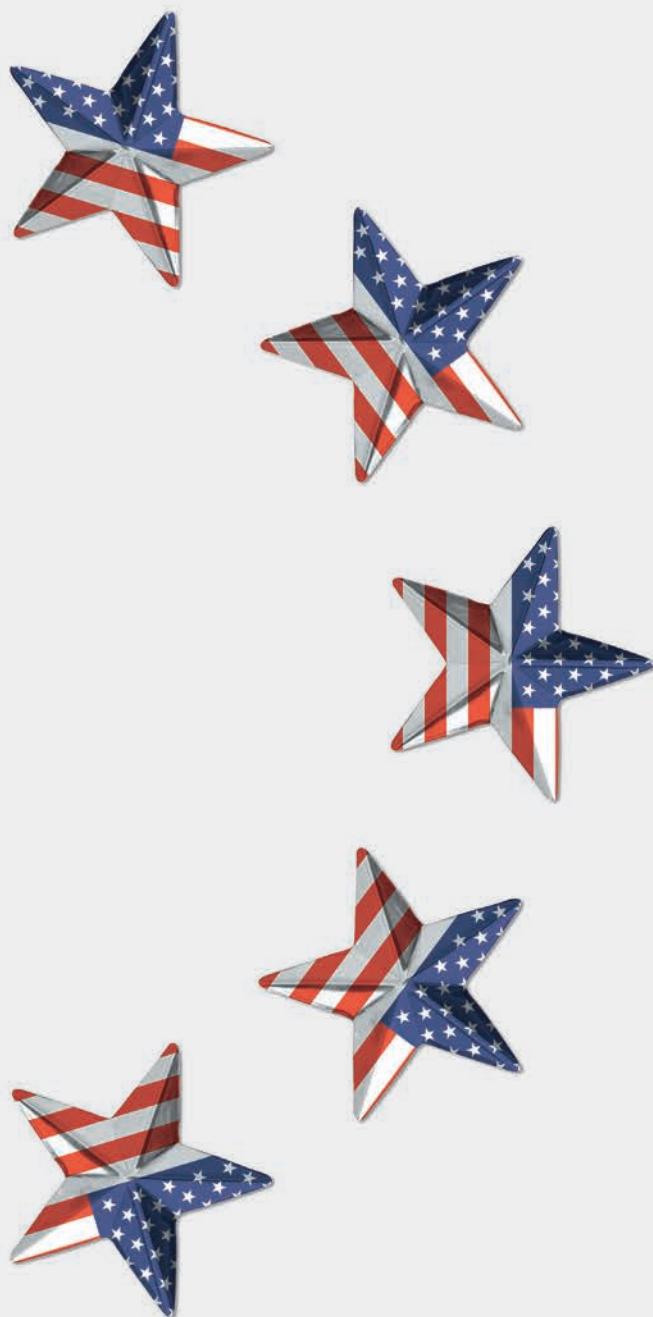


JPMorgan American Investment Trust plc

Annual Report & Financial Statements for the year ended 31st December 2021



Your Company

Investment Objective

To achieve capital growth from North American investments by outperformance of the Company's benchmark. It aims to outperform a benchmark, which is the S&P 500 Index, with net dividends reinvested, expressed in sterling terms.

Investment Policies

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

Please refer to page 28 for full details of the Company's investment policies.

Gearing

The Company's gearing policy is to operate within a range of 5% net cash to 20% geared in normal market conditions. Within this range, the Board reviews and sets a strategic gearing level, which is currently 10% + or -2%. The current tactical level of gearing is 5% with a permitted range around this level of + or -5%, meaning that currently gearing can vary between 0% and 10%.

ESG

The Manager of the Company considers financially material Environmental, Social and Governance (ESG) factors in investment analysis and investment decisions, with the goal of enhancing long-term, risk-adjusted financial returns. For further information, please refer to the Company's website and page 19 of this report. Information can also be found on the Association of Investment Companies ('AIC') website - www.theaic.co.uk

Benchmark Index

The S&P 500 Index, net of appropriate withholding tax, expressed in sterling total return terms.

Capital Structure

As at 31st December 2021, the Company's share capital comprised 193,822,176 ordinary shares of 5p each, including 87,811,734 shares held in Treasury.

The Company's available borrowings are currently made up of a £80 million floating rate debt facility expiring in August 2022, a US\$65 million fixed-rate unsecured loan note at an annual coupon of 2.55% which will mature in February 2031 and a US\$35 million fixed rate unsecured loan note at an annual coupon of 2.32% maturing in October 2032. All facilities are drawn in US dollars.

Management Fees

The management fee is charged on a tiered basis as follows:

- 0.35% on the first £500 million of net assets;
- 0.30% on net assets above £500 million and up to £1 billion; and
- 0.25% on any net assets above £1 billion.

Management Company

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

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

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

The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust. The Company's shares are not considered to be 'complex instruments' under the FCA's 'appropriateness' rules and guidance in the Conduct of Business sourcebook.

Association of Investment Companies ('AIC')

The Company is a member of the AIC.

Website

More information about the Company can be found online at www.jpmanmerican.co.uk.

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NOTE: THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains proposals relating to the Company on which you are being asked to vote. 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. If you are in the United Kingdom or, if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all your ordinary shares in JPMorgan American Investment Trust plc, please forward this document, together with the accompanying documents, immediately to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



Strategic Report

Image: Golden Gate Bridge and downtown San Francisco.

TOTAL RETURNS (INCLUDING DIVIDENDS REINVESTED)

	2021	2020	3 Year Cumulative	5 Year Cumulative
Return to shareholders ^{1,APM}	+34.3%	+21.2%	+99.8%	+121.9%
Return on net assets ^{2,APM}	+28.1%	+22.0%	+90.2%	+116.4%
Benchmark return ³	+29.6%	+14.4%	+86.9%	+110.0%
Annualised net asset return performance against benchmark return ^{3,4}	-1.5%	+7.6%	+1.1%	+1.3%
Dividend	7.0p	6.75p		

¹ Source: Morningstar.² Source: Morningstar/J.P. Morgan, using cum income net asset value per share, with debt at fair value.³ The Company's benchmark index is the S&P 500 Index, net of the appropriate withholding tax, expressed in sterling total return terms.⁴ Annualised returns calculated on a geometric basis.

APM Alternative Performance Measures ('APM').

A glossary of terms and APMs is provided on pages 91 to 93.

FINANCIAL HIGHLIGHTS

SUMMARY OF RESULTS

	2021	2020	% change
Total returns for the year ended 31st December			
Return to shareholders ^{1,APM}	+34.3%	+21.2%	
Return on net assets with debt at fair value ^{2,APM}	+28.1%	+22.0%	
Return on net assets with debt at par value ^{2,APM}	+27.8%	+22.5%	
Benchmark return ^{1,3}	+29.6%	+14.4%	
Gross return (£'000)	337,698	229,313	47.3
Net return after taxation (£'000)	328,581	221,135	48.6
Return per share	166.77p	108.29p	54.0
Net asset value, share price, discount and market data at 31st December			
Net asset value per share with debt at fair value ^{4,APM}	771.0p	607.6p	+26.9
Net asset value per share with debt at par value ^{APM}	771.9p	610.1p	+26.5
S&P 500 Index expressed in sterling (capital only) ⁵	3,518.9	2,747.8	+28.1
Share price	767.0p	577.0p	+32.9
Share price discount to net asset value per share with debt at fair value ^{APM}	0.5%	5.0%	
Share price discount to net asset value per share with debt at par value ^{APM}	0.6%	5.4%	
Shareholders' funds (£'000)	1,496,120	1,211,522	+23.5
Market capitalisation (£'000)	1,486,616	1,145,777	+29.7
Exchange rate	1 £ = \$ 1.3544	1 £ = \$ 1.3669	-0.9
Shares in issue (excluding shares held in Treasury)	193,822,176	198,574,855	-2.4
Revenue for the year ended 31st December			
Net revenue attributable to shareholders (£'000)	11,685	12,893	-9.4
Revenue return per share	5.97p	6.31p	-8.6
Dividend per share	7.00p	6.75p	+3.7
Gearing at 31st December^{APM}			
	4.9%	4.7%	
Ongoing Charges Ratio^{6,APM}			
	0.38%	0.34%	
Management Fee:			
On the first £500 million of net assets	0.35%	0.35%	
On net assets above £500 million and up to £1 billion	0.30%	0.30%	
On any net assets above £1 billion	0.25%	0.25%	

¹ Source: Morningstar.

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

³ The Company's benchmark is the S&P 500 Index, net of the appropriate withholding tax, expressed in sterling total return terms.

⁴ The fair value of the combined US\$100m private placements issued by the Company was calculated using discounted cash flow techniques, using the yield from a similarly dated treasury note plus a margin based on the US Broad Market AA 10-15 year spread.

⁵ Source: Datastream.

⁶ For the year ended 31st December 2020, the Ongoing Charges Ratio (OCR) includes the effect of two months of a nine month management fee waiver starting from 1st June 2019. Without the fee waiver, the OCR would have been 0.39%.

^{APM} Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 91 to 93.



Dr Kevin Carter
Chair

The last year has continued to be dominated by the Covid-19 pandemic, with the arrival late in the year of the Omicron variant, the ongoing supportive global fiscal and monetary response, and the development and rollout of vaccines and therapeutic treatments. Investors in the US stock market generally assessed these developments very positively with the result that share prices rose strongly during the year. One consequence of the fiscal and monetary response since the original pandemic began in early 2020 has been the re-emergence of higher inflation, initially thought to be transitory, but now widely regarded as likely to be more persistent, exacerbated by supply chain issues throughout the economy.

As a result Central Banks, and the US Federal Reserve in particular, have begun to raise short term interest rates, and dial back the long standing Quantitative Easing strategy that has persisted since the financial crisis of 2008. This has caused the yield of the 10 year US Treasury Bond to rise from 0.93% to 1.52% over the year, and to approximately 2.40% at the time of writing. Following the period end, rising rates and inflation weighed on markets which has had the effect of interrupting the stock market's upward progress.

Over the year, your Company's NAV rose by +28.1% (2020: 22.0%), slightly underperforming its benchmark, the S&P 500 index, which on a total return basis increased by 29.6%, in sterling terms. The share price traded during the year between a discount of 7.6% to a premium of 1.3%, compared to NAV, closing the year at a small discount and delivering a total return to shareholders for the year of 34.3%. More information is provided in the attribution report detailed on page 10 in the Investment Manager's Report.

Since the Company changed the investment approach on 1st June 2019, it has outperformed its benchmark index by 5.9% through to the end of the financial year, providing a total return to shareholders of +73.2%, compared with a benchmark return of +67.3%. This is an annualised outperformance of 2.2% over the 31 months since the changed investment approach.

The Portfolio

95.5% of your Company's portfolio was invested into US large-cap stocks in a high conviction portfolio of some 40 stocks at year end. This represents a curated selection of the Manager's best growth and value investment ideas. The proportion of the growth and value weighting can vary between 60% and 40% either way and was 52% in growth and 48% in value at period end. 4.4% of the portfolio was invested in a portfolio of smaller capitalisation stocks that replicates the portfolio of the JPMorgan US Small Cap Growth Fund. The balance of the portfolio (0.1%) comprises the liquidity funds, net of the amounts drawn under the credit facility with ING.

More details about the portfolio and activity during the year can be found in the Investment Manager's report on pages 9 to 15.

Gearing

The Board has set the current tactical level of gearing at 5% with a permitted range around this level of plus or minus 5%, meaning that currently gearing can vary between 0% and 10%. The Company ended the year with gearing of 4.9%.

The Board believes it is prudent for its gearing capacity to be funded from a mix of sources including short and longer term tenors and fixed and floating rate borrowings. The Company's gearing strategy is implemented through the use of an £80 million multi-currency revolving credit facility with ING Bank. This is drawn in US Dollars to match the currency of the Company's asset base. Alongside this bank facility, the Company also has in issue \$65 million of unsecured loan notes repayable in February 2031 via a private placement with a UK life assurance company with a fixed interest rate of 2.55% per annum. During the year the Company also raised an additional \$35 million of unsecured loan notes repayable in October 2032, via a private placement with a UK life assurance company, with a fixed coupon of 2.32%. The net proceeds from the funding was used in part to repay a proportion of the Company's short-term indebtedness.

The gearing level of the Company was 4.5% calculated in line with the Association of Investment Companies ('AIC') methodology as at the latest practical date. The Board continues to review the appropriate gearing level on a regular basis.

Board Review of the Manager

The Board was unable to visit the Manager's offices in New York as planned during the year due to travel restrictions caused by the pandemic, but has been able to hold virtual meetings with the portfolio managers, Jonathan Simon and Tim Parton, and also with the portfolio manager of the smaller companies' portfolio, Eytan Shapiro. The Board further met with JPMorgan's senior management team to discuss the performance of the portfolio, the Company's strategy and to review broader aspects of the Manager's service.

The Manager provides other services to the Company, including accounting, company secretarial and marketing services. These have been formally assessed through the annual manager evaluation process. I am pleased to report that, since the on-set of the pandemic, the Manager and the Company's other service providers have been able to adjust their business operations to accommodate the working from home environment with limited disruption. The Board has received assurances that the Company's operations, including the management of the portfolio, and the maintenance of a strong controls environment, have continued as normal.

Ongoing Charges

The Board continues to monitor closely the Company's cost base. The Company's Ongoing Charges Ratio ('OCR') for the year under review was 0.38%. This means the Company remains one of the most competitively priced US actively managed funds available to UK investors, in either closed-ended or open-ended form. However, the Board is aware that major competitors for investors' attention and funds remain passively invested exchange traded funds and open-ended funds which represent the largest pools of capital invested into US equity markets.

Share Price and Premium/Discount

Throughout the year, the Company's shares traded at a discount to the NAV other than for a brief period of trading at a premium. Consistent with our statements made in previous years and because share buy-backs at a discount to NAV are enhancing to the NAV for remaining shareholders, the Board is prepared to buy-back shares when they stand at anything more than a small discount. This undertaking has operated for several years and applies in normal market conditions.

During the year 4,752,679 shares were purchased into Treasury, at a cost of £30.8 million, representing 2.4% of the Company's issued share capital at the beginning of 2021, and at an average discount to NAV of 4.9%. This is a decrease on the amount repurchased during the previous year when £53.1 million was spent repurchasing 5.1% of the issued share capital. Since the year end and at the time of writing the Company has repurchased a further 1,573,242 shares into Treasury, at a cost of £11 million.

The Company will again ask shareholders to approve the repurchase of up to 14.99% of its capital at a discount to estimated NAV of the Company's shares at the forthcoming Annual General Meeting. We will also be seeking shareholder permission to issue shares, where the Board is confident of sustainable market demand. The authority, if approved, will allow the Company to issue up to 10% of its issued share capital from Treasury. The Company will only issue shares at a price in excess of the estimated NAV, including income and with the value of the debt at fair value.

Dividends

The Company paid an interim dividend in respect of the 2021 financial year of 2.5p on 8th October 2021. Subject to shareholder approval at the AGM, a final dividend of 4.5p will be paid on 27th May 2022 to

shareholders on the register on 22nd April 2022, making a total of 7.0p per share, an increase of 3.7% on last year's total of 6.75p per share. After the payment of the proposed final dividend, the balance in the revenue reserves will be £21,163 million, equivalent to 10.9p per share (2020: 11.6p) or 1.6 times (2020: 1.7 times) the current dividend. The prudent approach of building up revenue reserves in prior years provides the Board with a means of supporting current dividend levels, and in the future should earnings per share drop materially in any financial year.

Whilst capital growth is the primary aim of the Company, the Board is aware that dividend receipts can be an important element of shareholder returns. The Board continues to monitor the net income position of the Company and based on current estimated dividend receipts for the year ahead, the Board aims at least to maintain the aggregate 2021 dividend in the forthcoming year.

Environmental, Social and Governance ('ESG')

As indicated in my half year statement in August 2021, this Annual Report contains more detailed information on the ongoing engagement the Board has been having with the Manager on ESG considerations. Pleasingly the Manager has been making further progress in the integration of ESG factors into its company research process. The consequences of the war in Ukraine are going to impact and affect ESG thinking for all asset owners and investment managers as energy security and increased defence spending impact investment decision making. The Board and Manager will be evaluating carefully together the impact of these consequences for the further integration of ESG factors in the Company's portfolio. Further information on the Manager's ESG process and engagement is set out on pages 19 to 21.

The Board

As previously announced, on 1st September 2021 Mr. Simon Bragg retired from the Board and Ms. Claire Binyon took on the role of Audit Chair. There has been no other change to the composition of the Board during the year.

Sir Alan Collins will have served as a director for ten years at the date of the 2022 AGM. The Board believes that due to his significantly positive contribution to the Company, in particular to his role as the Senior Independent Director, leading the Risk and Remuneration Committees, and his knowledge of the United States, it would be in the Company's best interests for Sir Alan's appointment as a director to be continued for a further year. Sir Alan has responded positively to the Board's request for him to remain a director, pending his retirement at the conclusion of the AGM in 2023, subject to shareholders agreeing to his reappointment at the forthcoming AGM. The succession plan for the Board is well advanced and it is planned to undertake a search for a new director to be appointed during 2022.

The results of this year's Board evaluation process confirmed that all Directors possess the experience and attributes to support a recommendation to shareholders that they seek re-appointment at the Company's forthcoming Annual General Meeting. In line with the AIC Code of Corporate Governance, additional statements to support the re-appointment of each Director are included on pages 46 and 47.

Shareholder engagement

During the year the Senior Independent Director, Sir Alan Collins, and I had the opportunity to meet some of the leading shareholders of the Company to hear their views and to discuss various matters including gearing policy, ESG developments, the portfolio's small capitalisation stock exposure and the Board's stated buyback policy when the shares trade on anything other than a small discount in normal market conditions. The Board believes these shareholder interactions are very helpful in assisting it to manage the Company's affairs.

The two portfolio managers, Tim Parton and Jonathan Simon, also held three calls with shareholders and posted regular portfolio and market updates on the Company's website during the year. These interactions have been well received by shareholders.

Annual General Meeting

This year's Annual General Meeting is the Company's 106th and it will be held on Wednesday, 18th May 2022 at 2.30 p.m. at 60 Victoria Embankment, London EC4Y 0JP. Apart from the formal business of the meeting, the shareholders will have the opportunity to hear from our two portfolio managers, Timothy Parton and Jonathan Simon who will be presenting virtually, followed by a question and answer session. Shareholders are invited to attend the meeting and raise any questions they have, either by asking questions at the meeting, or in advance by writing to the Company Secretary at the address on page 95, or via email to invtrusts.cosec@jpmorgan.com. As is normal practice, all voting on the resolutions will be conducted on a poll. The Board strongly encourages all shareholders to exercise their votes by completing and returning their proxy forms in accordance with the notes to the Notice of Meeting on pages 88 to 90.

For shareholders who wish to follow the AGM proceedings, but choose not to attend in person, we will be able to offer participation via video conference. Details on how to register, together with access details, can be found on the Company's website: www.jpmamerican.co.uk. Due to technological reasons, shareholders viewing the meeting via conferencing software will not be able to vote on the poll and we therefore especially encourage those shareholders who cannot attend in person, to exercise their votes in advance of the meeting by completing and submitting their form of proxy. Shareholders are also encouraged to send any questions to the Board, via the Company Secretary, at the email address above, ahead of the AGM. We will endeavour to answer all relevant questions at the meeting, or via the website, depending on arrangements in place at the time.

If there are any changes to the arrangements for the Annual General Meeting, the Company will update shareholders through the Company's website and, if appropriate, through an announcement to the London Stock Exchange.

Outlook

The human tragedy of the Russian invasion of Ukraine continues to unfold with no end in sight at the time of writing. The longer term economic and market consequences are likely to be material as the sanctions regime imposed on Russia takes effect. Energy security and raised defence spending will be priorities for some years to come, and will play out against a background of tightening monetary policy and rising interest rates as the Federal Reserve and other central banks tackle the present high inflation environment.

Unfortunately the near term outlook would appear to be one of stagflation in which below average economic growth is accompanied by above average inflation. Equities are often quite volatile in this kind of environment and it would seem prudent to make that a working assumption this time as well. The comparative self sufficiency of the US economy, and the depth of the US stock market are significant positive factors underpinning your Company's investment objective. Combined with the long experience of our two portfolio managers I am hopeful that the Company's portfolio will prove to be resilient through these more challenging times.

Dr Kevin Carter

Chair

1st April 2022



Timothy Parton



Jonathan Simon

Market Review

2021 was another strong year for US equities, as the S&P 500 Index returned 28.7% (in US dollar terms), its third consecutive calendar year of double-digit gains. The S&P 500 has more than doubled over the last three years, a remarkable and surprising outcome amidst the prolonged interference of the Covid pandemic.

Encouraging economic data and robust corporate earnings results buoyed the stock market throughout the year, with the S&P 500 posting a historic record of 70 new all-time highs. Economic recovery was propelled by extraordinary fiscal and monetary stimulus. US GDP recovered to pre-pandemic levels and unemployment fell from 6.2% in January 2021 to 3.9% by December 2021. Labour market tightness allowed workers to enjoy rising wages, in addition to higher house and other asset prices, and this in turn supported consumer spending.

The equity market rally was not without its challenges, as several volatility shocks tested investors' resilience. Early in the year, an unprecedented retail-driven short squeeze in so-called 'meme stocks' – companies that acquire cult-like followings on social media and online platforms – whipsawed the market. This was followed by threats from new Covid-19 variants, including the highly infectious Omicron strain. Concerns about inflation began to mount, compounded by intense supply chain disruptions. Oil prices also surged. The spot price of Brent crude, a global benchmark, started 2021 at US\$50 per barrel and reached a high of US\$86 in late October. Oil prices eased in the final weeks of the year, but have since reached fresh highs.

Anxiety about inflation unsettled US bonds during the first quarter, and again in Q4, as inflation readings confirmed investors' fears. In November, the US Consumer Price Index (CPI) jumped to 6.8% year-on-year, its highest reading in 39 years. Persistent inflationary pressures, combined with rapidly tightening labour market conditions, led the Federal Reserve to adopt a more hawkish stance, and the market now expects the Fed to begin the process of shrinking its own inflated balance sheet in Q1 2022, paving the way for a sequence of interest rate hikes this year.

