portfolio as at 31st March 2022.
[A] Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on page 91.

Financial Highlights

Summary of results

	2023	2022	% change
Total returns for the year ended 31st March			
Return to shareholders[1,A]	+16.0%	+7.5%[6]	
Return on net assets[2,A]	+9.9%	+8.7%[6]	
Benchmark return[3]	+8.6%	+5.5%	
Net asset value, share price and discount at 31st March			
Total net assets (£'000)	455,246	439,334	+3.6
Net asset value per share:			
– with debt at par value	104.8p	100.5p	+4.3
– with debt at fair value[A]	105.3p	98.7p	+6.7
Share price	94.0p	85.0p	+10.6
Share price discount to net asset value per share:			
– with debt at par value[4,A]	10.3%	15.4%	
– with debt at fair value[A]	10.7%	13.9%	
Shares in issue	434,437,846	437,286,529[6]	
Revenue for the year ended 31st March			
Gross revenue (£'000)	15,186	15,644	–2.9
Net revenue attributable to shareholders (£'000)	12,354	11,784	+4.8
Return per share[4]	2.83p	2.69p[7]	
Dividend per share	4.00p	7.80p[5]	
Gearing as at 31st March[A]	**3.1%**	**2.7%**	
Ongoing Charges[A]	**0.66%**	**0.89%**	

[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 portfolio's benchmark is the MSCI Europe ex UK Index (total return) in sterling terms.
[4] Return per share is calculated on the basis of weighted average number of shares in issue. See note 9 on page 67.
[5] A transitional basis had been adopted for the presentation of the Company's year ended 31st March 2022 total dividend and consists of Growth share dividend of 2.50p; Income share dividend of 4.20p; and Growth & Income share dividend of 1.10p.
[6] Following the restructuring and merger of the Growth and Income portfolios during the year ended 31st March 2022, the Company's performance for the year ended 31st March 2022 under review has been calculated on a rebased Growth portfolio as at 31st January 2022 and the merged Growth & Income portfolio as at 31st March 2022.
[7] A transitional basis has been adopted for the calculation of the Return per share for the year ended 31st March 2022.
[A] Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on page 91.

Chair's Statement

Rita Dhut
Chair

Introduction

It is pleasing to note that the Company has generated healthy returns in its first full financial year of its new simplified single portfolio and share structure. The Board believes that the Company's distinctive proposition offers the best of capital growth combined with a resilient income

During the Company's financial year ended 31st March 2023, the markets in which the Company invests, have experienced a turbulent year. The devastating conflict in Ukraine, continuing effects of the Covid-19 pandemic, tensions with China and failure of Credit Suisse and some regional banks in the USA, have combined to create an increasingly uncertain environment. Global energy prices increased dramatically and supply chain issues added to inflationary pressures across major economies. Central banks have acted to curb inflation by increasing interest rates which has the potential to add to existing financial pressures.

Performance

Return to shareholders and return on net assets

Despite the challenging environment the Company achieved a positive return on net assets during the financial year ended 31st March 2023 and an outperformance against the Company's benchmark of 1.3% (debt at par value).

The total return on net assets for the Company's Ordinary shares was +9.9% (debt at par value) and +12.5% (debt at fair value). Both of these returns compare well with the benchmark total return in sterling terms of +8.6%. For an explanation of why the Company's NAV varies when debt is calculated at par and at fair values, please see the Glossary of Terms and Alternative Performance Measures on page 91.

The total return to shareholders for the Company's Ordinary shares was +16.0%.

In their Report on page 11, the Investment Managers comment in more detail on some of the factors underlying the performance of the Company, including strong stock selection which was the main reason for the out-performance over the benchmark, as well as commenting on the economic and market background.

The restructuring has resulted in some of the performance and dividend data for years prior to this reporting period being calculated on a transitional basis as detailed in various footnotes throughout this report.

Revenue and Dividends

During the 12 months to 31st March 2023, the Company's net revenue attributable to shareholders (net return after taxation) was 4.8% higher at £12,354,000 (2022: £11,784,000).

As detailed in the Company's previous annual report, an aim of the Company's restructuring was to provide shareholders with a predictable dividend income at a level that is consistent and frequent, based on 4% of the preceding year end net asset value per share. The Company pays quarterly dividends in July, October, January and March.

In line with the above aim, in respect of the year ending 31st March 2023, the Company's dividend was 4.0 pence per share, amounting to £17.4 million. This represents a significant increase from the £10.2 million paid in 2022, as illustrated in note 10(b) on page 68 of this report.

For the Company's financial year ending 31st March 2024 the Board is expecting to adopt the same approach with 4% of the year ended 31st March 2023 net asset value per share being paid as dividend. On 23rd May 2023, the Board declared a first interim dividend of 1.05 pence per share in respect of the financial year ending 31st March 2024, payable on 21st July 2023. As in 2023, brought forward revenue reserves will be utilised to partially cover the dividend for financial year ending 31st March 2024. Although not expected to be required in the financial year ending 31st March 2024, the Company's Articles permit the Company's dividends to be paid from distributable capital reserves.

Gearing

There has been no change in the Investment Manager's permitted gearing range, as previously set by the Board, of between 10% net cash to 20% geared. At 31st March 2023 the Company was 3.1% geared (31st March 2022: 2.7%).

Discounts, Share Issuance and Repurchase

As noted in the half year report, during the period under review, discounts across the Investment Trust sector have widened, in some cases indiscriminately. The sector in which the Company operates has not been immune. The Board will continue to address imbalances in the supply of and demand for the Company's shares. The Board does not wish to see the discount widen beyond 10% under normal market conditions (using the cum-income NAV with debt at fair value) on an ongoing basis. The precise level and timing of repurchases through an active buyback of shares is dependent on a range of factors including the prevailing market conditions. In the period under review, 300,000 Ordinary shares were bought back for cancellation and 2,548,683 Ordinary shares were bought into Treasury. From 1st April 2023 to 1st June 2023, 518,906 Ordinary shares were bought into Treasury. No Ordinary shares were issued.

The Company's Ordinary share discount as at 31st March 2023 was 10.3%. The average discount of a peer group of six companies as at the same date was 10.9%. As at 1st June, 2023, the Company's Ordinary share discount was 8.4%, which compares to the average discount of the same peer group of 9.7% reflecting variation in strategy and performance across the sector.

Board of Directors

As this is my first annual report as the Company's Chair, I would like to thank the Board for deciding to appoint me as the Chair on the retirement of Josephine Dixon, in line with the Board's succession plan in September 2022. I very much look forward to continuing my predecessor's skillful leadership of the Company's Board.

During the year, the Board evaluation process reviewed Directors, the Chair, the Committees and the working of the Board as a whole. It was concluded that all aspects of the Board and its procedures were operating effectively. In accordance with corporate governance best practice, all of the Directors retire by rotation at this year's AGM and will offer themselves for re-election.

The Company's Directors fees and that of the Chair of the Board and the Chair of the Audit Committee were last increased with effect from 1st April 2022. To maintain the fees in line with the increasing demands of time required and relative to its peers, the Board agreed that the current fee for the Audit Committee Chair should be increased with effect from 1st April 2023. The other directors and Chair of the Board's fees would remain unchanged. See page 43 for further details.

Environmental, Social and Governance

Environmental, Social and Governance ('ESG') considerations are integrated into the Investment Managers' investment process as set out in the ESG Report on page 14. The Board shares the Investment Managers' view of the importance of ESG factors when making investments for the long term and of the necessity of continued engagement with investee companies throughout the duration of the investment.

Investment Managers

The performance of the Investment Managers is formally evaluated by the Board annually. The evaluation of the Manager was undertaken in January 2023 and based on the data available at that time; the Board concluded that the performance of the Manager had been satisfactory and that their services in the new restructured format should be retained.

Annual General Meeting

The Company's ninety fourth Annual General Meeting (AGM) will be held at 60 Victoria Embankment, London EC4Y 0JP at 2.30 p.m. on Thursday, 6th July 2023 as an in-person meeting.

We are pleased that this year we will once again be able to invite shareholders to join us in-person for the Company's AGM, hear from the Investment Managers and ask questions. Shareholders wishing to

Chair's Statement

follow the AGM proceedings but choosing not to attend in person will be able to view proceedings live and ask questions (but not vote) through conferencing software. Details on how to register, together with access details, will be available shortly on the Company's website at www.jpmeuropeangrowthandincome.com or by contacting the Company Secretary at invtrusts.cosec@jpmorgan.com

My fellow Board members, representatives of JPMorgan and I look forward to the opportunity to meet and speak with shareholders after the formalities of the meeting have been concluded. Shareholders who are unable to attend the AGM are strongly encouraged to submit their proxy votes in advance of the meeting, so that they are registered and recorded at the AGM. Proxy votes can be lodged in advance of the AGM either by post or electronically: detailed instructions are included in the Notes to the Notice of Annual General Meeting on pages 88 to 90.

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

Outlook

During the Company's financial year the general market continued to be buffeted by significant challenges, although at the start of the current calendar year global markets were performing well following China's emergence from its zero-Covid policy and the prospect of peaking inflation and interest rates. However, in recent months this enthusiasm has been swiftly dampened by the challenges to the financial system caused by the failure of a number of regional banks in the US and also of Credit Suisse in Switzerland. The duration of inflationary pressures is uncertain despite the reduction in energy prices in recent months. The extent of interest rate rises by the European Central Bank, along with counterparts elsewhere in the world leaves commentators unclear as to the impact on consumer confidence and the potential severity of a possible global recession. We hope to see an easing in the tragic events taking place in Ukraine, but it seems likely that the future will offer much uncertainty and continued volatility in asset markets, with tensions with China adding to the concerns around geopolitical risks.

Despite these challenges the Board has confidence that the Company's Investment Managers have the requisite experience to navigate such a tricky environment by continuing to adhere to a proven investment process. In addition, the Board shares the Investment Managers' optimism for European equities in the long term. The Board believes the new structure and objective of the Company provides shareholders with the potential for both strong capital returns and enhanced income through a well constructed portfolio of European equities.

For and on behalf of the Board
Rita Dhut
Chair

5th June 2023

Investment Managers' Report

Market Background

Continental European equity markets rose 8.6% in Sterling terms in the year to 31st March 2023 (MSCI Europe ex UK (total return)) as sentiment improved sharply in the second half of the Company's financial year. Prior to that the market had retreated as inflation soared to the highest level for 40 years and Central Banks, both in Europe and the US, started to hike rates aggressively. High food and energy prices, both exacerbated by the Russian invasion of Ukraine, contributed to a collapse in consumer confidence. Combined with ongoing supply chain issues and China's zero tolerance approach to Covid-19 signs of economic weakness started to appear, but any suggestion that Central Banks had completed their tightening cycle was explicitly rejected by the Chairman of the Federal Reserve.

Alexander Fitzalan Howard
Investment manager

Zenah Shuhaiber
Investment manager

Tim Lewis
Investment manager

Despite the fact that Central Banks remained trapped between the competing dilemmas of rampant inflation requiring higher interest rates and a looming recession if they kept their foot on the brake for too long, equity markets rallied sharply in the second half of the financial year. As the headline level inflation started to come down as base effects kicked in fears of a recession, which had seemed almost inevitable last summer, gradually receded. Consumer confidence recovered, helped by lower energy prices and government subsidies, and the labour market across Europe remained strong. In general consumer services companies have recovered well. The prospect of China backing away from its restrictive Covid-19 lockdown protocols was also an unanticipated boost for European exporters, particularly the luxury goods companies. Throughout the year corporate results, in aggregate, continued to surprise on the upside.

Towards the end of the Company's financial year markets were faced with the possibility of another banking crisis with the failure of Silicon Valley Bank in the US. It suffered from an over reliance on corporate, particularly Venture Capital related, deposits coupled with the asset side of its balance sheet having too many long duration bonds in its 'hold-to-maturity' portfolio that were bought when yields were low. The combination of rising yields hitting the value of these bonds and corporates suddenly withdrawing their deposits proved toxic. Subsequent to this First Republic Bank was taken over by JPMorgan Chase Bank, N.A after an earlier rescue attempt failed. In Europe Credit Suisse has been taken over by UBS although this has been a more drawn-out issue following a series of scandals over many years and its lack of profitability. So far European banks generally have proved resilient but if there is one lesson from the recent problems in the US it is the speed with which liquidity issues in the banking sector can arise.

Portfolio Positioning

As equity markets derated in the early part of the year, the earnings recovery gave us conviction in re-building positions in some of the more cyclical parts of the market. This included stocks within the Capital Goods and Automobile sectors, while we remained overweight in Semiconductor stocks. A common theme around many of the companies in these sectors was their ability to demonstrate pricing power. We also reduced our underweight to Retail by starting a position in Inditex, the fashion retailer which owns brands such as Zara and Massimo Dutti. We funded some of these positions from areas of the market where we had lower conviction. This included some stocks within Materials, where higher input costs became more of an issue, as well as Pharmaceuticals, where despite valuation support some of the stocks lacked positive catalysts.

Within Capital Goods, one of our largest active positions in the sector is Vinci, a French listed stock with exposure to toll roads, airport concessions, construction, and more recently energy contracting. Apart from an attractive valuation supported by strong free cash flow generation, the prospect for earnings growth is also high, driven by a recovery in passenger numbers. We have also become more positive on their potential growth in developing renewable energy concession projects given their expertise in electrical engineering and following the Cobra acquisition.

We participated in the Porsche IPO within the Automobiles sector. The luxury auto group is benefitting from secular growth, with its addressable market growing 8-10% p.a. The company is also well positioned within the trend towards electrification with plug-in hybrids, full electrics, and ICE vehicles using e-fuels. While the stock trades at a premium to other European autos, its profitability, evidenced by its mid-teens margin, is also much higher than its mass market competitors.

Investment Managers' Report

We funded these purchases by selling some healthcare stocks where operating fundamentals had disappointed. For instance, we sold out of Merck KGaA. While their pharmaceuticals business appears to be on track, their Life Science and Electronics businesses were being affected by customer destocking and demand pressures in consumer electronics, respectively. We also trimmed the position in Roche following poor momentum with their pipeline development, such as for their drug treating Alzheimers.

Our overall sector positioning is driven by bottom-up stock selection rather than any top-down asset allocation. As a result of these position changes, our two main sector overweights at the end of the year under review were Capital Goods and Semiconductors, while the biggest underweights were Healthcare Equipment & Services and Materials. As ever, and in line with our investment process, the portfolio as a whole remains cheaper than the benchmark while exhibiting better quality and momentum characteristics.

Portfolio Performance

Year ended 31st March 2023

	%	%
Contributions to total returns		
Benchmark return		**8.6**
Asset allocation	0.6	
Stock selection	1.5	
Currency	0.3	
Gearing/cash	–0.5	
Investment manager contribution		1.9
Portfolio return		**10.5**
Management fee/other expenses	–0.7	
Share buyback	0.1	
Other effects		–0.6
Return on net assets with debt at par value[A]		**9.9**
Impact of debt at fair value[1]		**2.6**
Return on net assets with debt at fair value[A]		**12.5**
Effect of movement in discount		**3.5**
Return to shareholders[A]		**16.0**

Source: B-One/JPMAM/AIC/Morningstar.

All figures are on a total return basis. Performance attribution analyses how the portfolio achieved its recorded performance relative to its benchmark.

[1] See note 14 on page 70 for reference to fair value of debt.

[A] Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on page 91.

Portfolio Performance and Attribution

The portfolio outperformed its benchmark index by 1.3% with the NAV rising 9.9% (with debt valued at par), with most of the excess performance coming from stock selection. Novo Nordisk, a Danish pharmaceutical company focusing on diabetes therapies and obesity treatments, performed strongly again this year driven by strong demand for their weight loss drug Wegovy. This condition affects over 750 million people globally but with only 2% of those treated with medication. Novo is leading the market with innovative drugs that can help people reduce weight effectively and is seeing exceptional demand for their products as a result. Deutsche Telekom, the German telecoms operator with significant operations in the US was another positive performer for the portfolio, with strong operating trends in their European and US businesses and impressive free cashflow generation. LVMH, the diversified luxury group, beat analyst expectations throughout the year helped by the specific strength of their brands including Louis Vuitton and Dior. Unicredit, the Italian bank, is an example where we rebuilt the position in a more cyclical name in the second half of the year and were rewarded for that as earnings continued to recover. Rising interest rates helped their net interest margin expand which, combined with a strong balance sheet, meant the company has been able to return excess capital to shareholders through both dividends and share buybacks. The portfolio also benefitted, in relative terms, from not owning Credit Suisse, where despite a seemingly cheap valuation, the poor profitability and lack of earnings recovery ultimately led to its takeover by UBS.

On the negative side, Boliden, a Swedish mining company, which had been a strong contributor to the performance last year, detracted from relative performance this year. The stock underperformed on a combination of falling commodity prices, weaker volume output from their mines and higher costs impacted by broad-based inflation.

Outlook

The market is facing ongoing uncertainty about the inflation outlook and whether Central Banks can engineer a soft landing in which inflation is reduced without tipping economies into recession. While we continue to believe that the European banking sector is much more robust than it was during previous financial crises, we remain alert to the speed with which things can change and will act accordingly if required. On a more positive note, the concerns mentioned above are well known to the market and may already be priced in. On a longer term view the Company's Managers continue to believe that the investment universe of European companies contains many high quality enterprises across different sectors and often with global reach. Moreover, the valuation of European markets continues to look attractive, particularly in comparison with the US, but importantly within the market too. Valuation spreads remain wide which suggests that there will be opportunities for stock selection to continue to add value.

Alexander Fitzalan Howard
Zenah Shuhaiber
Tim Lewis

Investment Managers

5th June 2023

Environmental, Social and Governance (‘ESG’) Report

Environmental, Social and Governance Report

We seek to identify investee companies that run their businesses in a sustainable and efficient way, with high quality board decision-making, and aim to influence their behaviour and encourage best practice through dialogue. We engage on multiple topics that affect valuation and propriety.

Introduction

JPMorgan European Growth & Income plc (the Company) is managed by JPMF with portfolio management delegated to JPMAM (the Manager). The Company has no employees, has no premises, consumes no electricity, gas or other fuel. Therefore, the Company’s ESG requirements are fulfilled by the Manager and reported to the Company. The Following provides some detail on Manager’s approach to ESG, which is supported by the Company.

