JPMorgan American Investment Trust plc

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

J.P.Morgan
ASSET MANAGEMENT

Key Features

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 36 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 Environmental, Social and Governance (ESG) factors as an integrated element of each stage of the investment process, including research, company engagement and portfolio construction. These ESG views are one of multiple informational inputs into the investment process and so are not the sole driver of decision making. For further information, please refer to the Company's website and page 22 of this report.

Benchmark Index

The S&P 500 Index, with net dividends reinvested, expressed in sterling total return terms.

Capital Structure

As at 31st December 2023, the Company's share capital comprised 281,633,910 ordinary shares of 5p each, including 99,030,694 shares held in Treasury.

The Company's available borrowings are currently made up of an £80 million revolving credit facility (including an option to expand the facility by a further £20 million) expiring in August 2025, 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 borrowings 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.

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.jpmamerican.co.uk.

FINANCIAL CALENDAR

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

Contents

Strategic Report

Image: Golden Gate Bridge, San Francisco, US

Financial Highlights

Total returns (including dividends reinvested)

	2023	2022	3 years Cumulative	5 years Cumulative	10 years Cumulative
Return to shareholders[1,APM]	+26.6%	–9.9%	+53.3%	+128.1%	+308.4%
Return on net assets[2,APM]	+24.7%	–8.7%	+45.9%	+116.5%	+310.3%
Benchmark return[3]	+18.9%	–8.0%	+41.7%	+104.4%	+293.4%
Annualised return on net assets relative to the benchmark[3,4,APM]	+5.8%	–0.7%	+1.0%	+1.2%	+0.4%
Dividend	7.75p	7.25p			

[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 for periods greater than one year.
[APM] Alternative Performance Measures ('APM') as defined in the glossary of terms.

A glossary of terms and APMs is provided on pages 98 to 100.

Financial Highlights

Summary of results

	2023	2022	% change
Total returns for the year ended 31st December			
Return to shareholders[1,APM]	+26.6%	–9.9%	
Return on net assets – debt at fair value[2,APM]	+24.7%	–8.7%	
– debt at par value[2,APM]	+25.3%	–9.8%	
Benchmark return[1,3]	+18.9%	–8.0%	
Net asset value, share price, discount and market data at 31st December			
Net asset value per share – debt at fair value[4,APM]	861.5p	697.3p	23.5
– debt at par value[APM]	856.5p	690.3p	24.1
S&P 500 Index expressed in sterling (capital only)[5]	3,741.6	3,191.9	17.2
Share price	859.0p	685.0p	25.4
Share price premium/(discount) to net asset value per share:			
– with debt at fair value[APM]	(0.3)%	(1.7)%	
– with debt at par value[APM]	0.3%	(0.8)%	
Shareholders' funds (£'000)	1,563,999	1,304,083	19.9
Market capitalisation (£'000)	1,568,562	1,294,087	21.2
Exchange rate	1 £ = $ 1.2748	1 £ = $ 1.2029	–6.0
Shares in issue (excluding shares held in Treasury)	182,603,216	188,917,810	–3.3
Revenue for the year ended 31st December			
Net revenue attributable to shareholders (£'000)	14,212	14,200	0.1
Revenue return per share	7.73p	7.42p	4.2
Dividend per share	7.75p	7.25p	6.9
Gearing at 31st December[APM]	**2.8%**	**5.9%**	
Ongoing Charges Ratio[APM]	**0.38%**	**0.36%**	
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, with debt at fair value.
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.
APM Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 98 to 100.

Chair's Statement

Dr Kevin Carter
Chair

The performance of the US stock market exceeded most expectations in 2023, as the US Federal Reserve's aggressive monetary policy stance succeeded in driving inflation down, without thus far tipping the economy into the recession many feared. A handful of the market's largest stocks led the market higher, buoyed by optimism about the potential for Artificial Intelligence (AI) to generate growth and productivity increases. The Company's net asset value (NAV), with debt at fair value, increased by 24.7% on a total return basis in 2023 in sterling terms, ahead of its benchmark, the S&P 500, which increased by 18.9% on the same basis. During the year, the share price traded between a discount of 7.3% and a premium of 0.4% compared to NAV.

These very satisfying annual returns extend the Company's long-term track record of strong outright gains and benchmark outperformance. Since the Company changed its investment approach on 1st June 2019, it has outperformed the benchmark index by 18.9% in the subsequent 57 months through to the end of February 2024, providing a NAV total return to shareholders of 116.3% compared with a benchmark return of 97.3%. This is an annualised outperformance of 2.2 percentage points since the change in investment approach.

The Portfolio

At the end of the review period, 91.4% of your Company's total assets were invested in US large cap stocks, in a high conviction portfolio of some 40 stocks. This represents a carefully curated selection of the Manager's best growth and value investment ideas. The proportions of growth and value weightings can vary between 60% and 40% in either direction and stood at 54% in growth and 46% in value at the period end. The overall allocation to the small cap portfolio was approximately 6.5% at period end. The balance of the portfolio was invested in liquidity funds.

The Company's small cap allocation was invested in a portfolio of stocks that replicated the portfolio of the JPMorgan US Small Cap Growth Fund until November 2023. Thereafter, the strategy was changed from a growth focus to a more blended approach, which has resulted in a portfolio which is fairly evenly balanced between growth and value small cap stocks. The Board believes the new strategy is better aligned with the large cap strategy.

More details about performance attribution and portfolio activity during the year can be found in the Investment Manager's report on pages 11 to 20.

Gearing

The Company is able to deploy gearing which over time is expected to enhance performance provided the cost of the gearing is less than the performance of the Company's equity portfolio.

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 revolving credit facility (with an additional £20 million accordion) with Mizuho Bank Ltd. This is drawn in US Dollars to match the currency of the Company's asset base. Alongside this bank facility, the Company has in issue a combined US$100 million of unsecured loan notes issued via private placements, US$65 million of which is repayable in February 2031 and carries a fixed interest rate of 2.55% per annum. The remaining US$35 million of this private placement matures in October 2032 and carries a fixed interest rate of 2.32%.

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%. This tactical level of gearing remained unchanged throughout the year. The Company ended the year with gearing equivalent to 2.8% of net assets.

At the time of writing, the gearing level of the Company was 3.1%, calculated in line with the Association of Investment Companies ('AIC') methodology. The Board continues to review the appropriate gearing level on a regular basis.

Chair's Statement

Board Review of the Manager

As in prior years, the Board visited the Manager's offices in New York and held meetings with the portfolio managers and the analyst teams. The Board also 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. During the year, as an exception, the Board, accompanied by JPM's senior management team, also visited San Francisco. The purpose of the trip was to visit a few portfolio companies to understand the impact of AI on their businesses, how this is likely to evolve, and its implications for the wider economy.

As previously announced, Tim Parton retired as the portfolio manager of the growth team on 1st March 2024. I would like to thank Tim and wish him a happy and well-deserved retirement. The Company has been informed by the Manager that Jonathan Simon, the portfolio manager responsible for large cap value stocks, has given notice that he intends to retire in early 2025. Jonathan will continue with his existing responsibilities until his retirement and the Company will make an announcement regarding his successor in due course.

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. Taking all factors into account, the Board concluded that the ongoing appointment of the Manager is in the continuing interests of shareholders.

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% (2022: 0.36%). The increase this year is primarily attributable to the additional investment in sales and marketing efforts by the Company. 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.

Share Price and Premium/Discount

Throughout most of the year, the Company's shares traded at a discount to its NAV except for a brief period later in the year. Consistent with our statements made in previous years, and because share buy-backs at a discount to NAV enhance 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 6,314,594 shares were purchased into Treasury, at a cost of £45 million, representing 2.5% of the Company's issued share capital (excluding shares held in Treasury) at the beginning of 2023. The average discount to NAV at which these shares were purchased was 3.8%. Most of the shares were repurchased in the first half of the year, and the most recent buyback was in July. Since the year end, the shares have traded near to NAV and the Company has been able to issue 150,000 shares from Treasury at a premium to NAV.

The Company will again ask shareholders to approve the repurchase of up to 14.99% of its capital at a discount to estimated NAV 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

Whilst capital growth is the primary aim of the Company, the Board understands that dividend receipts can be an important element of shareholder returns. As such the Board has sought to enhance shareholder returns with a progressive dividend policy.

The Company paid an interim dividend in respect of the 2023 financial year (FY23) of 2.5p on 6th October 2023 (unchanged from the interim dividend paid in FY22). Subject to shareholder approval at the AGM, a final dividend of 5.25p will be paid on 31st May 2024 to shareholders on the register on 19th April 2024, making a total dividend of 7.75p per share for FY23. The Board is happy to report that this represents an increase of 6.9% on last year's total dividend of 7.25p per share.

After the payment of the proposed final dividend, the balance in the revenue reserves will be £22.0 million, equivalent to 12.0p per share (2022: 11.5p per share) or 1.6 times (2022: 1.6 times) the current dividend. The prudent approach of building up revenue reserves in prior years provides the Board with a means of supporting current and future dividend levels, should earnings per share drop materially in any financial year.

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 to continue its progressive dividend policy in the forthcoming year.

Environmental, Social and Governance ('ESG')

The Manager continues to enhance its ESG approach, which ensures it best captures the fundamental insights of the investment team. ESG factors are integrated fully into the Portfolio Manager's investment process, and more information can be found on page 22.

The Board

It has been my pleasure and honour to serve as a member of the Board over the past ten years, including seven years as its Chair. It is my intention, as previously communicated, to retire from the Board at the Annual General Meeting (AGM) to be held in May 2024.

In keeping with the Board's history of appointing Chairs from within its existing complement of directors to ensure continuity, I am delighted to announce that Robert Talbut will succeed me as Chair at the conclusion of the forthcoming AGM.

Sir Alan Collins retired from the Board in May 2023 and as previously reported, Ms Pui Kei Yuen was appointed as a Non-Executive Director of the Company with effect from 1st January 2023. Mr Colin Moore was appointed as a Non-Executive Director of the Company with effect from 1st February 2024. Colin has over 40 years' experience in the investment industry. His previous roles include Global Chief Investment Officer at Columbia Threadneedle, Chief Investment Officer of International Value at Putnam Investments and Chief Investment Officer at Rockefeller & Co. For both of these appointments, the Company engaged an independent search consultancy, Odgers Berndtson.

The results of this year's externally facilitated Board evaluation process by Lintstock confirmed that Directors possess the experience and attributes to support a recommendation to shareholders that, with the exception of myself, they seek appointment/re-appointment at the Company's forthcoming AGM. In line with the AIC Code of Corporate Governance, additional statements to support the re-appointment of each Director are included on pages 55 and 56.

Shareholder engagement

The Board believes that shareholder interactions are very helpful in assisting it with the management of the Company's affairs, and, as opportunities arise, Board members welcome and seek such meetings.

During the past year, the Manager also held meetings and regular calls with shareholders, including webinars, and provided portfolio and market updates on the Company's website. I am pleased to report that the Company was rated as the "Best Active Fund" in the US at the 2023 AJ Bell Investment Awards.

During the year, the Board also undertook an Asset Reunification Programme, conducted by the Company's registrar, which aimed to trace and reunite shareholders with unclaimed shares and dividends in the Company valued at c.£900,000. More details can be found on page 40.

Annual General Meeting

This year's AGM will be held on Thursday, 15th May 2024 at 2.30 p.m. at Trinity House, Tower Hill London EC3N 4DH. Apart from the formal business of the meeting, shareholders will have the opportunity to hear from our portfolio managers, Jonathan Simon and Felise Agranoff, who will make a presentation by video, to be followed by a question and answer session.