Within the S&P 500, all eleven industrial sectors of the index posted double-digit gains over the past year, led by energy, which rose 55%. Expectations about the near-term outlook for oil prices were low at the start of the year, so this sharp rally in oil prices took the market by surprise. Another top performing sector in the S&P 500 was financials, which returned 35% for the period. The defensive utility and consumer staples sectors delivered more modest growth and lagged the S&P 500. However, they still enjoyed very healthy returns of +18% and +19% respectively.

After lagging small cap stocks for the first six months of the year, large cap stocks, as represented by the S&P 500, rallied strongly during the second half of the year, to end 2021 up 28.7% (in US dollar terms), significantly ahead of the small cap Russell 2000, which returned 14.8%. Growth stocks experienced a similar reversal of fortunes over the year. They lagged value names for several months from late 2020 onwards, following the arrival of vaccines which boosted confidence in the economic recovery. However, the Russell 3000 Growth index rose strongly in the final six months of 2021 after new Covid variants cast a temporary shadow over the economic re-opening. The resurgence of both large cap and growth stocks in the latter half of 2021 actually tell the same story – a marked defensive rotation into the resilient, mega cap technology companies that now comprise a significant portion of the US market. The extent of this rotation is powerfully illustrated by the fact that the valuations of both Apple and Microsoft now each exceed the market value of the entire FTSE 100 index.

Performance and Overall Asset Allocation

The Company's net asset value rose by 28.1% in total return terms for the full year, modestly below the return of the S&P 500, which rose 29.6% in sterling terms. Gearing provided a positive contribution to performance given the rising markets, but our small cap growth allocation struggled during the year and detracted most from relative performance, as it posted a negative return for the period.

PERFORMANCE ATTRIBUTION

FOR THE YEAR ENDED 31ST DECEMBER 2021

	%	%
Contributions to total returns		
Net asset value (fair value) total return (in sterling terms) ^{APM}		28.1
Benchmark total return (in sterling terms)		29.6
Excess return		-1.5
Contributions to total returns		
Large cap portfolio		-0.6
Allocation effect	2.1	
Selection effect	-2.7	
Small cap portfolio		-1.7
Allocation and selection effect	-1.7	
Gearing		0.8
Share buyback		0.1
Management fee/expenses		-0.4
Impact of fair value valuation ¹		0.3
Total		-1.5

Source: JPMAM and Morningstar. All figures are on a total return basis.

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

¹ The impact of fair valuation includes the effect of valuing the combined \$100m private placements at fair value. It is the sum of the impact on the closing NAV of the fair value adjustment and its impact on the calculation of total returns arising from the reinvestment of dividends paid in the year into the Company's NAV.

^{APM} Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 91 to 93.

Large cap portfolio

The Company's large cap holdings posted a positive return over the year, but slightly lagged the S&P 500. In terms of portfolio positioning, our sector weights remain a by-product of our bottom-up investment analysis and our disciplined approach to portfolio construction. We remain focused on owning high quality businesses with durable competitive advantages, which we believe will provide stability should economic fundamentals deteriorate or uncertainties escalate.

Large Cap Portfolio Stock Attribution

As of 31st December 2021

Top Contributors	Relative weight (%)	Stock return (%)	Impact (%)
AutoZone	2.87	76.85	1.39
Capital One Financial	2.70	49.28	1.14
Charles Schwab	1.98	60.21	0.77
Bank of America	2.37	49.58	0.68
Public Storage	1.51	66.62	0.61

Source: Wilshire. Excludes Cash & Gearing (USD). The data provided is based on stock selection relative to total return and ending weight relative to S&P 500 Index.

The portfolio is actively managed. Holdings, sector weights, allocations and leverage, as applicable, are subject to change at the discretion of the investment manager without notice.

Past performance is not a reliable indicator of current and future results.

Top Detractors	Relative weight (%)	Stock return (%)	Impact (%)
Gap	1.15	-44.96	-1.59
Global Payments	1.18	-36.91	-1.34
NVIDIA*	-1.82	125.48	-1.00
Tesla Motors	0.37	-11.87	-0.87
Discovery Communications* ¹	-0.03	-29.57	-0.83

Source: Wilshire. Excludes Cash & Gearing (US\$).

* Indicates stock was not held as of 31st December 2021.

¹ Based on combining the positions of both Discovery share classes (DISCA and DISCK) which are listed in the S&P 500.

The portfolio is actively managed. Holdings, sector weights, allocations and leverage, as applicable, are subject to change at the discretion of the investment manager without notice. Past performance is not a reliable indicator of current and future results.

Our positions in the information technology and consumer discretionary sectors trailed their benchmark peers groups, detracting from performance. Within information technology, weak returns from our positions in payments companies, including **Global Payments**, **Mastercard** and **PayPal**, hindered relative performance. These names came under pressure from short-term business headwinds as the Omicron variant sparked fears of renewed lockdowns. In addition, these companies are facing tough competition from newer entrants and newer payment methods. However, Global Payments and Mastercard in particular are now benefiting from consumers' renewed appetite for travel, dining out and other entertainment, and their valuations have compressed to attractive levels, so we continue to hold these names in the portfolio.

In the consumer discretionary space, our overweight position in **Gap**, the clothing retailer, was the largest detractor, as supply chain disruptions weighed on earnings and margins. Management lowered full year sales and earnings guidance in response to these setbacks. However, we believe these are short term concerns and we still like Gap's long-term prospects, due to the company's international presence and its 'omni-channel' strategy, which combines retail stores with an online retail platform and cross-channel initiatives that seek to integrate customers' instore and digital interactions, and maximise their value. Gap also benefits from a disciplined management team that continues to close unprofitable stores and focus on more profitable and higher growth areas of the business such as Old Navy and Athleta, its leisure brand.

Still within the consumer discretionary sector, our lack of exposure to **Tesla** for some of the year also hindered performance. We had exposure to the electric vehicle and solar energy company for the first six months of the year, but exited our position in June on valuation concerns. We reversed that decision in October after the company reported strong Q3 earnings, well ahead of consensus estimates, despite the global semiconductor shortage and other supply-chain challenges that have stymied its competitors. Better margins in its automotive segment allowed Tesla to achieve a consolidated US GAAP operating margin of 14.6%, the highest profit margin of any volume car manufacturer, which validated our investment thesis for reinvesting in the name.

The adverse performance impact of these positions was partially offset by positive contributions from our sector allocations in financials, and by our stock selection in healthcare and consumer discretionary. The trust's overweight in financials was especially beneficial, as financials was one of the best performing sectors in the S&P 500 over the year, supported by the robust economy, good credit fundamentals and low levels of household debt. Bank stocks were also boosted as investors brought forward their expectations of higher interest rates. Our financial names outperformed their benchmark peer group, with the largest contributions to returns coming from our overweight positions in **Bank of America**, **Capital One Financial** and **Charles Schwab**.

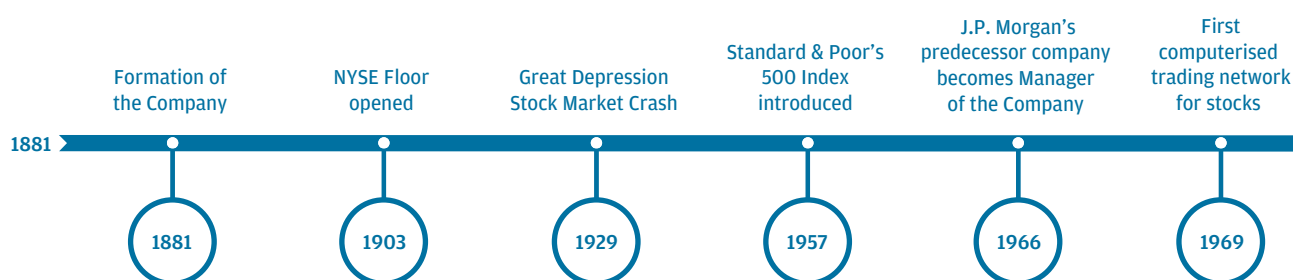
We remain confident in the ability of Bank of America's management to grow margins through efficiency improvements, and the diversity of its business mix is another positive. Capital One Financial, another bank,

produced strong quarterly results throughout the year and we continue to like the company's approach to online banking and disciplined capital management. Furthermore, both these institutions have healthy capital reserves, which creates a compelling case for additional capital return. Charles Schwab, a wealth manager and financial services provider, generated impressive revenue and earnings growth in 2021 due to rising short term interest rates and rapid growth in new accounts and assets under management. Additionally, the company's efforts to integrate TD Ameritrade, a financial advisory business it acquired in 2020, are enhancing Schwab's scale and competitive position. The revenue and cost synergies from this merger will potentially be very favourable, and this is one reason for our positive view on the business. We also like Schwab's high-quality management team, which has a proven ability to deliver impressive asset growth, and we expect earnings to improve further as rates rise.

At the stock level, our healthcare stock selection added value. While the healthcare sector lagged the S&P 500 over the year, our holdings outperformed their benchmark peer group. We benefitted from our overweight position in **Dexcom**, a medical device company which produces continuous glucose monitoring (CGM) systems for diabetes sufferers. The company reported strong quarterly earnings and raised its full-year guidance for 2021. The adoption of its CGM technology continues to grow rapidly, as it significantly improves patients' ability to manage the disease, and is now being prescribed for sufferers of less acute, Type 2 diabetes. Dexcom's longer-term growth prospects are also supported by the highly anticipated launch of its next generation G7 monitor, which is much smaller, and therefore more convenient for patients to use. The G7 system, which was expected to be launched in 2021, is now expected to be launched in 2022.

Our overweight to **AutoZone** was the largest contributor to performance within the consumer discretionary sector and overall. AutoZone is a retailer and distributor of automotive replacement parts and accessories. This industry is defensive by nature, and enjoys meaningful tailwinds and high barriers to entry and AutoZone is a leading player. Its earnings pattern, which is steadier than its competitors', is testament to its well-managed, variable cost structure. The stock rallied throughout the year on the back of strong quarterly results and we anticipate that demand for auto parts will remain high, for several reasons. Firstly, vehicle usage is returning to pre-pandemic levels. Furthermore, and somewhat perversely, the inevitable transition to electrical vehicles (EVs) is having a twofold impact on demand for parts for conventional cars. The shortage of semiconductors is delaying the production of EVs, so car owners looking to switch to EVs are being forced to wait, and must therefore keep, and maintain, their current vehicles in the meantime. Other motorists are forestalling their purchases of much more expensive EVs, which tend to be about twice the price of conventional cars, by extending the life of their current vehicles via increased maintenance.

During the year, we made some changes to our large cap holdings, adding 16 new names and exiting the same number. For example, we increased our industrials exposure via the acquisitions of **Deere** and **Trane Technologies**. Deere is a well-known leader in the production and distribution of agricultural equipment, including tractors. The company is developing cutting edge technology, including the use of machine learning and artificial intelligence, to significantly increase productivity. This development has strengthened Deere's competitive leadership and should help to improve its long term pricing power and profitability.



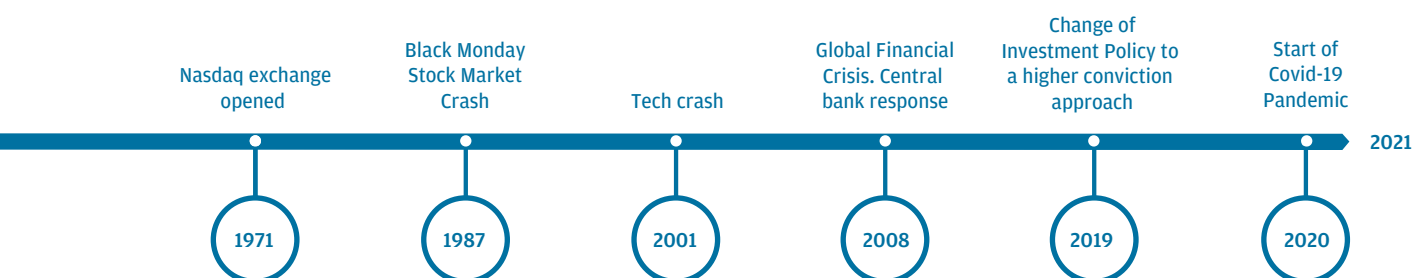
Trane is a manufacturer of climate control and heating, ventilation, and air conditioning (HVAC) systems. Its management is focused on sustained improvement in revenues, earnings and cash flow, and the company offers a very attractive blend of commercial, residential and transportation-related businesses. A high proportion of revenue comes from recurring servicing fees. Trane has the added appeal of being an industry leader in the adoption of environmentally-friendly business practices. As a part of its 2030 strategic plan, the company has committed to making its internal operations carbon neutral and net positive in water usage, while also pledging to cut the carbon footprint of its products (and thus its customers' combined carbon footprint) by one gigaton of carbon emissions.

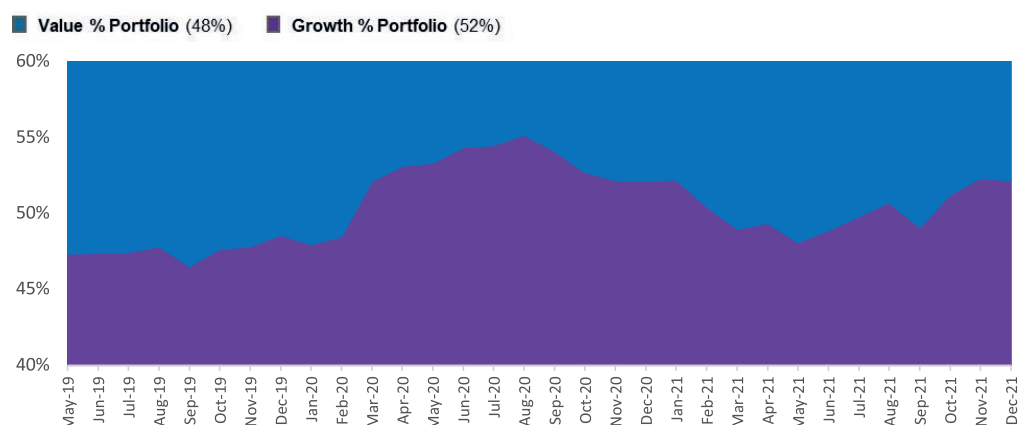
In the healthcare space, we added **Bristol Myers-Squibb**, a global biopharmaceutical company. The company has a healthy product pipeline, including some that originated from its acquisition of Celgene a few years ago. The stock trades at a very attractive valuation, with a sturdy dividend yield fortified by strong free cash flow generation.

These and other acquisitions across the large cap portfolio were funded by the disposal of other names, including toolmaker **Stanley Black & Decker**, which we sold due to concerns about rising commodity prices and other costs that will adversely impact its profit margins. We also expect demand for its products to plateau as the housing cycle matures. Towards year-end we also exited our position in **Meta Platforms**, the social media platform (formerly **Facebook**). The company is the subject of intensifying negative publicity related to its invasive data policies and its unwillingness to stop the spread of misinformation on its platform. These claims are attracting mounting scrutiny from regulators and politicians. Despite posting better than expected earnings, the stock began to decline as Q3 revenue undershot estimates and the company became embroiled in further controversy generated by a whistle-blower's allegations about its business practices. Our disposal of this stock was timely, as it has since declined precipitously.

These acquisitions and sales did not have a significant impact on the portfolio's underlying composition. On a sectoral basis, information technology and financials remain our two largest allocations. Together they represent approximately 40% of the overall portfolio. However, their weightings relative to the S&P 500 diverge, as information technology is our largest underweight, while financials is our biggest overweight. We have another notable underweight in consumer staples, although we have been selectively adding to our exposure this year. However, in general, we continue to find names with better risk/reward profiles in other areas of the market.

As we have discussed in previous reports, within the large cap portfolio, we allocate capital between separate value and growth stock sleeves, with the mix allowed to vary between 60:40 and 40:60. At year end, we had a slight tilt towards growth stocks, with a 52% exposure, compared to a 48% exposure to value names. The chart overleaf provides an overview of the split between value and growth in the large cap strategy since the change in investment approach in June 2019. However, when considering the whole portfolio relative to the S&P 500, we actually have a bias towards value, as measured by Barra. This value bias is also demonstrated by the fact that amongst our top ten overweight names, all but one are from the value sleeve.





The table below illustrates some key characteristics of the large cap portfolio as a whole. Notably, the portfolio is trading at a discount to the market on both a Price to Earnings and a Price to Free Cash Flow basis. The portfolio, trading at a 14% discount to the market on a free cash flow basis, is at an attractive level and indicates we are not paying a premium for good cash flow.

Characteristics	Large-Cap Portfolio	S&P 500
Weighted Average Market Cap	US\$647.9bn	US\$675.6bn
Price/Earnings, 12-month forward ¹	19.2x	20.8x
Price/Free Cash Flow, last 12-months	19.0x	22.1x
EPS Growth, 12-month forward	10.6%	11.3%
Predicted Beta	1.05	—
Predicted Tracking Error	2.74	—
Number of holdings	40	500
Active Share	67%	—

Source: Factset, J.P. Morgan Asset Management. Data as of 31st December 2021.

¹ Includes negatives.

Small cap portfolio

After two successive years of good performance, the market environment during the review period was very challenging for our small cap growth names. In particular, areas of the small cap market that are perceived to be more direct beneficiaries of the economic reopening performed relatively well, while more expensive, higher growth small cap stocks consolidated or posted more modest gains. As a result, the cheapest stocks with the lowest growth rates and the smallest market caps performed the best, outpacing the larger, higher growth stocks we favour. However, despite the challenges faced by our small cap growth holdings in 2021, we are confident that these names can make a meaningful contribution to returns over the long term, and we have maintained our overall allocation to the small cap portfolio at approximately 5%.

Market Outlook

As we entered 2022, US economic activity remained strong, the US consumer in aggregate was in good health, with plenty of spending power, and there seemed to be little evidence to suggest that the economic recovery would be derailed. However, we recognise that we are confronting some challenges. The human toll of any conflict is devastating and events unfolding in Ukraine are deeply upsetting. The Russian invasion of Ukraine resulted in international sanctions on the country and the potential that the markets could face elevated volatility ahead. Oil prices continued to rise due to geopolitical tensions and supply side issues.

In the US the economic cycle is maturing and the Federal Reserve is about to embark on a more restrictive course, which always presents a headwind for the market, especially highly valued growth stocks. Inflation and other uncertainties, such as the tightening liquidity, the variants of Covid-19, and sensitivity to the imposed economic sanctions, is likely to be integral to investor sentiment moving forward.

With the most vigorous part of this recovery now behind us, we are likely to maintain a fairly low risk posture, with a particular focus on valuations. Nonetheless, as always, we will remain on the look-out for attractive investment opportunities that may be created by periods of unusual volatility.

Timothy Parton
Jonathan Simon
Portfolio Managers

1st April 2022

Investing with conviction

The Company, through its Manager, aims to deliver the Company's investment objective and provide a high active exposure to the US stock market by investing in the most attractive value and growth stocks identified by our two specialist investment teams.

The investment approach is a collaborative effort between Jonathan Simon who picks the best value ideas and Tim Parton who picks the best growth ideas for the large cap portion which represents 90% or more of the trust's assets. There is also a small cap growth allocation managed by Eytan Shapiro. By incorporating elements of both value and growth investing, the opportunity set of companies broadens and results in a unique portfolio of stocks that should outperform in various market cycles.

We believe our ability to draw on the expertise of both value and growth investment specialists provides investors with access to complementary investment styles and potentially smoother long-term returns.

Our investment process starts with idea generation, then proceeds to fundamental research before the portfolio managers select the best value and growth names for inclusion in the portfolio. ESG factors are integrated into each of our investment decisions as we believe that responsible investing entails an assessment of the ESG risks and opportunities of each of the companies in which we invest. More details on our approach to ESG can be found on page 19.

'We use a flexible bottom-up approach to find the best quality value and growth ideas in the US. Ours is a heavily researched fundamental process relying on a team of over 40 US equity research analysts'

Jonathan Simon & Tim Parton,
Co-Portfolio Managers



Idea Generation

The main source of investment ideas is our team of US equity analysts. The portfolio managers benefit from the research output of our team of over 40 in-house US equity career analysts, whose longstanding relationships with the companies they cover provide them with insights into the US market that few other asset managers can match. This commitment to internal research is the most distinctive element in our investment framework and serves as the primary driving force behind the value we seek to add.

Our investment approach requires all members of the team to be aligned by sector, ensuring depth of expertise across all market sectors. By gaining familiarity with the companies within their respective sectors of specialisation, our analysts are in a position to make unique and insightful investment recommendations. Our research analysts seek out quality businesses with good managements and strong balance sheets.

Fundamental Research

After finding companies that exhibit the basic investment characteristics that we are seeking, our investment process moves to in-house fundamental research. Both our value and growth investment teams employ a very similar investment philosophy designed to identify durable franchises led by highly motivated and talented management teams.

However, their approach to valuation differs. The value team is more sensitive to traditional valuation metrics and the growth team will place more emphasis on companies whose revenue growth potential is underappreciated by the market. Below is an overview of some of the characteristics we seek in our investments on the Company's behalf:



Portfolio Construction

Responsibility for actual portfolio construction decisions lies with the portfolio managers, who construct a concentrated portfolio by considering for inclusion only those securities that meet our investment criteria. For the large cap portion of the portfolio we operate within the investment policy and guidelines set by the Company (please refer to page 28). Additionally we look to manage the large cap portfolio using the following parameters:

- Concentrated portfolio typically of 40 stocks
- Position sizes determined by conviction level:
 - Quality of the business
 - Risk/reward
- Diversification impact on portfolio
- Sector constraint: +/-15% relative to the S&P 500
- Single stock constraint: +/-7.5% relative to the S&P %
- Capital allocation tilt: +/-10% between value and growth

Stock Examples

Dexcom

It is a leading manufacturer of continuous glucose monitoring technologies (CGM) which provide an innovative solution for patients with diabetes.

LARGE ADDRESSABLE MARKET

- Over 34 million people in the US (~10.5%) have diabetes and the disease accounts for over \$400 billion of medical costs annually.
- An estimated 1 in 3 people anticipated to have diabetes by 2050.