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 Board members 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.

Whilst we believe we have a robust and appropriate engagement model in place it is reviewed regularly to ensure that we improve and refine the process to meet the ever-evolving ESG demands arising from all stakeholders across the wider industry.

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 European Growth & Income plc: Voting at shareholder meetings over the year to 31st March 2023

	Votes For	Votes Against	Votes Abstain	Total Against/ Abstain	Total Items	% Against/ Abstain
Audit Related	98	6	0	6	104	6%
Capitalisation	195	2	0	2	197	1%
Articles	54	4	0	4	58	7%
Compensation	313	39	0	39	352	11%
Director Election	400	21	2	23	423	5%
Director Related	291	20	0	20	311	6%
Non-Routine Business	13	4	0	4	17	24%
Routine Business	262	21	1	22	284	8%
Strategic Transactions	15	0	0	0	15	0%
Takeover Related	2	2	0	2	4	50%
Environmental and Social	11	3	0	3	14	21%
Miscellaneous	4	3	0	3	7	43%
Total	**1,658**	**125**	**3**	**128**	**1,786**	**7%**

Environmental, Social and Governance ('ESG') Report

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.

J.P. Morgan Asset Management

Performance Record

At 31st March	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total assets less current liabilities – Growth & Income (£m)	206.3	241.2	230.3	228.5	274.6	272.4	259.3	231.8	303.0	481.4	499.0
Net asset value per share (p):											
– Growth & Income[1,A]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	98.7	105.3
– Growth[1,A]	215.3	257.3	270.2	253.3	315.4	331.2	313.5	274.3	379.2	n/a	n/a
– Income[1,A]	110.4	134.6	143.6	134.4	166.5	173.0	167.4	126.5	167.1	n/a	n/a
Share price (p):											
– Growth & Income	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	85.0	94.0
– Growth	194.0	233.0	259.0	230.5	285.0	297.0	265.0	215.0	326.0	n/a	n/a
– Income	99.8	123.0	136.5	127.0	150.5	157.5	144.0	99.8	143.5	n/a	n/a
Discount:											
– Growth & Income[2,A]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	13.9	10.7
– Growth[2,A]	9.9	9.4	4.1	9.0	9.6	10.3	15.5	21.6	14.0	n/a	n/a
– Income[2,A]	9.6	8.6	4.9	5.5	9.6	9.0	14.0	21.0	14.1	n/a	n/a
Gearing (%) – Growth & Income[A]	7.6	7.4	7.6	10.5	6.8	5.8	5.5	0.2	2.2	2.7	3.1

Year ended 31st March	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Gross revenue – Growth & Income (£'000)	7,452	8,018	8,597	6,476	7,678	8,068	9,208	7,932	6,468	15,644	15,186
Revenue per share (p):											
– Growth & Income[7]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2.69	2.83
– Growth	6.00	6.64	7.90	5.37	6.75	8.56	10.68	8.77	7.66	n/a	n/a
– Income	4.29	4.82	4.60	4.67	5.94	6.65	6.79	6.25	4.95	n/a	n/a
Dividend per share (p):											
– Growth & Income	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	7.80[3]	4.00
– Growth	5.95	6.70	6.70	5.85	6.85	6.85	8.85	8.85	4.45	n/a	n/a
– Income	4.25	4.75	4.75	4.75	5.00	5.80	6.25	6.70	6.70	n/a	n/a
Ongoing charges (%):											
– Growth & Income[4,A]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.89	0.66
– Growth[4,A]	0.87	0.86	1.04	1.06	1.04	0.96	1.01	1.00	0.92	n/a	n/a
– Income[4,A]	1.06	1.06	1.08	1.08	1.07	1.00	1.06	1.02	0.98	n/a	n/a

Rebased to 100 at 31st March 2013	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Return to shareholders[5,8,A]	100.0	124.1	142.1	129.6	164.8	175.6	161.7	135.4	208.4	223.9	259.7
Return on net assets[5,8,A]	100.0	123.1	132.8	127.5	162.3	173.9	168.1	143.5	206.7	227.1	255.5
Benchmark total return[6]	100.0	117.0	125.2	118.6	150.9	155.4	158.8	145.6	194.4	205.0	222.7

1 Source: Morningstar/J.P. Morgan, using cum income net asset value per share, with debt at fair value.
2 Share price discount to net asset value per share with debt at fair value.
3 A transitional basis had been adopted for the presentation of the Company's total dividend and consists of Growth share dividend of 2.50p; Income share dividend of 4.20p; and Growth & Income share dividend of 1.10p.
4 Management fee and all other operating expenses, excluding finance costs expressed as a percentage of the average of the daily net assets during the year.
5 Source: J.P. Morgan/Morningstar. Total return to shareholders, using share price. Total return on net assets, using cum income net asset value per share, with debt at fair value.
6 Source: MSCI. The Company's benchmark is the MSCI Europe ex UK Index (total return) in sterling terms.
7 A transitional basis has been adopted for the calculation of the Revenue return per share for the year ended 31st March 2022.
8 Following the restructuring and merger of the Growth and Income portfolios during the year ended 31st March 2022, the Company's performance for the year ended 31st March 2022 has been calculated on a rebased Growth portfolio as at 31st January 2022 and the combined Growth & Income portfolio as at 31st March 2022. Further details are provided on page 8.
A Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on page 91.

Portfolio Information

Ten largest investments

As at 31st March

Company	Country	Sector	2023 Valuation £'000	%[1]	2022 Valuation £'000	%[1]
Novo Nordisk	Denmark	Health Care	22,780	4.9	17,100	3.8
Nestle	Switzerland	Consumer Staples	22,513	4.8	26,470	5.9
LVMH Moet Hennessy Louis Vuitton	France	Consumer Discretionary	21,294	4.5	15,763	3.5
ASML	Netherlands	Information Technology	19,999	4.3	19,809	4.4
Novartis	Switzerland	Health Care	13,831	2.9	13,381	2.9
Roche	Switzerland	Health Care	13,299	2.8	20,467	4.5
TotalEnergies	France	Energy	11,876	2.5	10,791	2.4
Siemens	Germany	Industrials	11,305	2.4	9,035	2.0
JPMorgan European Discovery Trust	United Kingdom	Financials	10,636	2.3	11,277	2.5
Deutsche Telekom[2]	Germany	Communication Services	10,028	2.1	8,432	1.9
Total[3]			**157,561**	**33.5**		

[1] Based on total investments of £469.2m (2022: £451.2m) see page 21.
[2] Not included in ten largest equity investments at 31st March 2022.
[3] At 31st March 2022, the value of the ten largest investments amounted to £152.7m representing 33.8% for of total investments of £451.2m.

Portfolio analysis

Geographical

	31st March 2023 Portfolio %[1]	31st March 2023 Benchmark %	31st March 2022 Portfolio %[1]	31st March 2022 Benchmark %
France	24.0	24.5	20.9	23.2
Germany	19.8	16.9	16.9	16.8
Switzerland	18.1	19.5	22.0	21.2
Netherlands	11.6	9.0	12.9	8.9
Denmark	6.6	6.0	6.7	5.5
Italy	6.0	4.9	6.4	4.9
Sweden	4.1	6.6	3.9	7.3
Spain	3.5	5.1	1.7	4.7
Austria	2.1	0.4	2.6	0.4
Belgium	1.9	2.0	1.8	1.9
Norway	1.2	1.3	2.4	1.6
Finland	1.1	1.9	1.3	2.0
Ireland	—	1.5	0.2	1.2
Portugal	—	0.4	0.3	0.4
Total Portfolio[2]	**100.0**	**100.0**	**100.0**	**100.0**

[1] Based on total investments of £469.2m (2022: 451.2m) see page 21.
[2] Includes investments in Collective Investment Schemes which are reclassified in accordance with the domicile of the underlying assets in the fund.

Portfolio Information

Portfolio analysis

Sector

	31st March 2023		31st March 2022	
	Portfolio %[1]	Benchmark %	Portfolio %[1]	Benchmark %
Industrials	18.6	16.2	17.1	15.8
Financials	16.5	16.6	17.8	15.8
Consumer Discretionary	14.4	13.3	9.5	11.7
Health Care	13.4	16.1	15.1	16.4
Information Technology	10.9	8.4	10.3	9.8
Consumer Staples	10.4	10.8	11.9	11.0
Materials	4.4	6.5	6.2	6.9
Energy	4.3	3.5	4.7	3.5
Communication Services	3.7	3.5	3.3	3.6
Utilities	3.4	4.4	4.0	4.3
Real Estate	—	0.7	0.1	1.2
Total Portfolio[2]	**100.0**	**100.0**	**100.0**	**100.0**

[1] Based on total investments of £469.2m (2022: £451.2m) see page 21.

[2] Includes investments on Collective Investment Schemes which are reclassified in accordance with the industry of the underlying asset in the fund.

Portfolio Information

List of investments

As at 31st March

Company	Valuation £'000
France	
LVMH Moet Hennessy Louis Vuitton	21,294
TotalEnergies	11,876
L'Oreal	9,617
Schneider Electric	9,517
Vinci	7,637
BNP Paribas	6,902
Publicis Groupe	5,278
Safran	4,998
Cie de Saint-Gobain	4,952
Pernod Ricard	4,538
Engie	4,459
Capgemini	3,993
EssilorLuxottica	3,628
Thales	2,873
Sopra Steria	1,570
Sanofi	1,539
Air Liquide	1,455
Renault	1,335
Technip Energies	1,202
AXA	936
Verallia	932
	110,531
Germany	
Siemens	11,305
Deutsche Telekom	10,028
SAP	8,804
Infineon Technologies	7,106
Allianz	6,698
Muenchener Rueckversicherungs-Gesellschaft	6,466
Bayerische Motoren Werke	5,930
Mercedes-Benz	5,745
Bayer	5,058
RWE	4,562
Deutsche Post	4,198
Sartorius Preference	2,810
HeidelbergCement	2,343
Dr Ing hc F Porsche	1,897
Brenntag	1,857
Volkswagen Preference	1,499
Zalando	1,219
Jungheinrich	1,182
SAF-Holland	1,004

Company	Valuation £'000
Germany continued	
Salzgitter	869
Duerr	786
	91,366
Switzerland	
Nestle	22,513
Novartis	13,831
Roche	13,299
Cie Financiere Richemont	8,905
UBS	8,443
Zurich Insurance	6,927
ABB	5,342
Julius Baer	3,348
Sika	1,300
	83,908
Netherlands	
ASML	19,999
Koninklijke Ahold Delhaize	8,242
ING	5,413
Wolters Kluwer	5,313
ASM International	4,105
NN	2,923
Prosus	2,542
ASR Nederland	2,490
Koninklijke KPN	1,714
Adyen	944
	53,685
Denmark	
Novo Nordisk	22,780
DSV	3,556
Carlsberg	3,384
Solar	860
	30,580
Italy	
UniCredit	5,450
Stellantis	4,725
Prysmian	4,416
CNH Industrial	4,119
Intesa Sanpaolo	2,564
Unipol Gruppo	2,177
Sesa	1,525
Azimut	1,345
	26,321

Portfolio Information

List of investments

As at 31st March

Company	Valuation £'000
Sweden	
Volvo	4,722
Boliden	4,708
Nordea Bank	4,643
Atlas Copco	2,084
New Wave	1,490
	17,647
Spain	
Iberdrola	7,098
Industria de Diseno Textil	5,624
Banco Bilbao Vizcaya Argentaria	2,519
Banco Santander	1,070
	16,311
Austria	
ANDRITZ	3,060
Wienerberger	2,896
OMV	2,240
BAWAG	951
Erste Group Bank	587
	9,734

Company	Valuation £'000
Belgium	
D'ieteren	2,815
Bekaert	2,799
KBC	2,196
	7,810
Norway	
Equinor	4,518
DNB Bank	739
SpareBank 1 Nord Norge	277
	5,534
Finland	
Outokumpu	2,681
Nokia	2,429
	5,110
Collective Investment Schemes	
JPMorgan European Discovery Trust plc	10,636
Total Collective Investment Schemes	**10,636**
Total Investments	**469,173**

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. The following Business Review aims to assist shareholders with this assessment.

Structure and Objective of the Company

JPMorgan European Growth & Income plc is an investment trust company that has a premium listing on the London Stock Exchange. In seeking to achieve its objectives, which are set out below, the Company employs JPMorgan Funds Limited ('JPMF' or the 'Manager') which in turn delegates portfolio management to JPMAM to actively manage the Company's assets. The Board has determined investment policies and related guidelines and limits, as described below.

The Company is subject to UK legislation and regulations including UK company law, UK Financial Reporting Standards, the FCA Listing Rules, Prospectus Rules, Disclosure Guidance and Transparency Rules, Market Abuse Regulations, taxation law and the Company's own Articles of Association. Since 31st December 2022, new autonomous UK regulations became effective replacing those of the EU. Those EU regulations that were relevant to the Company have been incorporated into UK law. 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). The Directors have no reason to believe that approval will not continue to be retained. The Company is not a close company for taxation purposes.

The Company's Purpose, Values, Strategy and Culture

The Company's purpose is to provide a cost effective, financially sustainable investment vehicle for investors who seek capital growth and income and a rising share price over the longer term from continental European investments taking account of wider issues including environmental, social and governance. To achieve this, the Board of Directors is responsible for employing and overseeing an investment management company that has appropriate investment expertise, resources and controls in place to meet the Company's investment objective. To ensure that it is aligned with the Company's purpose, values and strategy, the Board comprises Directors from a diverse background who have a breadth of relevant experience and contribute in an open boardroom culture that both supports and challenges the investment management company and its other third party suppliers.

Investment Objective

The investment objective of the Company is to provide capital growth and a rising share price over the longer term from Continental European investments by out-performance of the benchmark and taking carefully controlled risks through an investment method that is clearly communicated to shareholders.

Investment Policies

- To invest in a diversified portfolio of investments in the stockmarkets of Continental Europe.
- To manage liquidity and borrowings to increase returns to shareholders.

Investment Restrictions and Guidelines

- The portfolio will not invest more than 15% of the assets in any one individual stock at the time of acquisition.
- The portfolio will be no more than 20% geared in normal market conditions.
- The portfolio does not normally invest in unquoted investments and to do so requires prior Board approval.
- Except for the transactions referred to in the following paragraph, the portfolio does not normally enter into derivative transactions, and to do so requires prior Board approval. However, the Investment Manager has authority to carry out currency hedging transactions in order to mitigate currency risk relative to the benchmark index.
- Index Futures to ensure market exposure is maintained where there are significant cash in/out flows and Covered Call Options are permitted, subject to restrictions included in the Company's Investment Restrictions and Guidelines. All other derivative transactions are subject to approval by the Board.
- In accordance with the Listing Rules of the UK Listing Authority, the portfolio will not invest more than 15% of its gross assets in other UK listed closed-ended investment funds 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 closed-ended investment funds.

The Board has set no minimum or maximum limits on the number of investments in the Company's portfolio. To gain the appropriate exposure, the Investment Managers are permitted to invest in pooled funds.

Compliance with the Company's Investment Restrictions and Guidelines is monitored continuously by the Manager and is reported to the Board on a monthly basis.

Investment Processes

The Company's portfolio is actively managed.

The Company focuses on identifying companies with a combination of attractive valuations (Value), strong balance sheets and capital discipline (Quality), and good business momentum (Momentum). The investment process includes initially screening of a large number of stocks for various Value, Quality and Momentum characteristics before undertaking fundamental research. In constructing the portfolio the Managers seek to maximise exposure to these characteristics while minimising country and sector risk.

Performance

In the year to 31st March 2023, the portfolio produced a total return to shareholders of +16.0% and a total return on net assets with debt at par of +9.9%. This compares with the total return on the benchmark index of +8.6%. As at 31st March 2023, the value of the Company's portfolio was £469.2 million.

Total Return, Revenue and Dividends

Gross total return for the year amounted to £45.8 million (2022: £40.8 million) and net total return after deducting finance costs, management expenses, other administrative expenses and taxation amounted to £40.6 million (2022: £34.1 million). Distributable income for the year amounted to £12.4 million (2022: £11.8 million).

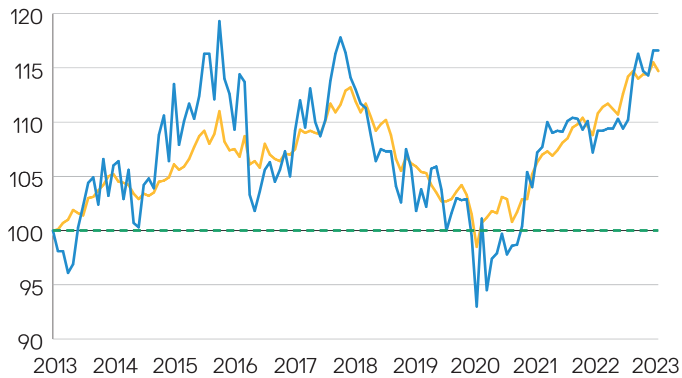
Key Performance Indicators ('KPIs')

The Board uses a number of financial KPIs to monitor and assess the performance of the Company. The Board is provided with performance indicators monthly and in addition, during quarterly Board Meetings, more detailed reviews are undertaken. The principal KPIs are:

- **Performance against the benchmark index:**
  - This is the most important KPI by which performance is judged. The following graphs illustrate performance against benchmark indicators and these are further discussed in the Chair's Statement on page 8 and can be read together with the financial records for ten years on page 17.