Shareholders are invited to attend the meeting and raise any questions they have, either at the meeting, or in advance, by writing to the Company Secretary at the address on page 40, or via email

Chair's Statement

to **invtrusts.cosec@jpmorgan.com**. As is normal practice for the Company, 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 94 to 97.

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 conferencing facilities. Details on how to register, together with access details, can be found on the Company's website: **www.jpmamerican.co.uk**. Shareholders viewing the meeting via conferencing software will not be able to vote in 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.

Stay Informed

The Company delivers email updates with regular news and views, as well as the latest performance. If you have not already signed up to receive these communications and you wish to do so, you can opt in via
https://web.gim.jpmorgan.com/emea_investment_trust_subscription/welcome?targetFund=JAM or by scanning the QR code on this page.

Outlook

It is encouraging to see inflation trending down and the US economy performing more strongly than expected, and seemingly likely on the glide path to a soft landing.

This bodes well for US equities in the year ahead, although there are, as ever, potential threats, especially on the geopolitical front. There is an unusually high degree of uncertainty about the implications of the US presidential election outcome later this year for both domestic US policy and for the nation's international relations.

However, the Board believes that the Company's Manager has already demonstrated its considerable skill in navigating the many unique challenges equity markets have faced over recent years, as evidenced by their performance track record.

The Board is confident that the investment process and deep resources of the Manager, in combination with the Company's investment structure and policy, continue to present shareholders with an attractive long term investment proposition.

Dr Kevin Carter
Chair

26th March 2024

Investment Manager's Report

Market Review

The year just past was a strong one for most equity markets, with the S&P 500 Index boasting a double-digit return of +26.2% in US dollars, and +19.2% in sterling. Despite a period of turbulence in February and March 2023, when a large west coast regional bank fell victim to the US Federal Reserve's (Fed) aggressive tightening cycle, raising fears of much broader financial sector instability, the market resumed its recovery from its 2022's lows. Declining inflation and the promise of lower interest rates were the primary market drivers, further supported by the new secular growth opportunity created by the arrival of accessible generative artificial intelligence (Gen AI) tools. The index performance was heavily dominated by the 'Magnificent 7' – Apple, Microsoft, Amazon, Alphabet, NVIDIA, Meta Platforms and Tesla – whose combined weight now comprises 28% of the S&P 500; these contributed a striking 83% of the index's performance for the year.

Jonathan Simon
Portfolio Manager

Felise Agranoff
Portfolio Manager

The US economy proved to be more resilient in the face of aggressive monetary tightening than many expected, as the much-anticipated full-scale US recession has yet to materialise. But, as in the late 1980s, the economy did experience rolling recessions across a range of industries, most notably housing, and a very significant and widespread inventory correction, as supply chains normalised following their pandemic-induced disruptions. The Fed's work on inflation seems to be done, as the CPI has retreated from a peak of 9.1% in June 2022 to 3.4% in December 2023, with further reductions in the pipeline and numerous deflationary influences emerging.

US corporate earnings have also been stronger than expected. Earnings forecasts for 2023 increased steadily over the course of the year as recession fears and elevated costs subsided. Technology spending has begun to reaccelerate after a period of optimisation and digestion, while significant government spending programs around clean energy and reshoring of strategic manufacturing have supported very strong capital spending by businesses.

The sharp rise in interest rates by the Fed created considerable challenges that were felt most acutely in parts of the regional banking sector, precipitating the dramatic failure of three banks – Silicon Valley Bank, First Republic and Signature Bank – in the early part of the year. Monetary tightening phases such as this one have a history of triggering high profile failures, from Long Term Capital Management in 1998, to Lehman Brothers, Bear Stearns and Washington Mutual in 2008. Interest rate pressure on regional banks, and banks in general, directly impacts their willingness to lend. Not surprisingly, bank lending surveys highlight that corporate lending standards have tightened meaningfully, and that lending by small banks, particularly lending for commercial real estate, is very constrained. Private credit funds have partially stepped in to fill that vacuum, but more for commercial and industrial business loans.

As mentioned previously, the stock market rebound was fuelled significantly by the 'Magnificent 7', whose average return for the year was 76%, nearly three times the return for the S&P 500. This resurgence in the mega cap tech stocks was partly triggered by the launch of ChatGPT, which showcased recent breakthroughs in generative AI. For the first time, individuals have direct access to the underlying large language model that can answer complex questions and solve problems. Companies across almost all industries have begun to invest in AI; there appears to be considerable risk in not doing so. The competitive disruption and the potentially favourable impact on productivity that AI will herald are very hard to estimate but could be quite substantial. Timing is also hard to assess.

It is no surprise given the dominance of AI that the best performing sectors for the S&P 500 in 2023 have been tech-driven, with information technology, communication services and consumer discretionary stocks all up more than 40%. Energy, which was the best performing sector in 2022, was one of the worst performers over the past year, registering a 1.3% decline due to the drop in oil prices and fears of an economic slowdown. Defensive stocks did not fare well either, with utilities suffering a 7% decline. Despite the turmoil in the banking sector, financials finished the period up 13%.

Investment Manager's Report

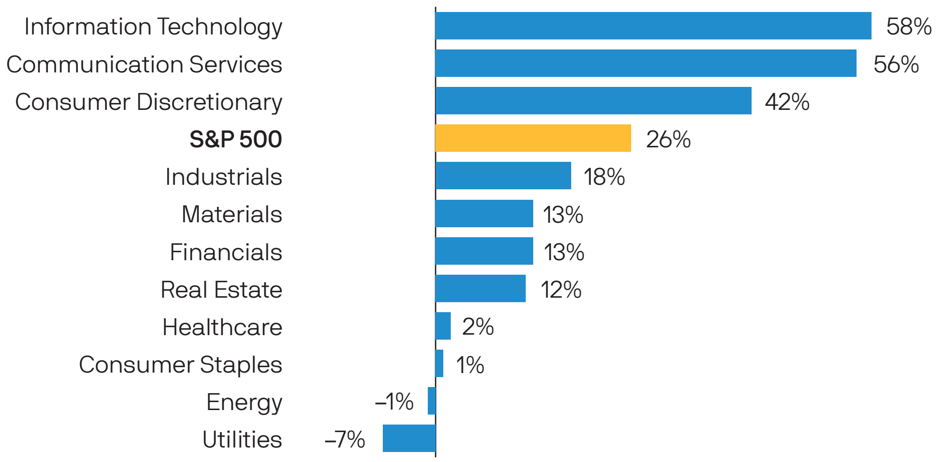
Large cap stocks, as represented by the S&P 500 Index, outperformed the small cap Russell 2000 Index, returning +26.1% compared to the 16.9% rise in small caps. In a reversal of 2022's outcome, Value names lagged Growth by a wide margin, as the Russell 3000 Value Index returned +11.7% while the Russell 3000 Growth Index returned +41.2%.

The following tables provide an overview of the returns of different investment styles in the US market during 2023, as well as the sector performance of the S&P 500.

2023 US Equities Style performance (US$)

2023	Value	Blend	Growth
Large	11.5%	26.3%	42.7%
Mid	12.7%	17.2%	25.9%
Small	14.6%	16.9%	18.7%

2023 S&P 500 Index performance (US$)

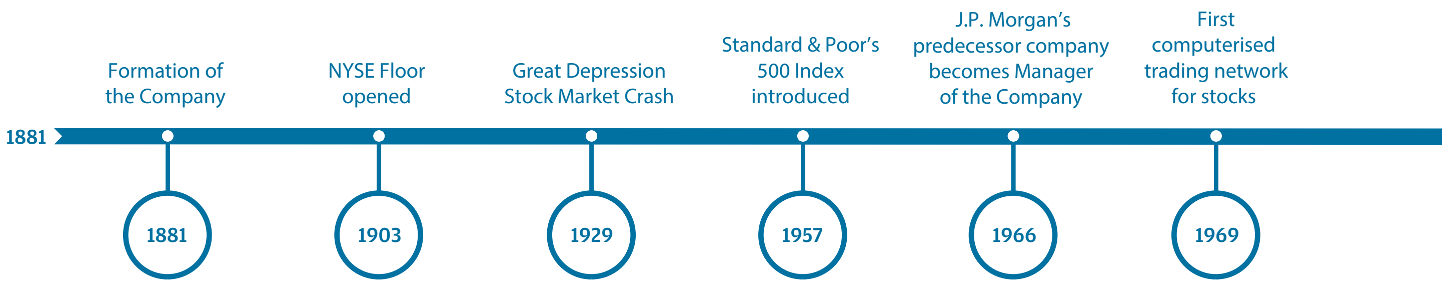


Source: FactSet, Russell Investment Group, Standard & Poor's, Wilshire, J.P. Morgan Asset Management. Data as of 31st December 2023. All calculations are cumulative total return, including dividends reinvested for the stated period. For all time periods, total return is based on Russell style indices with the exception of the large blend category, which is based on the S&P 500 Index. Past performance is not a reliable indicator for current and future performance.

Performance and Overall Asset Allocation

The Company's net asset value rose 24.7% on a total return basis in 2023, significantly outpacing the 18.9% return of the S&P 500 Index. This result means that 2023 was the fourth year out of the past five that the Company has delivered double digit returns.

The large cap portion of the portfolio, which at over 90% of the Company's assets is its biggest allocation, added the most value over the period. Gearing was also additive given the market's rally. The Company's small cap allocation, which averaged approximately 7% over the period, detracted from relative returns.



Investment Manager's Report

Performance attribution

For the year ended 31st December 2023

	%	%
Contributions to total returns		
Net asset value (debt at fair value) total return in sterling terms[APM]		**24.7**
Benchmark total return (in sterling terms)		18.9
Excess return		**5.8**
Combined Portfolio return in US dollar terms[1]	33.4	
Benchmark total return in US dollar terms	26.0	
Combined Portfolio relative return in US dollar terms	**7.4**	
Large & Small Cap Portfolio contribution[2]:		
Large Cap Portfolio in US dollar terms	8.4	
Small Cap Portfolio in US dollar terms	–1.0	
Combined Portfolio relative return in US dollar terms	**7.4**	
Contributions to return		
Equity portfolio (ex-cash and gearing) in US dollar terms	5.5	
Cash and gearing impact in US dollar terms[3]	1.9	
Combined Portfolio relative return in US dollar terms	**7.4**	
Effect of foreign currency translation[4]	–0.4	
Combined Portfolio relative return in sterling terms	**7.0**	**7.0**
Management fee and other expenses[5]		–0.4
Finance costs[5]		–0.4
Share buybacks[6]		0.1
Impact of fair valuation of debt[7]		–0.5
Total		**5.8**

Source: J.P. Morgan/Morningstar.

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

[1] The aggregated returns of both the Large Cap and Small Cap portfolios.

[2] The split of returns by portfolio, relative to the benchmark. This has been calculated using the average weighting of the Large Cap and Small Cap portfolios over the year.

[3] Cash and gearing – measures the impact on returns of the principle amount of borrowings or cash balances on the Company's relative performance.