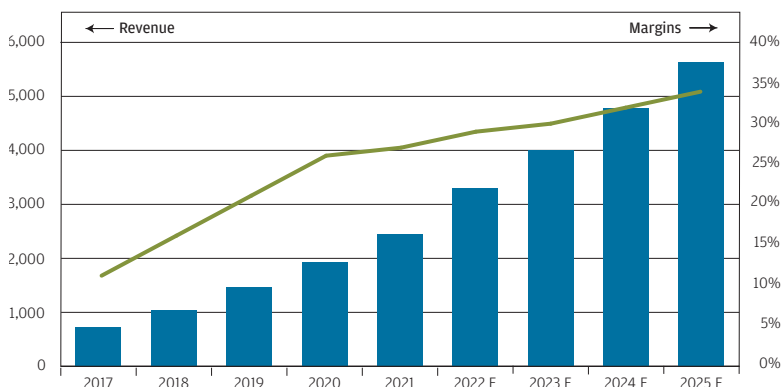
COMPETITIVE ADVANTAGE

- The company introduced the G6 CGM device in 2018, combining its industry leading accuracy with ease of use.
- The company is set to release its game changing next generation G7 CGM device in early 2022 further widening its competitive moat.

DIFFERENTIATED PERSPECTIVE

- Our extensive survey work with doctors and discussions with managed care companies are the backbone of our differentiated view.

Dexcom Revenues (in \$MM) & Adjusted EBITDA Margin (%)



Sources: J.P. Morgan Asset Management. Company reports. Revenue estimates shown are J.P. Morgan Asset Management estimates as of 28th February, 2022. The securities above are shown for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell. Opinions, estimates, forecasts, projections and statements of financial market trends are based on market conditions at the date of the publication, constitute our judgment and are subject to change without notice. There can be no guarantee they will be met.

AutoZone

QUALITY ATTRIBUTES

- Largest retailer and distributor of automotive replacement parts and accessories for the do-it-yourself (DIY) customer.
- Significant growth opportunity in commercial market and do-it-for-me (DIFM).

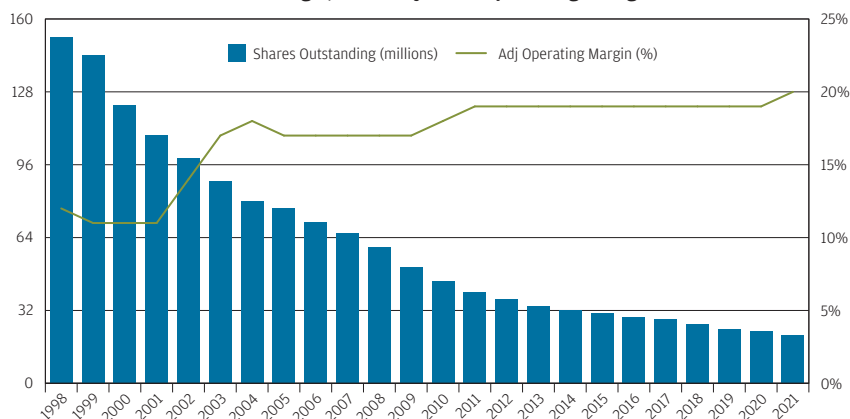
MANAGEMENT FACTORS

- William Rhodes, CEO since 2005, has served in numerous executive capacities (operations and supply chain) prior to becoming CEO.
- Strong operators with a commitment to enhancing shareholder value over the long term.

VALUATION METRICS

- High ROIC and free cash flow yield. Free cash flow has been used to reduce share count by more than 50% over past ten years.

AutoZone: Shares outstanding (\$m) & adjusted operating margin



Sources: J.P. Morgan Asset Management. Company reports. Data is most recent as 31st December 2021. The securities above are shown for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell. Opinions, estimates, forecasts, projections and statements of financial market trends are based on market conditions at the date of the publication, constitute our judgment and are subject to change without notice. There can be no guarantee they will be met.

J.P. Morgan Asset Management

1st April 2022

MANAGER'S ESG REPORT

Integrating Environmental, Social and Governance

As discussed in last year's annual report, J.P. Morgan Asset Management (JPMAM) believes that consideration of material environmental, social and governance (ESG) issues should be an important part of the investment process. ESG issues will increasingly affect a company's ability to successfully operate and generate returns, today and over the long term.

Systematically integrating ESG information into each stage of the investment process (please see page 16), including research, portfolio construction and company engagement, where material and relevant, should contribute to achieving an enhanced financial return, through better-informed investment decisions and strengthened risk management.

With access to more ESG data and better analytical capabilities than ever before, we believe companies can now be evaluated in smarter, more holistic ways. The term for this approach at JPMAM is ESG integration: using financially material ESG factors to generate enhanced risk-adjusted returns.

Integrating ESG into investment decision-making brings about a process that is not very different from how we have made investment decisions historically: looking into the future, factoring in potential risks and opportunities around companies' revenue growth trajectories, and investing accordingly, based on the sustainability of those business models. The difference is that, along with applying traditional financial metrics, we now also access and utilise a set of factors that can further enhance investment decisions.

Environmental, Social and Governance (ESG) factors are non-financial considerations that are important for stakeholders to keep in mind when assessing a company's performance and can be used both to mitigate risk and unlock opportunities in an investment portfolio.

ENVIRONMENTAL:

Issues relating to the quality and functioning of the natural environment and natural systems, e.g., carbon emissions, environmental regulations, water stress and waste.

SOCIAL:

Issues relating to the rights, well-being and interests of people and communities, e.g., labour management, health & safety as well as product safety.

GOVERNANCE:

Issues relating to the management and oversight of companies and other investee entities, e.g., board, ownership and pay.

Integrated Research

A key strength of our investment process is our in-house research capabilities which are at the heart of understanding the businesses in which we invest in terms of insights, industry expertise and corporate relationships. The analysts incorporate ESG considerations into their research to gauge the sustainability of a business, the quality of management and potential risks. To gain a clear and comparable view of each company's ESG risks and opportunities, they use a 40 question ESG checklist, which sets a baseline fundamental assessment for the companies in their investment universe.

The checklist asks questions specifically addressing environmental considerations, as well as on social and governance aspects. The questions are worded so that 'yes' is negative, creating a red flag that alerts the investment team to a potential risk. The checklist is not a 'pass/fail' exercise but rather a tool to inform discussion between portfolio managers and analysts, as well as engagement with companies.

At JPMAM we continue to make enhancements to our approach to ESG to ensure it best captures our analysts' fundamental insights. For example, we are currently introducing some positive questions to highlight companies with ESG strengths or opportunities and introducing some new questions in areas such as workforce diversity. Analysts are also asked to assess the severity of issues on a 1-3 scale in the case of 'yes' answers.

Questions on the checklist include:

ENVIRONMENTAL

- Is the business vulnerable to regulation aimed at limiting greenhouse gas emissions?
- Does the company have issues with toxic emissions, waste management or other environmental damage?
- Is the company failing to manage its use of water resources responsibly?

SOCIAL

- Does the company have issues with labour relations?
- Has the company had issues with privacy or data security?
- Does the company engage in anti-competitive behaviour and/or treat its customers unfairly?

GOVERNANCE

- Does the management fail to admit mistakes?
- Has the company changed key accounting policies?
- Does the owner have a history of poor governance, or of abusing minority shareholders?

Evolving our ESG Approach

During the year the Board held several discussions with us, including our Sustainable Investing Team, to better understand the work being undertaken at JPMAM with regards to ESG as well as what is available to clients. The checklist, as described above, is one tool we use to incorporate ESG issues in a meaningful and consistent way. On top of this, we also draw from our own insights and company interactions as well as use other sources including external providers. As the quality and availability of ESG data continues to improve, we will continue to adapt the process to take advantage of these sources.

One such source is the United Nations Global Compact (UNGC), a set of ten business principles which addresses the areas of human rights, labour, the environment, and anti-corruption. The UN believes that by incorporating these principles into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and the planet, but are also setting the stage for long-term success. The UNGC can be effective in identifying outliers to these principles. While there is no official list of companies that do not meet these principles, third party providers have taken the principles and applied their quantitative assessment to identify a 'violators list' of companies they consider to not be adhering to them. This list is very helpful in identifying corporate controversies and assessing how companies manage these controversies. We now consider the UNGC in our investment decisions on behalf of the Company. Where we believe the violations cannot be remedied soon or where the company has not shown any signs of addressing the issue, we will exclude that company. Where it is less clear, we will engage with the company on the issue.

Engagement and Proxy Voting

Active engagement with companies has long been an integral part of the Manager's approach to investment and ESG. Engagement is used not only to understand how companies consider issues related to ESG but also to try to influence their behaviour and encourage best practices, for the purpose of enhancing returns. The Manager engages with all companies owned in the Company's portfolio on a regular basis, often several times in a year, not just to further their understanding of the businesses, but also to convey to management any concerns, suggestions, or opinions that they have. Ongoing, meaningful dialogue with the management of companies invested in by the Company is fundamental to the investment process. At JPMAM, the Investment Stewardship team is responsible for leading on engagement, understanding regulatory developments, and educating colleagues on best practice and industry evolutions in this area. Engagement is a collaboration between managers, research analysts and the Investment Stewardship team.

During 2021, JPMAM engaged with **Capital One Financial Corporation**, a US bank, primarily on social issues with regards to diversity and inclusion as well as cybersecurity following a data breach. With regards to diversity and inclusion, the company is moving gradually to increase minority representation in its top management. When asked about relatively low (less than 5%) representation in senior management of individuals from both black and Hispanic ethnic groups the company responded that it is looking to increase representation from these groups over time through a combination of leadership development training, talent identification, and external recruiting. Progress on diversity and inclusion metrics is part of a broad scorecard used to assess management performance.

The company is also very focused on ensuring that it has robust cyber-security policies and oversight. This includes increasing its cyber-security related disclosure in its annual report and proxy statement in the wake of a well-publicised data breach several years ago. The board is very mindful of trying to be as transparent and forthcoming as possible regarding cyber-security and data breaches. The company pointed out that it disclosed the material breach within ten days or so, unlike some other companies that have waited much longer to disclose similar breaches.

Another example of JPMAM's direct engagement is with **Deere & Company**, a manufacturer of agricultural machinery, heavy equipment, and lawn care machinery. The engagement with Deere focused on both their 2020 Sustainability Report, which was released in 2021, as well as on governance in relation to executive compensation.

Deere's sustainability report provided more details around the economic benefits to farmers of the company's precision agriculture technology, which provided the investment team with even more confidence in Deere's position as a sustainable leader. Deere is using new technology to increase farmer yields and profitability while lowering the level of traditional inputs needed to grow crops (e.g., land, water, fertilizer, etc.). This in turn increases farmer productivity and reduces waste. In the report, they provided concrete metrics around how much farmer productivity can increase with these technologies and how much waste can be reduced. The metrics suggest a sizeable return from existing technology at Deere and we believe that these numbers will grow meaningfully overtime as Deere progresses with its machine learning and automation initiatives.

On the topic of compensation, the company took steps to simplify the combination of weightings. JPMAM supported this action. While the change in compensation outcomes will likely be minor, the new plan should be much easier to understand for both shareholders and affected employees.

Alongside these direct engagements, on behalf of the Company, JPMAM voted at all the annual general meetings and extraordinary meetings held during the year by its portfolio companies.

A summary of key voting statistics and activity undertaken in respect of stocks in the Company's portfolio for the 12 months to 31st December 2021 is detailed below.

JPMorgan American Investment Trust plc: Voting at shareholder meetings over the year to 31st December 2021

	For	Against	Abstain	Against/ Abstain Total	Total Items	% Against
Routine Business	176	0	0	0	176	0%
Director Related	905	9	0	9	914	1%
Capitalisation ¹	10	1	0	1	11	9%
Reorganisation & Mergers	6	0	0	0	6	0%
Non-salary Compensation	167	6	0	6	173	3%
Anti-takeover Related ²	17	1	0	1	18	6%
Total	1,281	17	0	17	1,298	1%

¹ These votes relate to topics such as authorising new equity issuance.

² These are normally management proposals to reduce super majority voting requirements or provide the right to act by written consent.

Net Zero Asset Managers Initiative

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

Looking ahead

Over the last few years, the quantity and quality of ESG-related data available to investors has improved significantly. Organisations that encourage voluntary disclosure—such as CDP (formerly the Carbon Disclosure Project), the Sustainability Accounting Standards Board (SASB) and the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD)—have played an important role in helping businesses better understand, measure and communicate to investors the ESG risks they are exposed to. Investors can now access higher quality ESG-related data that is more consistent, comparable, and reliable. Clear new regulations, such as those in the UK which set to make disclosures mandatory, have also helped accelerate the availability of data. With access to more ESG data and better analytical capabilities than ever before, we believe we can now evaluate the companies in which we invest in smarter, more holistic ways.

TEN LARGEST EQUITY INVESTMENTS

AT 31ST DECEMBER

Company	Sector	Description	2021		2020	
			£'000	% ¹	£'000	% ¹
Apple	Information Technology	Apple designs, manufactures and sells personal computers, and related personal computing and mobile communication devices alongside related software and services.	96,390	6.2	70,807	5.6
Microsoft	Information Technology	Microsoft develops, manufactures, sells and supports software products. The Company offers operating systems and software and business and consumer applications. The Company also develops gaming consoles and digital music devices.	92,042	5.9	69,254	5.5
Alphabet ²	Communication Services	Alphabet operates as a holding company. The company, through its subsidiaries, provides web-based search, advertisements, maps, software applications, mobile operating systems, consumer content, enterprise solutions, commerce, and hardware products.	73,193	4.7	33,862	2.7
Amazon.com	Consumer Discretionary	Amazon is an online retailer operating across a wide range of sectors. It offers personalised shopping services, credit card payment systems and shipping to customers. It also operates a cloud computing platform to public and private sector clients globally.	55,663	3.6	62,298	4.9
Weyerhaeuser ³	Real Estate	Weyerhaeuser is an integrated forest products company with offices and operations worldwide. The company primarily grows and harvests trees, develops and construct real estate, and makes a range of forest products.	51,305	3.3	—	—
Loews	Financials	Loews is a diversified holding company engaged in a variety of sectors including insurance, offshore drilling and natural gas exploration and production, pipeline operations and the operation of hotels and resorts.	50,420	3.2	53,458	4.2
Berkshire Hathaway	Financials	Berkshire Hathaway is a holding company owning a diversified range of business in sectors including insurance, transport and speciality chemicals.	48,234	3.1	44,713	3.5
Bank of America	Financials	Bank of America is a bank offering savings accounts, deposits, loans, wealth management and credit cards. It also operates an investment bank under the Merrill Lynch brand.	47,417	3.0	42,840	3.4
UnitedHealth	Health Care	UnitedHealth owns and operates health systems and provides employers with the resources to manage employee benefit programmes.	46,899	3.0	37,552	3.0
AutoZone ²	Consumer Discretionary	AutoZone is a specialty retailer of automotive replacement parts and accessories. The company offers an extensive product line for cars, sport utility vehicles, vans, and light trucks, and operates in the United States, Puerto Rico, and Mexico.	44,657	2.9	34,862	2.7
Total			606,220	38.9		

¹ Based on total investments of £1,568.7m (2020: £1,268.3m).

² Not included in the ten largest equity investments at 31st December 2020.

³ Not included in the total investments at 31st December 2020.

At 31st December 2020, the value of the ten largest equity investments amounted to £507.6 million representing 40.2% of total investments.

INVESTMENT ACTIVITY

DURING THE YEAR ENDED 31ST DECEMBER 2021

	Value at 31st December 2020		Purchases	Sales	Change in value	Value at 31st December 2021	
	£'000	% of Total assets	£'000	£'000	£'000	£'000	% of Total assets
Large Cap Portfolio	1,194,531	91.1%	690,208	(712,784)	326,803	1,498,758	95.5%
Small Cap Portfolio	73,752	5.6%	32,164	(31,933)	(4,002)	69,981	4.4%
Total investments	1,268,283	96.7%¹	722,372	(744,717)	322,801	1,568,739	99.9%¹

¹ 0.1% remainder in 2021 (2020: 3.3%) consists of Net Current Assets. For further details please refer to the Statement of Financial Position.

Portfolio turnover was 52% (2020: 56%). This is based on the average of purchases and sales expressed as a percentage of average opening and closing portfolio values.

PORTFOLIO INFORMATION

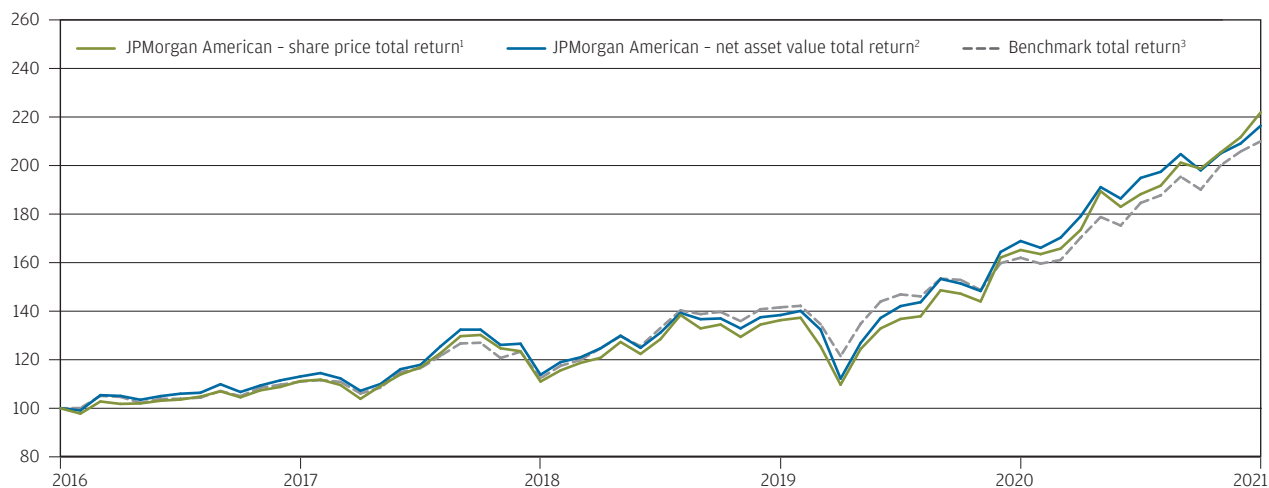
LIST OF INVESTMENTS AT 31ST DECEMBER 2021

Company	Valuation £'000	Company	Valuation £'000	Company	Valuation £'000
LARGE COMPANIES		LARGE COMPANIES CONT.		SMALL COMPANIES CONT.	
These are generally defined as companies which have a market capitalisation of more than US\$3 billion.		PayPal	18,297	Arrowhead Pharmaceuticals	765
Apple	96,390	Gap	17,318	Blackline	745
Microsoft	92,042	1,498,758		CONMED	739
Alphabet	73,193	SMALL COMPANIES		Fox Factory	730
Amazon.com	55,663	These are generally defined as companies which, at the date of investment, have a market capitalisation of less than US\$3 billion. The investments within the Small Companies portfolio are listed separately as they are managed as a discrete portfolio.		MSA Safety	730
Weyerhaeuser	51,305	Saia	1,336	Envestnet	716
Loews	50,420	Performance Food	1,328	Natera	712
Berkshire Hathaway	48,234	MKS Instruments	1,090	Marriott Vacations Worldwide	707
Bank of America	47,417	ITT	1,051	Hexcel	678
UnitedHealth	46,899	Globant	1,051	Rush Enterprises	669
AutoZone	44,657	CyberArk Software	1,041	Wolfspeed	665
AbbVie	43,944	Littelfuse	1,036	Digital Turbine	658
Capital One Financial	42,675	Helen of Troy	1,024	NuVasive	648
Procter & Gamble	42,170	DigitalOcean	1,021	Arvinas	645
Packaging Corp. of America	40,432	Applied Industrial Technologies	1,013	Acadia Healthcare	643
Mastercard	40,090	National Vision	1,002	Sonos	636
Tesla	37,458	Advanced Drainage Systems	997	Evolent Health	635
QUALCOMM	35,489	iRhythm Technologies	981	Amicus Therapeutics	620
Advanced Micro Devices	34,930	Halozyme Therapeutics	976	Petco Health & Wellness	620
Charles Schwab	34,368	Smartsheet	971	Outset Medical	618
Booking	32,854	Shockwave Medical	964	SiteOne Landscape Supply	611
Bristol-Myers Squibb	32,398	Planet Fitness	947	Paycor HCM	609
FedEx	31,790	John Bean Technologies	935	Ciena	597
ConocoPhillips	30,950	Simpson Manufacturing	927	Pinnacle Financial Partners	587
Xcel Energy	30,286	Carlisle	918	Vertiv	570
Intuitive Surgical	28,555	II-VI	911	Twist Bioscience	569
Kinder Morgan	27,624	First Financial Bankshares	873	Anaplan	566
Zebra Technologies	27,569	Texas Roadhouse	862	Winnebago Industries	550
Lam Research	26,901	Focus Financial Partners	861	Floor & Décor	543
Regeneron Pharmaceuticals	26,454	AZEK	857	REGENXBIO	542
Charter Communications	26,311	Terreno Realty	849	Tri Pointe Homes	534
Deere	25,538	Blueprint Medicines	848	Freshpet	534
Public Storage	24,769	Biohaven Pharmaceutical	830	Six Flags Entertainment	523
Trane Technologies	24,649	Semtech	779	CubeSmart	511
T-Mobile US	24,281	Boyd Gaming	771	SolarEdge Technologies	510
Ingersoll Rand	23,255			Lithia Motors	498
Martin Marietta Materials	22,431			Fluence Energy	491
Dexcom	19,555			Eventbrite	490
Global Payments	19,197			Evercore	482
				Coherus Biosciences	468
				Bloom Energy	463

100%

FIVE YEAR PERFORMANCE

FIGURES HAVE BEEN REBASED TO 100 AT 31ST DECEMBER 2016



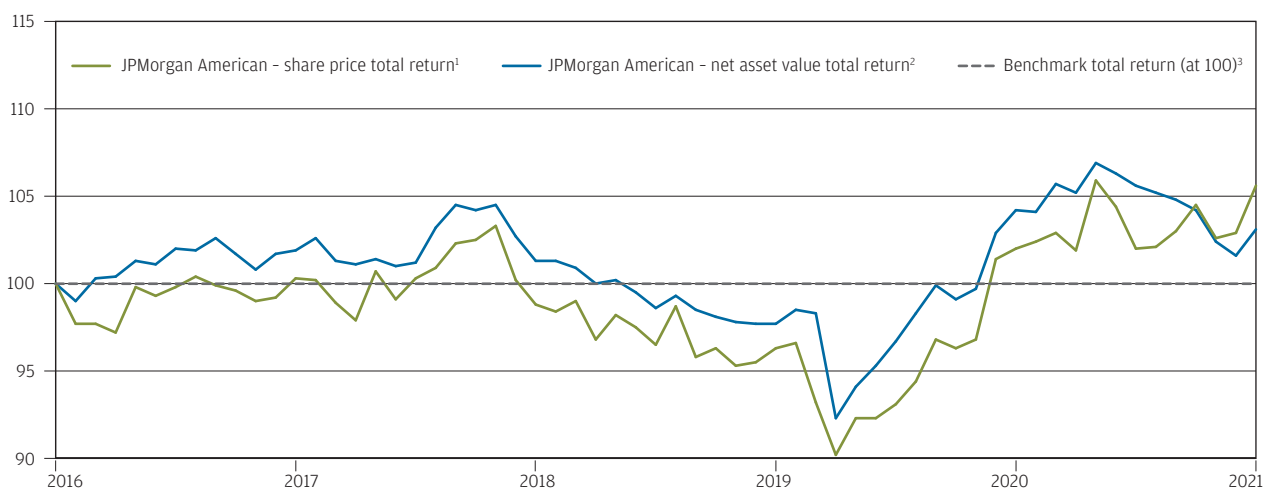
¹ Source: Morningstar.