Performance Relative to Benchmark Index

Figures have been rebased to 100 at 31st March 2013

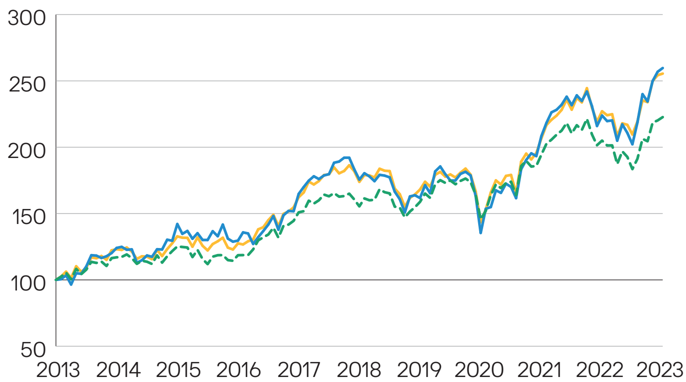


- Return to shareholders
- Return on net assets, with debt at fair value
- The benchmark is represented by the Green horizontal line

Source: Morningstar.

Ten Year Performance

Figures have been rebased to 100 as at 31st March 2013



- Return to Shareholders
- Return on net assets, with debt at fair value
- Benchmark return

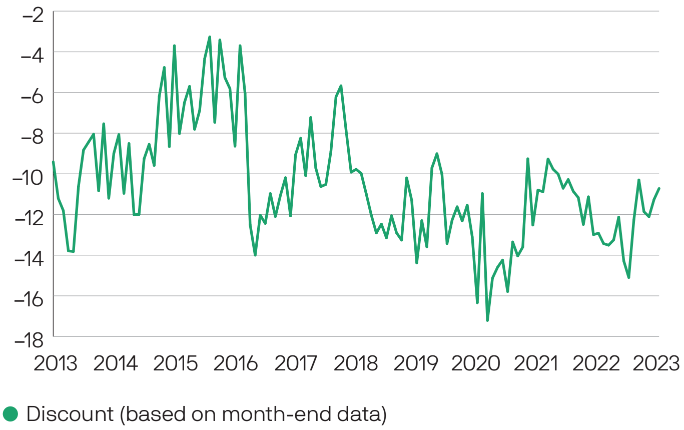
Source: Morningstar.

- **Performance against the Company's peers**
  - The investment objective of the Company is to provide capital growth and a rising share price over the longer term from Continental European investments by out-performance of the benchmark and taking carefully controlled risks through an investment method that is clearly communicated to shareholders. However, the Board also monitors the performance of the portfolio relative to a broad range of competitor funds.

Business Review

- **Performance attribution**
  - The purpose of performance attribution analysis is to assess how the portfolio achieved its performance relative to its benchmark index, i.e. to understand the impact on the portfolio's relative performance of the various components such as asset allocation and stock selection. Details of the attribution analyses for the year ended 31st March 2023 are given in the Investment Managers' Report on pages 11 to 13.
- **Discount to net asset value ('NAV')**
  - The Board has for several years operated a share repurchase programme that seeks to address imbalances in supply and demand for the Company's shares within the market and thereby seek to manage the volatility and absolute level of the discount to NAV at which the Company's shares trade. In the year to 31st March 2023, the discount on the shares (using cum-income NAV, with debt valued at fair value) ranged between 10.3% and 15.1% (based on month-end data). For details of the Board's approach to managing the discount for shares, please refer to the Chair's Statement on page 8.

Share price discount to cum-income NAV, with debt at fair value



Source: J.P. Morgan/Refinitiv.

- **Ongoing charges**
  - The Ongoing charges represent the Company's management fee and all other operating expenses, excluding finance costs, expressed as a percentage of the average of the daily net assets during the year. The portfolio's Ongoing charges for the year ended 31st March 2023 were 0.66% (2022: 0.89%).

Share Capital

The Company has authority both to repurchase shares in the market (for cancellation or to be held in Treasury) and to issue new shares for cash at a premium to net asset value.

During the year 2,548,683 Ordinary shares were repurchased into Treasury and 300,00 for cancellation. (2022: nil into Treasury, 134,384 for cancellation.)

Since the year end, the Board implemented its buyback policy and purchased a total of 518,906 Ordinary shares.

No new shares were issued during the year, or since the year end (2022: nil).

Resolutions to renew the authorities to allot new shares and to repurchase shares will be put to shareholders at the forthcoming AGM. The full text of the resolutions is set out in the Notice of Meeting on pages 87 and 88.

Borrowing

In 2015 the Company issued a €50 million Private Placement Note with MetLife repayable on 26th August 2035 with a fixed coupon rate of 2.69%.

Board Diversity

When recruiting a new Director, the Board's policy is to appoint individuals on merit. Diversity is important in bringing an appropriate range of skills and experience to the Board and diversity in gender, race and social class as well as other forms of diversity will be sought when possible. As regards the gender diversity of the Board as at 31st March 2023, the Financial Conduct Authorities Listing Rule comply or explain requirement for females to represent at least 40% of the Company's Board of Directors and at least one female be appointed in a senior position was met as there were two male Directors and three female Directors on the Board and Rita Dhut is the Chair of the Company's Board of Directors. In addition the Listing Rule requirement that at least one of member of the Board is from a minority ethnic background, is met as detailed in the table below.

Board Composition at 31st March 2023

Gender	Number of Board Members	Percentage of Board	Number of Senior Roles[1]
Men	2	40%	1
Women	3	60%	1
Ethnicity			
White British (or any other white background)	4	80%	1
Ethnic Minority	1	20%	1

[1] The roles of Chair of the Board of Directors and Senior Independent Director are classified as senior positions.

The information in the above table is obtained in the annual appraisal process of the Directors, Board and Committees.

Employees, Social, Community, Environmental, Human Rights Issues

The Board supports and receives reporting on the Investment Manager's approach to ESG considerations which are fully embedded into the investment process. A detailed explanation of the Investment Manager's overall approach to ESG is on pages 14 to 16.

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 Board further notes JPMAM's global policy statements in respect of Environmental, Social and Governance issues, as highlighted in italics:

JPMAM is also a signatory to the United Nations Principles of Responsible Investment, which commits participants to six principles, with the aim of incorporating ESG criteria into their processes when making stock selection decisions and promoting ESG disclosure.

The Manager has implemented a policy which seeks to restrict investments in securities issued by companies that have been identified by an independent third party provider as being involved in the manufacture, production or supply of cluster munitions, depleted uranium ammunition and armour and/or anti-personnel mines. Shareholders can obtain further details on the policy by contacting the Manager.

Greenhouse Gas Emissions

The Company is managed by JPMF with portfolio management delegated to JPMAM. It 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. The Company has no premises, consumes no electricity, gas or diesel fuel and consequently does not have a measurable carbon footprint and therefore qualifies as a low energy user and is exempt from reporting under the Streamlined Energy & Carbon Reporting requirements. JPMAM is also a signatory to the Carbon Disclosure Project.

JPMorgan Chase Bank, N.A 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/ourbusiness/human-rights

Corporate Criminal Offence

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

Principal and Emerging Risks

The Directors have carried out a robust assessment of the principal and emerging risks facing the Company, including climate change and those that would threaten its business model, future performance, solvency or liquidity. With the assistance of the Manager, the Audit Committee has drawn up a risk matrix, which identifies the key and emerging risks to the Company. These are reviewed and noted by the Board.

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 Committee to put in place procedures to identify emerging risks. The key emerging risks identified are also summarised below.

Principal risk	Description	Mitigating activities
Investment	The Board recognises that performance of the Company's investment portfolio is fundamental to the success of the Company. Investment includes market risk and this arises from uncertainty about the future prices of the Company's investments. It represents the potential loss the Company might suffer through holding investments in the face of negative market movements. Market risk is currently heightened due to various factors highlighted in the Chair and Investment Managers' report, these include interest rates rises, ongoing supply chain issues and sustained inflation. Geopolitical concerns will also impact the market; the current conflict in Ukraine and tensions with China are causing increased volatility in the markets.	In order to achieve the objectives given the risks inherent in investment such as market, gearing, currency and interest rates, investment guidelines, policies and processes are in place which aim to mitigate these risks. They are designed to ensure that the portfolios are managed in a way which is aimed at identifying the best stocks and diversifying risk. Regular reports are received by the Board from the Manager on stock selection, asset allocation, gearing, hedging and costs of running the Company and these are reviewed at each Board meeting in detail. Compliance with investment guidelines and policies are reviewed by the Manager and the Board, and discussed at each board meeting in detail together with an analysis of market parameters affecting the business. The Board considers asset allocation, stock selection and levels of gearing on a regular basis and has set Investment Restrictions and Guidelines which are monitored and reported on by JPMF. The Board monitors the implementation and results of the investment process with the Manager. Further details regarding financial instruments are disclosed in note 21 on pages 75 to 81.
Operational	In common with most investment trusts the Board delegates the operation of the business to third parties, the principal delegate being the Manager JPMF. Disruption to, failure of, or fraud in JPMF's accounting, dealing or payments systems or the Depositary or Custodian's records could prevent timely implementation of investment decisions, and potentially shortfalls in the accuracy of reporting and monitoring of the Company's financial position and loss. Cyber crime is a threat to businesses continuity and security.	Details of how the Board monitors the services provided by JPMF and its associates and the Depositary and Custodian and the key elements designed to provide effective internal control are included within the Internal Control section of the Corporate Governance report on page 35. The Board has received the cyber security policies of its key third party service providers and JPMF has provided assurance to the Directors that the Company benefits directly 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 trading applications are tested and reported on every six months against the AAF standard.

Principal and Emerging Risks

Principal risk	Description	Mitigating activities
Regulatory	The Company operates in an environment with significant regulation including the FCA Listing Rules, The UK Companies Act, the Corporation Taxes Act, Market Abuse Regulation, Disclosure Guidance and Transparency Regulations and the Alternative Investment Fund Managers Directive (AIFMD). There has been no significant change to this risk during the year though the environment as a whole is considered to be one of increasing costs for compliance. The Company also operates under the requirements of the Bribery Act 2010 as referred to in the Directors Report on page 34.	The Board relies on the services of its Company Secretary, the Manager and its professional advisers to ensure compliance with the Companies Act 2006, the FCA Prospectus Rules, Listing Rules, DTRs and the Alternative Investment Fund Managers Directive.
Discount premium to NAV	Share price discount or premium to net asset value per share could lead to high levels of uncertainty and reduced shareholder confidence.	The Board monitors the Company's discount level and seeks, where deemed prudent, to address imbalances in the supply and demand of the Company's shares through share buybacks. For details of the Company's Continuation Vote and Tender Offer and Discount Control arrangements, including recent updates, see Key Features at the front of this document.
Strategy	An inappropriate investment strategy, for example asset allocation may lead to underperformance against the Company's benchmark index and peer companies.	The Board reviews the overall strategy and structure of the Company in comparison to performance against benchmark, peer group and share activity. The Board holds a separate meeting devoted to strategy each year which includes consideration of whether the Company's objectives and structures are appropriate for the long term interests of shareholders.
Pandemic Risk	Whilst noting that in May 2023 the World Health Organization announced that Covid-19 no longer qualified as a global emergency, the outbreak and spread of Covid-19 demonstrated the risk of global pandemics, in whatever form a pandemic takes. Should a new variant of the virus spread more aggressively or become more virulent, it may present risks to the operations of the Company, its Manager and other major service providers. The recent 'Zero Covid' policy in China illustrates the continuing potential for Covid–19 to cause disruption. The 'Zero Covid' policy in China that was in place during the year (although recently withdrawn) illustrates the negative impact that a pandemic can have on the global economy.	The Board monitors effectiveness and efficiency of service providers' processes through ongoing compliance and operational reporting and there were no disruptions to the services provided to the Company in the year under review. The Company's service providers are capable of implementing business continuity plans which include working almost entirely remotely. The Board continues to receive regular reporting on operations from the Company's major service providers and would not anticipate a fall in the level of service in the event of a reemergence of a pandemic.

Principal and Emerging Risks

Principal risk	Description	Mitigating activities
Climate Change	Climate change, which barely registered with investors a decade ago, has today become one of the most critical issues confronting asset managers and their investors. Investors can no longer ignore the impact that the world's changing climate will have on their portfolios, with the impact of climate change on returns now inevitable.	The Company's investment process integrates considerations 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. The Board is also considering the threat posed by the direct impact on climate change on the operations of the Manager and other major service providers. As extreme weather events become more common, the resiliency, business continuity planning and the location strategies of our services providers will come under greater scrutiny.

Emerging Risks	Description	Mitigating activities
Geopolitical and Economic concerns	The recent trade tensions between western economies and China and Russia's invasion of Ukraine in February 2022 may cause long term changes in global trade and technology. This may challenge future growth potential and increased frictions in accessing global markets. Changes in financial or tax legislation in the UK or in some of the countries in which the Company invests may impact the operating model of the Company. In addition policies adopted by Governments/Central banks in response to the issues being seen in markets (e.g. inflation and interest rates) may lead to adverse movements in asset prices and could result in concerns for the ongoing exposure to specific investee markets.	The Company addresses these global developments in regular questioning of the Manager and with external expertise as required will continue to monitor these issues, should they develop. The Manager regularly monitors the Company's portfolio holdings to ensure compliance with any applicable sanctions.
Artificial Intelligence (AI)	While it might equally be deemed a great opportunity and force for good, there appears also to be an increasing risk to business and society more widely from AI. Advances in computing power means that AI has become a powerful tool that will impact a huge range of areas. AI could be a significant driver for new business as well as a disrupter to current business and processes leading to added uncertainty in corporate valuations.	The Board will work with the Manager to monitor the developments concerning AI and its potential impact on the portfolio, our service providers and the wider market.

Long Term Viability

The Company was established in 1929 and has now been in existence for 94 years. This year it will be hosting its 94th AGM. The Company is an investment trust and has the objective of providing capital growth and a rising share price over the longer term from Continental European investments. The Company has been investing over many economic cycles and some difficult market conditions.

Although past performance and a long historic track record is no guide to the future, the Directors believe that the Company has an attractive future for investors as a long term investment proposition. Unfortunately, it is impossible to predict too far into the future, so the Directors have adopted a somewhat shorter time horizon to assess the Company's viability, which is five years.

The Board continue to consider five years to be a suitable time horizon as it is regarded by many as a reasonable time for investing in equities. The Directors have considered the Company's prospects over the next five years, its principal and emerging risks and the outlook for the European economy, its equity market and the market for investment trusts, and the potential impact and the mitigation measures which key service providers, including the Manager, have in place to maintain operational resilience. Equity markets have remained volatile primarily due to concerns around the scale of the impact of the pandemic, Russia's invasion of Ukraine and tensions between China and western economies on the global economy. Although these concerns are currently hard to predict with any certainty, we do not believe that it calls into question the long term viability of the Company, particularly as the Company has no loan covenants or liabilities that cannot be readily met. The Board have reviewed income and expense projections, and the liquidity of the investment portfolio in making their assessment. It has also taken into account the fact that the Company will offer a Performance-Related Tender Offer for up to 25% of the issued share capital in 2027 (see Key Features on page 2, for further details of the tender offer) with the expectation that the Company will outperform the benchmark over the period.

Moreover, the existence of a private placement maturing in 2035 illustrates the confidence that the Directors have placed in the long term viability of the Company and its ability to maintain its loan covenants. 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 next five years until 31st March 2028.

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 good working relationships with shareholders and understanding the views of shareholders in order to incorporate them into the Board's strategic thinking and objectives. Full details on how the Board ensures it is fully appraised of shareholder views and how it engages with all shareholder groups can be found on page 38.

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).

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. The Board monitors investments made and divested and questions 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 consider the Company's Custodian, Depositary, Registrar, Auditor and Broker to be stakeholders.

Duty to Promote the Success of the Company

Met-Life is also regarded as a key external service provider, as lender of a €50 million long term private placement to the Company. 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. The 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 14 to 16.

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

Dividends Payable to Shareholders

Despite the turbulent markets experienced during the reporting year the Company increased significantly the payout of its four quarterly interim dividends of 1p per share, giving a total dividend of 4p per share for the year.

Sales & Marketing

The Board has worked to help ensure that the Company has suitable sales and marketing plan in place to attract retail investors. The Board has undertaken enhanced marketing initiatives with the Manager and also engages Kepler & Co to provide research notes for the Company. In addition, the investment managers use webcasts and speak at video conferences, organised by brokers and external companies. The Company's website has been enhanced and various promotional activities have been discussed and will be introduced over 2023. The Board has also engaged a third party to promote and refine the on-line profile of the Company which helps widen the transmission of the Company's attributes and attractions, alongside the development of a marketing plan to raise awareness of the Company amongst existing and potential shareholders.

Managing the Company's Discount

To ensure that the Board continue to have the power to manage the Company's discount and issue shares in the Company, they recommend that shareholders vote in favour of the resolutions to renew the allotment and buy back authorities at the Company's Annual General Meeting. The Board's efforts have proved successful with the discount improving from 15.4% to 10.3% in the year under review.

Gearing

The Board reviewed the Company's level of gearing and determined that the Company's long term private placement debt remained sufficient bearing in mind the Company's objectives and market conditions.

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 to enhance its sales and marketing efforts.

Furthermore, the Board received regular updates on the operational effectiveness of the Manager and key service providers and on areas such as portfolio activity, portfolio liquidity, gearing and the discount to NAV at which the Company's shares trade.

By order of the Board
Paul Winship, for and on behalf of JPMorgan Funds Limited
Secretary

5th June 2023

Board of Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Rita Dhut (Chair of the Board of Directors)

A Director since 4th June 2019

Last appointed to the Board: 2022.

Rita Dhut is currently a Non-executive Director of Integrafin Holdings Plc, Ashoka India Equity Investment Trust Plc and a Venture Investor for Newable Ventures. She has over 28 years of varied and award winning investment experience including in UK and continental European equities with previous roles including Director of European Equities at M&G and Head of Pan European Equity Value Investing at Aviva Investors.

Shared directorships with other Directors: None.

Shareholding in Company: 37,422 Shares.

Jutta af Rosenborg (Chair of the Audit Committee)

A Director since 1st February 2015

Last reappointed to the Board: 2022.

Jutta af Rosenborg is a Director of Nilfisk Holdings A/S, RIT Capital Partners Plc and BBGI SICAV S.A. She has held a number of senior auditing and consulting roles with firms including Deloitte in addition to directorships of listed Danish Companies. She has considerable business experience gained as a Financial Director of several large industrial enterprises and their subsidiaries operating in Continental Europe. She is a qualified accountant.

Shared directorships with other Directors: None.

Shareholding in Company: nil.