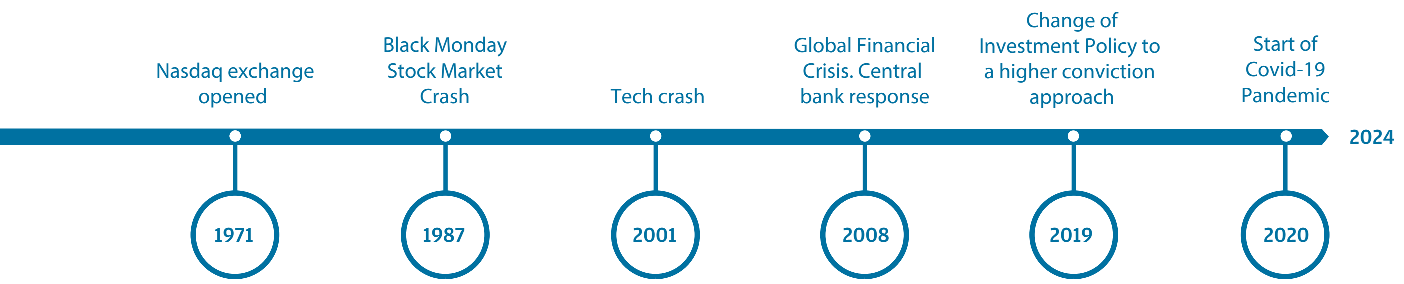
[4] Effect of foreign currency translation – measures the impact of currency exposure differences between the Company's portfolio and its benchmark.

[5] Management fee, other expenses and finance costs – the payment of fees, expenses and finance costs (interest paid on borrowings) reduces the level of total assets, and therefore has a negative effect on relative performance.

[6] Share buybacks – 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.

[7] The impact of fair valuation includes the effect of valuing the combined US$100m private placements at fair value.

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



Large Cap Portfolio

The decisive outperformance by the large company portion of the portfolio over the review period was mainly driven by good stock selection.

Strong stock-specific contributors included **NVIDIA**, the leading producer of graphics processing units (GPUs), a class of semiconductors originally developed for video gaming applications, but now predominantly deployed in large data centre applications. NVIDIA's share price rallied over 200% for the year, reflecting a sequence of huge positive earnings revisions. The highly computer-intensive workloads undertaken by the hyperscale cloud service providers (Amazon, Microsoft, Alphabet, etc.) require the much faster processing speeds offered by parallel-processing GPUs. This requirement is massively magnified when the application in question is the training of a large language model (LLM) for generative AI, and NVIDIA is almost the only provider of these applications.

Our overweight position in the semiconductor company **Advanced Micro Devices** proved beneficial. It is known for designing and developing computer processors and graphic technologies. The company reported strong performance throughout the year. Tailwinds from AI optimism and a positive guidance on the sales of AI chips for the next year, contributed to the rally.

Another top contributor was cyber security company **Palo Alto Networks**. The prevalence, scope and impact of cyber-attacks continues to rise, and digital security is now a top IT budget priority for all businesses and government agencies. Palo Alto offers the most comprehensive suite of solutions for larger private and public organisations. Another top contributor was online travel services provider **Booking Holdings**. This company reported record earnings throughout the year, surpassing 2019 levels as the post-COVID travel boom continued. Like many leading companies, Booking has emerged from the pandemic in a more favourable competitive position.

Portfolio holdings that detracted from returns during the year included multinational pharmaceuticals company **Bristol-Myers Squibb**, and financial services company **Bank of America**. Bristol-Myers is in transition from a reliance on more mature products to newly launched ones, and the performance of these new lines of business has lagged expectations. The stock's share price decline over the year reflects these setbacks. However, we have maintained our holding due to our ongoing confidence in the long-term outlook for this business and the stock's unassuming valuation. Bank of America's stock was impacted early in the year by the previously mentioned regional bank failures, but rallied quite strongly in the fourth quarter, to end the year essentially flat. We remain comfortable with our position in this leading financial institution.

Performance was also hindered by our exposure to **SolarEdge Technologies**. This company provides electrical inverters that convert DC power from solar panels to AC power for domestic and commercial use. The solar market corrected during the year due to regulatory changes in certain key US states, general economic weakness and intensifying competition in Europe. SolarEdge's failure to address these challenges meant that the company no longer qualified as a 'best idea' in the growth sleeve of the portfolio, and so was sold.

Large Cap Portfolio Stock Attribution

For the year ended 31st December 2023

Top Contributors	Relative weight (%)	Stock return (%)	Impact (%)
NVIDIA	0.4	239.0	1.4
Advanced Micro Devices	1.8	127.6	1.2
Palo Alto Networks	1.6	111.3	1.1
Booking Holdings	1.4	76.0	0.7
Martin Marietta Materials	1.9	48.6	0.6

Top Detractors	Relative weight (%)	Stock return (%)	Impact (%)
Bristol Myers Squibb	1.4	–26.2	–0.9
Bank of America	1.6	4.8	–0.7
Xcel Energy	–0.1	–11.6	–0.6
SolarEdge Technologies	0.0	–33.0	–0.6
Kinder Morgan	2.3	4.1	–0.6

Source: Wilshire. It is shown for illustrative purposes only and is not meant to be representative of actual results. 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.

Portfolio Activity

The market pullback in 2022 created some opportunities to acquire attractive, higher growth companies at more reasonable prices. As always, we remain very selective, only adding names with differentiated and compelling fundamentals. Over the past year we purchased eleven new names and exited the same number.

One important re-acquisition early in the year was **Meta Platforms**, the holding company for Facebook, Instagram, WhatsApp, Reels and the Oculus virtual reality product line. After a challenging period for growth and profitability, the company implemented measures to rein in capital expenditure and operating expenses. It has also deployed more AI tools to enhance advertising placement, support user protection and improve the on-line experience. To us, the company seems re-energised and growth has reaccelerated. Its valuation remains attractive and estimates are being revised higher as the recovery becomes more apparent. Meta has faced numerous headwinds in the last couple of years, including increasing competition from TikTok, the negative impact of Apple's IDFA (Identification for Advertisers) changes, a weaker than expected advertising environment, and concerns over its ambitions related to virtual reality and the 'metaverse'. Now many of those headwinds have eased and the company is able to play more offense.

Investment Manager's Report

The purchase of Meta was funded by the sale of **Zoom Video Communications**. Zoom provides one of the two main video communications platforms, along with Microsoft Teams, that became a must-have during the pandemic for a massively expanded customer base of home-based and hybrid workers.

Zoom's value proposition to enterprises is compelling, as video conferencing remains a very viable alternative to face-to-face meetings, and working from home remains popular amongst many workers. However, video conferencing has become another of the business applications that Microsoft is willing to bundle with its broader enterprise offering, at no additional cost. Especially in the small/medium business space, it is just very difficult for Zoom to compete with free.

We also introduced a position in **Intuit** to the portfolio in March, funded by exiting **Ingersoll Rand**. Intuit is the dominant provider of personal tax preparation software, via its TurboTax offering. It is also the default choice of small business accounting and other software packages, providing QuickBooks, QuickBooks Online and now Mailchimp, and runs a personal finance platform, Credit Karma. We believe the durability of QuickBooks's double digit revenue growth over the next few years is underestimated by the market. The company is well-positioned to benefit from the favourable tailwinds supporting small/medium sized businesses. We view Intuit as a very high-quality company with a relatively defensive business model, whose P/E valuation had corrected back to 2018 levels. Yet it is offering a potential 10% revenue growth and mid/high teens earnings growth.

We sold our position in **Ingersoll Rand**, a leading player in the compressor industry. Compressors are fundamental to most manufacturing and other industrial processes, and there is now a clear replacement cycle in favour of newer, more energy-efficient models. However, the disposal was motivated by some concerns, albeit so far unjustified, that the company might experience a cyclical slowdown and an inventory correction in its distribution channels.

We also purchased **Regency Centers**, a real estate investment trust that owns and operates retail shopping centres. We initiated our position in the stock due to its superior property portfolio and balance sheet strength. The company's tenants focus on necessity, service, convenience and value, to serve the essential needs of the communities in which it has locations. Most of its centres are in suburban areas with strong demographics and populations with above average income levels.

To accommodate Regency Centers, we exited **T-Mobile**, the US's number three wireless communications company, behind Verizon and AT&T. The company has increased its market share aggressively, but additional accelerated growth is likely to be harder to realise.

Within the energy sector, during the second half of the year, we bought **EOG Resources**, funded by the sale of **ConocoPhillips**. Both companies engage in the exploration, production and marketing of crude oil and natural gas. We view EOG as one of the best operators in this commodity business, with a highly differentiated culture of innovation, technology leadership, and a very sophisticated approach to capital allocation. With over ten years of inventory, we expect EOG Resources to make capital investments with high returns and low reinvestment risk. We now see a more attractive risk/reward opportunity in this name than in ConocoPhillips.

We also initiated a position in **Ross Stores**, an operator of discount retail apparel and home accessories stores. Ross sells an ever-changing selection of goods, substantially below department store prices, to a lower-income demographic. The post-COVID period has been particularly favourable for discount retailers, as they help other retailers clear excess inventory that flooded in once supply chains reopened. Department stores are losing market share over the long term as we believe they will continue to experience reduced sales growth and Ross has ample opportunity to continue to expand its store network, while deploying free cash flow to repurchase shares and further enhance earnings per share growth.

To fund the acquisition of Ross Stores, we sold our position in **DexCom**, a medical device company that provides continuous glucose monitors for use by diabetics, to help them manage their disease more precisely. The stock has been under pressure driven by the view, which we share, that new weight-loss drugs are likely to reduce the incidence of Type 2 diabetes – a welcome development, but one which will lower demand for DexCom's products.

In a related area of the healthcare sector, we established a position in **Eli Lilly**, funded by the sale of our holding in **Intuitive Surgical**. Eli Lilly is a major pharmaceutical company focused on diabetes, oncology, immunology and neuroscience. The company has recently emerged as a leader in the field of GLP-1 drugs, derived from compounds used to treat diabetes, which have shown dramatic results in the successful treatment of obesity and related diseases. These therapies must be administered indefinitely to be effective, creating very large and long-term market opportunities. The health benefits are, however, striking and the cost, while high, appears to be justified - this class of drugs may be one of the most significant healthcare innovations in decades. Intuitive Surgical is the dominant leader in robotic surgery systems. Despite reporting earnings in line with analysts' expectations, the stock has been under pressure due to the perceived impact of GLP-1s on bariatric, and potentially other, surgical procedures.

In the utility sector, we replaced **Xcel Energy** with NextEra Energy. **NextEra Energy** is the world's largest generator and supplier of clean, renewable energy: wind and solar. The company is expected to be one of the largest utility company beneficiaries of the Inflation Reduction Act, which offers substantial tax credits for clean energy investments. A long-time high-flyer, NextEra's stock suffered a substantial correction as higher interest rates and scarcer capital availability raised questions about the returns on large solar projects. This seemed to us to be a market over-reaction to a near-term and temporary setback for a sector with undisputed viability over the longer-term. Xcel Energy is also a large electricity utility, focused on central US markets, but it lacks NextEra's scale of growth opportunities and its technical expertise in renewables.