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

³ The Company's benchmark index is the S&P 500 Index, net of the appropriate withholding tax, expressed in sterling total return terms.

PERFORMANCE RELATIVE TO BENCHMARK

FIGURES HAVE BEEN REBASED TO 100 AT 31ST DECEMBER 2016



¹ Source: Morningstar.

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

³ The Company's benchmark index is the S&P 500 Index, net of the appropriate withholding tax, expressed in sterling total return terms.

TEN YEAR FINANCIAL RECORD

At 31st December	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Shareholders' funds (£m)	400.4	464.7	642.2	804.2	816.7	985.2	980.4	919.2	1,056.8	1,211.5	1,496.1
Net asset value per share with debt at fair value (p) ^{1,2,APM}	168.6	180.9	236.6	283.1	293.4	379.3	423.6	420.7	504.8	607.6	771.1
Net asset value per share with debt at par value (p) ^{1,APM}	173.3	185.0	239.4	286.1	295.6	381.0	424.3	420.7	504.8	610.1	771.9
Share price (p) ¹	171.8	181.2	238.2	288.7	277.9	369.2	405.4	399.0	483.0	577.0	767.0
Share price (discount)/premium (%) ^{3,APM}	1.9	0.2	0.7	2.0	(5.3)	(2.7)	(4.3)	(5.2)	(4.3)	(5.0)	(0.5)
Gearing/(net cash) (%)	(2.8)	(0.6)	9.1	8.7	8.4	8.5	9.2	(1.0)	2.8	4.7	4.9
Exchange rate (£1=\$)	1.55	1.63	1.66	1.56	1.48	1.24	1.35	1.27	1.32	1.37	1.35

Year ended 31st December

Revenue return per share (p) ¹	2.24	2.76	3.00	3.76	4.64	5.70	5.93	7.71	7.54	6.31	5.97
Dividend per share (p) ¹	2.20	2.50	2.70	3.25	4.00	5.00	5.50	6.50	6.50	6.75	7.00
Ongoing charges ratio (%) ^{APM}	0.69	0.68	0.63	0.62	0.62	0.62	0.55	0.38	0.18	0.34	0.38
Ongoing charges ratio (%) including any performance fee payable ^{4,APM}	0.69	0.68	0.66	0.64	0.62	0.62	0.55	0.38	0.18	0.34	0.38

Rebased to 100 at 31st December 2011

Share price total return ^{5,APM}	100.0	107.3	142.7	174.8	170.6	230.1	255.9	255.4	313.7	380.1	510.4
Net asset value per share with debt at fair value - total return ^{5,APM}	100.0	109.2	144.6	174.8	183.5	240.8	272.3	274.0	333.2	406.6	521.1
Net asset value per share with debt at par value - total return ^{5,APM}	100.0	108.6	142.2	171.7	179.8	235.2	265.3	266.6	324.2	397.1	507.4
Benchmark total return ⁷	100.0	110.5	143.2	172.3	184.3	245.3	272.1	275.6	347.3	397.4	515.1

¹ 2011-2013 comparative figures have been restated due to the sub-division of each existing ordinary share of 25p into five ordinary shares of 5p each on 8th May 2014.

² The fair value of the combined US\$100m private placements was calculated using discounted cash flow techniques, using the yield from a similarly dated Treasury Note plus a margin based on the US Broad Market AA 10-15 year spread. The debenture of £50m issued by the Company matured in June 2018.

³ Share price (discount)/premium to net asset value per share with debt at fair value.

⁴ With effect from 1st January 2019, the performance fee element of the Manager's fees was removed.

⁵ Source: Morningstar/J.P. Morgan.

⁶ Source: Morningstar/J.P. Morgan using cum income net asset value per share.

⁷ The Company's benchmark is the S&P 500 Index expressed in sterling total return terms.

^{APM} Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 91 to 93.

The Company's Purpose

The purpose of the Company is to provide a cost effective, sustainable investment vehicle for investors who seek long term capital growth from a portfolio of North American companies, which outperforms its benchmark index over the longer term, 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.

Investment Objective

The Company's objective is to provide shareholders with capital growth from North American investments. It aims to outperform a benchmark, which is the S&P 500 Index, with net dividends reinvested, expressed in sterling terms.

Investment Policies

In order to achieve its investment objectives and to seek to manage risk, the Company mainly invests in a diversified portfolio of quoted companies including, when appropriate, exposure to smaller capitalisation stocks. The Company currently has separate portfolios dedicated to larger capitalisation and smaller capitalisation companies. The number of investments in the larger capitalisation portfolio will normally range between 30-40 stocks representing between 90-100% of the Company's equity portfolio. The number of investments in the smaller capitalisation portfolio will normally range between 100-120 stocks representing between 0-10% of the Company's equity portfolio. The Company may invest in pooled funds to achieve its aims.

Investment Guidelines (all at time of investment)

- The Company will not normally invest more than 8% of its gross assets in any one individual stock.
- The Company will normally limit its five largest investments to 40% of its gross assets.
- The Company will not invest more than 10% of its gross assets in liquidity funds in normal market conditions.
- The Company will not invest more than 10% of gross assets in companies that themselves may invest more than 15% of gross assets in listed closed-ended funds.
- The Company will not invest more than 15% of its gross assets in other listed closed-ended funds.

- The Company will use gearing when appropriate to increase potential returns to shareholders. The Company's gearing policy is to operate within a range of 5% net cash to 20% geared in normal market conditions. The Company has a strategic gearing level, which is set by the Board and kept under review, which is currently 10% plus or minus 2%. In addition the Board may set a tactical gearing range, applying for a shorter period of time and reflecting an assessment of the potential future risks and returns from gearing. The tactical gearing range is currently 5% with a permitted range around this level of 5% plus or minus 5%.
- The Company will only hedge its currency risk in respect of any material long-dated non-dollar gearing it may draw down. Throughout the year, there was none.
- The Company's small cap allocation will not exceed 10% of the equity portfolio.

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

Duty to promote the success of the Company – Section 172 statement

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 the Company's stakeholders are treated fairly and with respect and the Board recognises the importance of acting fairly between them, which is 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 debt providers, and its other professional third party service providers (corporate broker, registrar, auditor, custodian and depository) 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.

As the Company acts through its service providers, its culture is represented by the values and behaviour of the Board and third parties to which it delegates. The Board aims to fulfill the Company's investment objective by encouraging a culture of constructive challenge with all key suppliers and openness with all stakeholders. The Board is responsible for embedding the Company's culture in the Company's operations. The Board recognises the Company's responsibilities with respect to corporate and social responsibility and engages with its service providers to safeguard the Company's interests. As part of this ongoing monitoring, the Directors will receive regular reporting from service providers on matters such as their anti-bribery and corruption policies; Modern Slavery Act 2015 statements; diversity policies; and greenhouse gas and energy usage reporting. The Management Engagement Committee reviews the Company's service providers at least annually.

The Company's Business Model

The Board is appointed by the Company's shareholders, who also approve the Company's investment objective. The Board appoints the investment manager to deliver the investment objective using its investment process. The Board oversees the Company's affairs by:

1. Ensuring the manager complies with the Investment Guidelines (see page 28).
2. Reviewing the Manager's performance against the benchmark index and Key Performance Indicators (see page 30).
3. Using gearing where the expected benefits outweigh the costs and risks (see page 32).
4. Monitoring the share price premium or discount and the use of share issuances and buybacks (see page 32).
5. Setting the dividend policy and level of revenue reserves (see page 32).
6. Monitoring the principal and emerging risks (see page 33).
7. Appointing and monitoring other third party service providers, including the depository, registrar, broker and auditor.
8. Reviewing the Ongoing Charges Ratio (see page 6).
9. Ensuring compliance with governance codes and regulatory requirements (see page 45).
10. Overseeing the marketing and investor relations activities carried out by the Manager (see page 31).

Key Performance Indicators ('KPIs')

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

- **Performance against the benchmark index**

This is an important KPI by which performance is judged.

Please refer to the graphs on page 26 for details of the Company's performance relative to its benchmark index over five years.

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

The principal objective is to achieve capital growth relative to the benchmark. However, the Board also monitors performance relative to a broad range of appropriate competitor funds, including Exchange Traded Funds ('ETFs') both in the UK and the US.

- **Performance attribution**

The purpose of performance attribution analysis is to assess how the Company achieved its performance relative to its benchmark index, i.e. to understand the impact on the Company's relative performance of the various components such as asset allocation, gearing and stock selection. Details of the attribution analysis for the year ended 31st December 2021 are given in the Investment Manager's Report on page 9.

- **Share price relative to net asset value ('NAV') per share with debt at fair value**

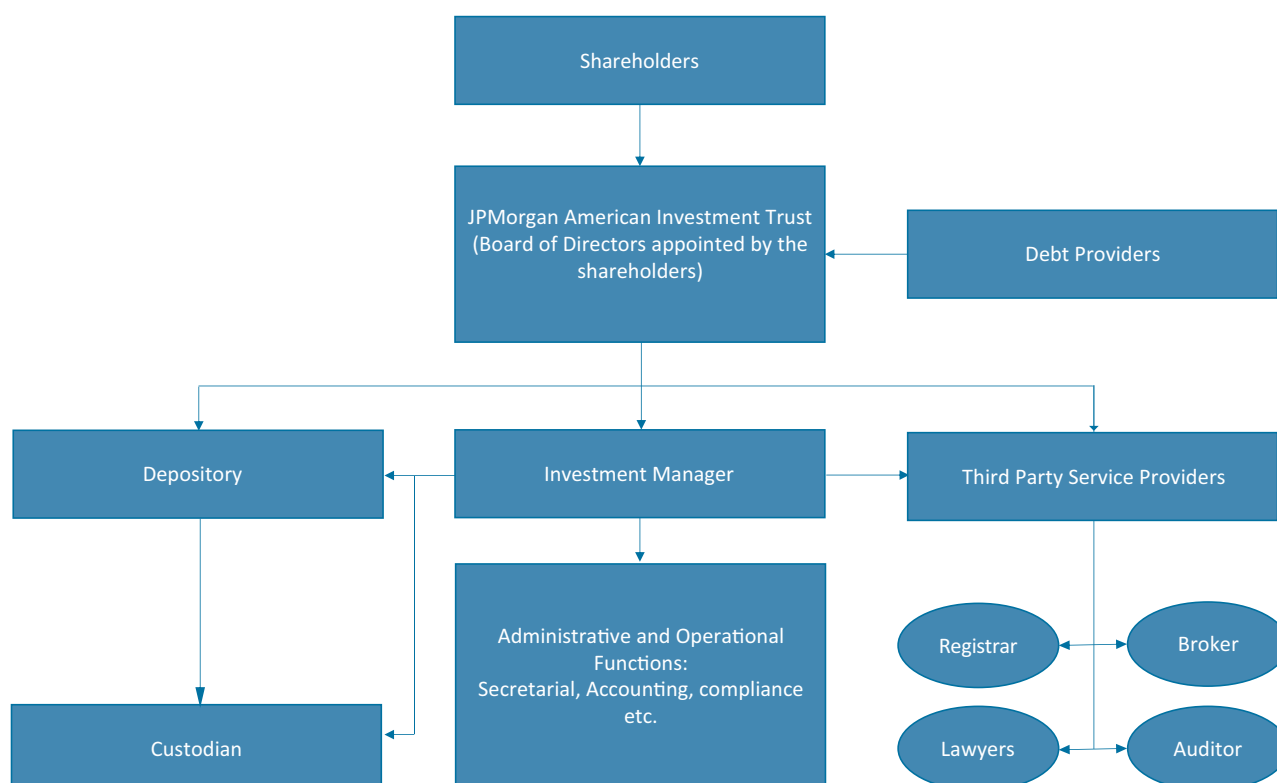
The Board has adopted a share issuance and repurchase policy and is committed to buy-back shares when they stand at anything more than a small discount to enhance the NAV per share for remaining shareholders. In the year to 31st December 2021, the shares traded between a discount of -7.9% and a premium +1.3% (daily figures calculated with debt at fair value and including income). Please refer to the Chair's Statement on pages 5 to 8 for further information.

- **Ongoing charges ratio**

The ongoing charges ratio represents the Company's management fee and all other operating expenses, excluding finance costs expressed as a percentage of the average daily net assets during the year. Please refer to note 20 for more information.

Stakeholder Engagement

Set out below are the keys stakeholders of the Company and how the Board of Directors engage with them.



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

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 twice a year by way of the Annual Report & Financial Statements and the Half Year Report. This is supplemented by the daily publication, through the London Stock Exchange, of the net asset value of the Company's shares. In addition, the Company issues announcements for all substantive news which are available on the Company's website together with monthly factsheets published by the Manager.

The Board seeks regular engagement with the Company's major shareholders to understand their views on governance and performance against the Company's investment objective and investment policy, either directly or through the Company's brokers, the portfolio managers and JPMF by holding discussions on an ongoing basis. During the year the investment management team, JPMF and the Company's brokers held discussions with the larger shareholders. Where possible Directors attend shareholder meetings arranged by the Manager. The Chair and other Directors make themselves available as and when required to address any shareholder queries. The Directors may be contacted through the Company Secretary whose details are shown on page 95.

The Annual General Meeting (AGM) provides the key forum for the Board and Manager to present to shareholders on the Company's performance, future plans and prospects. It also allows shareholders the opportunity to meet with the Board and Manager and raise any questions or concerns. This year's AGM will provide the opportunity to the shareholders to communicate with the Board and the Manager.

The Manager

The Company's 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 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 which extend well beyond the formal business addressed at Board meetings.

Debt Providers

The Board, with discussion with the portfolio managers regularly reviews the Company's debt position. This process includes identifying the need for finance, the type of finance and the parties to work with. This leads to pricing and term discussions including covenants with the selected debt provider. The Company, through its Manager, maintains the relationship and continued engagement with the debt provider which includes regular debt compliance reporting.

Other Third Party Service Providers

The Board ensures that it promotes the success of the Company by engaging specialist third party suppliers with appropriate performance records, resources and controls in place to deliver the services that the Company requires. The Company provides clear guidance to them on its needs so that the service providers can deliver their services efficiently. Their performance and value for money is monitored by the Board and its committees.

Wider Society

Whilst strong long term investment performance is essential, 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. The Manager is a signatory to the United Nations Principles for Responsible Investing (UNPRI) and has in the course of the year, with the support and encouragement of the Board, continued the process of integrating environmental, social and governance matters into its investment process. At the Company level, the Board has used technology to replace much of the printing and travel it undertakes whilst offsetting the carbon emissions it would incur in its trips to visit the investment team in New York in less Covid-19 constrained times.

Key Decisions

The Directors confirm that they have considered their duty under Section 172 when making decisions during the financial year under review. The Board's key decisions and actions during the year include:

Re-appointment of Manager

The Directors have reviewed the competitiveness of the management fee and the Company's other operating costs; held the Manager to account for investment performance; encouraged the Manager to enhance its sales and marketing efforts and further integrate ESG into the Manager's investment process. A review of the Manager and its services was undertaken during the year. Post the review process, the Board re-appointed the Manager.

Share buybacks

The Board pursues an active buyback policy which aims to enhance value for current investors by buying shares at anything wider than a small discount to NAV. In addition to the primary benefit of the NAV enhancement provided to existing shareholders, the buyback policy has the effect of reducing discount volatility and improving liquidity in the Company's shares, both of which should be beneficial to shareholders. During the year 4,752,679 shares were purchased into Treasury, at a cost of £30.8 million, representing 2.4% of the Company's issued share capital at the beginning of 2021, and at an average discount to NAV of 4.9%.

Gearing and Borrowings

Given the increase in the Company's asset base over recent years, the Board decided to take advantage of the positive market conditions and increase the Company's borrowing facilities at attractive rates. In October 2021, the Company raised an additional \$35 million of long-term debt through the issue of a fixed rate, senior unsecured loan notes maturing in 2032 with a fixed coupon of 2.32%. This new debt will ensure that there are adequate facilities in place overall to enable the Company's Investment Managers to operate more fully across the Company's gearing range as opportunities arise. The Board considered the level of gearing and decided to keep the Strategic and Tactical ranges unchanged as set out in page 28.

Small Cap Portfolio Allocation

During the year, kept under review the allocation of the portfolio in small companies. Regular reports are received from the portfolio managers which provide the necessary information to the Board to manage the small cap portfolio allocation. The Board considered the level of allocation and decided to keep the range unchanged as set out in page 28.

Dividends Payable

The Board's decision to recommend a final dividend of 4.5p per share, providing a total of 7.0p per share to shareholders for the year to 31st December 2021 balances the Company's investment objective to provide capital growth with the value placed by some investors on the receipt of a dividend.

By order of the Board
Priyanka Vijay, for and on behalf of
JPMorgan Funds Limited
Company Secretary

1st April 2022

Principal and Emerging Risks

The Directors confirm that they have carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The risks identified and the ways in which they are managed or mitigated are summarised below.

With the assistance of JPMF, the Risk Committee, chaired by Sir Alan Collins, has drawn up a risk matrix, which identifies the principal and emerging risks to the Company. These are reviewed and discussed on a regular basis by the Board. These risks fall broadly into the following categories:

Principal Risk	Description	Mitigating Activities
Investment and Strategy	An inappropriate investment strategy, poor asset allocation or the level of gearing, may lead to underperformance against the Company's benchmark index and its peer companies, resulting in the Company's shares trading on a wider discount.	The Board mitigates this risk by insisting on diversification of investments through its investment restrictions and guidelines which are monitored and reported on regularly by the Managers. JPMF provides the Directors with timely and accurate management information, including performance data and attribution analyses, revenue estimates, liquidity reports and shareholder analyses. The Board monitors the implementation and results of the investment process with the portfolio managers, who attend the majority of Board meetings, and reviews data which details the portfolio's risk profile. The Manager deploys the Company's gearing within a range set by the Board.
Market	Market risk arises from uncertainty about the future prices of the Company's investments. This market risk comprises three elements – equity market risk, currency risk and interest rate risk.	The Board considers the split in the portfolio between small and large companies, sector and 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. However, the fortunes of the portfolio are significantly determined by market movements in US equities, the rate of exchange between the US dollar and sterling and interest rate changes. This is a risk that investors take having invested into a single country fund.
Operational and Cybercrime	Disruption to, or failure of, the Manager's accounting, dealing or payments systems or the custodian's or depositary's records could prevent accurate reporting and monitoring of the Company's financial position. On 1st July 2014, the Company appointed Bank of New York Mellon (International) Limited to act as its depositary, responsible for overseeing the operations of the custodian, JPMorgan Chase Bank, N.A., and the Company's cash flows. Details of how the Board monitors the services provided by the Manager and its associates and the key elements designed to provide effective internal control are included in the Internal Control section of the Corporate Governance report on pages 48 and 49.	The threat of cyber-attack, in all its guises, is regarded as at least as important as more traditional physical threats to business continuity and security. The Board has received the cyber security policies for its key third party service providers and JPMF has assured 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 security of its trading applications are tested by independent reporting accountants and reported every six months against the AAF Standard.
Loss of Investment Team or Investment Managers	The sudden departure of the investment managers or several members of the wider investment management team could result in a short term deterioration in investment performance.	The Manager takes steps to reduce the likelihood of such an event by ensuring appropriate succession planning and the adoption of a team based approach.

PRINCIPAL AND EMERGING RISKS

Principal Risk	Description	Mitigating Activities
Share Price Relative to Net Asset Value ('NAV') per Share	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 Board monitors the Company's premium/discount level and, although the rating largely depends upon the relative attractiveness of the trust, the Board is committed to buy-back shares when they stand at anything more than a small discount to enhance the NAV per share for remaining shareholders.
Accounting, Legal and Regulatory	In order to qualify as an investment trust, the Company must comply with Section 1158 of the Corporation Tax Act 2010 ('Section 1158'). Details of the Company's approval are given on page 28. Section 1158 requires, among other matters, that the Company does not retain more than 15% of its investment income, can demonstrate an appropriate diversification of risk and is not a close company.	Were the Company to breach Section 1158, it might lose investment trust status and, as a consequence, gains within the Company's portfolio would be subject to Capital Gains Tax. The Section 1158 qualification criteria are continually monitored by JPMF and the results reported to the Board each month. The Company must also comply with the provisions of the Companies Act 2006 and, as its shares are listed on the London Stock Exchange, the UKLA Listing Rules and Disclosure & Transparency Rules ('DTRs'). A breach of the Companies Act 2006 could result in the Company and/or the Directors being fined or the subject of criminal proceedings. Breach of the UKLA Listing Rules or DTRs could result in the Company's shares being suspended from listing, which in turn would breach Section 1158. The Directors seek to comply with all relevant regulation and legislation in the UK, Europe and the US and rely on the services of its Company Secretary, JPMF, and its professional advisers to monitor compliance with all relevant requirements.
Political and Economic	Changes in legislation, including in the US, UK and the European Union, may adversely affect the Company either directly or because of restrictions or enforced changes on the operations of the Manager. JPMF makes recommendations to the Board on accounting, dividend and tax policies and the Board seeks external advice where appropriate. In addition, the Company is subject to political risks, such as the imposition of restrictions on the free movement of capital.	The Company is therefore at risk from changes to the regulatory, legislative and taxation framework within which it operates, whether such changes were designed to affect it or not. The Board continues to monitor and review the impact of Britain's exit from the EU, including the impact of the trade deal reached in December 2020.
Global Pandemics	Covid-19 was identified initially as an emerging risk, but quickly moved to become a current significant risk. The global reach and disruption caused by the virus to markets worldwide was unprecedented. Even though there are no direct comparatives from history to learn from, time after time, extreme market falls are followed by recovery, albeit over varying and sometimes extended time periods. To date the portfolio's holdings have not exhibited a material long-term impact and have recovered as the containment measures eased, although the pandemic has yet to run its course.	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 due to the pandemic. The Company's service providers implemented 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 does not anticipate a fall in the level of service.