Karen McKellar (Chair of the Management Engagement Committee)

A Director since November 2021

Last reappointed to the Board: 2022.

Karen McKellar is currently a Non-executive Director of Merchants Trust plc and has 28 years of investment management experience in UK equities across a range of different portfolio mandates.

Shared directorships with other Directors: None.

Shareholding in Company: 30,000 Shares.

Alexander Lennard

A Director since July 2021

Last reappointed to the Board: 2022.

Alexander Lennard has a well established career at Ruffer LLP and is currently the Head of Institutional Investment team. He has deep experience across global assets, including equities, fixed income and alternatives.

Shared directorships with other Directors: None.

Shareholding in Company: nil.

Guy Walker (Chair of the Nomination Committee and Senior Independent Director)

A Director since February 2021

Last appointed to the Board: 2022.

Guy Walker is currently a Non-executive Director of Impax Environmental Markets plc and Senior Adviser at the Investor Forum and has 30 years' investment experience in UK and continental European equities with roles including Managing Director of European Equities at UBS Asset Management and Global Head of ESG Investment at Schroders.

Shared directorships with other Directors: None.

Shareholding in Company: 26,256 Shares.

All Directors are members of the Audit Committee, Nomination Committee and Management Engagement Committee.

Directors' Report

The Directors present their report and the audited financial statements for the year ended 31st March 2023.

Reference to Financial Instruments and Future Developments and statements summarising how the directors have had regard to the need to foster the company's business relationships are included in the Strategic Report on pages 24 to 29.

Management of the Company

The Manager and Secretary is JPMorgan Funds Limited (JPMF). Portfolio management is delegated to JPMAM. JPMF is employed under a contract terminable 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.

JPMF and JPMAM are wholly owned subsidiaries of JPMorgan Chase Bank N.A. which, through other subsidiaries, also provides banking, dealing, marketing and custodian services to the Company.

The Management Engagement Committee conducts a formal evaluation of the performance of, and contractual relationship with, the Manager on an annual basis. Part of this evaluation includes a consideration of the management fees and whether the service received is value for money for shareholders.

The Management Engagement Committee has thoroughly reviewed the performance of the Manager in the course of the year. The review covered the performance of the Manager, its management processes, investment style, resources and risk controls and the quality of support that the Company receives from the Manager including the marketing support provided. The Board approved the Management Engagement Committee's recommendation that the continuing appointment of the Manager is in the best interests of shareholders as a whole. Such a review is carried out on an annual basis.

Management Fee

The annual management fee was charged at 0.55% of the NAV of the Company up to and including £400 million; and 0.40% of the NAV of the Company exceeding £400 million, in each case with the NAV adjusted by taking the principal amounts of debt with an original maturity in excess of one year at fair value, calculated and being payable on a monthly basis. The management fee is calculated and paid monthly in arrears. If the Company invests in funds managed or advised by JPMAM or any of its associated companies, those investments are excluded from the calculation and therefore attract no fee.

Directors

In accordance with corporate governance best practice, all Directors will retire by rotation at the forthcoming Annual General Meeting and, being eligible, all will offer themselves for reappointment. The Nomination Committee, having considered their qualifications, performance and contribution to the Board and its committees, confirms that each Director continues to be effective and demonstrates commitment to the role and the Board recommends to shareholders that they be reappointed.

Director Indemnification and Insurance

As permitted by the Company's Articles of Association, the Directors have the benefit of an 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 Auditors

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) of which the Company's auditors are 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 (as defined) and to establish that the Company's Auditors are 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.

Section 992 Companies Act 2006

The following disclosures are made in accordance with Section 992 Companies Act 2006.

Capital Structure

The Company's capital structure is summarised in Key Features on page 2 of this report.

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 16 to the Notice of AGM on page 87.

Notifiable Interests in the Company's Voting Rights

At the financial year end, the following had declared a notifiable interest in the Company's voting rights:

Shareholders	% voting rights
City of London Investment Management Company Ltd	17.9
Allspring Global Investments Holdings LLC	16.1
1607 Capital Partners LLC	9.5

There were no changes after the year end to report.

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 affects its control following a takeover bid; and no agreements between the Company and its Directors concerning compensation for loss of office.

Independent Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as Auditors to the Company and a resolution proposing their reappointment and to authorise the Directors to determine their remuneration for the ensuing year, will be proposed at the Annual General Meeting. See the Audit Committee Report on page 40 for details of Audit Partner rotation.

Annual General Meeting

NOTE: THESE SECTIONS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor or other financial adviser authorised under the Financial Services and Markets Act 2000.

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

(i) Authority to allot new shares and to disapply statutory pre-emption rights (resolutions 10 ordinary and 11 special)

The Directors will seek renewal of the authority at the AGM to issue up to 43,391,894 new Ordinary shares for cash up to an aggregate nominal amount of £216,959, such amount being equivalent to 10% of the present issued share capital as at the last practicable date before the publication of this document, and to disapply pre-emption rights in relation to such issues. The full text of the resolutions is set out in the Notice of Meeting on page 87. This authority will expire at the conclusion of the AGM of the Company in 2024 unless renewed at a prior general meeting.

It is advantageous for the Company to be able to issue new shares to investors when the Directors consider that it is in the best interests of shareholders to do so. As such issues are only made at prices greater than the net asset value (the 'NAV'), they increase the NAV per share and spread the Company's administrative expenses, other than the management fee, over a greater number of shares. The issue proceeds are available for investment in line with the Company's investment policies.

(ii) Authority to repurchase the Company's Shares (resolution 12 special)

The authority to repurchase up to 14.99% of the Company's issued share capital, granted by shareholders at the 2022 AGM, will expire on 8th January 2024 unless renewed at the forthcoming AGM. 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 AGM to renew this authority, which will last until 8th January 2025 or until the whole of the 14.99% has been acquired, whichever is the earlier. The full text of the resolution is set out in the Notice of Meeting on pages 87 to 88. 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.

Recommendation

The Board considers that resolutions 10 to 12 to be proposed at the forthcoming AGM, are in the best interests of 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 approximately 0.02% of the voting rights of the Company.

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. 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

Corporate Governance Statement

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.
  - Internal audit function as the Company relies on the internal audit department of the Manager; and
  - Establishment of a separate Remuneration Committee, as this role is undertaken by the Nomination Committee chaired by the Senior Independent Director.

Role of the Board

A management agreement between the Company and JPMF 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, administrative, and some marketing services. All other matters are reserved for the approval of the Board. A formal schedule of matters reserved to the Board for 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.

At each Board meeting, Directors' interests are considered. These are reviewed carefully, taking into account the circumstances surrounding them, and, if considered appropriate, are approved. It was resolved that there were no actual or indirect interests of a Director which conflicted with the interests of the Company, which arose during the year.

Following the introduction of the Bribery Act 2010 the Board has adopted appropriate procedures designed to prevent bribery. It confirms that the procedures have operated effectively during the year under review.

The Board meets on at least five occasions during the year and additional meetings are arranged as necessary. Full and timely information is provided in Board Papers and correspondence to the Board by JPMF to enable it to function effectively and to allow Directors to discharge their responsibilities.

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, JPMF, which is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Board Composition

At the date of signing this Report the Board, chaired by Rita Dhut, consists of five Non-executive Directors, all of whom are regarded by the Board as independent of the Company's Manager, including the Chair. The Directors have a breadth of investment knowledge, business and financial skills and experience relevant to the Company's business. Brief biographical details of each Director are set out on page 33.

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.

Reappointment of Directors

The Directors of the Company and their brief biographical details are set out on page 33. 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 on page 36. All of the Directors held office throughout the year under review will stand for reappointment at the forthcoming AGM. See page 87 for further details regarding the AGM.

Resolution 4 is for the reappointment of Rita Dhut. She joined the Board in June 2019 and has served for four years as a Director.

Resolution 5 is for the reappointment of Alexander Lennard. He joined the Board in July 2021 and has served for two years as a Director.

Resolution 6 is for the reappointment of Karen McKellar. She joined the Board in November 2021 and has served for one year as a Director.

Resolution 7 is for the reappointment of Jutta af Rosenborg. She joined the Board in February 2015 and has served for eight years as a Director.

Resolution 8 is for the reappointment of Guy Walker. He joined the Board in February 2021 and has served for two years as a Director.

The Board confirms that each of the Directors standing for reappointment at the forthcoming AGM continue to contribute effectively and recommends that shareholders vote in favour of their 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 reappointed by shareholders. Thereafter, Directors are subject to annual reappointment by shareholders, in line with corporate governance best practice. The Board does not believe that length of service in itself necessarily disqualifies a Director from seeking reappointment but, when making a recommendation, the Board will take into account the ongoing requirements of the UK Corporate Governance Code, including the need to refresh the Board and its Committees. 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 AGM.

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 Chair 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 page 33.

The table below details the number of Board and Committee meetings attended by each currently serving Director. In addition to ad-hoc telephone Board meetings, during the year there were five full Board meetings, including a private meeting of the Directors to evaluate the Manager and a separate meeting devoted to strategy. There were also two Audit Committee meetings and one meeting of the Nomination Committee and Management Engagement Committee during the year.

Director	Board Meetings Attended	Audit Committee Meetings Attended	Nomination Committee Meetings Attended	Management Engagement Committee Meetings Attended
Rita Dhut	5	2	1	1
Jutta af Rosenborg	5	2	1	1
Guy Walker	5	2	1	1
Alexander Lennard	5	2	1	1
Karen McKellar	5	2	1	1

Board Committees

Nomination Committee

The Nomination Committee, chaired by Guy Walker 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. The appointment process takes account of the benefits of diversity, including gender. 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 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, including gender, its effectiveness and how it works together. Questionnaires, drawn up by the Board, with the assistance of JPMF, are completed by each Director. The responses are collated and then discussed by the Committee. The evaluation of individual Directors is led by the Chair. The Senior Independent Director (SID) leads the evaluation of the Chair's performance. Guy Walker replaced Rita Dhut as the Company's SID in September 2022. The conclusion of the evaluations were that the Board and its Chair and Directors were performing effectively and working in the best interests of the Company's shareholders. Consideration was given to the appointment of an external consultant to evaluate the performance of the Chair and the Board, but it was not regarded as necessary as the existing evaluation process was sufficient. This was because the process was regarded as sufficiently robust and the recent appointment of new directors had allowed the feedback of the individual Directors, the Board and its Committees to include new perspectives. In addition, no difficulties had been identified in functioning or communications in the process.

The Committee also reviews Directors' fees and makes recommendations to the Board as and when required.

The Management Engagement Committee

The membership of the Management Engagement Committee consists of all the independent Directors and is chaired by Karen McKellar. The Committee meets at least once a year to review the terms of the management agreement between the Company and the Manager, to review the performance of the Manager and fees, to review the notice period that the Board has with the Manager and to make recommendations to the Board on the continued appointment of the Manager following these reviews. The key service providers of the Company are also reviewed. Further information is set out on page 30.

Corporate Governance Statement

Audit Committee

The Audit Committee Report is set out on page 40.

The Nomination Committee, Audit Committee and the Management Engagement Committee have written terms of reference which define clearly their respective responsibilities, copies of which are available for inspection at 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 each year by way of the annual report and Financial Statements, and half year financial report. This is supplemented by the daily publication, through the London Stock Exchange, of the net asset value of the Company's shares.

Normally, all shareholders are encouraged to attend the Company's Annual General Meeting at which the Directors and representatives of the Managers are available in person to meet with shareholders and answer their questions. In addition, a presentation is given by the Investment Managers who review the Company's performance. During the year the Company's brokers, the Investment Managers and JPMF hold regular discussions with larger shareholders. The Directors are made fully aware of their views. The Chair 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 95. Questions can also be raised through the link on the Company's website jpmeuropeangrowthandincome.com.

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 submit questions via the Company's website or write to the Company Secretary at the address shown on page 95. 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; 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 mis-statement or loss.

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

- **Financial Reporting**

  Regular and comprehensive review by the Board of key investment and financial data, including financial statements, management accounts, revenue projections, analysis of transactions and performance comparisons.

- **Management Agreement**

  Appointment of a manager and depositary regulated by the Financial Conduct 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 JPMF'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 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 Managers and its associates as follows:

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

  – the Board reviews reports on the risk management and internal controls and the operations of its Depositary, The Bank of New York Mellon (International) Limited and

Custodian, JPMorgan Chase Bank N.A., which are themselves independently reviewed; and

- every six months the Directors review an independent report on the risk management and internal controls and the operations of JPMF.

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 31st March 2023 and that systems have been in place during the year under review and up to the date of approval of this Annual Report and Financial Statements. Moreover, the controls accord with the Financial Reporting Council, Guidance on Risk Management, internal control and related Financial and Business Reporting, September 2014.

Corporate Governance and Voting Policy

The Company delegates responsibility for voting to the Manager. The following is a summary of JPMAM's policy statements on corporate governance, voting policy and social and environmental issues, which has been reviewed and noted by the Board.

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

JPMAM 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 JPMAMs 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 JPMAMs investee companies through investment-led stewardship has been a vital component of JPMAMs 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 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/gb/en/asset-management/institutional/about-us/investment-stewardship/

By order of the Board
Paul Winship, for and on behalf of JPMorgan Funds Limited
Secretary

5th June 2023

Audit Committee Report

Composition and Role

The Audit Committee presents its report for the year ended 31st March 2023.

The Audit Committee, chaired by Jutta af Rosenborg, meets at least twice each year. The members of the Audit Committee are independent and consider that they have the requisite skills and experience to fulfil the responsibilities of the Committee. The Chair of the Company is a member of the Committee, which benefits from her valuable contributions drawing on her extensive knowledge and experience. This is permitted under the AIC Code as the Board Chair was deemed to be independent on appointment.

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 UK Corporate Governance Code.

The Audit Committee also examines the effectiveness of the Company's internal control systems. It monitors the Company's Principal and Emerging risks and the controls relating to Key risks it receives information from the Manager's Compliance department, see page 38 Risk Management and Internal Controls, and also reviews the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external auditors. In the Directors' opinion the Auditors are independent.

Financial Statements and Significant Accounting Matters

During its review of the Company's financial statements for the year ended 31st March 2023, the Audit Committee considered the following significant issues, in particular those communicated by the Auditors during their reporting:

Significant issue	How the issue was addressed
Valuation existence and ownership of investments and derivatives	The valuation of investments and derivatives are undertaken in accordance with the accounting policies, disclosed in note 1(b) and (g) to the financial statements on pages 62 and 63. 100% of the portfolio can be verified against daily published prices. Controls are in place to ensure valuations are appropriate and existence is verified through custodian and depositary reconciliations. The Board monitors controls and significant movements in the underlying portfolio by reviewing reports regularly in Board Meetings.
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 63. The Board regularly reviews subjective elements of income such as special dividends and agrees their accounting treatment. Reference is made to a Revenue Estimate during the reviews.
Compliance with Sections 1158 and 1159	Approval for the Company as an investment trust under Sections 1158 and 1159 has been obtained and ongoing compliance with the eligibility criteria is monitored on a regular basis by the Manager on behalf of the Board.

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

Going Concern

The Directors believe that, having considered the Company's investment objectives (see page 2), future cash flow projections, risk management policies (see page 26), liquidity risk (see note 21(b) on page 79), principal and emerging risks (see page 26) capital management policies and procedures (see page 81), nature of the portfolios and expenditure projections, the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence to 30th June 2024, being at least 12 months from approving this annual report and financial statements. We considered as part of our risk assessment the nature of the Company, its business model and related risks including where relevant the impact of the Covid-19 pandemic and Russia's invasion of Ukraine, the requirements of the applicable financial reporting framework the covenants in respect of the Company's private placement debt and the system of internal control. For these reasons, they consider that there is reasonable evidence to continue to adopt the going concern basis in preparing the report.

Assessment of the Effectiveness of the External Audit Process

The Audit Committee has a primary responsibility for making recommendations to the Board on the reappointment and removal of external Auditors. Representatives of the Company's Auditors attended the Audit Committee meeting at which the draft Annual Report and Financial Statements were considered and also engage with Directors as and when required. Having considered the external Auditors' performance, including their technical competence, strategic knowledge, the quality of work, communications and reporting, the Committee was satisfied with the effectiveness of the external audit process.

Audit Appointment and Tenure

The Audit Committee also has a primary responsibility for making recommendations to the Board on the reappointment and removal of external Auditors. Representatives of the Company's Auditors attended the Audit Committee meeting at which the draft Annual Report and Financial Statements including the Auditors' Results Report were considered and also engage with Directors as and when required. The Audit Committee received confirmations from the Auditors in regard of their independence and objectivity during the review of their services.

This is the second year that PricewaterhouseCoopers LLP have audited the Company's financial statements. In accordance with present professional guidelines the Audit Partner will be rotated after no more than five years and the current year is the second year for which the present Audit Partner, Shujaat Khan, has served. Details of the fees paid for audit services are included in note 6 on page 65.

Fair Balanced and Understandable

Having discussed the content of the annual report and financial statements with the Alternative Investment Fund Manager (JPMF), Investment Managers, Company Secretary and other third party service providers, the Audit Committee has concluded that the Annual Report for the year ended 31st March 2023, taken as a whole, is fair, balanced and understandable and provides the information both positive and negative necessary for shareholders to assess the Company's 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 47.

By order of the Board
Paul Winship, for and on behalf of
JPMorgan Funds Limited, Secretary.

5th June 2023

Directors' Remuneration Report

The Board presents the Directors' Remuneration Report for the year ended 31st March 2023, which has been prepared in accordance with the requirements of Section 421 of the Companies Act 2006.

The law requires the Company's Auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditors' opinion is included in their report on pages 49 to 55.

As all of the Directors are Non-executive, the Board has not established a Remuneration Committee. Instead, the Nomination Committee chaired by the Senior Independent Director reviews Directors' fees on a regular basis and makes recommendations to the Board as and when appropriate.

Directors' Remuneration Policy

The Directors' Remuneration Policy is subject to a triennial binding vote, however, a decision has been taken to seek 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.

At the AGM on 7th July 2022 99.85% votes cast were in favour of (or granted discretion to the Chair who voted in favour of) the Remuneration Policy and 0.15% voted against. Abstentions were received from less than 1% of votes cast.