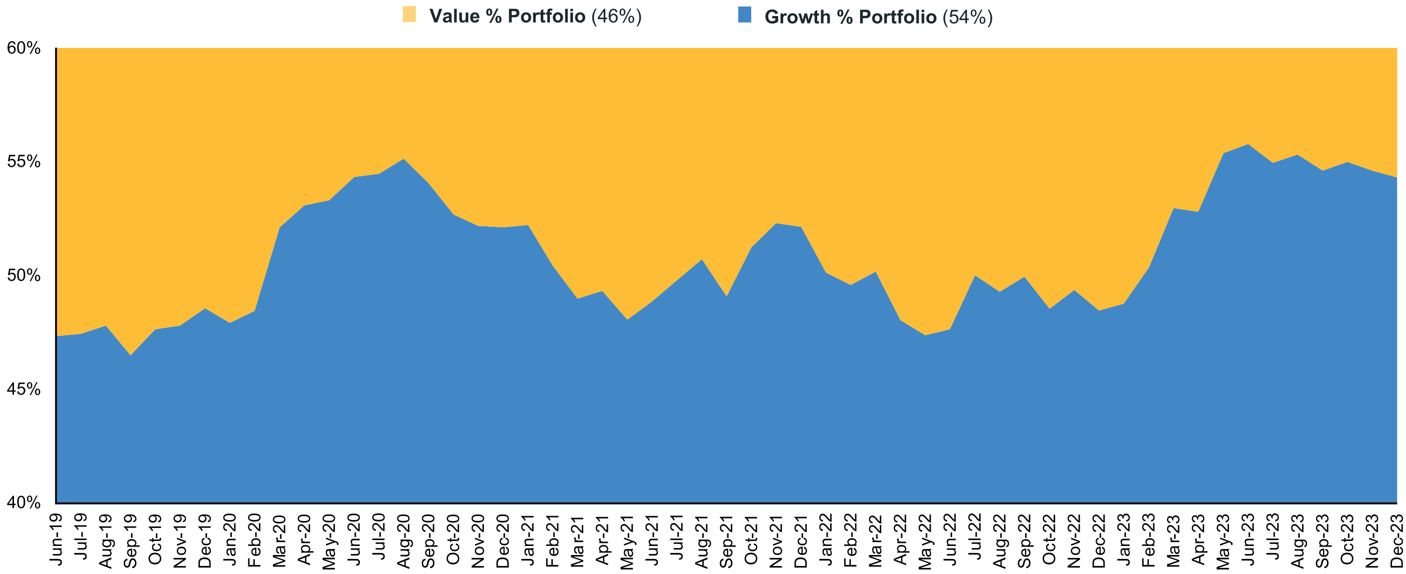
We also exited **Charter Communications** to fund the purchase of **United Parcel Service**. Like many cable companies, Charter has faced a slowly decaying base of home video customers (a phenomenon known as 'cord cutting'). Competition also seems to be increasing in the higher growth broadband-only market, with attractive new fixed and satellite-based wireless offerings in the market. We bought **United Parcel Service**, the leading logistics and package delivery company. We were attracted to the company on account of its strengthened management team and its focus on improving the quality and profitability of its revenue rather than concentrating purely on growing volumes.

One of the more recent portfolio adjustments has been the initiation of a position in **Broadcom**, funded by our exit from **Oracle**. Oracle provides software products and services that address many core corporate IT requirements. We purchased the stock earlier in 2023, on the view that companies with legacy Oracle solutions might find it convenient to stay with Oracle as they transitioned from site-based facilities to more efficient cloud-based services. However, the company has experienced some execution issues in the pace of that cloud migration and we question their ability to truly compete with very strong, established cloud competitors. We perceived a more attractive opportunity in Broadcom, a global manufacturer and supplier of certain key semiconductor categories, and also certain enterprise software tools. The key defining characteristics of Broadcom (formerly Avago Systems), have been best in class management, a very close partnership with customers, relentless cost control and very strategic and thoughtful capital allocation. We believe Broadcom has a sustainable franchise with very high market shares, and we are excited about the earnings accretion from the recent large acquisition of VMWare, a cloud service provider.

Investment Manager's Report

Value and growth exposure

The large cap portfolio is divided between value and growth stocks, with the allocation allowed to vary between 60:40 and 40:60. At the end of the review period, value stocks comprised some 46% of the large cap portfolio, and growth stocks were higher, with a 54% allocation. This is close to the current growth/value split of the S&P500 index.



Source: J.P. Morgan Asset Management. 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.

Portfolio Holdings

Large Cap Portfolio

As at 31st December 2023

Information Technology	Financials	Consumer Discretionary	Health Care	Communication Services	Real Estate	Industrials	Energy	Materials	Consumer Staples	Utilities
24.6% (-4.3%)*	**18.2% (5.2%)***	**13.4% (2.5%)***	**10.5% (-2.1%)***	**7.1% (-1.5%)***	**6.9% (4.4%)***	**6.6% (-2.2%)***	**5.0% (1.1%)***	**3.4% (1.0%)***	**2.5% (-3.7%)***	**1.9% (-0.5%)***
Apple	Bank of America	Booking Holdings	UnitedHealth Group	Alphabet	Public Storage	Trane Technologies	Kinder Morgan	Packaging Corp of America	Procter & Gamble	NextEra Energy
Microsoft	Capital One Financial	AutoZone	Eli Lily	Meta Platforms	Weyerhaeuser	J B Hunt Transport Services	EOG Resources	Martin Marietta Materials		
Advanced Micro Devices	Loews	Amazon.com	Regeneron Pharmaceuticals		Regency Centers	Quanta Services				
Broadcom	Berkshire Hathaway	Tesla	AbbVie			United Parcel Service				
NVIDIA	M&T Bank	Home Depot	Bristol Myers Squibb							
Lam Research	Mastercard	Ross Stores								
Intuit										
Palo Alto Networks										

Value
Growth

Source: J.P. Morgan Asset Management. *Relative weighting compared to S&P 500 Index. The companies above are shown for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell. 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.

The table below shows that the large cap portfolio at the year end was trading at a 29% discount to the market on a free cash flow basis, which confirms that we are not paying a premium for good cash flow. The portfolio is expected to deliver earnings growth of around 14% for the next 12 months, which is in line with the market, however, both of these figures are based on consensus earnings, which may need to be revised. It is comforting to have the valuation cushion provided by our holdings, relative to the market.

Characteristics	Large Cap Portfolio	S&P 500
Weighted Average Market Cap	US$564.8bn	US$588.9bn
Price/Earnings, 12-month forward[1]	16.7x	16.7x
Price/Free Cash Flow, last 12-months	12.2x	17.1x
EPS Growth, 12-month forward	13.9%	14.2%
Return on Equity, last 12-months	25.2%	24.5%
Predicted Beta	1.02	—
Predicted Tracking Error	2.32	—
Active Share	62%	—
Number of holdings	40	500

Source: FactSet, Barra, J.P. Morgan Asset Management. Data as of 31st December 2023.

[1] Including negatives.

Small Cap Portfolio

The small cap portfolio negatively impacted returns over the review period, as it underperformed the S&P 500. The overall allocation to the small cap portfolio was maintained at approximately 5.0% during the first six months of the year. As the small cap selloff intensified, the allocation was increased due to the attractive opportunities emerging in this space, and we ended the year with an allocation of 6.5%.

Small cap valuations now look very compelling relative to large caps and we have experienced a prolonged period of large cap stocks outperforming small cap stocks. It feels like the stage is starting to be set for a reversal, although timing is always hard to predict.

For more than 30 years, the Company's small cap allocation comprised small cap growth stocks. However, in the fourth quarter of 2023, we added a small cap value strategy to the small cap allocation, to bring the overall small cap allocation towards a more blended style. We believe this is a more complementary fit with the profile of the large cap portfolio.

Outlook

The US economy has so far held up better than many expected, and diminishing inflation pressures, combined with improved growth prospects have fuelled hopes of a soft landing. The unemployment rate has remained in a narrow range between 3.4% and 4.0% since December 2021, and could stay in this range in the year ahead.

However, the pace of job creation is likely to slow, so consumer spending could grow more slowly, especially as we expect banks to gradually tighten lending standards. However, while younger and lower income households are showing signs of increased financial stress, overall consumer financial conditions remain quite manageable, and with interest rates set to decline, we do not expect to see an outright decline in consumer spending.

Inflation should continue its steady downward trend. Last year, reported inflation was boosted by several factors, including its large housing component, which significantly lags actual house prices and rent levels. A restricted supply of new and used cars also contributed to inflation pressures, as did faster wage growth and a sustained resurgence in airline travel following the pandemic. However, all these trends are now abating, suggesting that inflation will continue to moderate in the year ahead.

Investment Manager's Report

Oil prices have fallen back within a more normal range of US$ 70-80 per barrel for West Texas Intermediate crude. Going forward, the combination of a sluggish global economy and increased output from the US and non-OPEC nations should more than offset any further reductions in OPEC and Russian output, holding oil prices in check.

This combination of factors – a soft landing, lower inflation, falling rates and relatively stable oil prices might appear to offer a 'Goldilocks' scenario for the stock market; not too hot and not too cold. The market's valuation certainly reflects a more optimistic consensus, although the headline number is boosted by some multiple expansion for the highflying Magnificent 7, with other areas of the market still offering attractive investment opportunities.

There are certainly many potential risks to a rosy outlook, including the US presidential election, the lagged impact of higher interest rates, an expanding fiscal deficit and very significant geopolitical tensions. But the market is often said to climb a wall of worry, and in the current instance such worries have resulted in the accumulation of vast amounts of cautious cash enjoying safe, but unexciting 5.0% money market returns. As money market returns begin to track the Fed fund rate lower, at least some of this cash is likely to be tempted back to the more compelling and rewarding opportunities on offer in US equity markets. Our portfolio should benefit accordingly.

Jonathan Simon
Felise Agranoff
Portfolio Managers

26th March 2024

Manager's Investment Process

Investing with conviction

> *"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 & Felise Agranoff, Co-Portfolio Managers*

Through its Manager, the Company aims to deliver its investment objective and provide 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 chooses the best value ideas, and Felise Agranoff, who targets the best growth ideas. Together, these value and growth stocks comprise the Large Cap portion of the portfolio, which represents 90% or more of the trust's assets.

There is also a Small Cap Blend allocation comprising up to 10% of the portfolio, which focuses on companies with market caps of around US$1 billion to 5 billion at the time of initial purchase. This allocation is a combination of our Small Cap Growth and Small Cap Value strategies; Small Cap Growth is managed by Eytan Shapiro, while Small Cap Value is managed by Larry Playford.

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 a variety of market conditions.

We believe that the Manager's 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.

The investment process employed by the Manager for both the Large and Small cap portions of the portfolio 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 considered at each stage of the investment process including research, company engagement and portfolio construction.

Large Cap Portfolio

Idea Generation

The main source of investment ideas is the Manager's team of US equity analysts. The Portfolio Managers benefit from the research efforts of a 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. The investment approach requires all members of the US Equity research team to be a sector specialist, ensuring depth of expertise across all market sectors. This commitment to internal research is the most distinctive element in the investment framework and serves as the primary driving force behind the value the Manager seeks to add.

Fundamental Research

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

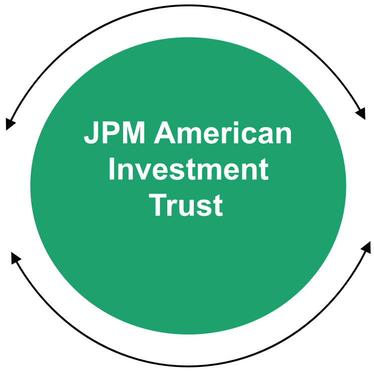
However, their approach to valuation differs. The value team is more sensitive to traditional valuation metrics, while the growth team places more emphasis on companies whose revenue growth potential is underappreciated by the market.

Manager's Investment Process

Below is an overview of some of the characteristics the two teams seek in investments:

Value Philosophy: Focus on durable franchises with strong cash flows

- Durable franchise
- Strong cash flows
- Undervalued companies



Growth: Focus on durable franchises with leading market share positions

- Large addressable markets
- Sustainable competitive advantages
- Strong management teams

ESG – Integrated Research

The analysts' ESG views on specific companies are the product of proprietary research and one-on-one engagements with companies. They also draw on data from external providers. These ESG views are one of multiple informational inputs into the investment process, alongside data on traditional financial factors, and so are not the sole driver of decision-making.