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
US and China Technology Competition	Since the end of the Second World War, the world has enjoyed a technology and economic hegemony with the US at its core. With the development of China as a political, cultural, technological and economic rival, there is the risk that alongside the trade tensions we have seen in recent years, there may develop a rival technology and economic infrastructure which is not compatible with or available to the US companies in which we invest.	This may limit the ability of US companies to innovate and address large elements of the global market with the result that a Company with an investment objective focused on the United States may find future returns to be muted or find itself eclipsed by the investment opportunities and returns available elsewhere. The Company addresses these global developments in regular questioning of the Manager and with external expertise and will continue to monitor these issues, should they develop.
ESG requirements from investors	The Company's policy on ESG and climate change may be out of line with ESG practices which investors are looking to invest in accordance with.	In addition to the integration of considerations of ESG factors into the Company's investment process the Board are liaising closely with the Managers on the evolution of the ESG process. Further details are set out in the ESG report on pages 19 to 21.
Geopolitical	There is an increasing risk to market stability and investment opportunities from geo-political conflicts, such as between Russia and the Ukraine, South and North Korea, and China and Taiwan. In addition there is a potential risk from the increasing polarisation of politics in the United States.	There is little direct control of risk possible. The Company addresses these global developments in regular questioning of the Manager and with external expertise and will continue to monitor these issues, should they develop. The Board can with shareholder approval look to amend the investment policy and objectives of the Company to avoid exposure to or mitigate the risks arising from geopolitical concerns.

Long Term Viability

The Company was established in 1881 and has now been in existence for almost 141 years. The Company is an investment trust and has the objective of achieving long term capital growth investing in North American equities. The Company has been investing over many economic cycles and some difficult market conditions. The Covid-19 crisis that arose in 2020 is still ongoing and is one of the worst faced in recent times. The impact on the US economy and the stock market proved to be significant. The eventual full impact on the markets in which the Company invests and that in which its shares are listed remains hard to predict with any certainty.

Although past performance and a long historic track record is no guide to the future, the Directors believe the Company is a good long term investment proposition. Unfortunately, it is impossible to look 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. This is regarded by many as the minimum time for investing in equities.

The Directors have considered the Company's prospects, principal and emerging risks and the outlook for the US economy, its equity markets and the market for investment trusts. They have examined the robustness of these base case estimates using further more cautious scenarios, including in one case repeating some of the returns data for the (1929-1934) Wall Street Crash and the very recent ongoing market disruptions of at least the magnitude of those caused by the Covid-19 pandemic.

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 December 2026.

By order of the Board
Priyanka Vijay, for and on behalf of
JPMorgan Funds Limited
Company Secretary

1st April 2022



Governance

Image: Governors Island National Monument near New York and Manhattan.

BOARD OF DIRECTORS



Dr Kevin Carter (Chair of the Board, Management Engagement Committee and Nomination Committee)

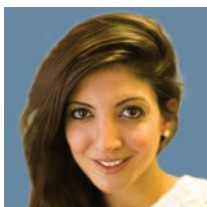
A Director since 2014.

Last reappointed to the Board: 2021.

Remuneration: £51,000.

Currently Director of Henderson Smaller Companies Investment Trust plc, a Director of Newton Investment Management Limited, and Aspect Capital Limited, Chairman of the Investment Committee and a trustee director of the BBC Pension Scheme. Dr Carter is a CFA charter holder and has a doctorate awarded in mathematical statistics with a research subject in financial economics.

Shared appointments with other Directors: None.



Nadia Manzoor

A Director since 2016.

Last reappointed to the Board: 2021.

Remuneration: £35,000.

Ms Manzoor is a Partner at Silent Unicorn, a venture builder and investor in the technology space. Prior to this Ms Manzoor was Partner, Head of Business Development and General Counsel for S.W. Mitchell Capital, a specialist European equities investment management house. Ms Manzoor commenced her career as a corporate lawyer at Slaughter and May in 2009. During this time she worked in London, Hong Kong and also spent six months seconded to a FTSE 100 client. Ms Manzoor is a Scholar of Downing College, Cambridge University, where she read Law.

Shared appointments with other Directors: None.



Claire Binyon (Chair of the Audit Committee)

A director since 2020.

Last re-appointed to the Board: 2021

Remuneration: £42,000.

Following an early career in corporate finance in the City, Ms Binyon pursued a successful career working for global multinationals in areas of corporate development and strategic planning. She is currently a non-executive director of NHBS Ltd and Murray International Trust PLC. Ms Binyon graduated from the University of Bristol gaining a BSc. Hons in Chemistry and qualified as a chartered accountant with EY.

Shared appointments with other Directors: None.



Sir Alan Collins (Chair of the Risk Committee, Remuneration Committee and Senior Independent Director)

A Director since 2012.

Last reappointed to the Board: 2021.

Remuneration: £41,500.

Sir Alan had a successful career in the British Diplomatic Service where he held a number of Ambassador and High Commissioner appointments and was until August 2011 the Consul General New York and the Director General for Trade and Investment USA. He was also the managing director in United Kingdom Trade and Investment responsible for the business legacy from the London 2012 Olympic and Paralympic Games, having been part of the team that won the bid to bring the Olympics to London. He is currently a Director at ICICI Bank UK plc.

Shared appointments with other Directors: None.



Robert Talbut

A Director since 2017.

Last reappointed to the Board: 2021.

Remuneration: £35,000.

Mr Talbut was, until 2014, the Chief Investment Officer of Royal London Asset Management and has over 30 years of financial services experience. He has represented the asset management industry through the chairmanship of both the ABI Investment Committee and the Asset Management Committee of the Investment Association. He has also been a member of the Audit & Assurance Council of the Financial Reporting Council and the Financial Conduct Authority's Listing Authority Advisory Panel. He is currently Chairman and Director of Shires Income plc and Schroder UK Mid Cap Fund PLC, and a Director of Pacific Assets Trust PLC.

Shared appointments with other Directors: None.

The Directors present their Annual Report & Financial Statements for the year ended 31st December 2021.

Management of the Company

The Manager and Company Secretary is JPMF, a company authorised and regulated by the FCA. JPMF is a wholly-owned subsidiary of JPMorgan Chase Bank which, through other subsidiaries, also provides marketing, banking and dealing services to the Company. Custodian services are provided by a JPMorgan Chase Bank subsidiary, via a contract with the Company's depositary.

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

The Management Engagement Committee conducts a formal evaluation of the Manager on an annual basis. The evaluation includes consideration of the investment strategy and the process of the Manager, performance against the benchmark and a relevant peer group over the long term and the support the Company receives from the Manager. As part of this process, the Board visits the New York office each year, although it was not able to do so this year due to the pandemic and so held virtual meetings. As a result of the evaluation process, the Board confirms that it is satisfied that the continuing appointment of the Manager is in the interest of shareholders as a whole.

The Alternative Investment Fund Managers Directive ('AIFMD')

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

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

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the annual report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information is available on the Company's website at www.jpmanmerican.co.uk. There have

been no material changes (other than those reflected in these financial statements) to this information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a primary information provider.

The Company's leverage and JPMF's remuneration disclosures are set out on pages 85 and 86.

Management Fees

The management fee is charged on a tiered basis as follows:

- 0.35% on the first £500 million of net assets;
- 0.30% on net assets above £500 million and up to £1 billion; and
- 0.25% on any net assets above £1 billion.

With effect from 1st January 2019, the performance fee element of the Manager's fees was removed.

The basic management fee is calculated and paid quarterly in arrears. Investments in funds on which the Manager or any of its associated companies earn a management fee are excluded from the calculation and therefore attract no further fee. The Company's investment in the JPMorgan US Dollar Liquidity Fund was not subject to a management fee and therefore not excluded from the calculation.

Directors

The Directors of the Company who held office at the end of the year are detailed on page 38. Details of Directors' beneficial shareholdings may be found in the Directors' Remuneration Report on pages 42 to 44.

All Directors will retire by rotation at the forthcoming Annual General Meeting and, being eligible, will offer themselves for reappointment. As mentioned in the Chair's statement, notwithstanding that Sir Alan Collins will have served more than 9 years as a director at the date of the AGM, the Board is satisfied that he remains independent from the Manager. 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 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.

During the year an insurance policy has been 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 Auditor

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

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

The above confirmation is given and should be interpreted in accordance with the provision of S418(2) of the Companies Act 2006.

Independent Auditor

Deloitte LLP has expressed its willingness to continue in office as Auditor to the Company and a resolution proposing its reappointment and authorising the Directors to determine its remuneration for the ensuing year will be put to shareholders at the Annual General Meeting.

However, Deloitte has recently informed the Board of their intention to step down as external auditor of the Company later in the year, as they continue to review and prioritise their current audit appointments. They will remain as the external auditor until such time as the Company has conducted a tender process and selected a replacement. This process will not have taken place before the AGM and hence Deloitte has put itself forward for reappointment at the forthcoming AGM. The Company will provide an update to Shareholders once a new external auditor has been appointed, who will then conduct the Company's 2022 audit and stand for reappointment at the 2023 AGM.

Total Return, Revenue and Dividends

As detailed on page 63 gross total return for the year amounted to £337.7 million (2020: £229.3 million) and net total return after deducting finance costs, administrative expenses and taxation, amounted to £328.6 million (2020: £221.1 million). Distributable income for the year totalled £11.7 million (2020: £12.9 million).

The Company paid an interim dividend of 2.5p per share on 8th October 2021. The Directors recommend a final dividend of 4.5p per share, payable on 27th May 2022 to shareholders on the register at the close of business on 22nd April 2022. These distributions total £13.6 million (2020: £13.5 million). After payment of the final dividend, the revenue reserve will amount to £21.2 million (2020: £23.0 million).

Capital Structure and Voting Rights

The Directors have authority on behalf of the Company to repurchase shares in the market either for cancellation or into Treasury and to sell Treasury shares or issue new Ordinary shares for cash.

During the financial year, the Company repurchased 4,752,679 shares, into Treasury, for a total consideration of £30.8 million. Since the year end, the Company has repurchased 1,573,242 shares, into Treasury, for a total consideration of £11 million.

No shares were issued during the year or since the year end.

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

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

Special Resolutions to renew the Company's authorities to issue and repurchase shares will be put to shareholders at the forthcoming Annual General Meeting.

Capital Structure

The Company's capital structure is summarised on the inside cover of this report.

Voting Rights in the Company's shares

Details of the voting rights in the Company's shares as at 31st March 2022 are given in note 16 to the Notice of Annual General Meeting on page 88.

Notifiable Interests in the Company's Voting Rights

The Board has been advised that the following shareholders owned 3% or more of the issued Ordinary share capital of the Company at 31st December 2021.

Directors	Number of voting rights as at 31st December 2021	% holding as at 31st December 2021
Quilter Cheviot Investment Management	27,147,021	14.01
Brewin Dolphin, stockbrokers	18,701,186	9.65
Rathbones	14,311,166	7.38
Interactive Investors*	10,189,740	5.26
Hargreaves Lansdown*	9,026,985	4.66
Charles Stanley	7,890,718	4.07
Investec Wealth & Investment	7,648,490	3.95
JPMorgan Asset Management	6,836,956	3.53

* non-beneficial interests

Since the year-end, no other interests have been notified to the Company as required under the Disclosure, Guidance and Transparency Rules.

Listing Rule 9.8.4R

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

Annual General Meeting

The notice covering the Annual General Meeting of the Company to be held on 18th May 2022 is given on pages 88 to 90. The full text of the Resolutions is set out in this notice.

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 11 and 12)

At the Annual General Meeting the Directors will seek authority to issue up to 19,224,893 new shares or sell shares held in Treasury for cash up to an aggregate nominal amount of £1,408,170 (such amount being equivalent to 10% of the issued share capital) and disapply pre-emption rights upon such issues. The full text of the resolutions is set out in the Notice of Meeting on pages 88 to 90. This authority will expire at the conclusion of the Annual General Meeting of the Company in 2023 unless renewed at a prior general meeting.

It is advantageous for the Company to be able to issue new shares (or to sell Treasury 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 ('NAV'), they increase the NAV per share and spread the Company's administrative expenses, other than the management fee which is charged on the value of the Company's assets, 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 13)

At the Annual General Meeting held on 18th May 2021, shareholders gave authority to the Company to purchase up to 14.99% of its then issued share capital. At that time, shareholders were informed that this authority would expire on 6th October 2022 but could be renewed by shareholders at any time at a general meeting of the Company. 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 the underlying net asset value ('NAV') enhances the NAV of the remaining shares. Resolution 13 gives the Company authority to buy back its own issued shares in the market as permitted by the Companies Act 2006 (the 'Act'). The authority limits the number of

shares that could be purchased to a maximum of 28,818,116 shares representing approximately 14.99% of the Company's issued shares as at 31st March 2022 (being the latest practicable date prior to the publication of this document). The authority also sets minimum and maximum prices.

If resolution 13 is passed at the Annual General Meeting, shares repurchased might not be cancelled but rather held as Treasury shares. The Company does not have authority to re-issue shares from Treasury at a discount to NAV, therefore any reissue of shares from Treasury would be at a premium to the prevailing NAV.

The full text of the resolution is set out in the Notice of Meeting on pages 88 to 90. 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 1 to 13 are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings which amount in aggregate to 56,130 shares representing approximately 0.02% of the existing issued share capital of the Company.

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. Sir Alan Collins, the Senior Independent Director, leads the evaluation of the performance of the Chair and is available to shareholders if they have concerns that cannot be resolved through discussion with the Chair.

By order of the Board
Priyanka Vijay Anand, for and on behalf of
JPMorgan Funds Limited,
Company Secretary

1st April 2022

Introduction

The Board presents the Directors' Remuneration Report for the year ended 31st December 2021 which has been prepared in accordance with the requirements of Section 421 of the Companies Act 2006.

The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited they are indicated as such. The Auditor's opinion is included in their report on pages 55 to 61.

Directors' Remuneration Policy

The law requires that the Directors' Remuneration Policy is subject to a triennial binding vote. However, the Board has resolved that for good governance purposes, the policy vote will be put to shareholders every year. Accordingly a resolution to approve the policy will be put to shareholders at the 2022 Annual General Meeting. The policy, which has not changed this year, and, subject to the vote, is set out in full below and is currently in force.

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

The Remuneration Committee, comprising all Directors, reviews fees on a regular basis and makes recommendations to the Board as and when appropriate. Reviews are based on information provided by the Manager, and includes 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.

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.

In the year under review, Directors' fees were paid at the following rates: Chair £48,000; Audit Committee Chair £40,000

and £33,000 for other Directors. The roles of Senior Independent Director and Chair of the Risk Committee both attract an additional fee of £2,000 per role. The role of the Chair of Remuneration Committee attracts an additional fee of £1,000. The total annual fee for Directors was £214,168 and the Company's Articles of Association stipulate that aggregate fees must not exceed £285,000.

From 1st January 2022 Director's fees are being paid at the following rates: Chair £51,000, Chair of the Audit Committee £42,000, and other Directors £35,000. The Senior Independent Director will receive an additional fee of £3,000, the Chair of the Risk Committee an additional £2,500 and the Chair of the Remuneration Committee an additional £1,000. This level of fees takes account of surveys of Director's fees in comparable companies, the workload and responsibilities of the Board and the rate of inflation.

The Company has no Chief Executive Officer and no employees and therefore there was no consultation of employees, and there is no employee comparative data to provide in relation to the setting of the remuneration policy for Directors.

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

The Directors do not have service contracts with the Company. The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for review at the Company's Annual General Meeting and the Company's registered office. Details of the Board's policy on tenure are set out on page 46.

Directors' Remuneration Policy Implementation

The Directors' Remuneration Report is subject to an annual advisory vote and therefore an ordinary resolution to approve this report will be put to shareholders at the forthcoming Annual General Meeting. There have been no changes to the policy compared with the year ended 31st December 2020 and no changes are proposed for the year ending 31st December 2022.

At the Annual General Meeting held on 18th May 2021, of votes cast, 99.93% of votes cast were in favour of (or granted discretion to the Chair who voted in favour of) both the remuneration policy and the remuneration report and 0.07% voted against. Votes withheld were 18,996 and 28,776 respectively, the equivalent of less than 0.01% of votes cast.

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

Single total figure of remuneration

The single total figure of remuneration and expenses for the Board as a whole for the year ended 31st December 2021 was £214,168. The single total figure of remuneration for each Director is detailed below together with the prior year comparative.

There are no performance targets in place for the Directors of the Company and there are no benefits for any of the Directors which will vest in the future. There are no benefits, pension, bonus, long term incentive plans, exit payments or arrangements in place on which to report.

Single total figure table¹

Directors	2021			2020		
	Fees	Taxable expenses ²	Total	Fees	Taxable expenses ²	Total
	£	£	£	£	£	£
Dr Kevin Carter	48,000	—	48,000	44,000	—	44,000
Simon Bragg ³	26,848	—	26,848	35,500	—	35,500
Sir Alan Collins	38,000	—	38,000	33,500	407	33,907
Nadia Manzoor	33,000	—	33,000	29,500	18	29,518
Robert Talbut	33,000	—	33,000	29,500	—	29,500
Claire Binyon ⁴	35,321	—	35,321	17,208	—	17,208
Total	214,168	—	214,168	189,208	425	189,633

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

² Taxable travel and subsistence expenses incurred in attending Board and Committee meetings.

³ Retired on 31st August 2021.

⁴ Appointed to the Board on 1st June 2020. Appointed as Audit Committee Chair on 31st August 2021.

Annual Percentage Change in Directors' Remuneration

The following table sets out the annual percentage change in Directors' fees for the year to 31st December 2021:

Directors' Name	Percentage change for the year to 31st December 2021	Percentage change for the year to 31st December 2020
Dr Kevin Carter	9.1%	0.0%
Simon Bragg ¹	n/a	0.0%
Sir Alan Collins ²	13.4%	0.0%
Nadia Manzoor	11.9%	0.0%
Robert Talbut	11.9%	0.0%
Claire Binyon ³	2.6%	n/a

¹ Retired on 31st August 2021.

² The percentage change in remuneration is due to Sir Alan Collins managing three roles: Chair of the Risk Committee, Remuneration Committee and Senior Independent Director.

³ Appointed to the Board on 1st June 2020. Appointed as Audit Committee Chair on 31st August 2021. Percentage change for 2021 has been calculated by prorating the 2020 fee over the year to obtain a more realistic percentage change.

Expenditure by the Company on remuneration and distributions to shareholders

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

	Year ended 31st December	
	2021	2020
Remuneration paid to all Directors	£214,168	£189,633
Remuneration paid to Directors as a percentage of Shareholders' funds	0.01%	0.02%
Distributions to shareholders		
by way of dividends paid	£13,232,000	£13,348,000
by way of share repurchases	£30,751,000	£53,061,000

A table showing the total remuneration for the Chair over the five years ended 31st December 2021 is below:

Remuneration for the Chair over the five years ended 31st December 2021

Year ended 31st December	Fees
2021	£48,000
2020	£44,000
2019	£44,000
2018	£44,000
2017	£43,000

Directors' shareholdings¹

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

	31st December 2021	1st January 2021
Dr Kevin Carter	35,000	35,000
Simon Bragg ²	46,183	46,053
Sir Alan Collins	8,153	8,073
Nadia Manzoor	2,643	2,643
Robert Talbut	7,882	7,882
Claire Binyon	2,452	2,429

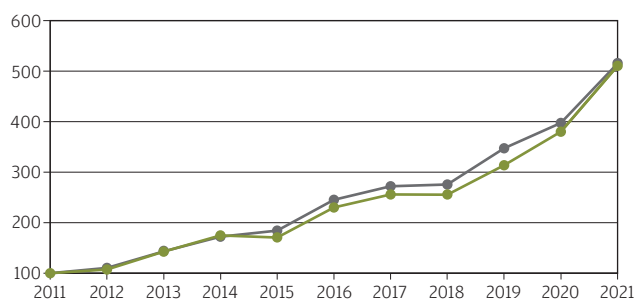
¹ Audited information.

² Simon Bragg retired from the Board on 31st August 2021. The shareholding in the above table is as at the retirement date.

All of the holdings of the Directors are beneficial.

Ten Year Ordinary Share Price and Benchmark Total Returns to 31st December 2021

A graph showing the Company's share price total return compared with its benchmark index, the S&P 500 Index expressed in sterling total returns terms, over the last ten years is shown below:



Source: Morningstar.

— Share price total return.

— Benchmark total return.

For and on behalf of the Board
Sir Alan Collins
Remuneration Committee Chair

1st April 2022

Corporate Governance Statement

Compliance

During the year, the Company was subject to UK legislation and regulations including UK company law, UK Financial Reporting Standards, the UK Listing, Prospectus, Disclosure Guidance and Transparency Rules, the Market Abuse Regulation, taxation law and the Company's own Articles of Association. Since January 2021, new autonomous UK regulations have been effective and the UK no longer applies EU regulations. The Company's underlying investments are also subject to some US and other worldwide regulations. 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). As a result the Company is not liable for taxation on capital gains. 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.