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 and retained. The Chair of the Board and the Chair of the Audit Committee are paid higher fees than the other Directors, reflecting the greater time commitment involved in fulfilling those roles.

Reviews are based on information provided by the Manager, JPMF, and industry research carried out by third parties 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: Chair £42,500; Chair of the Audit Committee £33,500; and other Directors £29,000.

In the year under review the Board reviewed fees paid to the Directors. It was noted that the previous increase was effective on 1st April 2022. The Board decided to increase the fees paid to the Audit Committee Chair and with effect from 1st April 2023 in order to maintain the fee in line with the increasing demands of time required and relative to its peers. The Audit Committee Chair's fees increased from £33,500 to £34,500 effective from 1st April 2023. The fees of the Chair of the Board and the other Directors remained unchanged.

The maximum aggregate Directors' fees payable are £225,000 per annum, as specified in the Company's Articles of Association. Any increase in the maximum aggregate annual limit on Directors' fees, requires both Board and shareholder approval.

The Company's Articles of Association provide for additional remuneration to be paid to the Company's Directors for duties or services performed outside their ordinary duties, not limited by the maximum aggregate, refered to above.

The Company has not sought shareholder views on its remuneration policy. The Nomination Committee considers any comments received from shareholders on remuneration policy on an ongoing basis and takes account of those views.

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 36.

Directors' Remuneration Policy Implementation

The Directors' Remuneration Report, which includes details of the Directors' remuneration policy and its implementation, 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 31st March 2022.

At the Annual General Meeting held on 7th July 2022, of votes cast, 99.83% of votes cast were in favour of (or granted discretion to the Chair who voted in favour of) the remuneration report and 0.17% voted against. Abstentions were received from less than 1% of the votes cast.

Details of voting on both the Remuneration Policy and the Directors' Remuneration Report from the 2023 Annual General Meeting will be given in the annual report for the year ending 31st March 2024.

Details of the implementation of the Company's remuneration policy are given below.

Directors' Remuneration Report

Single total figure of remuneration

The single total figure of remuneration for each Director is detailed below together with the prior year comparative.

Single total figure table[1]

Directors' Name	2023 Fees £	2023 Taxable expenses[2] £	2023 Total £	2022 Fees £	2022 Taxable expenses[2] £	2022 Total £
Josephine Dixon[3]	21,250	—	21,250	40,000	—	40,000
Rita Dhut	35,750	—	35,750	27,500	—	27,500
Stephen Goldman[6]	—	—	—	20,625	—	20,625
Alexander Lennard[4]	29,000	—	29,000	20,027	—	20,027
Karen McKellar[5]	29,000	—	29,000	9,715	322	10,037
Jutta af Rosenborg	33,500	5,603	39,103	31,500	—	31,500
Guy Walker	29,000	—	29,000	27,500	—	27,500
Total	**177,500**	**5,603**	**183,103**	**176,867**	**322**	**177,189**

[1] Audited information.
[2] Taxable travel and subsistence expenses incurred in attending Board and Committee meetings.
[3] Retired from the Board on 30th September 2022.
[4] Appointed to the Board on 8th July 2021.
[5] Appointed to the Board on 24th November 2021.
[6] Retired from the Board on 31st December 2021.

Effective from 1st April 2023:

	For the year ending 31st March 2024 £
Rita Dhut	42,500
Jutta af Rosenborg	34,500
Alexander Lennard	29,000
Guy Walker	29,000
Karen McKellar	29,000
Total	**164,000**

Annual Percentage Change in Directors' Remuneration

The following table sets out the annual percentage change in Directors' fees:

Directors' Name	% change for the year to 31st March 2023	2022	2021
Josephine Dixon[1]	n/a	0%	0%
Rita Dhut[7]	30%	0%	21%
Stephen Goldman[2]	n/a	n/a	0%
Alexander Lennard[3]	5%	n/a	n/a
Karen McKellan[4]	5%	n/a	n/a
Jutta af Rosenborg	6%	0%	0%
Stephen Russell[5]	n/a	n/a	–12%
Guy Walker[6]	5%	0%	n/a

[1] Retired from the Board on 30th September 2022.
[2] Retired from the Board on 31st December 2021.
[3] Appointed to the Board on 8th July 2021. The % change for 2023 is based on the annual fee rate payable on appointment for comparison purposes.
[4] Appointed to the Board on 24th November 2021. The % change for 2023 is based on the annual fee rate payable on appointment for comparison purposes.
[5] Retired from the Board on 15th February 2021.
[6] Appointed to the Board on 15th February 2021. The % change for 2022 is based on the annual fee rate payable on appointment for comparison purposes.
[7] Appointed as Chair of the Board on 30th September 2022.

Directors' Remuneration Report

A table showing the total remuneration for the role of Chair over the five years ended 31st March 2023 is below:

Remuneration for the role of Chair over the five years ended 31st March 2023

Year ended 31st March	Fees
2023	£42,500
2022	£40,000
2021	£40,000
2020	£40,000
2019	£40,000

Directors' Shareholdings

There are no requirements pursuant to the Company's Articles of Association for the Directors to own shares in the Company. The Directors beneficial shareholdings in the Company's shares, are detailed below:

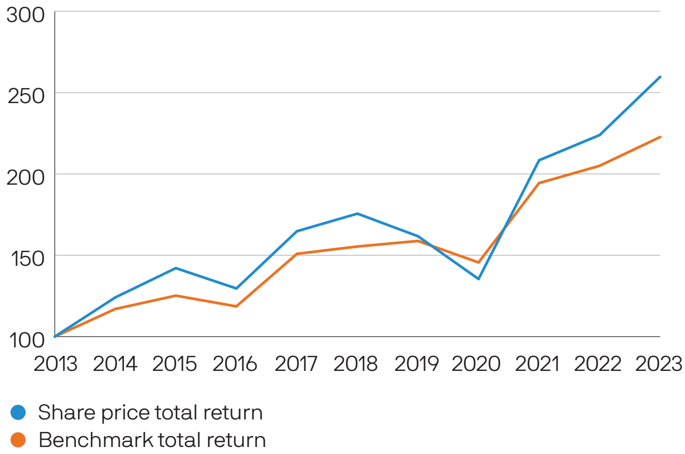
Directors	31st March[1] 2023	1st April[1] 2022 or date of appointment
Josephine Dixon	—	28,276
Rita Dhut	37,422	11,422
Jutta af Rosenborg	—	—
Alexander Lennard	—	—
Guy Walker	26,256	26,256
Karen McKellar	30,000	30,000

[1] Audited information.

There have been no changes to the above details since the year end and the date of signing these report and financial statements.

A graph showing the portfolio's share price total return compared with the relevant benchmark is shown below.

Ten Year Share Price and Benchmark Total Return to 31st March 2023



Source: Morningstar/FTSE.

Expenditure by the Company on remuneration and distribution to shareholders

	Year ended 31st March 2023	Year ended 31st March 2022
Remuneration paid to all Directors	£183,103	£177,189
Distribution to shareholders		
— by way of dividend	£22,245,000	£9,652,000
— by way of share repurchases	£258,000	£4,314,000

For and on behalf of the Board
Rita Dhut
Chair

5th June 2023

Statement of Directors' Responsibilities in Respect of the Financial Statements

The Directors are responsible for preparing the Annual Report & the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are 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 Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

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. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the annual report and accounts, 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.

Each of the Directors, whose names and functions are listed in page 34 confirm that, to the best of their knowledge:

- the company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 102, give a true and fair view of the assets, liabilities, financial position and return of the company; and
- The Strategic Report and the Directors' Report include 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.

For and on behalf of the Board
Rita Dhut
Chair

5th June 2023

Independent Auditors' Report

Independent auditors' report to the members of JPMorgan European Growth & Income plc

Report on the audit of the financial statements

Opinion

In our opinion, JPMorgan European Growth & Income plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2023 and of its return and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report & Financial Statements (the 'Annual Report'), which comprise: the Statement of Financial Position as at 31st March 2023; the Statement of Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company in the period under audit.

Our audit approach

Context

JPMorgan European Growth & Income plc is an Investment Trust Company listed on the London Stock Exchange and invests primarily in equities quoted on European investment markets. The operations of the Company are located in the UK. We focus our audit work primarily on the valuation and existence of investments and income from investments.

Overview

Audit scope

- The Company is a standalone Investment Trust Company and engages JPMorgan Funds Limited (the 'Manager') to manage its assets.
- We conducted our audit of the financial statements using information from JPMorgan Chase Bank N.A. (the 'Administrator') to whom the Manager has, with the consent of the Directors, delegated the provision of certain administrative functions.
- We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates.
- We obtained an understanding of the control environment in place at both the Manager and the Administrator and adopted a fully substantive testing approach using reports obtained from the Administrator.

Independent Auditors’ Report

Key audit matters

- Valuation and existence of investments.
- Accuracy, occurrence and completeness of investment income.

Materiality

- Overall materiality: £4,552,400 (2022: £4,393,300) based on 1% of net assets.
- Performance materiality: 3,414,300 (2022: £3,294,000).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors’ professional judgement, were of most significance in the 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) identified by the auditors, including 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, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of investments Refer to the Accounting Policies and the Notes to the financial statements. The investment portfolio at the year-end comprised listed equity investments valued at £469 million. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed in the Statement of Financial Position in the financial statements.	We assessed the accounting policy for the valuation of investments for compliance with accounting standards and performed testing to check that investments are accounted for in accordance with this stated accounting policy. We tested the valuation of all listed equity investments by agreeing the prices used in the valuation to independent third party sources. We tested the existence of all listed investments by agreeing investment holdings to an independent confirmation. No material issues were identified.

Independent Auditors' Report

Key audit matter	How our audit addressed the key audit matter
Accuracy, occurrence and completeness of investment income Refer to the Accounting Policies and Notes to the Financial Statements. For the Company we consider that 'income' refers to both revenue and capital (including gains and losses on investments). We focused on the accuracy, occurrence and completeness of investment income as incomplete or inaccurate income could have a material impact on the Company's net asset value.	We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP, and that income has been accounted for in accordance with the stated accounting policy. The gains/losses on investments held at fair value through profit or loss comprise realised and unrealised gains/losses. For unrealised gains and losses, we tested the valuation of the portfolio at the year-end, together with testing the reconciliation of opening and closing investments. For realised gains/losses, we tested a sample of disposal proceeds by agreeing the proceeds to bank statements and we re-performed the calculation of a sample of realised gains/losses. We tested the accuracy of dividend receipts by agreeing the dividend rates from investments to independent third-party data. To test for occurrence, we confirmed that all dividends recorded had occurred in the market to independent third-party data, and traced a sample of cash payments to bank statements. To test for completeness, we tested that the appropriate dividends had been received in the year by reference to independent third-party data of dividends declared for listed investments held during the year. We also tested the allocation and presentation of dividend income between the revenue and capital return columns of the Statement of Comprehensive Income in line with the requirements set out in the AIC SORP by confirming reasons behind dividends. No material issues were identified.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

The impact of climate risk on our audit

In planning our audit, we made enquiries of the Directors and Investment Manager to understand the extent of the potential impact of climate change on the Company's financial statements.

The Directors and Investment Manager concluded that the impact on the measurement and disclosures within the financial statements is not material because the Company's investment portfolio is made up of level 1 quoted securities which are valued at fair value based on market prices. We found this to be consistent with our understanding of the Company's investment activities.

We also considered the consistency of the climate change disclosures included in the Strategic Report with the financial statements and our knowledge from our audit.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Independent Auditors' Report

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall Company materiality	£4,552,400 (2022: £4,393,300).
How we determined it	1% of net assets
Rationale for benchmark applied	We have applied this benchmark, which is a generally accepted auditing practice for investment trust audits.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to 3,414,300 (2022: £3,294,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £227,620 (2022: £219,600) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- evaluating the Directors' updated risk assessment and considering whether it addressed the relevant threats to the Company;
- evaluating the Directors' assessment of potential operational impacts to the Company of relevant risks, considering their consistency with other available information and our understanding of the business and assessed the potential impact on the financial statements;
- reviewing the Directors' assessment of the Company's financial position in the context of its ability to meet future expected operating expenses, their assessment of liquidity as well as their review of the operational resilience of the Company and oversight of key third-party service providers; and
- assessing the implication of potential significant reductions in NAV as a result of market movements on the ongoing ability of the Company to operate.

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 of at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

In relation to the directors' 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.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent Auditors' Report

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31st March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Directors' Remuneration

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

Corporate governance statement

The Listing Rules require us to review the directors' statements 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. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

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 and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the company and its environment obtained in the course of the audit.

In addition, 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 and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the company's position, performance, business model and strategy;

Independent Auditors' Report

- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of section 1158 of the Corporation Tax Act 2010, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase net asset value. Audit procedures performed by the engagement team included:

- discussions with the Manager and Audit Committee, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- reviewing relevant committee meeting minutes, including those of the Board and Audit Committee;
- assessment of the Company's compliance with the requirements of section 1158 of the Corporation Tax Act 2010, including recalculation of numerical aspects of the eligibility conditions;
- review of financial statement disclosures to underlying supporting documentation;
- Identifying and testing manual journal entries posted by the Administrator during the preparation of the financial statements; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

Independent Auditors’ Report

A further description of our responsibilities for the audit of the financial statements is located on the FRC’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors’ report.

Use of this report

This report, including the opinions, has been prepared for and only for the company’s members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors’ remuneration specified by law are not made; 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.

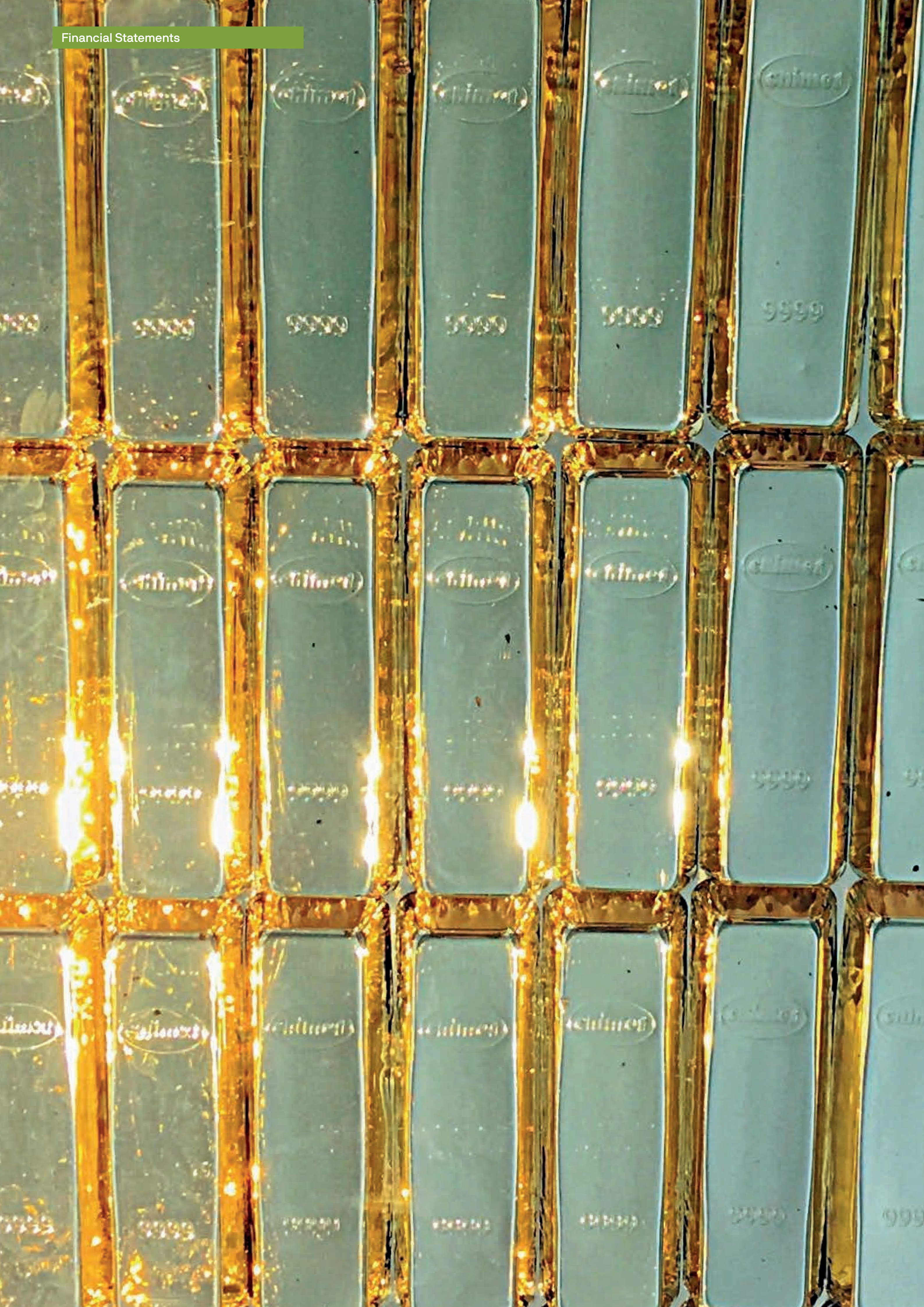
We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 8th July 2021 to audit the financial statements for the year ended 31st March 2022 and subsequent financial periods. The period of total uninterrupted engagement is two years, covering the years ended 31st March 2022 to 31st March 2023.