The research framework uses several internally developed processes to assess the financially material ESG risks and opportunities of any business. An ESG Checklist contains the same detailed 40 questions to more than 2,500 companies under coverage globally. This Checklist asks 12 questions specifically addressing environmental considerations, 14 on social factors and 14 on governance issues. Analysts across Equities and Fixed Income teams collaborate on the ESG Checklist, with questions about governance tailored to reflect the investment angles of each asset class. The checklist includes both negative and positive questions, and a severity assessment. This is not a 'pass/fail' exercise, but rather a tool to inform discussions between portfolio managers and fundamental analysts, and engagements with the companies they cover.

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?

The checklist, as described above, is one tool used to incorporate ESG issues in a meaningful and consistent way. In addition, Portfolio Managers and Research Analysts also draw on their own insights and company interactions, as well as other sources, including external providers. One such data source is the United Nations Global Compact, a set of 10 business principles which addresses the areas of human rights, labour, the environment, and anti-corruption. As the quality and availability of ESG data continues to improve, the Manager, will continue to adapt the process to take advantage of these data resources.

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 their exacting investment criteria.

Manager's Investment Process

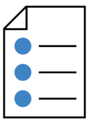
For the large cap portion of the portfolio, they operate within the investment policy and guidelines set by the Company (please refer to page 36.) Additionally, they look to manage the large cap portfolio using the following parameters:

- A concentrated portfolio typically comprising 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 500
- Capital allocation tilt: +/–10% between value and growth

Sell Discipline

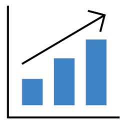
The portfolio managers employ a strict sell discipline based on the following principles:

Portfolio positions are reduced or eliminated when:



A change to the underlying fundamental thesis

Reduced confidence in the company's ability to execute



Stock price exceeds fair value expectations

Better investment opportunities are identified

Small Cap Portfolio

The Small Cap Blend allocation shares the same investment philosophy, and follows a similar investment process to the Large Cap Blend, but with a focus on companies further down the market cap scale. At the end of December 2023, the weighted average market cap in the large cap portfolio was US$565 billion and US$3.3 billion in the small cap portfolio.

The Strategy uses a bottom-up approach that seeks the best quality small cap growth and value ideas. While the baseline allocation between growth and value is a 50/50 split, with stock selection the primary driver of returns, the portfolio management team has the flexibility to tilt between styles (up to 70/30) to capitalise on opportunities presented during extreme market conditions.

The following diagram provides an overview of the characteristics the team seek in investments:

Value

We focus on characteristics associated with long-term shareholder value creation:

- **High Quality** (high return on capital, consistently generated)
- **Low Risk** (less earnings variation, strong balance sheet)
- **Attractive valuation** (relative to intrinsic value)

Flexible tilt between growth and value styles

Growth

We focus on high quality growth companies with underappreciated long term growth rates:

- **Large and/or growing addressable markets**
- **Sustainable competitive advantages**
- **Predictable earnings**
- **Strong management and execution**

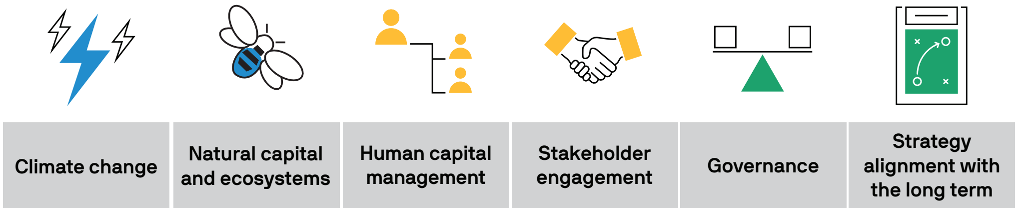
Manager's Investment Process

By balancing value and growth investments, across large and small cap companies, the resultant portfolio offers diversified exposure to the broad US market.

Company Engagement

Active engagement with companies has long been an integral part of the Manager's approach to investment. Engagement is used not only to understand how companies consider issues related to ESG, but also to try to influence their behaviour, encourage best practices, and to identify potential risks and opportunities.

Engagement driven by the JPMAM Investment Stewardship Team focuses on the six firm-wide priorities detailed below. Underlying each priority are specific themes which are typically topical issues within the industry and with our clients. These themes are reviewed on an annual basis.



Portfolio Managers and Research Analysts in the US Equity Group also directly drive engagement with companies, addressing a broad range of ESG issues as part of their bottom-up stock analysis and ongoing interaction with companies.

For the Company, the Investment Stewardship team, in conjunction with the Manager, conducted engagements across 58 companies in the year to 31st December 2023, specifically to discuss ESG issues. The companies engaged with represented 61.5% (by value) of the portfolio, with the engagements by sector and theme broken down as follows:

Environmental	Social	Governance
26 companies	38 companies	38 companies

Engagement by ESG Theme

- Climate Change 20.6%
- Natural Capital and Ecosystems 7.2%
- Social Stakeholder Management 15.6%
- Human Capital 18.9%
- Business Conduct 5.0%
- Governance 21.7%
- Executive Pay 11.1%

Proxy Voting

Alongside these direct engagements, JPMAM exercises the voting rights of shares held in client portfolios, where entrusted with this responsibility. The Manager seeks to vote in a prudent and diligent manner, based exclusively on its reasonable judgement of what will best serve the financial interests of its clients. JPMAM will aim to vote at all meetings called by the companies in which it is invested, unless there are any market restrictions or conflicts of interests.

In the US Equity Group, proxy voting is a collaboration between investors and the Investment Stewardship specialists in the Global Sustainable Investing Team. JPMAM examines the share structure and voting arrangements of the companies in which it invests, as well as the board's balance, oversight functions and remuneration policy. For full details, please see the J.P.Morgan Asset Management Corporate Governance Policy & Voting Guidelines, copies of which are available on request, or to download from JPMAM's website: https://am.jpmorgan.com/gb/en/asset-management/per/about-us/investment-stewardship/

Manager's Investment Process

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 2023 is detailed below.

Proxy Voting

JPMorgan American Investment Trust plc – Combined
1st January to 31st December 2023 130 meetings, 1,005 votable items

	For	Against	Abstain	Against/ Abstain Total	Total Items	% Against/ Abstain
Audit Related	39	0	0	0	39	0%
Capitalisation	3	0	0	0	3	0%
Company Articles	3	1	0	1	4	25%
Compensation	85	6	0	6	91	7%
Corporate Governance	2	2	0	2	4	50%
Director Elections	414	1	6	7	421	2%
Director Related	1	10	0	10	11	91%
E&S Blended	0	19	0	19	19	100%
Environmental	2	10	0	10	12	83%
Miscellaneous	0	1	0	1	1	100%
Non-Routine Business	1	0	0	0	1	0%
Social	9	33	0	33	42	79%
Takeover Related	4	0	0	0	4	0%
Total	**563**	**83**	**6**	**89**	**652**	

Task Force on Climate-related Financial Disclosures (TCFD)

JPMorgan Asset Management (UK) Limited ('JPMAMUK') is an asset manager, operating in the UK as part of J.P. Morgan Asset Management ('JPMAM'). JPMAM is the marketing name for the investment management businesses of JPMorgan Chase & Co. worldwide. As a global asset management group, JPMAM seeks to adopt a consistent approach in its strategy and management of client assets, including with respect to climate risks and opportunities. Accordingly, this UK addendum, is supplemental to and should be read together with JPMAM's Global Task Force for Climate Related Financial Disclosures Report (2023 TCFD Report).

Please refer to the below link for additional information:
https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/sustainable-investing/uk-tcfd-report.pdf

J.P. Morgan Asset Management 26th March 2024

Manager's Investment Process

Stock Examples

The following examples are intended to give shareholders an insight into how the analysts consider portfolio companies, and the investment rationale.

Kinder Morgan, Inc. (KMI)

Portfolio weight: 2.3%

Sector: Energy

Held since: May 2019

Stock overview

- Kinder Morgan is a midstream energy infrastructure company which owns and operates a network of pipelines and terminals. The company has interests in or operates approximate 82,000 miles of pipelines and 140 terminals.
- The pipelines predominately transport natural gas, gasoline, crude oil, and carbon dioxide.
- Kinder Morgan's terminals store and handle renewable fuels, petroleum products, chemicals, vegetable oils and other products.

Aga Zmigrodzka
US Equity Research
Energy/Infrastructure
Experience: 14 years

Investment thesis

- Kinder Morgan is one of the US's largest energy infrastructure companies and independent transporters of refined products.
- The contractual nature of natural gas pipeline and storage assets provides Kinder Morgan with a degree of earnings stability over the long-term. In the near term, the company may benefit from natural gas pipeline expansions in the Permian region as well as new connections to liquified natural gas (LNG) export terminals.
- The company recently forecast a rise in earnings for 2024. It expects to benefit from the strong fundamentals of natural gas markets, as well as expansion opportunities, including increased demand for renewables such as renewable natural gas (made from biogas from decomposing organic matter), and renewable diesel and diesel feedstocks (manufactured from soya and canola oil and other fats and oils).

ESG engagement

- Kinder Morgan is unusual among the larger US midstream companies in its lack of Scope 1 and 2 emissions targets (i.e respectively, emissions generated by assets owned or controlled by Kinder Morgan, and those generated by the company's activities, but not owned or controlled directly by it). We engaged with Kinder Morgan on this issue following the publication of its updated sustainability report in July 2023.
- As a result of this engagement, we now believe Kinder Morgan is more actively pursuing emissions reductions than first appearances suggested. The company explained that completing its Scope 1 and 2 emissions inventories was difficult. Now this data is available, the focus is on economical ways to reduce these emissions, which is a challenging task at scale. While Kinder Morgan has not set an official target, it has indicated that it expects to reduce its Scope 1 and 2 emissions by 30% by 2030 from the 2021 base year.
- We will continue to encourage the company to publicly discuss its emissions reduction efforts, and to announce official targets.

Manager's Investment Process

NVIDIA, Inc. (NVDA)

Portfolio weight: 3.4%

Sector: Information Technology

Held since: December 2022

Stock overview

- NVIDIA, a semiconductor company, is a leading producer of graphics processing units (GPUs), chipsets, and related multimedia software.
- NVIDIA sells its products into gaming, professional visualisation, data center, and automotive markets, as well as solutions for Artificial Intelligence (AI) and data science.

Investment thesis

- We have held a position in NVIDIA since 2022, and believe that the market does not fully appreciate how big NVIDIA's addressable market will be over the next five to ten years.
- NVIDIA's competitive position is strong and the company benefits from a number of barriers to entry, including their systems, software, and AI enablement.
- We expect the company to maintain a dominant share in GPU gaming and continue to increase its market share within the data-center segment.

Joe Wilson
US Equity Research
Technology
Experience: 19 years

ESG engagement

- Given the rise of AI and the concerns around computing demand, we engaged with the company about how they planned to meet the twin objectives of delivering more performance with lower energy consumption. NVIDIA stated that energy management is a key focus for their large customers and they track performance per wafer.
- NVIDIA technologies currently power 23 of the top 30 systems on the latest Green500 list. The Green500 is a ranking of supercomputers, from the TOP500 list of supercomputers, in terms of energy efficiency. The TOP500 is a project that has looked to track and detect trends in high-performance computing since 1993.
- NVIDIA also announced that they plan to purchase or generate enough renewable energy to match 100% of their global electricity usage for their offices and data centers by the end of January 2025.

Manager's Investment Process

Mastercard, Inc (MA)

Portfolio weight: 3.0%

Sector: Financials

Held since: May 2019

Larry Lee
US Equity Research
Financials/Business Services
Experience: 31 years

Stock overview

- Mastercard is a payment and technology company, which deals with the clearing, authorisation and settlement of payment transactions.
- It offers a wide range of payment solutions related to credit, debit, prepaid, and commercial cards used for domestic and cross-border transactions, including digital payments, real-time account-based payments, and payment system security.