By virtue of the Company's premium listing on the London Stock Exchange, the Board is required to report on how the principles of the 2018 UK Corporate Governance Code (the 'UK Code') have been applied. The 2019 AIC Code of Corporate Governance (the 'AIC Code') addresses the principles and provisions of the UK Code as well as additional provisions of specific relevance to investment companies, and has been endorsed by the Financial Reporting Council.

This enables investment company boards to report against the AIC Code and still meet their obligations under the UK Code and associated disclosure requirements under paragraph 9.8.6 of the Listing Rules. The Board has chosen to report under the AIC Code, as it considers reporting against the AIC Code provides more relevant information to the Company's shareholders about its governance arrangements. The Board has fully adopted the recommendations of the 2019 AIC Code.

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

Role of the Board

A management agreement between the Company and JPMF sets out the matters over which the Manager has delegated authority. This includes management of the Company's assets within the guidelines established by the Board from time to time and the provision of accounting, company secretarial, administration and some marketing services. All other matters are reserved for the approval of the Board. A formal schedule of matters reserved 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.

The Board meets at least quarterly during the year and additional meetings are arranged as necessary. Full and timely information is provided to the Board to enable it to function effectively and to allow Directors to discharge their responsibilities. Further information on meetings and committees can be found on page 47.

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

There is an agreed procedure for Directors to take independent professional advice in the furtherance of their duties 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 adherence to Board procedures and compliance with applicable rules and regulations.

Board Composition

The Board consists of five non-executive Directors and is chaired by Dr Kevin Carter. All Directors are considered to be independent of the Company's Manager. The Directors have a breadth of investment knowledge, business and financial skills and experience relevant to the Company's business and brief biographical details of each Director are set out on page 38.

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 an assessment is made of the qualities and skills of the existing Board before appointing new directors. Following completion of a review of the skills and experience of Directors, the Board feels that they are equipped with the necessary attributes required for the sound stewardship of the Company and that their knowledge sets allow for lively and engaging debates. Full details of the skills and experience of the Directors can be found on page 46. At 31st December 2021, there were three male Directors and two female Directors on the Board. Please refer to page 47 for more information on the workings of the Nomination Committee.

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 appointed by shareholders. Thereafter, subject to the performance evaluation carried out each year, the Board will agree whether it is appropriate for each Director to seek reappointment. In accordance with corporate governance best practice, Directors continuing in office seek annual reappointment and no Director, including the Chair, will normally seek reappointment after having served for nine years on the Board unless there are exceptional circumstances for doing so.

As mentioned in the Chair's statement, Sir Alan Collins, current Senior Independent Director, if reappointed at the 2022 AGM, will be retiring from the Board at the 2023 AGM. The Board keeps plans for its orderly succession and refreshment under continual review. The terms and conditions of Directors' appointments are set out in formal letters of appointment, copies of which are available for inspection on request at the Company's registered office and at the Annual General Meeting. A list of potential conflicts of interest for each Director is maintained by the Company. These are considered carefully, taking into account the circumstances surrounding them, and, if considered appropriate, are approved.

Reappointment of Directors

The Directors of the Company and their brief biographical details are set out on page 38. 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 below.

Resolution 5 concerns the reappointment of Dr Kevin Carter. He joined the Board in July 2014 and has served for seven years as a Director. He has held various roles within the investment industry, including that of portfolio manager, Chief Investment Officer and Chief Executive Officer. He has also been a director of listed closed-ended funds for a number of years and brings strong leadership skills gained through a number of Board roles, including chairmanship roles. He brings leadership and considerable in-depth knowledge, expertise and experience in investment management to the Board.

For details of his current directorships, please refer to page 38 of the Report.

Resolution 6 concerns the reappointment of Sir Alan Collins. He joined the Board in May 2012 and has served for over nine years as a Director. Sir Alan brings a wealth of management, governance and leadership experience and expertise from holding a succession of senior appointments in the British Diplomatic Service and from sitting on several major financial

services company Boards including Banking, Insurance, Investment and Wealth Management. His living for nearly five years in New York in charge of Britain's Trade and Investment with the United States gives important insights into the market in which the company invests. He is a geo-political expert and brings this skill to chairing the Risk Committee. His negotiating and people management abilities are utilised as the Senior Independent Director, part of whose job is the smooth running of the company and the effectiveness of the Board.

Resolution 7 concerns the reappointment of Nadia Manzoor. She joined the Board in June 2016 and has served for five years as a Director. She is a Partner at Silent Unicorn, a venture builder and investor in the technology space. She has current financial expertise from her previous role as Partner, Head of Business Development and General Counsel for S.W. Mitchell Capital, a specialist European equities investment management house. She also has experience in marketing financial services which she brings to bear in assessing the Manager's efforts in promoting the Company. She has strong exposure and experience with the US market as she spends a great deal of her time in the US working almost exclusively with US institutions and investors.

As a qualified lawyer, having trained at Slaughter and May, her contribution to the legal aspects of the Board's role and particularly its relationship with service providers is much appreciated.

For more details, please refer to page 38 of the Report.

Resolution 8 concerns the reappointment of Robert Talbut. He joined the Board in May 2017 and has served for four years as a Director. He has over 30 years of financial services experience and has represented the asset management industry through the chairmanship of both the ABI Investment Committee and the Asset Management Committee of the Investment Association. As well as experience as an asset manager including evolving best practice in corporate governance and ESG issues, his varied roles with the Financial Reporting Council and the FCA helps him bring broader perspectives to Board discussions.

For details of his current directorships, please refer to page 38 of the Report.

Resolution 9 concerns the re-appointment of Claire Binyon. She joined the Board in June 2020. She pursued a successful career working for global multinationals in areas of corporate development and strategic planning and is a chartered accountant. Her relevant experience also includes her non-executive directorship at NHBS Ltd and Murray International Trust PLC.

For more details, please refer to page 38 of the Report.

The Board confirms that each of the Directors standing for appointment and reappointment at the forthcoming Annual

General Meeting continue to contribute effectively and recommends that shareholders vote in favour of their reappointment.

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 Directors. Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trusts. Regular reviews of the Directors' training needs are carried out by the Board 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 38.

The table below details the number of formal Board and Committee meetings attended by each Director.

Meetings attended during the year

	Board	Audit Committee	Risk Committee	Management Engagement Committee	Nomination Committee	Remuneration Committee
Dr. Kevin Carter	6	2	2	1	1	1
Sir Alan Collins	6	2	2	1	1	1
Simon Bragg ¹	4	2	2	1	1	1
Nadia Manzoor	6	2	2	1	1	1
Robert Talbut	6	2	2	1	1	1
Claire Binyon	6	2	2	1	1	1

¹ Simon Bragg retired from the Board on 31st August 2021.

As well as the formal meetings detailed above, the Board meets and communicates frequently by email or telephone to deal with day to day matters as they arise. During the year, the Directors also held virtual meetings with the investment management team and senior management based in New York.

Board Committees

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

Nomination Committee

The Nomination Committee, chaired by Dr Kevin Carter, consists of all of the Directors and meets at least annually. The Nomination Committee reviews the composition, structure and diversity of the Board, succession planning, the independence of the Directors and whether each Director has sufficient time available to

discharge their duties effectively. Having completed the annual evaluation process, the Committee confirms that it believes that the Board has an appropriate balance of skills and experience, that all Directors should be considered as Independent in accordance with the provisions of the AIC Code and that all Directors have the time available to discharge their duties effectively.

The Board's policy on diversity, including gender, is to take account of the benefits of this during the appointment process. The Board remains committed to appointing the most appropriate candidate and seeks to ensure that it does not unwittingly exclude any group.

The Committee conducts an annual performance evaluation of the Board, its committees and individual Directors to ensure that all Directors have devoted sufficient time and contributed adequately to the work of the Board and its Committees. The evaluation of the Board considers the balance of experience, skills, independence, corporate knowledge, its diversity, and how it works together. Questionnaires, drawn up by Lintstock, an independent advisory firm, 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 leads the evaluation of the Chair's performance, which includes an appraisal of his Board leadership and effectiveness in the role.

Remuneration Committee

The Remuneration Committee, chaired by Sir Alan Collins, consists of all Directors and meets at least annually. The Committee's remit is to review Directors' fees and make recommendations to the Board as and when appropriate in relation to the Company's remuneration policy and its implementation.

Management Engagement Committee

The Management Engagement Committee, chaired by Dr Kevin Carter, consists of all Directors and meets at least annually. The Committee's remit is to review the terms of the management agreement between the Company and the Manager, to review the performance of the Manager, review the performance of other third party suppliers, consider Management fee levels, to review the notice period that the Board has with the Manager and to make recommendations to the Board.

Risk Committee

The Risk Committee, chaired by Sir Alan Collins, consists of all the Directors, and meets at least twice each year. The Committee discusses the Company's overall risk appetite, tolerance and strategy, taking into account the current and prospective macroeconomic and financial environment. It further reviews the Company's principal risks and seeks to understand any emerging risks that arise during the year. Finally, the Committee reviews

compliance with the Company's investment restrictions and guidelines.

Audit Committee

The report of the Audit Committee is set out on page 51.

Annual General Meeting ('AGM')

As mentioned in the Chair's statement, this year's Annual General Meeting is the Company's 106th and it will be held on Wednesday, 18th May 2022 at 2.30 p.m. at 60 Victoria Embankment, London EC4Y 0JP. Apart from the formal business of the meeting, the shareholders will have the opportunity to hear from our two portfolio managers, Timothy Parton and Jonathan Simon who will be presenting virtually, followed by a question and answer session. Shareholders are invited to attend the meeting and raise any questions they have, either by asking questions at the meeting, or in advance by writing to the Company Secretary at the address on page 95, or via email to invtrusts.cosec@jpmorgan.com. As is normal practice, all voting on the resolutions will be conducted on a poll. The Board strongly encourages all shareholders to exercise their votes by completing and returning their proxy forms in accordance with the notes to the Notice of Meeting on pages 88 to 90.

Risk Management and Internal Control

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

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

Since investment management, custody of assets and all administrative services are provided to the Company by JPMF and its associates, the Company's system of risk management and internal control mainly comprises monitoring the services provided by the Manager and its associates, including the operating controls established by them, to ensure that they meet the Company's business objectives. There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company (see Principal and Emerging Risks on pages 33 to 35). This process has been in place for the year under review and up to the date of the approval of the annual report

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

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

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

Management Agreement – Evaluation and appointment of a manager and custodian regulated by the 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 JPMorgan's Compliance department which regularly monitors compliance with FCA rules and reports to the Board.

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

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

- the Board, through the Audit Committee, receives regular reports from JPMorgan's Compliance department;
- the Board regularly receives a report, which is also independently reviewed, on the internal controls and the operations of its custodian, JPMorgan Chase Bank;
- the Board reviews every six months a report from the Company's Depositary, Bank of New York Mellon (International) Limited, which summarises the activities performed by the Depositary during the reporting period; and
- the Board reviews every six months an independent report on the internal controls and the operations of JPMF's investment trust department.

By 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 December 2021, and to the date of approval of the Annual Report & Financial Statements.

During the course of its review of the system of risk management and internal control, the Board has not identified nor been advised of any failings or weaknesses which it has determined to be significant. Therefore a confirmation in respect of necessary actions has not been considered appropriate.

Employees, Social, Community, Environment and Human Rights Issues

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 being carried out by third parties. There are therefore no disclosures to be made in respect of employees.

The Board notes JPMAM's global policy statements in respect of Social, Community and Environmental and Human Rights issues, as highlighted in italics:

JPMAM believes that companies should act in a socially responsible manner. Although our priority at all times is the best economic interests of our clients, we recognise that, increasingly, non-financial issues such as social and environmental factors have the potential to impact the share price, as well as the reputation of companies. Specialists within JPMAM's environmental, social and governance ('ESG') team are tasked with assessing how companies deal with and report on social and environmental risks and issues specific to their industry.

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. Our approach to how we implement the principles is set out in the ESG report on pages 19 to 21.

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.

The Modern Slavery Act 2015 (the 'MSA')

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

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 is a signatory to the Equator Principles on managing social and environmental risk in project finance.

Criminal Corporate Offence

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

Corporate Governance and Voting Policy

The Company delegates responsibility for voting to JPMAM through 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. Details on Environmental, Social and Governance considerations are included in the Strategic Report on pages 19 to 21.

Corporate Governance

JPMAM believes that corporate governance is integral to its investment process. As part of its commitment to delivering superior investment performance to clients, it expects and encourages the companies in which it invests to demonstrate the highest standards of corporate governance and best business practice. JPMAM examines the share structure and voting structure of the companies in which it invests, as well as the board balance, oversight functions and remuneration policy. These analyses then form the basis of JPMAM's 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 reasonable judgement of what will best serve the financial interests of clients. So far as is practicable, JPMAM will vote at all of the meetings called by companies in which it is invested.

Stewardship/Engagement

JPMAM believes effective investment stewardship can materially contribute to helping build stronger portfolios over the long term for our clients. At the heart of JPMAM's approach lies a close

collaboration between our portfolio managers, research analysts and investment stewardship specialists to engage with the companies in which JPMAM invests. Regular engagement with 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, and on embodying the spirit of those principles across the firm. While JPMAM is not yet a signatory to the recently revised 2020 UK Stewardship Code, its current focus is on ensuring its reporting to the FRC reflects the most robust standards.

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
Priyanka Vijay Anand, for and on behalf of
JPMorgan Funds Limited,
Company Secretary

1st April 2022

Audit Committee Report

The Audit Committee was chaired by Simon Bragg until 31st August 2021 and following his retirement from the Board, Claire Binyon took over as the Chair of the Audit Committee. The Committee consists of all Directors, and meets at least twice each year. As a member of the Committee, the Chair of the Company provides a valuable contribution from his extensive knowledge and experience. This is permitted under the AIC Code as the Board Chairman was deemed to be independent on appointment. The members of the Audit Committee consider that at least one member has recent and relevant financial experience and that the Committee as a whole has competency relevant to the sector in which the Company operates.

The Committee reviews the actions and judgements of the Manager in relation to the Half Year and Annual Report & Financial Statements and the Company's compliance with the AIC Code. It examines the effectiveness of the Company's internal control systems, receives information from the Manager's compliance department and also reviews the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external Auditor.

It is also responsible for reporting any significant financial reporting issues to the Board and for providing review and challenge of key areas of judgement, including any assumptions used, in support of the going concern and Viability statements.

The Audit Committee has reviewed the independence and objectivity of the Auditor and is satisfied that the Auditor is independent. The Audit Committee also has the primary responsibility for making recommendations to the Board on the reappointment and the removal of the external Auditor.

Financial Statements and Significant Accounting Matters

During its review of the Company's financial statements for the year ended 31st December 2021, the Audit Committee considered the following significant issues, including those communicated by the Auditor during its reporting:

Significant issue	How the issue was addressed
Valuation, existence and ownership of investments	The valuation of investments is undertaken in accordance with the accounting policies, disclosed in note 1 to the accounts. The Company has appointed Bank of New York Mellon (International) Limited ('BNY') as its depositary. BNY has appointed JPMorgan Chase Bank, N.A., as the Company's custodian. BNY remains responsible for the oversight of the custody of the Company's assets. A representative from BNY reports directly to the Audit Committee on an annual basis.
Calculation of management fees	The management fees are calculated in accordance with the Investment Management Agreement. The Board reviews controls reports, expense schedules and the management fee calculation.

Significant issue	How the issue was addressed
Recognition of investment income	The recognition of investment income is undertaken in accordance with accounting policy note 1(d) to the accounts. Income recording is conducted by the Manager and the methodology is reported upon to the Board within a six monthly independent report on the operations of the Manager.
Compliance with Sections 1158 and 1159	Approval for the Company as an investment trust under Sections 1158 and 1159 for financial years commencing on or after 1st October 2012 has been obtained and ongoing compliance with the eligibility criteria is monitored on a regular basis by the Manager, who reports on a monthly basis to the Board on the Company's continuing compliance.
Covid-19	The Audit Committee has reviewed the impact of market volatility related to the Covid-19 pandemic on the Company's portfolio and has received regular updates on portfolio performance from the portfolio managers. The Audit Committee has also reviewed recent portfolio liquidity and updated revenue and expense forecasts in light of the Covid-19 pandemic and its anticipated impact on portfolio liquidity, revenue and market valuations and considers that the Company's business model remains viable and that the Company has sufficient resources to continue in operation and to meet all liabilities as they fall due. The Audit Committee has further reviewed the Company's borrowing and debt facilities and considers that the Company continues to meet its financial covenants in respect of these facilities and has a wide margin before any relevant thresholds are reached.
Going Concern/Long Term Viability	The Committee has also reviewed the appropriateness of the adoption of the Going Concern basis in preparing the accounts, particularly in view of the impact of the Covid-19 pandemic. The Committee recommended that the adoption of the Going Concern basis is appropriate (see Going Concern statement below). The Committee also assessed the Long Term Viability of the Company as detailed on page 36 and recommended to the Board its expectation that the Company would remain in operation for the five year period of the assessment.

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

In accordance with The Financial Reporting Council's guidance on going concern and liquidity risk, including its Covid-19 guidance, the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern. The Board has, in particular, considered the impact of market volatility since the Covid-19 outbreak but does not believe the Company's going concern status is affected. The Company's assets, the vast majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly under all stress test scenarios reviewed by the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. The Directors have also assessed the ability of the Company to repay the amount drawn down under its revolving credit facility, which expires in August 2022, and are satisfied as to its ability to do so on account of the ability of the Company to raise new finance via loans or share issuances, or alternatively through the realisation of investments in the Company's highly liquid quoted securities. Furthermore, the Directors are satisfied that the Company and its key third party service providers have in place appropriate business continuity plans and confirm they have been able to maintain service levels through the pandemic.

Accordingly, the Financial Statements have been prepared on the going concern basis as it is the Directors' opinion, having assessed the principal and emerging risks and other matters, including the impact of the coronavirus pandemic, that the Company will continue in operational existence for a period of at least 24 months. The Company's longer-term viability is considered in the Viability Statement on page 36.

Auditor Appointment and Tenure

Representatives of the Company's Auditor, Deloitte LLP, attended the Audit Committee meeting at which the draft Annual Report & Financial Statements were considered and also engage with Directors as and when required. Having reviewed the performance of the external Auditor, including assessing the quality of work, timing of communications and work with the Manager, the Committee considered it appropriate to recommend its reappointment. The Board supported this recommendation, which will be put to shareholders at the forthcoming Annual General Meeting. The Board reviews and approves any non-audit services provided by the independent Auditor and assesses the impact of any non-audit work on the ability of the Auditor to remain independent. Details of the Auditor's fees paid for audit and non-audit services are disclosed in note 6 on page 70.

The current tenure of the Auditor dates from 10th August 2006. Chris Hunter is the audit partner and has conducted the Company's 2020 and 2021 audit. The Board opened the external auditor position up to tender in 2015 and reappointed Deloitte LLP, following presentations from three firms to include the

incumbent. Based upon existing legislation, another tender process is not required until 2025. The Company is therefore in compliance with the provisions of 'The Statutory Audit Services for Large Companies Market Investigation' (Mandatory use of competitive tender processes and audit committee responsibilities) Order 2014 as issued by the Competition & Markets Authority.

However, Deloitte has recently informed the Board of their intention to step down as external auditor of the Company later in the year, as they continue to review and prioritise their current audit appointments. They will remain as the external auditor until such time as the Company has conducted a tender process and selected a replacement. This process will not have taken place before the AGM and hence Deloitte has put itself forward for reappointment at the forthcoming AGM. The Company will provide an update to Shareholders once a new external auditor has been appointed, who will then conduct the Company's 2022 audit and stand for reappointment at the 2023 AGM.

Fair, Balanced and Understandable

As a result of the work performed, the Audit Committee has concluded that the Annual Report & Financial Statements for the year ended 31st December 2021, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy, and has reported on these findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 53.

Claire Binyon
Audit Committee Chair

1st April 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare the Annual Report & Financial Statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the Financial Statements unless they are satisfied that, taken as a whole, the Annual Report & Financial Statements are fair, balanced and understandable, provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy and that they give a true and fair view of the state of affairs of the Company and of the total return or loss of the Company for that period. In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

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

and the Directors confirm that they have done so.

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

The accounts are published on the www.jpmanmerican.co.uk website, which is maintained by the Company's Manager. The maintenance and integrity of the website maintained by the

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

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

Each of the Directors, whose names and functions are listed on page 38, confirms that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), give a true and fair view of the assets, liabilities, financial position and return or loss of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

The Board confirms that it is satisfied that the Annual Report & Financial Statements taken as a whole are fair, balanced and understandable and provide the information necessary for shareholders to assess the strategy and business model of the Company.

The Board also confirms that it is satisfied that the Strategic Report and Directors' Report include 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 the Company faces.

For and on behalf of the Board
Dr Kevin Carter
Chair

1st April 2022



Independent Auditor's Report

Image: Half Dome from Yosemite National Park in California.

TO THE MEMBERS OF JPMORGAN AMERICAN INVESTMENT TRUST PLC

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of JPMorgan American Investment Trust Plc (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31st December 2021 and of its return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice issued by the Association of Investment Companies in April 2021 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice issued by the Association of Investment Companies in April 2021 'Financial Statements of Investment Trust Companies and Venture Capital Trusts.'

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was: • The valuation and ownership of listed investments.
Materiality	The materiality that we used in the current year was £14.9 million which was determined on the basis of 1% of net assets as of 31st December 2021.
Scoping	Audit work to respond to the risk of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	There have been no significant changes in approach compared with the prior year.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

- the financing facilities available to the company, including the nature of facilities and repayment terms;
- the company's ability to comply with the loan covenants attached to its private placement debt;
- the company's business model and medium-term risks;
- the liquidity of the investment portfolio; and
- the amount of capital headroom (cash and covenants) that would be available in various market downturn scenarios.

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 12 months from when the financial statements are authorised for issue.

In relation to the reporting on how the company has 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.