Shujaat Khan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

5th June 2023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Statement of Comprehensive Income

For the year ended 31st March

	Notes	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Gains on investments and derivatives held at fair value through profit or loss	3	—	32,295	32,295	—	25,076	25,076
Foreign exchange gains/(losses) on liquidity fund		—	1,141	1,141	—	(206)	(206)
Net foreign currency (losses)/gains		—	(2,795)	(2,795)	—	332	332
Income from investments	4	15,138	—	15,138	15,568	—	15,568
Interest receivable and similar income	4	48	—	48	76	—	76
Gross return		**15,186**	**30,641**	**45,827**	**15,644**	**25,202**	**40,846**
Management fee	5	(668)	(1,560)	(2,228)	(1,170)	(2,173)	(3,343)
Other administrative expenses	6	(557)	—	(557)	(649)	—	(649)
Net return before finance costs and taxation		**13,961**	**29,081**	**43,042**	**13,825**	**23,029**	**36,854**
Finance costs	7	(359)	(837)	(1,196)	(405)	(751)	(1,156)
Net return before taxation		**13,602**	**28,244**	**41,846**	**13,420**	**22,278**	**35,698**
Taxation	8	(1,248)	—	(1,248)	(1,636)	—	(1,636)
Net return after taxation		**12,354**	**28,244**	**40,598**	**11,784**	**22,278**	**34,062**
Return per share:	9	**2.83p**	**6.48p**	**9.31p**	**2.69p**	**5.08p**	**7.77p**

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 after taxation represents the profit for the year and also Total Comprehensive Income.

The notes on pages 62 to 81 form an integral part of these financial statements.

Statement of Changes in Equity

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31st March 2021	**4,667**	**131,528**	**15,791**	**255,912**	**11,705**	**419,603**
Repurchase and cancellation of the Company's own shares (note 15)	(62)	—	62	(4,314)	—	(4,314)
Project costs in relation to restructure	—	(365)	—	—	—	(365)
Net return	—	—	—	22,278	11,784	34,062
Dividends paid in the year (note 10)	—	—	—	—	(9,652)	(9,652)
At 31st March 2022	**4,605**	**131,163**	**15,853**	**273,876**	**13,837**	**439,334**
Reclassification of shares cancelled in respect of the restructure in the prior year (note 15)	(2,418)	—	2,418	—	—	—
Repurchase and cancellation of the Company's own shares (note 15)	(2)	—	2	(258)	—	(258)
Repurchase of shares into Treasury (note 15)	—	—	—	(2,183)	—	(2,183)
Net return	—	—	—	28,244	12,354	40,598
Dividends paid in the year (note 10)	—	—	—	—	(22,245)	(22,245)
At 31st March 2023	**2,185**	**131,163**	**18,273**	**299,679**	**3,946**	**455,246**

The notes on pages 62 to 81 form an integral part of these financial statements.

Statement of Financial Position

At 31st March

	Notes	2023 £'000	2022 £'000
Fixed assets			
Investments held at fair value through profit or loss	11	**469,173**	**451,154**
Current assets	12		
Derivative financial assets		12	137
Debtors		4,782	3,926
Cash and cash equivalents		25,523	29,685
		30,317	33,748
Current liabilities			
Creditors: amounts falling due within one year	13a	(364)	(3,334)
Derivative financial liabilities	13b	(101)	(142)
Net current assets		**29,852**	**30,272**
Total assets less current liabilities		**499,025**	**481,426**
Creditors: amounts falling due after more than one year	14	(43,779)	(42,092)
Net assets		**455,246**	**439,334**
Capital and reserves			
Called up share capital	15	2,185	4,605
Share premium account	16	131,163	131,163
Capital redemption reserve	16	18,273	15,853
Capital reserves	16	299,679	273,876
Revenue reserve	16	3,946	13,837
Total shareholders' funds		**455,246**	**439,334**
Net asset value per share	17	**104.8p**	**100.5p**

The financial statements on pages 58 to 61 were approved and authorised for issue by the Directors on 5th June 2023 and were signed on their behalf by:

Jutta af Rosenborg
Director

The notes on pages 62 to 81 form an integral part of these financial statements.

JPMorgan European Growth & Income plc
Company registration number: 237958

Statement of Cash Flows

For the year ended 31st March 2023

	Notes	2023 £'000	2022[1] £'000
Cash flows from operating activities			
Net return before finance costs and taxation		**43,042**	**36,854**
Adjustment for:			
Net gains on investments held at fair value through profit or loss		(32,295)	(25,076)
Foreign exchange (gains)/losses on Liquidity fund		(1,141)	206
Net foreign currency losses/(gains)		2,795	(332)
Dividend income		(15,138)	(15,567)
Interest income		(2)	(2)
Realised gain on foreign exchange transactions		494	221
Realised exchange gains/(losses) on Liquidity		648	(707)
Decrease/(increase) in accrued income and other debtors		27	(28)
(Decrease)/increase in accrued expenses		(41)	63
		(1,611)	**(4,368)**
Dividends received		12,264	11,921
Interest received		2	2
Overseas withholding tax recovered		661	2,073
Net cash inflow from operating activities		**11,316**	**9,628**
Purchases of investments and derivatives		(120,395)	(229,228)
Sales of investments and derivatives		131,716	234,721
Settlement of forward foreign currency contracts		(1,531)	(317)
Settlement of future contracts		—	(874)
Net cash inflow from investing activities		**9,790**	**4,302**
Equity dividends paid		(22,245)	(9,652)
Repurchase of shares for Cancellation		(258)	(4,632)
Repurchase of shares into Treasury		(2,089)	—
Project costs		—	(365)
Interest paid		(1,170)	(1,156)
Net cash outflow from financing activities		**(25,762)**	**(15,805)**
Decrease in cash and cash equivalents		**(4,656)**	**(1,875)**
Cash and cash equivalents at start of year		29,685	31,032
Unrealised gain on foreign currency cash and cash equivalents		494	528
Cash and cash equivalents at end of year		**25,523**	**29,685**
Cash and cash equivalents consist of:			
Cash and short term deposits		280	5,402
Cash held in Liquidity fund		25,243	24,283
Total		**25,523**	**29,685**

[1] The presentation of the Cash Flow Statement, as permitted under FRS 102, has been changed so as to present the 'reconciliation of net return before finance costs and taxation' to 'cash inflow from operating activities' on the face of the Cash Flow Statement. Previously, this was shown by way of note to the Cash Flow Statement. Other than consequential changes in the presentation of certain cash flow items, there is no change to the cash flows as presented in previous periods.

The notes on pages 62 to 81 form an integral part of these financial statements.

Statement of Cash Flows

Reconciliation of net debt

	As at 31st March 2022 £'000	Cash flows £'000	Exchange movements £'000	Other non-cash changes £'000	As at 31st March 2023 £'000
Cash and cash equivalents					
Cash	5,402	(5,123)	1	—	280
Cash equivalents	24,283	467	493	—	25,243
	29,685	(4,656)	494	—	25,523
Borrowings					
Debt due after one year	(42,092)	—	(1,675)	(12)	(43,779)
Net debt	**(12,407)**	**(4,656)**	**(1,181)**	**(12)**	**(18,256)**

Notes to the Financial Statements

For the year ended 31st March 2023

1. Accounting policies

(a) Basis of accounting

The financial statements are prepared under the historical cost convention, modified to include fixed asset investments at fair value, and in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ('UK GAAP'), including 'the Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') 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 July 2022.

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 as part of its risk assessment: the nature of the Company, its business model and related risks including the continuing impact of the Covid-19 pandemic and the ongoing conflict between Ukraine and Russia, the requirements of the applicable financial reporting framework, the covenants in respect of the Company's private placement debt and the system of internal control.

The Directors believe that, having considered the Company's investment objectives, future cash flow projections, risk management policies, liquidity risk, principal and emerging risks, capital management policies and procedures, nature of the portfolios and expenditure projections, the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence to 30th June 2024, being at least 12 months from approving this annual report and financial statements.

For these reasons, they consider that there is reasonable evidence to continue to adopt the going concern basis in preparing the report.

(b) Valuation of investments

The Company has chosen to apply the provisions of 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, management fee and finance costs allocated to capital and any other capital charges, are included in the Statement of Comprehensive Income and dealt within capital reserves within 'Realised gains and losses'.

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 within capital reserves within 'Holding gains and losses on investments'.

Unrealised gains and losses on foreign currency contracts (including futures and forwards) or foreign currency loans and private placements are included in the Statement of Comprehensive Income and dealt within capital reserves within 'Unrealised reserve'.

(d) Income

Dividends receivable from equity shares are included in revenue on an ex-dividend basis. Overseas dividends are included gross of any withholding tax.

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:

– the management fee is allocated 30% to revenue and 70% to capital in line with the Board's expected split of revenue and capital return from the investment portfolio.

– expenses incidental to the purchase of an investment are charged to capital. These expenses are commonly referred to as transaction costs and comprise mainly brokerage commission.

(f) Finance costs

Finance costs, including any premium payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis using the effective interest rate method.

– Finance costs on the assets are allocated 30% to revenue and 70% to capital in line with the Board's expected split of revenue and capital return from the investment portfolio.

(g) Financial instruments

Financial instruments are recognised only when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or are settled. Financial liabilities are derecognised when the obligation specified in the contract is discharged, is cancelled or expires.

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. The Liquidity fund portfolio consists of short dated deposits and commercial paper, a maturity profile of less than three months and low volatility net asset value. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

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 are classified as financial liabilities measured at amortised cost. They are initially measured as proceeds and subsequently measured at amortised cost. Interest payable on the bank loan is accounted for on an accruals basis in the Statement of Comprehensive Income.

The private placement in issue is classified as financial liabilities at amortised cost. It was initially measured at the proceeds net of direct issue costs and subsequently measured at amortised cost. The amortisation of direct issue costs are accounted for on an accruals basis in the Statement of Comprehensive Income using the effective interest rate method.

Derivative financial instruments, including short term forward currency contracts are classified as 'held for trading' and 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.

Notes to the Financial Statements

1. Accounting policies (continued)

(h) Taxation

Current tax is provided at the amounts expected to be paid or received and relates to taxation suffered at source on overseas income less amounts recoverable under taxation treaties. Taxation is charged or credited to the revenue column of the Income Statement, except where it relates to items of a capital nature, in which case it is charged or credited to the capital column of the Income Statement.

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. Tax relief is allocated to expenses charged to capital on the 'marginal basis'. On this basis, if taxable income is capable of being entirely offset by revenue expenses, then no tax relief is transferred to the capital column. 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.

(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 of the Company's long term financing and expense payments, 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.

(k) Dividends paid

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

(l) Share capital transactions

The cost of repurchasing shares into Treasury including the related stamp duty and transaction costs, is charged to capital reserves and dealt with in the Statement of Changes in Equity. Share transactions are accounted for on a trade date basis. The nominal value of share capital repurchased and cancelled is transferred out of 'Called up share capital' and into 'Capital redemption reserve'.

(m) Segmental Reporting

The Company has a single operating segment, being that of carrying out investment activity.

2. Significant accounting judgements, estimates and assumptions

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

The Directors do not believe that any 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.

Notes to the Financial Statements

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

	2023 £'000	2022 £'000
Realised gains on sales of investments	3,367	34,266
Net change in unrealised gains and losses on investments	28,941	(8,467)
Realised losses on close out of future contracts	—	(874)
Unrealised gains on futures contracts	—	185
Other capital charges	(13)	(34)
Total capital gains on investments and derivatives held at fair value through profit or loss	**32,295**	**25,076**

4. Income

	2023 £'000	2022 £'000
Income from investments		
Overseas dividends	13,251	13,584
UK dividends	169	168
Special Dividends	1,718	1,816
	15,138	**15,568**
Other interest receivable and similar income		
Securities lending	46	74
Deposit interest	2	2
	48	76
Total income	**15,186**	**15,644**

5. Management fee

	2023			2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fee	668	1,560	2,228	1,170	2,173	3,343

Details of the management fee are given in the Directors' Report on page 34.

6. Other administrative expenses

	2023 £'000	2022 £'000
Administration expenses	280	372
Directors' fees[1]	178	177
Depositary fee[2]	53	58
Auditors' remuneration for audit services[3]	46	42
	557	**649**

1 Full disclosure is given in the Directors' Remuneration Report on pages 43 to 45. Excludes taxable directors expenses which are included within administration expenses.

2 Includes £nil (2022: £nil) irrecoverable VAT.

3 Includes £nil (2022: £nil) irrecoverable VAT.

Notes to the Financial Statements

7. Finance Costs

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Interest on bank loans and overdrafts	1	3	4	7	12	19
Interest on private placement	356	824	1,180	396	734	1,130
Amortisation of private placement issue costs	2	10	12	2	5	7
	359	**837**	**1,196**	**405**	**751**	**1,156**

8. Taxation

(a) Analysis of tax charge for the year

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Overseas withholding tax	1,248	—	1,248	1,636	—	1,636
Total tax charge for the year	**1,248**	**—**	**1,248**	**1,636**	**—**	**1,636**

(b) Factors affecting total tax charge for the year

The tax charge for the year is lower (2022: lower) than the Company's applicable rate of corporation tax for the year of 19% (2022: 19%). The factors affecting the total tax charge for the year are as follows:

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Net return before taxation	13,602	28,244	41,846	13,420	22,278	35,698
Net return before taxation multiplied by the Company's applicable rate of corporation tax of 19% (2022: 19%)	2,584	5,366	7,950	2,550	4,233	6,783
Effects of:						
Non taxable capital gains	—	(5,822)	(5,822)	—	(4,788)	(4,788)
Non taxable UK dividend income	(32)	—	(32)	(32)	—	(32)
Non taxable overseas dividends	(2,828)	—	(2,828)	(2,912)	—	(2,912)
Excess expenses over taxable income	736	—	736	953	—	953
Overseas withholding tax	1,248	—	1,248	1,636	—	1,636
Tax attributable to expenses and finance costs charged to capital	(456)	456	—	(555)	555	—
Double taxation relief expensed	(4)	—	(4)	(4)	—	(4)
Total tax charge for the year	**1,248**	**—**	**1,248**	**1,636**	**—**	**1,636**

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £26,515,000 (2022: £25,550,000) based on a prospective corporation tax rate of 25% (2022: 25%). The March 2021 Budget announced an increase to the main rate of corporation tax to 25% from 1st April 2023. This increase in the standard rate of corporation tax was substantively enacted on 24th May 2021 and became effective from 2nd June 2021. The deferred tax asset has arisen due to £106,061,000 (2022: £102,198,000) cumulative excess of deductible expenses over taxable income.

It is not likely that the deferred tax asset will be utilised in the foreseeable future, given the composition of the Company's portfolio, 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.

9. Return per share

	2023 £'000	2022[1] £'000
Return per share is based on the following:		
Revenue return	12,354	11,784
Capital return	28,244	22,278
Total return	**40,598**	**34,062**
Weighted average number of shares in issue during the year	435,967,427	438,868,316
Revenue return per share	2.83p	2.69p
Capital return per share	6.48p	5.08p
Total return per share	**9.31p**	**7.77p**

[1] A transitional basis has been adopted for the calculation of the Return per share for the year ended 31st March 2022.

10. Dividends

(a) Dividends paid and declared

	2023 £'000	2022 £'000
Dividends paid		
Unclaimed Growth dividends refunded to the Company	—	(303)
2023 and 2022 Growth second interim dividend of nil (2021: 3.20p) per share[1]	—	2,348
2022 Growth first interim dividend of nil (2022: 2.50p) per share	—	1,801
2023 and 2022 Income fourth quarterly dividend of nil (2021: 2.50p) per share[1]	—	2,211
2023 Income first quarterly dividend of nil (2022: 1.40p) per share	—	1,195
2023 Income second quarterly dividend of nil (2022: 1.40p) per share	—	1,201
2023 Income third quarterly dividend of nil (2022: 1.40p) per share	—	1,199
2022 Growth & Income first interim dividend of 1.10p	4,812	—
2023 Growth & Income first interim dividend of 1.00p	4,369	—
2023 Growth & Income second interim dividend of 1.00p	4,358	—
2023 Growth & Income third interim dividend of 1.00p	4,354	—
2023 Growth & Income fourth interim dividend of 1.00p	4,352	—
Total dividends paid in the year	**22,245**	**9,652**
Dividends declared		
2024 Growth & Income first interim dividend of 1.05p (2023: 1.00p) per share	4,556	4,369
Total dividends declared[2]	**4,556**	**4,369**

[1] These dividends were incorrectly included as paid in 2021 and have now been corrected as they were paid in 2022 (on 1st April 2022).
[2] In accordance with the accounting policy of the Company, these dividends will be reflected in the financial statements of the following year.

The first interim dividend of 1.05 pence per share in respect of the Company's financial year ending 31st March 2024 was declared on 23rd May 2023 for shareholders on the register on 2nd June 2023, with payment on 21st July 2023.

All dividends paid and declared in the financial year have been funded from the Revenue Reserve.

Notes to the Financial Statements

10. Dividends (continued)

(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, as follows:

The revenue available for distribution by way of dividend for the year is £12,354,000 (2022: £11,784,000).

	2023 £'000	2022 £'000
2023 Growth first interim dividend of nil (2022: 2.50p) per share	—	1,801
2023 Income first quarterly dividend of nil (2022: 1.40p) per share	—	1,195
2023 Income second quarterly dividend of nil (2022: 1.40p) per share	—	1,201
2023 Income third quarterly dividend of nil (2022: 1.40p) per share	—	1,199
2022 Growth & Income first interim dividend of 1.10p (2021: nil) per share	—	4,812
2023 Growth & Income first interim dividend of 1.00p (2022: nil) per share	4,369	—
2023 Growth & Income second interim dividend of 1.00p (2022: nil) per share	4,358	—
2023 Growth & Income third interim dividend of 1.00p (2022: nil) per share	4,354	—
2023 Growth & Income fourth interim dividend of 1.00p (2022: nil) per share	4,352	—
Total	**17,433**	**10,208**

The revenue reserve after payment of the fourth interim dividend amounts to £3,946,000 (2022: £9,027,000 after payment of the first interim Growth & Income dividend).