Investment thesis

- We believe Mastercard has better growth opportunities than its peers, due to greater emerging market exposure, better management execution on cross border transactions, and more opportunities to increase margins.
- The company also benefits from network effects. It has more than 90 million acceptance locations around the world, comprising a network which would be very difficult to disrupt or replicate.
- Mastercard recently announced a 16% increase in its dividend and approved a new US$11 billion share buyback programme.

ESG engagement

- We have been engaging with Mastercard for several years on various issues, including its involvement in ongoing anti-competitive investigations and formal litigations around the world.
- Although the outcome of these investigations and court cases is uncertain, we do not anticipate any will have a material impact on the company.
- We believe the management team is very pro-active in addressing risks in areas such as financial inclusion, cybersecurity and industry fraud prevention.
- We do not think that any of these issues has the potential to significantly change the economics of the investment case for Mastercard, as the business model would be able to adapt. As such, we remain comfortable with these risks, although we will continue to monitor developments on these matters.

Manager's Investment Process

NextEra Energy, Inc (NEE)

Portfolio weight: 1.8%

Sector: Utilities

Held since: November 2023

Stock overview

- NextEra Energy is an electric power and energy infrastructure company.
- It generates, transmits and distributes electricity and invests in gas infrastructure assets.
- The company is the largest producer of wind and solar energy in the world, with 45,500 megawatts of net generating capacity.
- It has two principal businesses, Florida Power & Light which is one of the largest utilities in the US and NextEra Energy Resources, a portfolio of wind and solar power assets. Additionally, NextEra Energy Partners, LP (NEP) is a limited partnership formed by NextEra Energy.

Teresa Kim
US Equity Research
Utilities
Experience: 25 years

Investment thesis

- NextEra Energy is the largest electric utility in the US and we view it as best in class, with a strong balance sheet.
- The company has a dominant position in renewables and remains well ahead of its competition in the development of renewables, due to its well-established supply chain, knowledge of the market's economics as well as its large scale.
- The company could be one of the biggest beneficiaries of the Inflation Reduction Act and we believe it could allow the company to sustain a compound annual growth rate (CAGR) of 10-12% in earnings per share (EPS) until 2030, well above its stated long-term EPS CAGR of 6-8%.

ESG engagement

- We engaged with NextEra Energy on climate and political oversight.
- We discussed potential conflicts of interest within NEP with the company and were informed that the board spent two years considering the management team and governance policies at NEP during its formation, before it was comfortable that potential conflicts of interest would be mitigated. Measures to this end include the appointment of several independent directors to NEP's board, and the formation of a conflicts committee. We encouraged separate management teams at NEE and NEP.
- We asked if the higher rate interest environment threatened the company's year-old Real Zero plan, but the company confirmed it was intact. The big driver of the plan is converting natural gas generation to renewables at FPL. The company expects execution will change from technological development and they see green hydrogen as particularly promising. We continue to encourage disclosures that would demonstrate the company's lower emissions intensity compared with the electric utility industry, while monitoring developments at NEP.

J.P. Morgan Asset Management 26th March 2024

Portfolio Information

Ten largest equity investments

At 31st December

Company	Sector	Description	2023 £'000	2023 %[1]	2022 £'000	2022 %[1]
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.	118,626	7.4	78,344	5.7
Amazon.com	Consumer Discretionary	Amazon is a technology company focused on e-commerce, digital streaming and online advertising. It also operates a cloud computing platform to public and private sector clients globally.	81,647	5.1	42,841	3.1
Meta Platforms[2]	Communication Services	Meta Platforms is a multinational technology conglomerate which owns and operates Facebook, Instagram, Threads, and WhatsApp, among other products and services.	62,239	3.9	—	—
Apple	Information Technology	Apple designs, manufactures, and markets smartphones, personal computers, tablets, wearables, and accessories worldwide, alongside related software and services.	60,398	3.8	66,808	4.8
Loews	Financials	Loews is a diversified holding company engaged in a variety of sectors including insurance, energy, hospitality and packaging industries.	52,917	3.3	50,641	3.7
NVIDIA	Information Technology	NVIDIA designs, develops, and markets three dimensional (3D) graphics processors and related software. The company offers products that provides interactive 3D graphics to the mainstream personal computer market. It is also a leading supplier of hardware required for artificial intelligence (AI) and AI software.	52,228	3.3	17,916	1.3
Capital One Financial	Financials	Capital One Financial is a bank specialising in credit cards, auto loans, banking, and savings accounts.	48,870	3.1	40,276	2.9
Berkshire Hathaway	Financials	Berkshire Hathaway is a holding company owning subsidiaries engaged in numerous diverse business activities.	47,679	3.0	48,313	3.5
Mastercard	Financials	Mastercard is a technology company in the global payments industry that connects consumers and organisations worldwide, enabling them to use electronic forms of payment instead of cash and cheques.	47,365	3.0	44,846	3.2
Alphabet	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.	44,725	2.8	42,108	3.0
Total			**616,694**	**38.7**		

[1] Based on total investments of £1,608.3m (2022: £1,381.1m).

[2] Not included in the ten largest equity investments at 31st December 2022.

At 31st December 2022, the value of the ten largest equity investments amounted to £512.1 million representing 37.1% of total investments.

Portfolio Information

Investment activity

During the year ended 31st December 2023

	Value at 31st December 2022 £'000	Value at 31st December 2022 % of Total assets	Purchases £'000	Sales £'000	Change in value £'000	Value at 31st December 2023 £'000	Value at 31st December 2023 % of Total assets
Large Cap Portfolio	1,279,772	90.4%	539,192	(613,007)	296,164	1,502,121	91.4%
Small Cap Portfolio	101,337	7.1%	86,626	(87,596)	5,775	106,142	6.5%
Total investments	**1,381,109**	**97.5%**	**625,818**	**(700,603)**	**301,939**	**1,608,263**	**97.9%**[1]

[1] 2.1% remainder in 2023 (2022: 2.5%) consists of Net Current Assets. For further details please refer to the Statement of Financial Position on page 70.

Portfolio turnover, an indicator of portfolio activity during the year, was 44% (2022: 35%). 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 2023

Company	Valuation £'000	%[1]
Large Companies		
Microsoft	118,626	7.4
Amazon.com	81,647	5.1
Meta Platforms	62,239	3.9
Apple	60,398	3.8
Loews	52,917	3.3
NVIDIA	52,228	3.2
Capital One Financial	48,870	3.0
Berkshire Hathaway	47,679	3.0
Mastercard	47,365	2.9
Alphabet	44,725	2.8
M&T Bank	43,443	2.7
Regeneron Pharmaceuticals	42,901	2.7
Weyerhaeuser	42,066	2.6
EOG Resources	39,222	2.4
Procter & Gamble	36,959	2.3
AbbVie	36,183	2.2
Kinder Morgan	35,630	2.2
Advanced Micro Devices	35,481	2.2
Public Storage	34,664	2.2
Home Depot	34,080	2.1
UnitedHealth	33,647	2.1
Bank of America	32,717	2.0
Trane Technologies	30,551	1.9
Martin Marietta Materials	30,348	1.9
Intuit	29,977	1.9
NextEra Energy	27,998	1.7
Palo Alto Networks	27,913	1.7
Regency Centers	27,682	1.7
United Parcel Service	27,581	1.7
Booking	25,035	1.6
Bristol-Myers Squibb	24,345	1.5
Broadcom	24,150	1.5
Quanta Services	24,044	1.5
Packaging Corp. of America	20,969	1.3
Eli Lilly	20,749	1.3
Tesla	20,458	1.3
Lam Research	20,424	1.3
AutoZone	19,738	1.2
Ross Stores	19,524	1.2
JB Hunt Transport Services	16,950	1.1
	1,502,123	**93.4**

Company	Valuation £'000	%[1]
Small companies		
Applied Industrial Technologies	1,535	0.1
Independent Bank	1,272	0.1
Matador Resources	1,181	0.1
Comfort Systems USA	1,166	0.1
Super Micro Computer	1,144	0.1
Selective Insurance	1,115	0.1
Simpson Manufacturing	1,020	0.1
Cactus	954	0.1
Chord Energy	930	0.1
Evolent Health	903	0.1
Other small companies (224 holdings)	94,920	5.6
	106,140	**6.6**
Total Investments (274 holdings)	**1,608,263**	**100.0**

[1] Based on total value of investments.

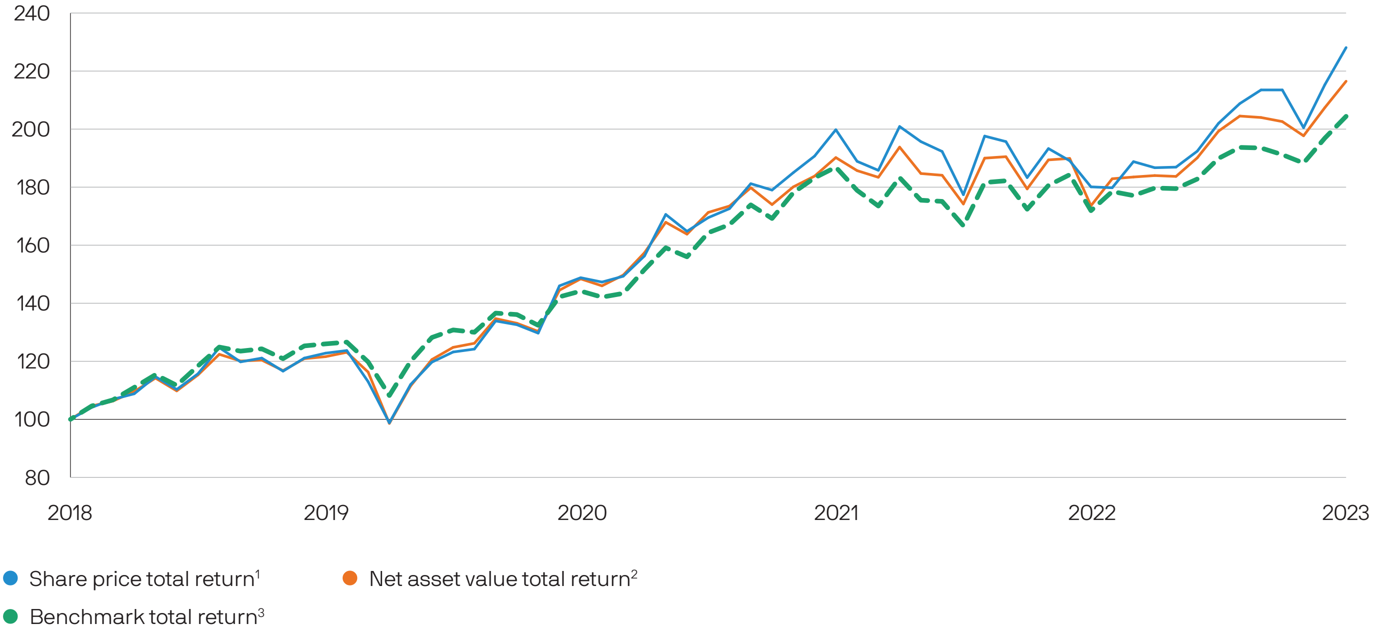
Large companies are generally defined as companies which have a market capitalisation of more than US$3 billion and small companies are generally defined as companies which, at the date of investment, have a market capitalisation of less than US$3 billion.

The full breakdown of the portfolio including all the small company holdings as at 31st December 2023 can be found on the Company's website.