5. Key audit matters

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

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Valuation and ownership of listed investments

Key audit matter description	
	Investments represent the most significant balance on the statement of financial position and are the main driver of the Company's performance. Listed investments represented 98% of total assets of the Company as at 31st December 2021 (2020: 97%) (see detailed disclosure per note 11 of the financial statements and note 1(b) for the accounting policy).
	There is a risk that the prices quoted in respect of the listed investments held by the Company may not be reflective of fair value. There is also a risk over the recording and custody of listed investments, and whether listed investments recorded are the property of the Company.
	This key audit matter is also included in the Report of the Audit Committee within the annual report as a significant issue on page 51.
How the scope of our audit responded to the key audit matter	We have performed the following procedures over the valuation and ownership of the investment portfolio as at 31st December 2021: • reviewed the SOC 1 control reports issued by JPMorgan Chase Bank – the Custodian of the Company, in order to obtain an understanding over the relevant controls in relation to the valuation and ownership of listed investments and we adopted a controls reliance approach over investment valuation and ownership; • obtained a bridging letter from JPMorgan Chase Bank to confirm that there have been no material changes to these controls from the date of the report to 31st December 2021;

- agreed 100% of the Company's investment portfolio at the year end to confirmations received independently from the custodian;
- agreed 100% of the bid prices of listed investments on the investment ledger as at 31st December 2021 to closing bid prices published by an independent pricing source.

In addition to support our work on this key audit matter we have:

- tested the recording of a sample of purchases and sales of listed investments;
- reviewed the completeness and appropriateness of disclosures in relation to fair value measurements and liquidity risk; and
- assessed the portfolio of listed investments for indicators of illiquid stocks through inspection of stock trading volumes.

Key observations	Based on the work performed, we have concluded that the valuation and ownership of listed investments is appropriate.
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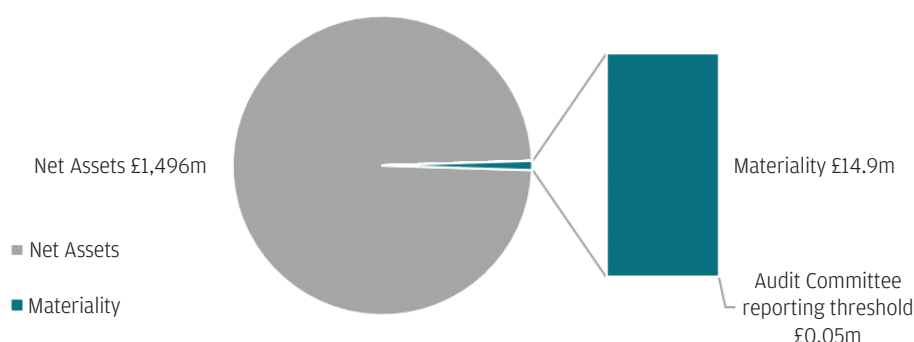
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

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

Materiality	£14.9 million (2020: £12.1 million).
Basis for determining materiality	1% of net assets (2020: 1% of net assets).
Rationale for the benchmark applied	Net assets has been chosen as it is considered the most relevant benchmark for investors and is a key driver of shareholder value.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2021 audit (2020: 60%). In determining performance materiality, we considered the following factors:

- The continuity in place within the business from the previous year (with both the management and the custodian);
- The low level of corrected and uncorrected misstatements identified in prior years; and
- In the previous year, we identified an inherent increase in the Company's operating environment caused by the uncertainty and volatility brought about by the Covid-19 pandemic. We did not identify any increase in errors in the prior year and we have therefore increased our performance materiality by 10% to be consistent with levels adopted prior to the onset of the pandemic.

6.3 Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.05 million (2020: £0.05 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Scoping

Our audit was scoped by obtaining an understanding of the Company and its environment, including internal control and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

7.2. Our consideration of the control environment

The accounting and administration of the Company is performed by JPMorgan Chase Bank. As part of our audit, we obtained an understanding of relevant controls in place at JPMorgan Chase Bank through a review of the service organisation's controls assurance reports over its fund accounting, custody and information technology activities. We adopted a controls reliance approach with respect to the valuation and ownership of listed investments.

7.3. Our consideration of climate-related risks

In planning our audit, we considered the potential impact of climate change on the Company's business and its financial statements. The Company continues to develop its assessment of the potential impacts of environmental, social and governance ('ESG') related risks, including climate change, as outlined on page 35. As a part of our audit, we held discussions to understand the process of identifying climate-related risks and the impact on the Company's financial statements, in particular with reference to the Company's investment portfolio and operating model. We performed our own qualitative risk assessment of the potential impact of climate change on the Company's account balances and classes of transactions and did not identify any additional risks of material misstatement.

8. Other information

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

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

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

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

10. Auditor's responsibilities for the audit of the financial statements

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

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 auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

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

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration and performance targets;
- results of our enquiries of management and the audit committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the valuation and ownership of listed investments. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, s1158 of the Corporation Tax 2020 and the Investment Trust (Approved Company) (Tax) Regulations 2011.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified

As a result of performing the above, we identified the valuation and ownership of listed investments as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and the audit committee concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

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

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

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

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

13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

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 with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 52;
- the directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 36;
- the directors' statement on fair, balanced and understandable set out on page 53;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 33;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 48; and
- the section describing the work of the audit committee set out on page 51.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the audit committee, we were appointed by the Board of Directors on 10th January 2007 to audit the financial statements for the year ending 31st December 2006 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 16 years, covering the years ending 31st December 2006 to 31st December 2021

15.2. Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Chris Hunter, CA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor,
Edinburgh, United Kingdom

1st April 2022



Financial Statements

Image: Orange groves surrounding country intersection with a semi trailer truck, Yuba City, California.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER 2021

	Notes	Revenue £'000	2021 Capital £'000	Total £'000	Revenue £'000	2020 Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss	3	–	322,790	322,790	–	211,795	211,795
Net foreign currency (losses)/gains		–	(1,047)	(1,047)	–	474	474
Income from investments	4	15,900	–	15,900	16,776	–	16,776
Interest receivable	4	55	–	55	268	–	268
Gross return		15,955	321,743	337,698	17,044	212,269	229,313
Management fee	5	(815)	(3,260)	(4,075)	(559)	(2,236)	(2,795)
Other administrative expenses	6	(685)	(48)	(733)	(671)	–	(671)
Net return before finance costs and taxation		14,455	318,435	332,890	15,814	210,033	225,847
Finance costs	7	(385)	(1,539)	(1,924)	(448)	(1,791)	(2,239)
Net return before taxation		14,070	316,896	330,966	15,366	208,242	223,608
Taxation	8	(2,385)	–	(2,385)	(2,473)	–	(2,473)
Net return after taxation		11,685	316,896	328,581	12,893	208,242	221,135
Return per share	9	5.97p	161.80p	166.77p	6.31p	101.98p	108.29p

The dividends payable in respect of the year ended 31st December 2021 amount to 7.0p (2020: 6.75p) per share, costing £13,604,000 (2020: £13,493,000). Details of dividends paid and proposed are given in note 10 on page 72.

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.

The net return after taxation represents the profit for the year and also the total comprehensive income.

The notes on pages 67 to 83 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2021

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves ¹ £'000	Revenue reserve ¹ £'000	Total £'000
At 31st December 2019	14,082	151,850	8,151	850,826	31,887	1,056,796
Repurchase of shares into Treasury	—	—	—	(53,061)	—	(53,061)
Net return	—	—	—	208,242	12,893	221,135
Dividends paid in the year (note 10)	—	—	—	—	(13,348)	(13,348)
At 31st December 2020	14,082	151,850	8,151	1,006,007	31,432	1,211,522
Repurchase of shares into Treasury	—	—	—	(30,751)	—	(30,751)
Net return	—	—	—	316,896	11,685	328,581
Dividends paid in the year (note 10)	—	—	—	—	(13,232)	(13,232)
At 31st December 2021	14,082	151,850	8,151	1,292,152	29,885	1,496,120

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

The notes on pages 67 to 83 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Investments held at fair value through profit or loss	11	1,568,739	1,268,283
Current assets	12		
Debtors		701	483
Cash and cash equivalents		28,355	43,360
		29,056	43,843
Current liabilities			
Creditors: amounts falling due within one year	13	(28,205)	(643)
Net current assets		851	43,200
Total assets less current liabilities		1,569,590	1,311,483
Creditors: amounts falling due after more than one year	14	(73,470)	(99,961)
Net assets		1,496,120	1,211,522
Capital and reserves			
Called up share capital	15	14,082	14,082
Share premium	16	151,850	151,850
Capital redemption reserve	16	8,151	8,151
Capital reserves	16	1,292,152	1,006,007
Revenue reserve	16	29,885	31,432
Total shareholders' funds		1,496,120	1,211,522
Net asset value per share	17	771.9p	610.1p

The financial statements on pages 63 to 66 were approved and authorised for issue by the Directors on 31st March 2022 and signed on their behalf by:

Claire Binyon
Director

The notes on pages 67 to 83 form an integral part of these financial statements.

The Company's registration number is 15543.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2021

	Notes	2021 £'000	2020 £'000
Net cash outflow from operations before dividends and interest	18	(7,079)	(6,070)
Dividends received		13,093	14,330
Interest received		55	268
Overseas tax recovered		240	64
Loan interest paid		(679)	(1,210)
Private placement interest paid		(1,214)	(652)
Net cash inflow from operating activities		4,416	6,730
Purchases of investments		(722,307)	(640,912)
Sales of investments		744,691	671,022
Settlement of foreign currency contracts		22	170
Net cash inflow from investing activities		22,406	30,280
Dividends paid		(13,232)	(13,348)
Repayment of bank loan		(25,325)	(24,804)
Draw down of bank loan		—	40,069
Receipt of private placement loan		25,643	50,296
Repurchase of shares into Treasury		(30,747)	(53,061)
Net cash outflow from financing activities		(43,661)	(848)
(Decrease)/increase in cash and cash equivalents		(16,839)	36,162
Cash and cash equivalents at start of year		43,360	8,601
Unrealised loss on foreign currency cash and cash equivalents		1,834	(1,403)
Cash and cash equivalents at end of year		28,355	43,360
(Decrease)/increase in cash and cash equivalents		(16,839)	36,162
Cash and cash equivalents consist of:			
Cash and short term deposits		36	76
Cash held in JPMorgan US Dollar Liquidity Fund		28,319	43,284
Total		28,355	43,360

RECONCILIATION OF NET DEBT

	As at 31st December 2020 £'000	Cash flows £'000	Other non-cash charges £'000	As at 31st December 2021 £'000
Cash and cash equivalents				
Cash	76	(359)	319	36
Cash equivalents	43,284	(16,480)	1,515	28,319
	43,360	(16,839)	1,834	28,355
Borrowings				
Debt due within one year	(52,750)	25,325	29	(27,396)
Debt due after one year	(47,211)	(25,643)	(616)	(73,470)
	(99,961)	(318)	(587)	(100,866)
Total	(56,601)	(17,157)	1,247	(72,511)

The notes on pages 67 to 83 form an integral part of these financial statements.

FOR THE YEAR ENDED 31ST DECEMBER 2021

1. Accounting policies**(a) General information and basis of accounting**

The Company is a closed-ended investment company incorporated in the UK. The address of its registered office is at 60 Victoria Embankment, London, EC4Y 0JP.

The financial statements are prepared under the historical cost convention, modified to include fixed asset investments at fair value, in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ('UK GAAP'), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the Association of Investment Companies in April 2021.

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

The financial statements have been prepared on a going concern basis. The disclosures on going concern on page 52 form part of these financial statements.

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

(b) Valuation of investments

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

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

Accordingly, upon initial recognition the investments are designated by the Company as held at fair value through profit or loss. They are included initially at fair value which is taken to be their cost, excluding expenses incidental to purchases 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 exchange gains and losses on cash and cash equivalents, 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 with in capital reserves within 'Gains and losses on sales of investments'.

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

Amounts received in excess of the par value of issued shares are held in Share premium.

Par value of shares repurchased and cancelled by the Company are transferred from Called up share capital to the Capital redemption reserve.

Net revenue return after taxation for the year is accounted for in the Revenue reserve.

(d) Income

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

Overseas dividends are included gross of any withholding tax.

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

1. Accounting policies *continued*

(d) Income *continued*

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.

Interest receivable from debt securities together with any premiums or discounts on purchase are allocated to revenue on a time apportionment basis so as to reflect the effective interest rate of those securities.

Deposit interest receivable 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 20% to revenue and 80% to capital, in line with the Board's expected long term split of revenue and capital return from the Company's investment portfolio.
- expenses incidental to the purchase and sale of an investment are charged to capital. These expenses are commonly referred to as transaction costs and comprise brokerage commission and stamp duty. Details of transaction costs are given in note 11.

(f) Finance costs

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

Finance costs are allocated 20% to revenue and 80% to capital, in line with the Board's expected long term split of revenue and capital return from the Company's investment portfolio.

(g) Financial instruments

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

Forward foreign currency contracts are included in the Statement of Financial Position as derivative financial instruments and are carried at fair value, which is the cost of closing out those contracts. Changes in the fair value of derivative financial instruments are recognised in the Statement of Comprehensive Income as capital.

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

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.

(h) Taxation

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

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) Functional currency

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

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

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

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

(k) Dividends payable

Final dividends are included in the financial statements once approved by shareholders and interim dividends are included in the financial statements in the year in which they are paid.

(l) Repurchase of shares into Treasury

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 repurchase transactions are accounted for on a trade date basis. Where shares held in Treasury are subsequently cancelled, the nominal value of those shares is transferred out of called up share capital and into capital redemption reserve.

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

2. Critical accounting judgements and key sources of estimation uncertainty

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

The Directors do not believe that any critical accounting judgements 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. The Directors do not consider there to be any sources of key estimation uncertainty.

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

	2021 £'000	2020 £'000
Realised gains on sale of investments	143,534	61,328
Net change in unrealised gains on investments	179,267	150,480
Other capital charges	(11)	(13)
Total capital gains on investments held at fair value through profit or loss	322,790	211,795

4. Income

	2021 £'000	2020 £'000
Income from investments		
Overseas dividends	15,900	16,776
	15,900	16,776
Interest receivable		
Interest from liquidity fund	55	268
	55	268
Total income	15,955	17,044

5. Management fee

	Revenue £'000	2021 Capital £'000	Total £'000	Revenue £'000	2020 Capital £'000	Total £'000
Management fee	815	3,260	4,075	559	2,236	2,795

Details of the management fee are given in the Directors' Report on page 39.

6. Other administrative expenses

	2021 £'000	2020 £'000
Administration expenses	342	310
Directors' fees ¹	214	190
Depository fees ²	143	136
Auditor's remuneration for audit services ³	34	35
	733	671

¹ Full disclosure is given in the Directors' Remuneration Report on page 42.

² Includes £2,000 (2020: £9,000) irrecoverable VAT.

³ Includes £nil (2020: £3,000) irrecoverable VAT. The 2020 audit fee has been re-stated from £41,000 in the 2020 financial statements to £35,000 in these financial statements to correct an overstatement in the amount accrued for in the 2020 financial statements.

7. Finance costs

	Revenue £'000	2021 Capital £'000	Total £'000	Revenue £'000	2020 Capital £'000	Total £'000
Bank loan and overdraft interest	111	443	554	235	940	1,175
Private placement loan interest	271	1,082	1,353	213	851	1,064
Loan arrangement fees	3	14	17	—	—	—
	385	1,539	1,924	448	1,791	2,239

8. Taxation

(a) Analysis of tax charge for the year

	Revenue £'000	2021 Capital £'000	Total £'000	Revenue £'000	2020 Capital £'000	Total £'000
Overseas withholding tax	2,385	–	2,385	2,473	–	2,473
Total tax charge for the year	2,385	–	2,385	2,473	–	2,473

(b) Factors affecting the total tax charge for the year

The tax charge for the year is lower (2020: lower) than the Company's applicable rate of corporation tax of 19% (2020: 19%).

The factors affecting the total tax charge for the year are as follows:

	Revenue £'000	2021 Capital £'000	Total £'000	Revenue £'000	2020 Capital £'000	Total £'000
Net return before taxation	14,070	316,896	330,966	15,366	208,242	223,608
Net return before taxation multiplied by the Company's applicable rate of corporation tax of 19% (2020: 19%)	2,673	60,210	62,883	2,920	39,566	42,486
Effects of:						
Non taxable overseas dividends	(2,714)	–	(2,714)	(2,833)	–	(2,833)
Non taxable capital gains	–	(61,131)	(61,131)	–	(40,331)	(40,331)
Overseas withholding tax	2,385	–	2,385	2,473	–	2,473
Income tax timing difference	46	–	46	(2)	–	(2)
Unrelieved expenses	48	921	969	(32)	765	733
Double taxation relief expensed	(53)	–	(53)	(53)	–	(53)
Total tax charge for the year	2,385	–	2,385	2,473	–	2,473

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £25,270,000 (2020: £18,216,000) based on a prospective corporation tax rate of 25% (2020: 19%). The deferred tax asset has arisen due to £101,082,000 (2020: £95,984,000) cumulative excess of deductible expenses over taxable income. Given the composition of the Company's portfolio, it is not likely that this asset will be utilised in the foreseeable future and therefore no asset has been recognised in the financial statements.

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

9. Return per share

	2021 £'000	2020 £'000
Revenue return	11,685	12,893
Capital return	316,896	208,242
Total return	328,581	221,135
Weighted average number of shares in issue during the year	195,855,208	204,206,883
Revenue return per share	5.97p	6.31p
Capital return per share	161.80p	101.98p
Total return per share	166.77p	108.29p

10. Dividends

(a) Dividends paid and proposed/declared

	2021 £'000	2020 £'000
Dividends paid		
2020 Final dividend of 4.25p (2019: 4.00p)	8,350	8,294
2021 Interim dividend of 2.50p (2020: 2.50p)	4,882	5,054
Total dividends paid in the year	13,232	13,348
Dividends declared		
2021 Final dividend of 4.50p (2020: 4.25p)	8,722	8,439

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

The dividends proposed in respect of the year ended 31st December 2020 amounted to £8,439,000. However the amount paid amounted to £8,350,000 due to shares repurchased after the balance sheet date but prior to the share register record date.

In accordance with the accounting policy of the Company, the dividend declared in respect of the year ended 31st December 2021, will be reflected in the financial statements for the year ending 31st December 2022.

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

The requirements of Section 1158 are considered on the basis of dividends declared in respect of the financial year, shown below. The revenue available for distribution by way of dividend for the year is £11,685,000 (2020: £12,893,000).

	2021 £'000	2020 £'000
2021 Interim dividend of 2.50p (2020: 2.50p)	4,882	5,054
2021 Final dividend of 4.50p (2020: 4.25p)	8,722	8,439
Total	13,604	13,493

The revenue reserve after payment of the final dividend will amount to £21,163,000 (2020: £22,993,000).

11. Investments

	2021		2020	
	Listed overseas £'000	Total £'000	Listed overseas £'000	Total £'000
Opening book cost	969,554	969,554	938,335	938,335
Opening investment holding gains	298,729	298,729	148,249	148,249
Opening valuation	1,268,283	1,268,283	1,086,584	1,086,584
Movements in the year:				
Purchases at cost	722,372	722,372	640,926	640,926
Sales proceeds	(744,717)	(744,717)	(671,035)	(671,035)
Gains on investments	322,801	322,801	211,808	211,808
Closing valuation	1,568,739	1,568,739	1,268,283	1,268,283
Closing book cost	1,090,743	1,090,743	969,554	969,554
Closing investment holding gains	477,996	477,996	298,729	298,729
Total investments held at fair value through profit or loss	1,568,739	1,568,739	1,268,283	1,268,283

The Company received £744,717,000 (2020: £671,035,000) from investments sold in the year. The book cost of these investments when they were purchased was £601,183,000 (2020: £609,707,000). 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 £146,000 (2020: £122,000) and on sales during the year amounted to £121,000 (2020: £135,000). These costs comprise mainly brokerage commission.

12. Current assets

	2021 £'000	2020 £'000
Debtors		
Securities sold awaiting settlement	20	–
Dividends and interest receivable	625	434
Overseas tax recoverable	–	9
Other debtors	56	40
	701	483

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

Cash and cash equivalents

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

The carrying amount of these represents their fair value.

13. Current liabilities

	2021 £'000	2020 £'000
Creditors: amounts falling due within one year		
Securities purchased awaiting settlement	79	14
Repurchases of Company's own shares awaiting settlement	4	—
Bank loan – ING	27,396	—
Loan interest and fees payable	8	116
Private placement loan interest	551	412
Other creditors and accruals	167	101
	28,205	643

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

The bank loan with ING Bank is a three year revolving credit facility expiring in August 2022 and bears an interest rate of the SONIA rate for the period over which the loan is drawn plus a margin of 0.925%. The amount available under this loan agreement was increased from £40 million to £80 million on 14th February 2020.

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

	2021 £'000	2020 £'000
\$65 million 2.55% Private Placement Feb 2031	47,679	47,211
\$35 million 2.32% Private Placement Oct 2032	25,791	—
Bank loan – ING (see note 13)	—	52,750
	73,470	99,961

The private placement of US\$65 million fixed-rate 11 year unsecured notes (the 'Notes') issued on 27th February 2020 at a fixed annualised coupon of 2.55%, will mature on 27th February 2031, and pay interest semi-annually.

On 7th October 2021, the Company announced that it had received funds from a private placement of US\$35 million fixed-rate 11 year unsecured notes (the 'Notes') at a fixed annualised coupon of 2.32%. The Notes, which will mature on 7th October 2032, pay interest semi-annually.

15. Called up share capital

	2021 £'000	2020 £'000
Authorised ordinary shares allotted and fully paid:		
Opening balance of 198,574,855 (2020: 209,329,058) shares excluding shares held in Treasury	9,929	10,467
Repurchase of 4,752,679 (2020: 10,754,203) shares into Treasury	(238)	(538)
Closing balance of 193,822,176 (2020: 198,574,855) shares of 5p each excluding shares held in Treasury	9,691	9,929
87,811,734 (2020: 83,059,055) shares held in Treasury	4,391	4,153
Closing Balance of 281,633,910 (2020: 281,633,910) shares of 5p each including shares held in Treasury	14,082	14,082

During the year, 4,752,679 shares of 5p were repurchased from the market into Treasury at an average price of 6.74p per share for a total net consideration of £30,751,000.

Further details of transactions in the Company's shares are given in the Strategic Report on page 40.