11. Investments

	2023 £'000	2022 £'000
Investments listed on a recognised investment exchange	**469,173**	**451,154**

	2023			2022		
	Listed in UK £'000	Listed overseas £'000	Total £'000	Listed in UK £'000	Listed overseas £'000	Total £'000
Opening book cost	502	355,439	355,941	502	324,777	325,279
Opening investment holding gains	10,775	84,438	95,213	11,014	92,665	103,679
Opening valuation	11,277	439,877	451,154	11,516	417,442	428,958
Movements in the year:						
Purchases at cost	—	117,359	117,359	—	230,862	230,862
Sales proceeds	—	(131,648)	(131,648)	—	(234,465)	(234,465)
(Losses)/gains on investments	(641)	32,949	32,308	(239)	26,038	25,799
Closing valuation	10,636	458,537	469,173	11,277	439,877	451,154
Closing book cost	502	344,517	345,019	502	355,439	355,941
Closing investment holding gains	10,134	114,020	124,154	10,775	84,438	95,213
Total investments held at fair value through profit or loss	**10,636**	**458,537**	**469,173**	**11,277**	**439,877**	**451,154**

The Company received £131,648,000 (2022: £234,465,000) from investments sold in the year. The bookcost of these investments when they were purchased was £128,281,000 (2022: £200,200,000). 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 £172,000 (2022: £406,000) and on sales during the year amounted to £65,000 (2022: £175,000). These costs comprise mainly brokerage commission.

12. Current assets

	2023 £'000	2022 £'000
Derivative financial assets		
Forward foreign currency contracts and spot contracts[1]	12	137
	12	**137**

[1] As at 31st March 2023, there are 9 forward currency contracts in a net asset position. These have a settlement date of 2nd May 2023. The gross currency exposure figures are EUR (4,085,444), DKK (19,511,948), CHF 743,094, GBP 5,249,771.
As at 31st March 2022, there are 6 forward currency contracts and 2 spot contracts in a net asset position. These have a settlement date of 1st April 2022 or 29th April 2022. The gross currency exposure figures are EUR 7,950,612, DKK 4,758,860, CHF 1,129,348, GBP (5,006,150), NOK (35,181,367).

	2023 £'000	2022 £'000
Debtors		
Securities sold awaiting settlement	—	82
Dividends and interest receivable	853	714
Overseas tax recoverable	3,853	3,027
Other debtors	76	103
	4,782	**3,926**

Cash and cash equivalents

Cash and cash equivalents comprise bank balances, short term deposits and liquidity funds.

13a. Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Securities purchased awaiting settlement	—	3,036
Repurchases of the Company's own shares awaiting settlement	94	—
Loan interest payable	110	96
Other creditors and accruals	160	202
	364	**3,334**

13b. Derivative financial liabilities

	2023 £'000	2022 £'000
Derivative financial liabilities		
Forward foreign currency contracts and spot contracts[1]	101	142
	101	**142**

[1] As at 31st March 2023, there are 12 forward currency contracts and 1 spot contract in a net liability position. These had a settlement date of 2nd May 2023 or 3rd April 2023. The gross currency exposure figures were SEK 134,095,606, GBP (4,789,876), USD 1,159,202, EUR (10,386,375), CHF 4,468,973, DKK (13,109,586).
As at 31st March 2022, there are 12 forward currency contracts in a net liability position. These had a settlement date of 29th April 2022. The gross currency exposure figures were SEK 159,928,003, GBP 5,549,115, NOK 1,159,810, USD 1,159,202, EUR (6,965,290), CHF (7,652,145), DKK (65,971,688).

Notes to the Financial Statements

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

	2023 £'000	2022 £'000
Metlife Private Placement	43,779	42,092

On 26th August 2015 the Company issued a Euro 50 million Private Placement Note with Metlife which has a capital repayment date of 26th August 2035, and an annualised fixed coupon rate of 2.69%. As is typical across the industry with such loans, the Company is required to comply with certain restrictions required by the lender regarding the amount of debt as a ratio of net assets and minimum requirements regarding the net asset value of the Company. The Company complies with all these requirements. For details regarding the fair valuation of the private placement long term debt , see glossary of terms and APMs on page 91. The negative attributions arising from the fair valuation calculation of the private placement is detailed on pages 11 and 13 in the Investment Management Report. The Directors consider that the impact of the fair valuation calculation of the private placement on attribution is outweighed by the potential benefits offered by the long term debt.

15. Called up share capital

Called up share capital (Growth & Income)

Issued and fully paid share capital:

	2023		2022	
	Shares in issue	£'000	Shares in issue	£'000
Ordinary shares of 0.5p each[1]				
Opening balance of shares	437,286,529	4,605	—	—
Transfer of shares cancelled in respect of the prior year[2]	—	(2,418)	—	—
Adjusted opening balance of shares	437,286,529	2,187	—	—
Shares issued for restructure	—	—	437,420,913	4,606
Repurchase of shares into Treasury	(2,548,683)	(13)	—	—
Repurchase of shares for cancellation	(300,000)	(2)	(134,384)	(1)
Subtotal of share, excluding Treasury shares	**434,437,846**	**2,172**	**437,286,529**	**4,605**
Shares held in Treasury	2,548,683	13	—	—
Total called up Share Capital including Treasury shares	**436,986,529**	**2,185**	**437,286,529**	**4,605**

[1] Fully paid ordinary shares, which have a per value of 0.5p each, carry one vote per share and carry a right to receive dividends.

[2] As a result of the restructure and combination of the Growth and Income shares in 2022, new ordinary shares and deferred shares were issued. All the deferred shares were subsequently cancelled prior to the year ended 31st March 2022. As at 31st March 2022, the nominal value of the shares cancelled should have been transferred from the share capital to capital redemption reserve for the amount of £2,418,000. This transfer has been made in the current year and shown as a reclassification from share capital to capital redemption reserve in the Statement of Changes in Equity with no restatement of the prior year comparatives.

Notes to the Financial Statements

Issued and fully paid share capital:

	2023		2022	
	Shares in issue	£'000	Shares in issue	£'000
Growth shares – ordinary shares of 5p each[1]				
Opening balance of shares	—	—	72,741,224	2,888
Repurchase of shares for cancellation	—	—	(930,586)	(46)
Restructure out/close	—	—	(71,810,638)	(2,842)
Closing balance	**—**	**—**	**—**	**—**
Income shares – ordinary shares of 2.5p each[2]				
Opening balance of shares	—	—	86,020,045	1,779
Repurchase of shares for cancellation	—	—	(594,928)	(15)
Net conversion decrease of shares	—	—	—	—
Restructure out/close	—	—	(85,425,117)	(1,764)
Closing balance	**—**	**—**	**—**	**—**

[1] Fully paid ordinary shares, which have a per value of 5p each, carry one vote per share and carry a right to receive dividends.
[2] Fully paid ordinary shares, which have a per value of 2.5p each, carry one vote per share and carry a right to receive dividends.

Further details of transactions in the Company's shares are given on page 58.

Deferred Shares

The Company's Articles allow for Deferred shares to be allotted as part of the share conversion to ensure that the conversion does not result in a reduction of the aggregate par value of the Company's issued share capital (in contravention of the Companies Act). The Deferred shares do not confer any rights to the shareholder to receive capital or dividends and will be repurchased by the Company from time to time for a nominal sum. The issue and repurchase of these Deferred shares has no effect on the net asset value attributable to the holders of Growth or Income shares. The shares have no voting rights and no rights on a winding up of the Company or entitlement to dividends. Following the reconstruction of the Company on 4th February 2022, the share conversions process and related allotment of deferred shares are no longer undertaken.

	2023 £'000	2022 £'000
Deferred Growth shares		
2022 Opening balance of nil shares (2021: 1,701,086 shares of 0.33842498p)	—	6
2023 no shares were repurchased (2021: Repurchase of 1,701,086 shares of 0.33842498p each for cancellation)	—	(6)
2023 no shares were issued (2022: no shares were issued)	—	—
2023/2022 Closing balance of nil shares	**—**	**—**
Deferred Income shares		
2022 Opening balance of nil shares (2021: 85,836,171 shares of 0.31987038p)	—	275
2023 no shares were repurchased (2021: Repurchase of 85,836,171 shares of 0.31987038p each for cancellation)	—	(275)
2023 no shares were issued (2022: no shares were issued	—	—
2023/2022 Closing balance of nil shares	**—**	**—**

Notes to the Financial Statements

16. Capital and reserves

2023	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves[1] Realised gains and losses £'000	Capital reserves[1] Holding gains and losses on investments £'000	Capital reserves[1] Unrealised reserve £'000	Revenue reserve[1] £'000	Total £'000
Opening balance	4,605	131,163	15,853	183,682	95,213	(5,019)	13,837	439,334
Net foreign currency gains on other balances	—	—	—	110	—	—	—	110
Unrealised foreign currency loss on loan and private placement	—	—	—	—	—	(1,675)	—	(1,675)
Realised gains on sale of investments	—	—	—	3,367	—	—	—	3,367
Net change in unrealised gains and losses on investments	—	—	—	—	28,941	—	—	28,941
Unrealised loss on foreign currency contracts	—	—	—	—	—	(89)	—	(89)
Unrealised loss on forward foreign currency contracts from prior financial year now realised	—	—	—	(5)	—	5	—	—
Reclassification of shares cancelled in respect of the restructure in the prior year	(2,418)	—	2,418	—	—	—	—	—
Repurchase and cancellation of the Company's own shares	(2)	—	2	(258)	—	—	—	(258)
Repurchase of shares into Treasury	—	—	—	(2,183)	—	—	—	(2,183)
Management fee and finance costs charged to capital	—	—	—	(2,397)	—	—	—	(2,397)
Other capital charges	—	—	—	(13)	—	—	—	(13)
Dividends paid in the year	—	—	—	—	—	—	(22,245)	(22,245)
Retained revenue for the year	—	—	—	—	—	—	12,354	12,354
Closing balance	**2,185**	**131,163**	**18,273**	**182,303**	**124,154**	**(6,778)**	**3,946**	**455,246**

[1] These reserves are distributable. The amount that is distributable is not necessarily the full amount of the reserves as disclosed in these financial statements of £303,625,000 as at 31st March 2023. These reserves may be used to fund distributions to investors.

Capital reserves comprise of Realised gains and losses, Holding gains and losses on investments and Unrealised reserve. These amounts in aggregate to £299,679,000 as shown in the Statement of Financial Position.

Notes to the Financial Statements

2022	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves[1] Realised Gains and losses £'000	Capital reserves[1] Holding gains and losses on investments £'000	Capital reserves[1] Unrealised reserve £'000	Revenue reserve[1] £'000	Total £'000
Opening balance	4,667	131,528	15,791	157,834	103,680	(5,602)	11,705	419,603
Net foreign currency losses on other balances	—	—	—	(202)	—	—	—	(202)
Unrealised foreign currency gains on loan and private placement	—	—	—	—	—	333	—	333
Realised gains on sale of investments	—	—	—	34,266	—	—	—	34,266
Net change in unrealised gains and losses on investments	—	—	—	—	(8,467)	—	—	(8,467)
Unrealised loss on foreign currency contracts	—	—	—	—	—	(5)	—	(5)
Unrealised gains on forward foreign currency contracts from prior year now realised	—	—	—	(70)	—	70	—	—
Realised losses on close out of futures contracts	—	—	—	(689)	—	—	—	(689)
Unrealised losses on futures from prior year now realised	—	—	—	(185)	—	185	—	—
Repurchase and cancellation of the Company's own shares	(62)	—	62	(4,314)	—	—	—	(4,314)
Project costs in relation to restructure	—	(365)	—	—	—	—	—	(365)
Management fee and finance costs charged to capital	—	—	—	(2,924)	—	—	—	(2,924)
Other capital charges	—	—	—	(34)	—	—	—	(34)
Dividends paid in the year	—	—	—	—	—	—	(9,652)	(9,652)
Retained revenue for the year	—	—	—	—	—	—	11,784	11,784
Closing balance	**4,605**	**131,163**	**15,853**	**183,682**	**95,213**	**(5,019)**	**13,837**	**439,334**

[1] These reserves are distributable. The amount that is distributable is not necessarily the full amount of the reserves as disclosed in these financial statements of £287,713,000 as at 31st March 2022. These reserves may be used to fund distributions to investors.

Capital reserves comprise of Realised gains and losses, Holding gains and losses on investments and Unrealised reserve. These amounts in aggregate to £273,876,000 as shown in the Statement of Financial Position.

17. Net asset value per share

	2023	2022
Ordinary shareholders' funds (£'000)	455,246	439,334
Number of shares in issue	434,437,846	437,286,529
Net asset value per share	104.8p	100.5p

18. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2022: none).

Notes to the Financial Statements

19. Transactions with the Manager and related parties

Details of the management contract are set out in the Directors' Report on page 34. The management fee payable to the Manager for the year was £2,228,000 (2022: £3,343,000), of which £nil (2022: £nil) was outstanding at the year end.

Included in administration expenses in note 6 on page 65 are safe custody fees amounting to £46,000 (2022: £52,000) payable to JPMorgan Chase Bank, N.A of which £16,000 (2022: £9,000) 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 £21,000 (2022: £15,000) was payable to JPMorgan Securities Limited for the year of which £nil (2022: £nil) was outstanding at the year end.

The Company holds investments in funds managed by JPMAM. At 31st March 2023 these were valued at £10.6 million (2022: £11.3 million) and represented 2.3% (2022: 2.5%) of the Company's investment portfolio. During the year the Company made £nil purchases of such investments (2022: £nil) and sales with a total value of £nil (2022: £3,389,000).

Income amounting to £168,000 (2022: £170,000) was receivable from these investments during the year of which £nil (2022: £nil) was outstanding at the year end.

The Company also holds cash in the JPMorgan Euro Liquidity Fund, managed by JPMF. At the year end this was valued at £25.2 million (2022: £24.3 million). Interest amounting to £nil (2022: £nil) was payable during the year of which £nil (2022: £nil) was outstanding at the year end.

Stock lending income amounting to £46,000 (2022: £74,000) was receivable by the Company during the year. JPMAM commissions in respect of such transactions amounted to £5,000 (2022: £8,000).

Handling charges on dealing transactions amounting to £13,000 (2022: £34,000) were payable to JPMorgan Chase Bank N.A. during the year of which £5,000 (2022: £6,000) was outstanding at the year end.

At the year end, total cash of £0.3 million (2022: £5.4 million) was held with JPMorgan Chase Bank N.A. A net amount of interest of £2,000 (2022: £2,000) was receivable by the Company during the year from JPMorgan Chase Bank, N.A of which £nil (2022: £nil) was outstanding at the year end.

Full details of Directors' remuneration and shareholdings can be found on page 43 and in note 6 on page 65.

20. 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 and derivative financial instruments.

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 policies of investments and derivatives are given in note 1(b) and note 1(g) on pages 62 and 63. Derivative financial instruments, including short term forward currency contracts are valued at fair value, which is the net unrealised gain or loss.

The following table sets out the fair value measurements using the FRS 102 hierarchy at 31st March.

	2023		2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	469,173	—	451,154	—
Level 2[1]	12	(101)	137	(142)
Total	**469,185**	**(101)**	**451,291**	**(142)**

[1] Includes investments in Open Ended Investment Schemes (OEIC's) and Forward foreign currency contracts and spot contracts. (2022 : Includes investments in Open Ended Investment Schemes (OEIC's) and Forward foreign currency contracts and spot contracts.)

There were no transfers between Level 1, 2 or 3 during the year (2022: nil).

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

As an investment trust, the Company invests in equities for the long term so as to secure its investment objective stated on the 'Features' page for each share class. 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 Continental European equity shares, collective investment funds and 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;
- short term forward currency contracts for the purpose of settling short term liabilities and manage working capital requirements; and
- a Euro denominated bank loan and private placement, the purpose of which are to finance the Company's operations.

(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) and (ii) 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 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 the currency in which it reports. As a result, movements in exchange rates may affect the sterling value of those items.

Notes to the Financial Statements

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

(a) Market risk (continued)

(i) Currency risk (continued)

Management of currency risk

The Manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board, which meets on at least four occasions each year. The Manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed. Foreign currency borrowing may be used to limit the Company's exposure to anticipated changes in exchange rates which might otherwise adversely affect the sterling value of the portfolio of investments. This borrowing is limited to currencies and amounts commensurate with the asset exposure to those currencies. Income denominated in foreign currencies is converted to sterling on receipt. The Company may use short term forward currency contracts for the purpose of settling short term liabilities and to manage working capital requirements.

Foreign currency exposure

The fair value of the Company's monetary items that have foreign currency exposure at 31st March are shown below. Where the Company's equity investments (which are not monetary items) are priced in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

	2023						
	EUR £'m	CHF £'m	SEK £'m	DKK £'m	NOK £'m	USD £'m	Total £'m
Current assets less current liabilities excluding the foreign currency bank loan & private placement	15.9	5.8	10.4	(3.6)	—	0.9	29.4
Foreign currency bank loan and private placement	(43.8)	—	—	—	—	—	(43.8)
Foreign currency exposure on net monetary items	(27.9)	5.8	10.4	(3.6)	—	0.9	(14.4)
Investments held at fair value through profit or loss	320.9	83.9	17.7	30.6	5.5	—	458.6
Total net foreign currency exposure	**293.0**	**89.7**	**28.1**	**27.0**	**5.5**	**0.9**	**444.2**

	2022						
	EUR £'m	CHF £'m	SEK £'m	DKK £'m	NOK £'m	USD £'m	Total £'m
Current assets less current liabilities excluding the foreign currency bank loan & private placement	26.1	(5.6)	13.1	(6.8)	(2.8)	0.9	24.9
Foreign currency bank loan and private placement	(42.1)	—	—	—	—	—	(42.1)
Foreign currency exposure on net monetary items	(16.0)	(5.6)	13.1	(6.8)	(2.8)	0.9	(17.2)
Investments held at fair value through profit or loss	286.1	97.3	15.8	29.8	10.8	—	439.8
Total net foreign currency exposure	**270.1**	**91.7**	**28.9**	**23.0**	**8.0**	**0.9**	**422.6**

In the opinion of the Directors, the above year end amounts are broadly representative of the exposure to foreign currency risk during the year. This analysis is presented on an un-hedged basis.

Notes to the Financial Statements

Foreign currency sensitivity

The following table illustrate 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% (2022: 10%) appreciation or depreciation in sterling against the Euro, and the 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.

	2023		2022	
	If sterling strengthens by 10% £'000	If sterling weakens by 10% £'000	If sterling strengthens by 10% £'000	If sterling weakens by 10% £'000
Statement of Comprehensive Income – return after taxation				
Revenue return	(1,497)	1,497	(1,540)	1,540
Capital return	1,426	(1,426)	1,714	(1,714)
Total return after taxation for the year	(71)	71	174	(174)
Net assets	**(71)**	**71**	**174**	**(174)**

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, the liquidity fund and the interest payable on variable rate borrowings when interest rates are reset.