Portfolio Information

Five Year Performance

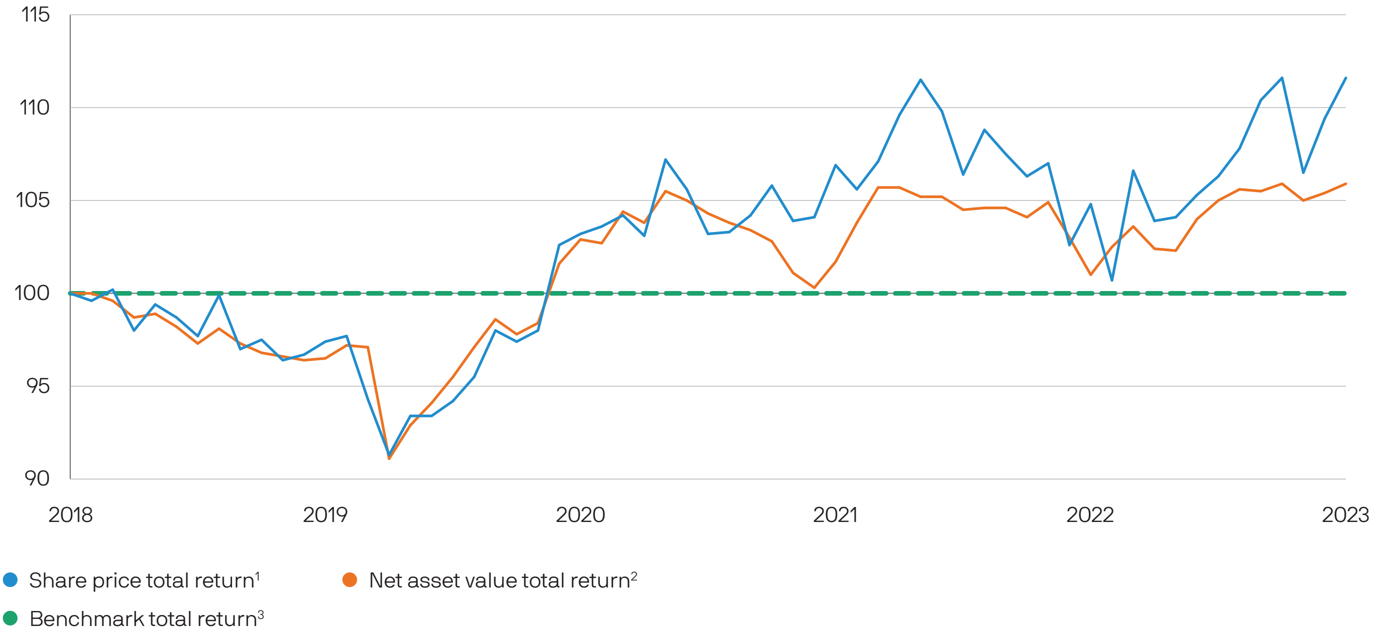
Figures have been rebased to 100 at 31st December 2018



[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 2018



[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 Track Record

Ten Year Record

At 31st December	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Shareholders' funds (£m)	642.2	804.2	816.7	985.2	980.4	919.2	1,056.8	1,211.5	1,496.1	1,304.1	1,564.0
Net asset value per share with debt at fair value (p)[1,2,APM]	236.6	283.1	293.4	379.3	423.6	420.7	504.8	607.6	771.1	697.3	861.5
Net asset value per share with debt at par value (p)[1,APM]	239.4	286.1	295.6	381.0	424.3	420.7	504.8	610.1	771.9	690.3	856.5
Share price (p)[1]	238.2	288.7	277.9	369.2	405.4	399.0	483.0	577.0	767.0	685.0	859.0
Share price premium/(discount) (%)[3,APM]	0.7	2.0	(5.3)	(2.7)	(4.3)	(5.2)	(4.3)	(5.0)	(0.5)	(1.7)	0.3
Gearing/(net cash) (%)[APM]	9.1	8.7	8.4	8.5	9.2	(1.0)	2.8	4.7	4.9	5.9	2.8
Exchange rate (£1=US$)	1.66	1.56	1.48	1.24	1.35	1.27	1.32	1.37	1.35	1.20	1.27
Year ended 31st December											
Revenue return per share (p)[1]	3.00	3.76	4.64	5.70	5.93	7.71	7.54	6.31	5.97	7.42	7.73
Dividend per share (p)[1]	2.70	3.25	4.00	5.00	5.50	6.50	6.50	6.75	7.00	7.25	7.75
Ongoing charges ratio (%)[APM]	0.63	0.62	0.62	0.62	0.55	0.38	0.18	0.34	0.38	0.36	0.38
Ongoing charges ratio (%) including any performance fee payable[4,APM]	0.66	0.64	0.62	0.62	0.55	0.38	0.18	0.34	0.38	0.36	0.38
Rebased to 100 at 31st December 2013											
Share price total return[5,APM]	100.0	122.6	119.6	161.3	179.4	179.0	219.9	266.4	357.8	322.5	408.4
Net asset value per share with debt at fair value – total return[6,APM]	100.0	120.9	126.9	166.5	188.3	189.5	230.4	281.2	360.3	328.9	410.3
Net asset value per share with debt at par value – total return[6,APM]	100.0	120.8	126.5	165.4	186.6	187.5	228.1	279.4	356.9	322.1	403.6
Benchmark total return[7]	100.0	120.4	128.7	171.3	190.1	192.5	242.6	277.6	359.8	331.0	393.4

[1] 2013-2014 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 US$100m private placement 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.

[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 98 to 100.

Movements in the Capital Base over the Year

	2023 £'000	2023 Percentage of opening net assets £'000	2022 £'000	2022 Percentage of opening net assets £'000
Net assets at start of year	**1,304,083**	**100.00%**	**1,496,120**	**100.00%**
Increase in net assets during the year from investing	304,899	23.38	(143,936)	(9.62)
Brokerage fees/commissions and other dealing charges	(264)	(0.02)	(247)	(0.02)
	1,608,718	123.36	1,351,937	90.36
Income received from investing – net of withholding tax	15,395	1.18	16,677	1.11
Interest received	1,654	0.13	612	0.04
Dividends paid to shareholders	(13,292)	(1.02)	(13,418)	(0.90)
Interest paid on borrowings	(3,133)	(0.24)	(3,258)	(0.22)
Net foreign currency gains/(losses) on cash and cash equivalents	(1,758)	(0.13)	2,598	0.17
Currency gains/(losses) on US$ loans	6,837	0.52	(10,917)	(0.73)
Management fee	(4,261)	(0.33)	(4,329)	(0.29)
Directors' fees	(228)	(0.02)	(205)	(0.01)
Other costs of the Company	(825)	(0.06)	(582)	(0.04)
Repurchase of shares into Treasury	(45,108)	(3.46)	(35,032)	(2.34)
Net assets at end of year	**1,563,999**	**119.93**	**1,304,083**	**87.15**

The table above illustrates the movements in the capital base of the Company, showing the returns generated from our investing activities and the effect of costs, dividends and buy-backs. By combining items found in the revenue statement and items charged to capital, we believe this analysis provides a clear summary of your Company's affairs over the course of the year.

Business Review

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 factors. 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 smaller capitalisation portfolio will normally range 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 or exceed a 2% active weight over the benchmark (whichever is larger) 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, custodian and depositary) and wider society. The Board believes the best interests of the Company are aligned with those of these key stakeholders as all parties wish to see and ultimately benefit from the Company achieving its investment objectives whilst carrying on business in compliance with the highest possible regulatory, legal, ethical and commercial standards.

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 36).
2. Reviewing the Manager's performance against the benchmark index and Key Performance Indicators (see page 38).
3. Using gearing where the expected benefits outweigh the costs and risks (see page 40).
4. Monitoring the share price premium or discount and the use of share issuances and buybacks (see page 40).
5. Setting the dividend policy and level of revenue reserves (see page 40).
6. Monitoring the principal and emerging risks (see page 42).
7. Appointing and monitoring other third party service providers, including the depository, registrar and broker.
8. Reviewing the Ongoing Charges Ratio (see page 6).
9. Ensuring compliance with governance codes and regulatory requirements (see page 24).
10. Overseeing the marketing and investor relations activities carried out by the Manager (see page 40).

Duty to Promote the Success of the Company

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 33 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 2023 are given in the Investment Manager's Report on page 13.

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

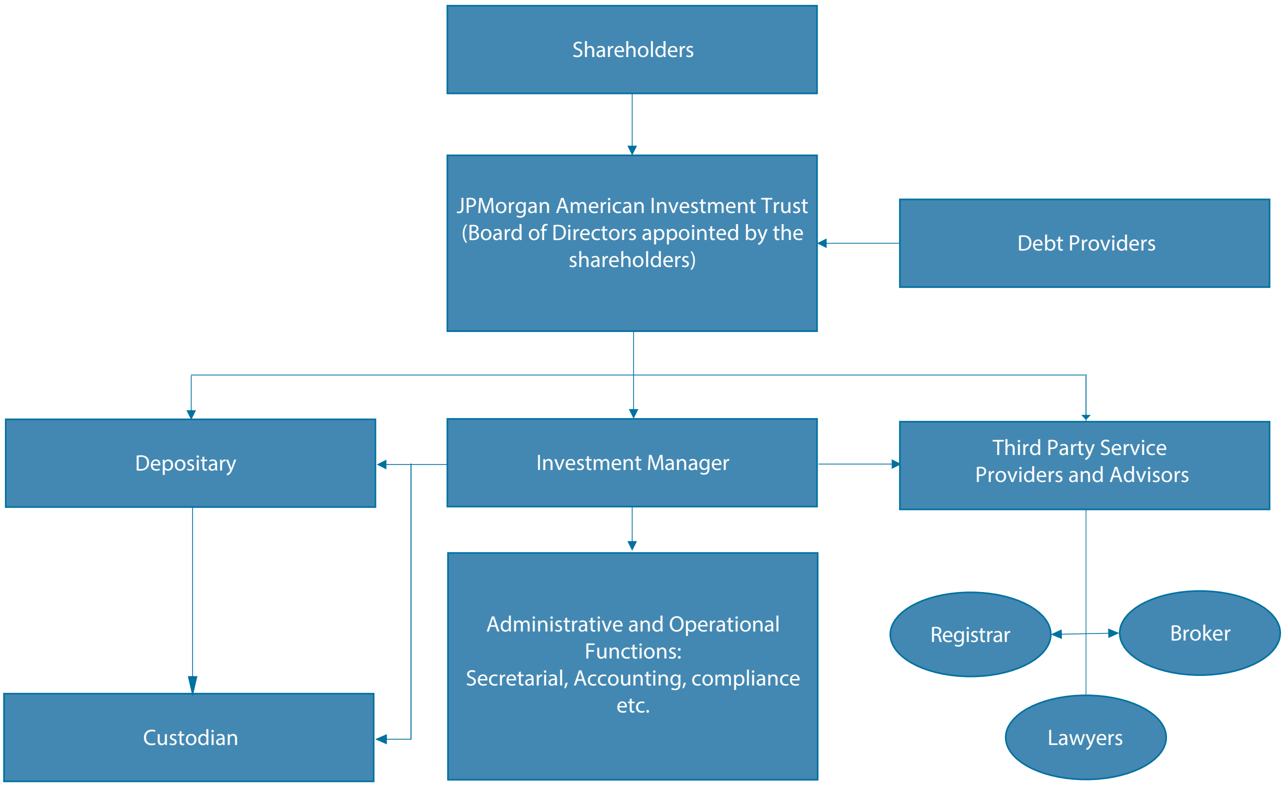
  The Board has adopted a share issuance and repurchase policy and is committed to buy-back shares when they stand at anything more than a small discount to enhance the NAV per share for remaining shareholders and to issue shares at a premium where the Board is confident of sustainable market demand. In the year to 31st December 2023, the shares traded between a discount of 7.3% and a premium of 0.4% (daily figures calculated with debt at fair value and including income). Please refer to the Chair's Statement on pages 7 to 10 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 19 for more information.