16. Capital and reserves

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves ¹		Revenue reserve ¹ £'000	Total £'000
				Gains and losses on sales of investments £'000	Investment holding gains and losses £'000		
Opening balance	14,082	151,850	8,151	700,938	305,069	31,432	1,211,522
Net foreign currency losses on cash and cash equivalents	—	—	—	(475)	—	—	(475)
Unrealised FX losses on foreign currency loan	—	—	—	—	(1)	—	(1)
Realised gains on sale of investments	—	—	—	143,534	—	—	143,534
Net change in unrealised gains and losses on investments	—	—	—	—	179,267	—	179,267
Repurchase of shares into Treasury	—	—	—	(30,751)	—	—	(30,751)
Transfer re loans repaid in period	—	—	—	1,661	(1,661)	—	—
Realised currency gains on repayment of loans	—	—	—	280	—	—	280
Unrealised losses on loans	—	—	—	—	(851)	—	(851)
Management fee and finance costs charged to capital	—	—	—	(4,799)	—	—	(4,799)
Other capital charges	—	—	—	(59)	—	—	(59)
Dividends paid in the year	—	—	—	—	—	(13,232)	(13,232)
Retained revenue for the year	—	—	—	—	—	11,685	11,685
Closing balance	14,082	151,850	8,151	810,329	481,823	29,885	1,496,120

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

17. Net asset value per share

	2021	2020
Net assets (£'000)	1,496,120	1,211,522
Number of shares in issue	193,822,176	198,574,855
Net asset value per share	771.9p	610.1p

18. Reconciliation of net return before finance costs and taxation to net cash outflow from operations before dividends and interest

	2021 £'000	2020 £'000
Net return before finance costs and taxation	332,890	225,847
Less capital return before finance costs and taxation	(318,435)	(210,033)
(Increase)/decrease in accrued income and other debtors	(208)	76
Increase/(decrease) in accrued expenses	61	(38)
Management fee charged to capital	(3,308)	(2,236)
Amortisation of bank loan charges	16	16
Overseas withholding tax	(2,616)	(2,518)
Dividends received	(13,093)	(14,330)
Interest received	(55)	(268)
Realised gain on foreign exchange transactions	(1,246)	(923)
Exchange loss on liquidity funds	(1,085)	(1,663)
Net cash outflow from operations before dividends and interest	(7,079)	(6,070)

19. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2020: same).

20. Transactions with the Manager and related parties

Details of the management contract are set out in the Directors' Report on page 39. The management fee payable to the Manager for the year was £4,075,000 (2020: £2,795,000) of which £nil (2020: £nil) was outstanding at the year end.

With effect from 1st June 2019, for a period of nine months, the management fee was waived. Therefore, the management fee figure for 2020 reflects the ten months paid for the period 1st March 2020 to 31st December 2020.

Included in administration expenses in note 6 on page 70 are safe custody fees amounting to £13,000 (2020: £10,000) payable to JPMorgan Chase Bank N.A. of which £2,000 (2020: £2,000) was outstanding at the year end.

Handling charges on dealing transactions amounting to £12,000 (2020: £13,000) were payable to JPMorgan Chase Bank N.A during the year of which £3,000 (2020: £2,000) 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. The commission payable to JPMorgan Securities Limited for the year was £nil (2020: £nil) of which £nil (2020: £nil) was outstanding at the year end.

The Company also holds cash in the JPMorgan US Dollar Liquidity Fund, which is managed by JPMF. At the year end this was valued at £28.3 million (2020: £43.4 million). Income amounting to £55,000 (2020: £268,000) was receivable during the year of which £nil (2020: £nil) was outstanding at the year end.

At the year end, total cash of £36,000 (2020: £76,000) was held with JPMorgan Chase Bank N.A. A net amount of interest of £nil (2020: £nil) was receivable by the Company during the year from JPMorgan Chase of which £nil (2020: £nil) was outstanding at the year end.

Full details of Directors' remuneration can be found on page 42 and in note 6 on page 70.

21. Disclosures regarding financial instruments measured at fair value

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:

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date

Level 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

Level 3: Inputs are unobservable (i.e.: for which market data is unavailable) for the asset or liability

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

Details of the valuation techniques used by the Company are given in note 1(b) on page 67.

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

	2021		2020	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	1,568,739	–	1,268,283	–
Total	1,568,739	–	1,268,283	–

There were no transfers between Level 1, 2 or 3 during the year (2020: nil).

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

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

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

The Directors' policy for managing these risks is set out below.

The 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 US equity shares, 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;
- bank loans, the purpose of which is to finance the Company's operations; and
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Company's investment activities.

22. Financial instruments' exposure to risk and risk management policies *continued***(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 (iii) of this note, together with sensitivity analyses where appropriate. The Board reviews and agrees policies for managing these risks and these policies have remained unchanged from those applying in the comparative year. The Manager assesses the exposure 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

The majority of the Company's assets and income are denominated in US dollars. Sterling is the Company's functional currency and the currency in which it reports. As a result, movements in exchange rates will affect the sterling value of those items.

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 five 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.

Income denominated in foreign currencies is converted to sterling on receipt. The Company does not use financial instruments to mitigate the currency exposure in the period between the time that income is included in the financial statements and its receipt.

Foreign currency exposure

The fair value of the Company's monetary items that have foreign currency exposure at 31st December 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.

	2021		2020	
	US Dollar £'000	Total £'000	US Dollar £'000	Total £'000
Current assets: Cash and debtors	28,987	28,987	43,735	43,735
Current liabilities (excluding bank loans)	(764)	(764)	(542)	(542)
Bank loan and private placements	(100,866)	(100,866)	(99,961)	(99,961)
Foreign currency exposure on net monetary items	(72,643)	(72,643)	(56,768)	(56,768)
Investments held at fair value through profit or loss	1,568,739	1,568,739	1,268,283	1,268,283
Total net foreign currency exposure	1,496,096	1,496,096	1,211,515	1,211,515

The above year end amounts are broadly representative of the exposure to foreign currency risk during the current and comparative year.

Foreign currency sensitivity

The following table illustrates the sensitivity of return after taxation for the year and net assets with regard to the Company's monetary financial assets, financial liabilities and equity investments and exchange rates. The sensitivity analysis is based on the Company's monetary currency financial instruments and equity investments held at each balance sheet date and the income receivable in foreign currency and assumes a 10% (2020: 10%) appreciation or depreciation in sterling against the US Dollar which is considered to be a reasonable illustration based on the volatility of exchange rates during the year.

	2021		2020	
	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	(1,596)	1,596	(1,704)	1,704
Capital return	(149,610)	149,610	(121,152)	121,152
Total return after taxation for the year	(151,206)	151,206	(122,856)	122,856
Net assets	(151,206)	151,206	(122,856)	122,856

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

(ii) Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits and the liquidity fund. The Company's exposure to floating interest rates, giving cash flow interest rate risk when rates are reset, is as follows:

	2021 £'000	2020 £'000
Exposure to floating interest rates		
Cash and short term deposits	36	76
JPMorgan US Dollar Liquidity Fund	28,319	43,284
Bank loan	(27,396)	(52,750)
Net exposure	959	(9,390)

Interest receivable on cash balances, or payable on overdrafts, is at a margin below or above SONIA respectively (2020: Interest receivable on cash balances, or payable on overdrafts, is at a margin below or above LIBOR respectively).

The target interest earned on the JPMorgan US Dollar Liquidity Fund is the 7 day US dollar London Interbank Bid Rate.

Details of the bank loan is given in note 13 on page 74.

22. 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 1.0% (2020: 1.0%) 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.

	2021		2020	
	1.0% Increase in rate £'000	1.0% Decrease in rate £'000	1.0% Increase in rate £'000	1.0% Decrease in rate £'000
Statement of Comprehensive Income - return after taxation				
Revenue return	229	(229)	328	(328)
Capital return	(219)	219	(422)	422
Total return after taxation	10	(10)	(94)	94
Net assets	10	(10)	(94)	94

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 facilities.

(iii) Other price risk

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

Management of other price risk

The Board considers on a regular basis 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.

Other price risk exposure

The Company's total exposure to other changes in market prices at 31st December comprises its holdings in equity investments as follows:

	2021 £'000	2020 £'000
Investments held at fair value through profit or loss	1,568,739	1,268,283

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

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% (2020: 10%) in the market values. 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.

	2021		2020	
	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	(78)	78	(63)	63
Capital return	156,560	(156,560)	126,575	(126,575)
Total return after taxation	156,482	(156,482)	126,512	(126,512)
Net assets	156,482	(156,482)	126,512	(126,512)

(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.

Liquidity risk exposure

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

	2021			
	Three months or less £'000	More than three months but less than one year £'000	One year or more £'000	Total £'000
Current liabilities and creditors due after one year:				
Other creditors and accruals	167	—	—	167
Securities purchased awaiting settlement	79	—	—	79
Repurchases of Company's own shares awaiting settlement	4	—	—	4
Unrealised FX losses on foreign currency loan	1	—	—	1
Bank loan - ING Bank, including interest	107	27,525	—	27,632
\$65m 2.55% Private Placement Feb 2031	706	898	56,460	58,064
\$35m 2.32% Private Placement Oct 2032	287	451	31,640	32,378
	1,351	28,874	88,100	118,325

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

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

	2020			
	Three months or less	More than three months but less than one year	One year or more	Total
	£'000	£'000	£'000	£'000
Creditors:				
Other creditors and accruals	101	–	–	101
Securities purchased awaiting Settlement	14	–	–	14
Bank loan – ING Bank, including interest	268	466	53,100	53,834
\$65m 2.55% Private Placement Feb 2031	709	907	58,244	59,860
	1,092	1,373	111,344	113,809

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.

Exposure to JPMorgan Chase

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

The 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 debtors and cash and cash equivalents represent the maximum exposure to credit risk at the current and comparative year ends.

(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 private placements which the Company has in issue. The fair value of those private placements has been calculated using discounted cash flow techniques using the yield on a similarly dated treasury note plus a margin based on the US Broad Market AA 10-15 year spread.

	2021		2020	
	Accounts value £m	Fair value £m	Accounts value £m	Fair value £m
\$65 million 2.55% Private Placement Feb 2031	47.7	49.4	47.2	52.0
\$35 million 2.32% Private Placement Oct 2032	25.8	25.8	–	–

23. Capital management policies and procedures

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

	2021 £'000	2020 £'000
Debt:		
Bank loan	27,396	52,750
\$65 million 2.55% Private Placement Feb 2031	47,679	47,211
\$35 million 2.32% Private Placement Oct 2032	25,791	–
	100,866	99,961
Equity:		
Equity share capital	14,082	14,082
Reserves	1,482,038	1,197,440
	1,496,120	1,211,522
Total debt and equity	1,596,986	1,311,483

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

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

	2021 £'000	2020 £'000
Investments held at fair value through profit or loss	1,568,739	1,268,283
Net assets	1,496,120	1,211,522
Gearing/(net cash)	4.9%	4.7%

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

- 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 need for issues of new shares, including selling shares from Treasury; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

24. Subsequent events

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



Regulatory Disclosures

Image: American highway with historical name Route 66.

ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE ('AIFMD') DISCLOSURES (UNAUDITED)

Leverage

JPMorgan Funds Limited (the '**Management Company**') is the authorised manager of JPMorgan American Investment Trust 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.

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 December 2021 are shown below:

	Gross Method	Commitment Method
Leverage Exposure		
Maximum limit	200%	200%
Actual	107%	107%

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).

AIFMD Remuneration disclosures

JPMorgan Funds Limited (the '**Management Company**') is the authorised manager of JPMorgan American Investment Trust 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).

Remuneration Policy

A summary of the Remuneration Policy applying to the Management Company (the '**Remuneration Policy**') can be found at <https://am.jpmorgan.com/gb/en/asset-management/gim/per/legal/emea-remuneration-policy> (the '**Remuneration Policy Statement**'). 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.

REGULATORY DISCLOSURES

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

Quantitative Disclosures

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

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

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

The aggregate 2021 total remuneration paid to AIFMD Identified Staff was US\$84,714,000 of which US\$6,570,000 relates to Senior Management and US\$78,144,000 relates to other Identified Staff¹.

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

SECURITIES FINANCING TRANSACTIONS REGULATION ('SFTR') DISCLOSURES (UNAUDITED)

The Company does not engage 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-selling back transactions or sell-buy back transactions and margin lending transactions - or Total Return Swaps. Accordingly, disclosures required by Article 13 of the Regulation are not applicable for the year ended 31st December 2021.



Shareholder Information

Image: Hardwood trees in the Appalachian Mountains near Asheville, North Carolina.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the one hundred and sixth Annual General Meeting of JPMorgan American Investment Trust plc will be held at 60 Victoria Embankment, London EC4Y 0JP on Wednesday, 18th May 2022 at 2.30 p.m. for the following purposes:

1. To receive the Directors' Report, the Financial Statements and the Auditor's Report for the year ended 31st December 2021.
2. To approve the Directors' Remuneration Policy.
3. To approve the Directors' Remuneration Report for the year ended 31st December 2021.
4. To declare a final dividend on the ordinary shares of 4.5 pence per share.
5. To reappoint Dr Kevin Carter as a Director of the Company.
6. To reappoint Sir Alan Collins as a Director of the Company.
7. To reappoint Nadia Manzoor as a Director of the Company.
8. To reappoint Robert Talbut as a Director of the Company.
9. To reappoint Claire Binyon as a Director of the Company.
10. To reappoint Deloitte LLP as Auditor to the Company and to authorise the Directors to determine Deloitte LLP's remuneration.

Special Business

To consider the following resolutions:

Authority to allot new shares – Ordinary Resolution

11. 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 Section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers for the Company to allot relevant securities (within the meaning of Section 551 of the Act) up to an aggregate nominal amount of £961,245, representing approximately 10% of the Company's issued ordinary share capital as at the date of this Notice, provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2023 unless renewed at a general meeting prior to such time, save that the Company may before such expiry make offers, agreements or arrangements which would or might require relevant securities to be allotted after such expiry and so that the Directors of the Company may allot relevant securities in pursuance of such offers, agreements or arrangements as if the authority conferred hereby had not expired.

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

12. THAT subject to the passing of Resolution 11 set out above, the Directors of the Company be and they are hereby empowered pursuant to Section 570 and 573 of the Companies Act 2006 (the 'Act') to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 11 or by way of a sale of Treasury shares as if Section 561(1) of the Act did not apply to any such allotment or sale, provided that this power shall be limited to the allotment of equity securities and the sale of Treasury Shares for cash up to an aggregate nominal amount of £1,408,170, representing approximately 10% of the issued ordinary share capital as at the date of this Notice at a price of not less than the net asset value per share and shall expire upon the expiry of the general authority conferred by Resolution 11 above, save that the Company may before such expiry make offers, or agreements which would or might require equity securities to be allotted or Treasury Shares to be sold after such expiry and so that the Directors of the Company may allot equity securities or sell Treasury Shares 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

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

PROVIDED ALWAYS THAT

- (i) the maximum number of shares hereby authorised to be purchased shall be that number of shares which is equal to 14.99% of the Company's issued share capital as at the date of the passing of this resolution;
- (ii) the minimum price which may be paid for a share shall be the nominal value of the share;
- (iii) the maximum price which may be paid for a share shall be an amount equal to the highest of: (a) 105% of the average of the middle market quotations for a share taken from and calculated by reference to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be 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);
 - (v) the authority hereby conferred shall expire on 6th October 2023 unless the authority is renewed at the Company's Annual General Meeting in 2023 or at any other general meeting prior to such time; and
 - (vi) the Company may make or 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.
- 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 (see above) 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. A corporation, which is a shareholder, may appoint individuals to act as its representatives 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.

- 8. 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 accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting ('AGM'); or (b) any circumstances connected with Auditor 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 Auditor 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.

By order of the Board
Priyanka Vijay Anand, for and on behalf of
JPMorgan Funds Limited,
Company Secretary

1st April 2022

Notes

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

- 1. If law or Government guidance so requires at the time of the Meeting, the Chairman of the Meeting will limit, in his sole discretion, the number of individuals in attendance at the Meeting. In addition, the Company may still impose entry restrictions on certain persons wishing to attend the AGM in order to secure the orderly and proper conduct of the Meeting.
- 2. A member entitled to attend and vote at the meeting may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the meeting. A member can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.
- 3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Your proxy could be the Chairman, another Director of the Company or another person who has agreed to attend to represent you. Details of how to appoint the Chairman or another person(s) as your proxy or proxies using the proxy form are set out in the notes to the proxy form. If a voting box on the proxy form is left blank, the proxy or proxies will exercise his/their discretion both as to how to vote and whether he/they abstain(s) from voting. Your proxy must attend the Meeting for your vote to count. Appointing a proxy or proxies does not preclude you from attending the Meeting and voting in person.

NOTICE OF ANNUAL GENERAL MEETING

9. 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.
10. 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.
11. 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.
12. 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.jpnamerican.co.uk.
13. 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 and public holidays excepted). It will also be available for inspection at the AGM. No Director has any contract of service with the Company.
14. 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.
15. As an alternative to completing a hard copy Form of Proxy/Voting Instruction Card, you can appoint a proxy or proxies electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder Reference Number (this is the series of numbers printed under your name on the Form of Proxy/Voting Instruction Card). 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.
16. As at 31st March 2022 (being the latest business day prior to the publication of this Report), the Company's issued share capital consists of 281,633,910 shares, including of 89,384,976 Treasury shares. Therefore the total voting rights in the Company are 192,248,934.

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.

Return to Shareholders (APM)

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

		Year ended 31st December 2021	Year ended 31st December 2020	
Total return calculation	Page			
Opening share price (p)	4	577.0	483.0	(a)
Closing share price (p)	4	767.0	577.0	(b)
Total dividend adjustment factor ¹		1.010210	1.014375	(c)
Adjusted closing share price (d = b x c)		774.8	585.3	(d)
Total return to shareholders (e = d / a - 1)		34.3%	21.2%	(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.

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

The Company's debt (including the private placements) is valued in the Statement of Financial Position (on page 65) 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 22(d) (on page 82) on the accounts. The difference between fair and par values of the debt is subtracted from the NAV to derive the NAV with debt at fair value. The fair value of the combined US\$100 million private placements has been calculated using discounted cash flow techniques, using the yield from similar dated treasury notes plus a margin based on the US Broad Market AA 10-15 year spread.

		Year ended 31st December 2021	Year ended 31st December 2020	
Total return calculation	Page			
Opening cum-income NAV per share with debt at fair value (p)	4	607.6	504.8	(a)
Closing cum-income NAV per share debt at fair value (p)	4	771.0	607.6	(b)
Total dividend adjustment factor ¹		1.009824	1.013659	(c)
Adjusted closing cum-income NAV per share (d = b x c)		778.6	615.9	(d)
Total return on net assets with debt at fair value (e = d / a - 1)		28.1%	22.0%	(e)

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

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.

		Year ended 31st December 2021	Year ended 31st December 2020	
Total return calculation	Page			
Opening cum-income NAV per share with debt at par value (p)	4	610.1	504.8	(a)
Closing cum-income NAV per share debt at par value (p)	4	771.9	610.1	(b)
Total dividend adjustment factor ¹		1.009811	1.013629	(c)
Adjusted closing cum-income NAV per share (d = b x c)		779.5	618.4	(d)
Total return on net assets with debt at par value (e = d / a - 1)		27.8%	22.5%	(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 cum-income NAV at the ex-dividend date.

Net asset value per share (APM)

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 75 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.

		31st December 2021 £'000	31st December 2020 £'000	
Gearing calculation	Page			
Investments held at fair value through profit or loss	65	1,568,739	1,268,283	(a)
Net assets	65	1,496,120	1,211,522	(b)
Gearing/(net cash) (c = a / b - 1)		4.9%	4.7%	(c)

Ongoing charges ratio (APM)

The ongoing charges ratio 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 AIC.

		Year ended 31st December 2021 £'000	Year ended 31st December 2020 £'000	
Ongoing charges ratio calculation	Page			
Management Fee	63	4,075	2,795	
Other administrative expenses	63	733	671	
Total management fee and other administrative expenses		4,808	3,466	(a)
Average daily cum-income net assets		1,280,097	1,033,447	(b)
Ongoing charges ratio (c = a / b)		0.38%	0.34%	(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 4).

Portfolio Turnover

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

Performance Attribution

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

Performance Attribution Definitions:

Allocation effect

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

Selection effect

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

Gearing

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

Share buyback

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

Management fee expenses

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

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

1. Via a third party provider

Third party providers include:

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

Please note this list is not exhaustive and the availability of individual trusts may vary depending on the provider. These are third party providers and J.P. Morgan Asset Management does not endorse or recommend any. Please observe each provider'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 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



FINANCIAL CALENDAR

Financial year end	31st December
Final results announced	April
Half year end	30th June
Half year results announced	August
Dividend on ordinary shares paid	May/October
Annual General Meeting	May

History

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

Company Information

Company registration number: 15543
Country of registration: England and Wales
London Stock Exchange number: 08456505
ISIN: GB00BKZGVH64
SEDOL Code: BKZGVH6
Bloomberg code: JAM LN
LEI: 549300QNAI4XRPEB4G65

Market Information

The Company's net asset value ('NAV') is published daily via the London Stock Exchange. The Company's shares are listed on the London Stock Exchange and the price is noted daily in the Financial Times and on the J.P. Morgan website at www.jpnamerican.co.uk, where the share price is updated every 15 minutes during trading hours.

Website

www.jpnamerican.co.uk

Share Transactions

The Company's shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf.

Manager and Company Secretary

JPMorgan Funds Limited

Company's Registered Office

60 Victoria Embankment
London EC4Y 0JP
Telephone number: 020 7742 4000
For company secretarial and administrative matters, please contact Priyanka Vijay Anand.

Depository

The Bank of New York Mellon (International) Limited
1 Canada Square
London E14 5AL
The Depository has appointed JPMorgan Chase Bank, N.A. as the Company's custodian.

Registrar

Equiniti Limited
Reference 1077
Aspect House
Spencer Road
West Sussex BN99 6DA
Telephone number: 0371 384 2316
Lines open 8.30 a.m. to 5.30 p.m. Monday to Friday. Calls to the helpline will cost no more than a national rate call to a 01 or 02 number. Callers from overseas should dial +44 121 415 0225

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

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

Independent Auditor

Deloitte LLP
Statutory Auditor
2 New Street Square
London EC4A 3ZB

Broker

Stifel Nicolaus Europe Limited
4th floor, 150 Cheapside,
London EC2V 6ET



The Association of
Investment Companies

A member of the AIC

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