Management of interest rate risk

Liquidity and borrowings are managed with the aim of increasing returns to shareholders. The Company's gearing policy is to operate within a range of 10% net cash to 20% geared in normal market conditions.

Interest rate exposure

The Company has a private placement carrying a fixed rate of interest. The exposure of financial assets and liabilities to floating interest rates using the year end figures, giving cash flow interest rate risk when rates are reset, is shown below.

	2023 £'000	2022 £'000
Exposure to floating interest rates:		
Cash and short term deposits	280	5,402
JPMorgan Euro Liquidity Fund	25,243	24,283
Total exposure	**25,523**	**29,685**

Interest receivable on cash balances, or paid on overdrafts, is at a margin below or above SONIA respectively (2022: SONIA).

The interest earned on the JPMorgan Euro Liquidity Fund is based on the average yield reflecting the performance of the underlying assets of the Liquidity fund.

Details of the bank loan and private placement are given in note 13 and 14 on pages 69 and 70.

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

(a) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 1% (2022: 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.

	2023		2022	
	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	255	(255)	297	(297)
Total return after taxation for the year	255	(255)	297	(297)
Net assets	**255**	**(255)**	**297**	**(297)**

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 equity 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 total exposure to changes in market prices at 31st March comprises its holdings in equity investments as follows:

	2023 £'000	2022 £'000
Investments held at fair value through profit or loss	469,173	451,154
	469,173	**451,154**

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

Concentration of exposure to market price risk

An analysis of the Company's investments is given on pages 20 and 21. This shows that the majority of the investment portfolio's value is in European equities but there is no concentration of exposure to any one European country. It should also be noted that an investment may not be entirely 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% (2022: 10%) in the market value of equity investments. 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, adjusting for changes in the management fee but with all other variables held constant.

	2023		2022	
	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	(56)	56	(102)	102
Capital return	46,786	(46,786)	44,879	(44,879)
Total return after taxation	46,730	(46,730)	44,777	(44,777)
Net assets	**46,730**	**(46,730)**	**44,777**	**(44,777)**

(b) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting its 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 mainly 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.

Liquidity risk exposure

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

	2023			
	Three months or less £'000	More than three months but not more than one year £'000	One year or more £'000	Total £'000
Creditors: amounts falling due within one year				
Repurchase of the Company's own shares awaiting settlement	94	—	—	94
Other creditors and accruals	160	—	—	160
Derivative financial instruments	101	—	—	101
Creditors: amounts falling due after more than one year				
Metlife Private Placement, including interest	400	887	57,221	58,508
	755	**887**	**57,221**	**58,863**

Notes to the Financial Statements

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

(b) Liquidity risk (continued)

Liquidity risk exposure (continued)

	2022			
	Three months or less £'000	More than three months but not more than one year £'000	One year or more £'000	Total £'000
Creditors: amounts falling due within one year				
Securities purchased awaiting settlement	3,036	—	—	3,036
Other creditors and accruals	202	—	—	202
Derivative financial instruments	142	—	—	142
Creditors: amounts falling due after more than one year				
Metlife Private Placement, including interest	375	853	56,148	57,376
	3,755	**853**	**56,148**	**60,756**

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 failure of the counterparty to a transaction to discharge its obligations under that transaction could result in loss to the Company.

Management of credit risk

Portfolio dealing

The Company invests in markets that operate Delivery Versus Payment ('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. At the year end the cash balance of £0.3 million (2022: £5.4 million) was placed across a range of suitably approved counterparties in line with the Board's concentration guidelines. The JPMorgan Euro Liquidity Fund has a AAA rating.

Exposure to JPMorgan Chase Bank, N.A

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 Bank, N.A were to cease trading.

The Depositary, 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 current assets represent the maximum exposure to credit risk at the current and comparative year ends.

The aggregate value of securities on loan at 31st March 2023 amounted to £9.8 million (2022: £25.3 million) and the maximum value of stock on loan during the year amounted to £35.6 million (2022: £35.2 million). Collateral is obtained by JPMAM and is called in on a daily basis to a value of 102% (2022: 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% (2022: 105%) if it is denominated in a different currency. Full details of the collateral is disclosed on pages 84 and 85.

(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 is a reasonable approximation of fair value except for the Metlife Private Placement which the Company has in issue. The fair value of the Private Placement has been calculated using discounted cash flow techniques, using the yield from a similarly dated German government bond plus a margin based on the five year average for the AA Barclays Euro Corporate Bond spread.

	Carrying value		Fair value	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Euro 50 million 2.69% Metlife Private Placement 26th August 2035	43,779	42,092	41,579	49,700

22. Capital management policies and procedures

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

	2023 £'000	2022 £'000
Debt		
Private Placement	43,779	42,092
Total debt	**43,779**	**42,092**
Equity		
Called up share capital	4,603	4,605
Reserves	450,643	434,729
Total equity	**455,246**	**439,334**
Total debt and equity	**499,025**	**481,426**

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 Income and Growth shareholders through an appropriate level of gearing.

The Board's policy is to limit gearing within the range of 10% net cash to 20% geared.

	2023 £'000	2022 £'000
Investments held at fair value through profit or loss	469,173	451,154
Net assets	455,246	439,334
Gearing	**3.1%**	**2.7%**

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;
- the opportunity for issues of new shares, including issues from Treasury; and
- the level of dividend distributions in excess of that which is required to be distributed.

23. Subsequent events

The Directors have evaluated the period since the year end and have not noted any material subsequent events.

Regulatory Disclosures

Alternative Investment Fund Managers Directive ('AIFMD') 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 31st March 2023 are shown below:

	Gross Method	Commitment Method
Maximum limit	200%	200%
Actual	121%	113%

JPMorgan Funds Limited (the '**Management Company**') is the authorised manager of JPMorgan European 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 Alternative Investment Fund Managers Directive (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).

JPMF 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 JPMF 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 2022 Performance Year in May 2022 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 2022 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 25 Alternative Investment Funds (with 4 sub-funds) and 2 UCITS (with 44 sub-funds) as at 31st December 2022, with a combined AUM as at that date of £21.6 billion and £21.3 billion respectively.

	Fixed remuneration	Variable remuneration	Total remuneration	Number of beneficiaries
All staff of the Management Company (US$'000s)	21,662	14,069	35,731	146

The aggregate 2022 total remuneration paid to AIFMD Identified Staff was USD$114,556,000, of which USD$1,232,000 relates to Senior Management and USD$113,324,000 relates to other Identified Staff.[1]

[1] For 2022, the AIFMD identified staff disclosures include employees of the companies to which portfolio management has been formally delegated in line with the latest ESMA guidance.

Securities Financing Transactions Regulation Disclosure (Unaudited)

The Company engages in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back

Regulatory Disclosures

transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Company's involvement in and exposures related to SFTR for the accounting period ended 31st March 2023 are detailed below.

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 2.09%. 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	9,756	2.14%

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:

Counterparty	Country of Incorporation	Value £'000
Goldman Sachs	United States of America	2,691
CITIGROUP	United States of America	3,500
Morgan Stanley	United States of America	392
Merrill Lynch	United States of America	681
Societe Generale	France	1,884
UBS	Switzerland	608
Total		**9,756**

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

Maturity tenure of Security lending transactions

The Company's securities lending transactions have open maturity.

Collateral 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	Value £'000
United States of America Treasury	4,217
French Republic Government	3,805
Federal Republic of Germany Government	1,192
United Kingdom Treasury	686
Kingdom of Netherlands Government	264
Kingdom of Belgium Government	141
Republic of Austria Government	51
Republic of Finland Government	9
Total	**10,365**

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	5,462
Treasury Notes	Investment Grade	USD	3,514
Sovereign Debt	Investment Grade	GBP	685
Treasury Bonds	Investment Grade	USD	681
Treasury Bills	Investment Grade	USD	23
Total			**10,365**

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 week to 1 month	53
1 to 3 months	48
3 to 12 months	1,790
more than 1 year	8,474
Total	**10,365**

Regulatory Disclosures

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 received in the context of securities lending transactions may be reused in accordance with the provisions contained within the Prospectus. The Company currently reinvests cash collateral received in respect of securities lending transactions in the overnight cash market.

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 Depositary.

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 Stock 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 ninety-fourth Annual General Meeting of JPMorgan European Growth & Income plc will be held at 60 Victoria Embankment, London EC4Y 0JP on 6th July 2023 at 2.30 p.m. for the following purposes:

1. To receive the Directors' Report, the Annual financial statements and the Auditors' Report for the year ended 31st March 2023.
2. To approve the Directors' Remuneration Policy.
3. To approve the Directors' Remuneration Report for the year ended 31st March 2023.
4. To reappoint Rita Dhut a Director of the Company.
5. To reappoint Alexander Lennard a Director of the Company.
6. To reappoint Karen McKellar as a Director of the Company.
7. To reappoint Jutta af Rosenborg a Director of the Company.
8. To reappoint Guy Walker as a Director of the Company.
9. To reappoint PricewaterhouseCoopers LLP as auditors to the Company and to authorise the Directors to determine their remuneration for the ensuing year.

Special Business

To consider the following resolutions:

Authority to allot new shares – Ordinary Resolution

10. THAT the Directors of the Company be and they are hereby generally and unconditionally authorised, in substitution of any authorities previously granted to the Directors, pursuant to and in accordance with Section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ('Rights') up to an aggregate nominal amount of £216,959, (being approximately 10% of the issued share capital of the Ordinary shares of the Company as at 1st June 2023), provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2024 unless renewed at a general meeting prior to such time, save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted or Rights to be granted after such expiry and so that the Directors of the Company may allot shares and grant Rights in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

Authority to disapply pre-emption rights on allotment of relevant securities – Special Resolution

11. THAT, subject to the passing of Resolution 10 set out above, the Directors of the Company be and they are hereby empowered pursuant to Sections 570 and 573 of the Act to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 10 as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

    (a) the allotment of equity securities in the Company by way of rights issue, open offer or otherwise to holders of Ordinary shares where the equity securities attributable to the interests of all Ordinary shares are proportionate to the numbers of Ordinary shares and Income shares held by them subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or local or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange or any territory or otherwise howsoever; and/or

    (b) the allotment (otherwise than pursuant to sub paragraph (a) above) of equity securities up to an aggregate nominal value of approximately £216,959 (being approximately 10% of the total issued share capital of the Ordinary share class of the Company as at 1st June 2023) at a price not less than the net asset value per share; and shall expire upon the expiry of the general authority conferred by Resolution 10 above, save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired.

Authority to Repurchase the Company's shares – Special Resolution

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

    PROVIDED ALWAYS THAT

    (i) the maximum number of shares hereby authorised to be purchased shall be 65,044,449 respectively, or, if different, that number of shares which is equal to 14.99% of the issued share capital of the share class as at the date of the passing of this Resolution;

    (ii) the minimum price which may be paid for any share shall be 0.5p;

    (iii) the maximum price which may be paid for any Ordinary share shall be an amount equal to: (a) 105% of the average of the middle market quotations for a share taken from and calculated by reference to

Notice of Annual General Meeting

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;

(iv) any purchase of shares will be made in the market for cash at prices below the prevailing net asset value per share (as determined by the Directors) at the date following not more than seven days before the date of purchase;

(v) the authority hereby conferred shall expire on 8th January 2025 unless the authority is renewed at the Company's Annual General Meeting in 2024 or at any other general meeting prior to such time; and

(vi) the Company may make a contract to purchase 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.

By order of the Board
Paul Winship, for and on behalf of JPMorgan Funds Limited, Secretary

5th June 2023

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 Chair 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 Chair, another Director of the Company or another person who has agreed to attend to represent you. Details of how to appoint the Chair 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.

   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.
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.jpmeuropeangrowthandincome.com.

Notice of Annual General Meeting

14. The register of interests of the Directors and connected persons in the 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 Annual General Meeting. 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, 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). 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 1st June 2023 (being the latest business day prior to the publication of this Notice), the Company's issued share capital consists of 433,918,940 Ordinary shares (excluding 3,067,589 held in Treasury) carrying one vote each. Therefore the total voting rights in the Company are 433,918,940.

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 ('APMS') (Unaudited)

Return to Shareholders (APM)

Total return to the shareholder, 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.

Total return calculation	Page	Year ended 31st March 2023	Year ended 31st March 2022	
Opening share price (p)		85.0	80.7	(a)
Closing share price (p)	7	94.0	85.0	(b)
Total dividend adjustment factor[1]		1.048538	1.019583	(c)
Adjusted closing share price (d = b x c)		98.6	86.7	(d)
Total return to shareholders (e = (d / a) – 1)		**16.0%**	**7.5%**	(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 last traded price quoted at the ex-dividend date.

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

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.

Total return calculation	Page	Year ended 31st March 2023	Year ended 31st March 2022	
Opening cum-income NAV per share (p)		100.5	93.1	(a)
Closing cum-income NAV per share (p)	7	104.8	100.5	
(–) the 1st interim dividend declared but not paid pre year-end date	7	—	(1.10)	
Adjusted closing cum-income NAV per share (p)		104.8	99.4	(b)
Total dividend adjustment factor[1]		1.042726	1.017713	(c)
Adjusted closing cum–income NAV per share (d = b x c)		109.3	101.2	(d)
Total return on net assets with debt at par value (e = (d / a) – 1)		**9.9%**	**8.7%**	(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.

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

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

The Company's debt (private placement) is valued in the Statement of Financial Position (on page 59) at amortised cost, 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 21(d) on page 81 on the financial statements . 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 Euro 50.0 million Private Placement issued by the Company has been calculated using discounted cash flow techniques, using the yield from similar dated German government bond plus a margin based on the five year average for the AA Barclays Sterling Corporate Bond spread.

Glossary of Terms and Alternative Performance Measures ('APMS') (Unaudited)

Total return calculation	Page	Year ended 31st March 2023	Year ended 31st March 2022	
Opening cum-income NAV per share (p)		98.7	90.5	(a)
Closing cum-income NAV per share (p)	7	105.3	98.7	
(–) the 1st interim dividend declared but not paid pre year-end date	7	—	(1.10)	
Adjusted closing cum-income NAV per share (p)		105.3	97.6	(b)
Total dividend adjustment factor[1]		1.042877	1.018232	(c)
Adjusted closing cum–income NAV per share (d = b x c)		109.8	99.4	(d)
Total return on net assets with debt at fair value (e = d / a – 1)		**12.5%**	**9.8%**	(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.

Net asset value per share

The value of the Company's net assets (total assets less total liabilities) divided by the number of Ordinary shares in issue. Please see note 17 on page 73 for detailed calculations.

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.

Gearing calculation	Page	31st March 2023 £'000	31st March 2022 £'000	
Investments held at fair value through profit or loss	81	469,173	451,154	(a)
Net assets	81	455,246	439,334	(b)
Gearing/(net cash) (c = (a / b) – 1)		**3.1%**	**2.7%**	(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 ('APMS') (Unaudited)

Ongoing charges calculation	Page	Year ended 31st March 2023 £'000	Year ended 31st March 2022 £'000	
Management fee	65	2,228	3,343	
Other administrative expenses	65	557	649	
Total management fee and other administrative expenses		2,785	3,992	(a)
Average daily cum-income net assets		420,154	447,824	(b)
Ongoing charges (c = a / b)		**0.66%**	**0.89%**	(c)

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. It is more common for an investment trust's shares to trade at a discount than at a premium (page 6).

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/Sector selection

Measures the effect of investing in securities/sectors 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 into Treasury at a price which is less than the Company's net asset value per share.

Investing in JPMorgan European Growth & Income plc

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
Barclays Smart Investor
Charles Stanley Direct
Selftrade
Fidelity Personal Investing
Halifax Share Dealing
Hargreaves Lansdown
Interactive Investor
EQi

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' ('AIC') 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 to 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

FCA
FINANCIAL CONDUCT AUTHORITY

Information About the Company

FINANCIAL CALENDAR

Financial year end	**31st March**
Final results announced	**June**
Half year end	**30th September**
Half year results announced	**November**
Dividends payable	**March, July, October and January**
Annual General Meeting	**July**

History

JPMorgan European Growth & Income plc was formed in 1929 as The London and Holyrood Trust Limited and was a general investment trust until 1982 when the name was changed to The Fleming Universal Investment Trust. Under this name the portfolio became more internationally invested until November 1988, when the Board decided to concentrate on Continental European investments. In 1992 shareholders approved a formal adoption of this specialisation. The Company adopted separate growth and income portfolios and share classes under the name of JPMorgan European Investment Trust plc in August 2006. The current structure was approved by shareholders and the name changed from JPMorgan European Investment Trust plc to JPMorgan European Growth & Income plc on 4th February 2022.

Company Numbers

Company registered in England number: 237958 a public company limited by shares
LEI: 549300D8SPJFHBDGXS57
London Stock Exchange Sedol number: BPR9Y24
ISIN number: GB00BPR9Y246
JEGI LN

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. The market prices are shown daily in the Financial Times, The Times, the Daily Telegraph, The Scotsman and on the Company website at jpmeuropeangrowthandincome.com, where the share prices are updated every 15 minutes during trading hours.

Website

www.jpmeuropeangrowthandincome.com

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 number: 020 7742 4000

Please contact Paul Winship for company secretarial and administrative matters.

Depositary

The Bank of New York Mellon (International) Limited
160 Queen Victoria Street
London EC4V 4LA

The Depositary has appointed JPMorgan Chase Bank, N.A. as the Company's custodian.

Registrars

Equiniti Limited
Reference 1080
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone: 0371 384 2319

Lines are open from 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.

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1080.

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

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Brokers

Winterflood Securities Limited
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2GA
Telephone 020 7621 0004

aic
The Association of Investment Companies

A member of the AIC

CONTACT

60 Victoria Embankment
London
EC4Y 0JP
Tel +44 (0) 20 7742 4000
Website jpmeuropeangrowthandincome.com

GB A110 | 06/23

J.P.Morgan
ASSET MANAGEMENT