Stakeholder Engagement

Set out below are the key stakeholders of the Company and how the Board engages with them.



Duty to Promote the Success of the Company

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 105. The Annual General Meeting (AGM) provides the key forum for the Board and Manager to present to shareholders on the Company's performance. It also allows shareholders the opportunity to meet with the Board and Manager and raise any questions or concerns. A recording of the Manager's presentation is also available on the Company's website following the AGM.
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, in 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 providers which includes regular debt compliance reporting.
Other Third Party Service Providers and Advisors
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. Representatives of the service providers attend Board meetings, at the Board's request.

Duty to Promote the Success of the Company

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 and Portfolio Manager Succession

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; and encouraged the Manager to enhance its sales and marketing efforts amongst other things. A review of the Manager and its services was undertaken during the year. Post the review process, the Board re-appointed the Manager.

As previously announced, Mr Timothy Parton, one of the Company's Large Cap Portfolio Managers, retired on 1st March 2024 and Ms Felise Agranoff assumed sole responsibility for the growth stocks in the Large Cap Portfolio.

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 6,314,594 shares were purchased into Treasury, at a cost of £45 million, representing 3.29% of the Company's issued share capital (excluding shares held in Treasury) at the beginning of 2023, and at an average discount to NAV of 3.8%.

Gearing and Borrowings

As mentioned in the Chair's statement, the Company's gearing strategy is implemented through the use of a mixed debt structure which will ensure that there are adequate facilities in place overall to enable the Company's Portfolio Managers to operate 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 on page 36.

Small Cap Portfolio Allocation

During the year, the Board reviewed the small cap portfolio approach and after careful consideration determined that a combined approach of growth and value investment styles was more consistent with the investment approach pursued by its large cap portfolio managers. The Board decided to keep the maximum permitted allocation to smaller capitalised companies unchanged at 0-10% and to switch some of the growth exposure into value stocks. More information is provided in the Chair's statement on page 7.

Dividends Payable

The Board's decision to recommend a final dividend of 5.25p per share, providing a total of 7.75p per share to shareholders for the year to 31st December 2023 balances the Company's investment objective to provide capital growth with the value placed by some investors on the receipt of a dividend.

Asset Reunification Programme

During the year, the Board considered and approved an asset reunification programme conducted by the Company's registrar, which aimed to identify shareholders for which there were no current contact details.

As a result, a total of 11 shareholders (16% of the total untraced and 'gone away' shareholders) were identified, enabling them to access unclaimed dividends and shares valued at c.£900,000.

Change of Registrar

As part of the review of its key service providers, the Company, through its Manager, undertook a review of its registrar, which have been with the Company for a number of years. After a thorough request for proposals and due diligence process by the Manager, and after careful consideration, the Board has resolved to appoint Computershare as the Company's registrar as it believes this to be in the best interest of the shareholders. The Manager and the new registrar will ensure a smooth transition of the Company's shareholder register during the current year.

Duty to Promote the Success of the Company

Board Succession
Shareholder interests are best served by ensuring a smooth and orderly succession for the Board which serves to provide both continuity and refreshment whilst ensuring diversity of both background and experience. Details are provided in the Chair's statement regarding the retirement of Sir Alan Collins in May 2023 and appointments of Pui Kei Yuen on 1st January 2023 and Colin Moore on 1st February 2024.

Changes to UK sanctions law
The Economic Crime (Transparency and Enforcement) Bill 2022 introduced a strict civil liability regime in the UK for companies that breach sanctions legislation. A key implication is that any routine activities which involve making funds or economic resources available to persons that are (directly or indirectly) interested in the Company's shares – including the payment of dividends, repurchases or issuance of shares – may now place the Company at risk of breaching sanctions legislation even where the Company neither knew nor had reasonable cause to suspect this. During the year, in conjunction with the Company's registrars, and the Board has taken specific and practical steps to mitigate this risk including enhanced analysis of the shareholder register.

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

26th March 2024

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 could 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 until May 2023 and thereafter by Mr Robert Talbut, 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 Strategy and Resources		
Investment Process 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 through its investment policy and guidelines, which are monitored and reported on regularly by the Managers. The Board monitors the implementation and results of the investment process with the Portfolio Managers and reviews data which details the portfolio's risk profile. The Manager deploys the Company's gearing within a range set by the Board.
Loss of Investment Team or Investment Manager	The sudden departure of or failure to adequately replace one or both of the Senior Portfolio Managers or several members of the wider investment management team could result in a short term deterioration in investment performance.	The Manager has a depth of experienced investment resources and takes steps to reduce the likelihood of such an event by ensuring appropriate succession planning and the adoption of a team-based approach.
Technological Change and or Disruption	Changes in technology may disrupt the business of investee companies impacting their market value.	The Manager has extensive research resources focused on technology.
ESG Requirements From investors	The Company's policy on ESG and climate change may be out of line with investors' expectations.	The Board liaises closely with the Managers on this to understand the ESG integration process and shareholder expectations.
Performance		
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 and Manager monitor and review these market risks and their potential impact on the portfolio. This is a risk that investors take having invested into a single country fund
Share Price Relative to Net Asset Value	The shares trading on an excessive discount or premium to Net Asset Value can negatively impact shareholders.	The Board monitors the Company's premium/discount level and is committed to buy-back shares when they stand at anything more than a small discount, and also to issue shares at a premium where the Board is confident of sustainable market demand, to enhance the NAV per share for remaining shareholders.

Principal and Emerging Risks

Principal Risk	Description	Mitigating activities
Regulatory, Compliance & Operational		
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. The Company is dependent on third parties for the provision of all of its services and systems, especially those of the Manager, the Administrator and the Depositary.	The Board has received the cyber security policies for its key third party service providers and the Manager has assured the Directors that the Company benefits directly or indirectly from all elements of JPMorgan's Cyber Security programme. The Board keeps the services of the Manager and third-party suppliers under continuous review and receives regular control reports.
Accounting, Legal and Regulatory Compliance	In order to qualify as an investment trust, the Company must comply with Section 1158 of the Corporation Tax Act 2010 ('Section 1158').	The Section 1158 qualification criteria are continually monitored by the Manager and the results reported to the Board each month. In addition, the Board seeks to ensure compliance with all relevant regulation and legislation in the UK, Europe and the US and relies on the services of its Manager, and its professional advisers to monitor compliance with all relevant requirements.
Geopolitical, Macro and Other Exogenous Issues		
	There are numerous risks of this type. Below are some examples.	There is little direct control of this type of risk possible but it is important to monitor them.
Legislative and Regulatory Change	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.	The Board continues to monitor changes to the regulatory, legislative and taxation framework within which it operates, whether such changes were designed to affect it or not. In order to do this, the Board draws on the expertise and advice of its professional advisers, including the Manager.
Widespread Social and Economic Disruption	Recent examples of the Global Financial Crisis or the Covid-19 pandemic may have ended or abated but disruption may reoccur for several reasons.	The Board monitors the effectiveness and efficiency of service providers' disaster recovery processes through ongoing compliance and operational reporting.
Climate Change	Climate change has become one of the most critical issues confronting companies which could present a material risk to the value of investee companies.	The Manager's investment process integrates ESG factors including climate change into its approach to assess the potential impact on investee companies.
Geopolitical	There is an increasing risk to market stability and investment opportunities from geopolitical conflicts, such as between Russia and the Ukraine, China and Taiwan, China and the US, and the turmoil in the Middle East.	The Company addresses these global developments in regular questioning of the Manager and with external expertise and will continue to monitor these issues.

Principal and Emerging Risks

Principal Risk	Description	Mitigating activities
Geopolitical, Macro and Other Exogenous Issues		
Artificial Intelligence (AI)	Advances in computing power means that AI has become a powerful tool that will impact a huge range of areas and with a wide range of applications that include the potential to disrupt and even to harm.	The Board works with the Manager to monitor developments concerning AI as its use evolves and considers how it might threaten the Company's activities, which may, for example, include a heightened threat to cybersecurity.

Emerging Risk	Description	Mitigating activities
Threat to liberal democracies	There appears to be an increasing threat to a number of western democracies, including the US, as a result of the growing influence of populist, nationalistic politicians. In addition, there would appear to be a heightened threat to the orderly democratic process, which is particularly relevant given this year's US Presidential election.	The Board will monitor developments in this area carefully both in conjunction with the Manager and other external experts when appropriate, and consider how this risk might threaten the Company's activities.

Long Term Viability Statement

The Company has the objective of achieving capital growth from North American investments by outperforming its benchmark index, the S&P 500, and is constituted as an investment trust, which provides it with the ability to build up reserves which can be called upon in the future if required. The Company, which was founded in 1881, has been investing over many economic cycles and through some difficult market conditions. The Company's business model and strategy described on page 36 have helped to ensure its long-term success in this respect, and over the last ten years it has on average outperformed its benchmark.

Although past performance and a long track record are no guide to the future, the Directors have adopted a time horizon of five years over which to assess the Company's viability, which is regarded by many commentators as the minimum period over which to consider investing in equities.

In assessing the Company's viability, the Directors have considered the Company's prospects, principal and emerging risks, the outlook for the US economy, US equity markets and for investment trusts. The Directors also took into consideration the perceived resilience of the Company's business model and of the Company's key third party service providers. The Company's existing financing facilities, described in notes 13 and 14 on page 80, comprise a mix of fixed and floating rate debt of different tenors, drawn in US dollars. The private placements mature significantly beyond the period of the viability assessment. The Directors are satisfied that the Company has access to sufficient readily realisable assets should it be required to repay its revolving credit facility at short notice.

The Directors have considered three possible scenarios: a base case, which has then been stress tested through two more cautious scenarios. For each scenario, the principal risks specifically considered were investment, strategy and market risk, as described on pages 42 to 44. For the stress test scenarios, no assumptions have been included regarding mitigating actions that the Directors and the Manager could take, such as portfolio liquidations, reduced dividend payments and share buy-backs, and operating cost reductions. In addition, compliance with financing covenants was modelled and indicated headroom throughout the viability assessment period in all scenarios.

The base case, or first scenario, assumes a rise of US large caps of 7% p.a., in line with the manager's long term capital market assumptions, while cost inflation stabilises at 2.5%. The Company's debt levels are assumed to be 10% of opening assets. The robust case assumes four years of negative returns of between 10% and 20% p.a., while the final scenario replicated the returns experienced during 1929 – 1934, the worst period to date for the US market. In all scenarios, the Directors remain of the opinion that the Company remains a viable size.

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

For and on behalf of the Board

Dr Kevin Carter
Chair

26th March 2024

Governance

Image: United States Capitol building, Washington, US

Board of Directors

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

A Director since 2014.

Last re-appointed to the Board: 2023.

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

Connections with Manager: None. **Shared directorships with other Directors:** None.

Nadia Manzoor (Chair of Remuneration Committee and Senior Independent Director)

A Director since 2016.

Last re-appointed to the Board: 2023.

Ms Manzoor is the Founder and CEO of Bia, a tech platform combining AI with augmented reality to re-imagine mental health prevention. She also sits on the Investment Committee for BBC Children in Need. 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.

Connections with Manager: None. **Shared directorships with other Directors:** None.

Robert Talbut (Chair of Risk Committee)

A Director since 2017.

Last re-appointed to the Board: 2023.

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.

Connections with Manager: None. **Shared directorships with other Directors:** None.

Claire Binyon (Chair of the Audit Committee)

A Director since 2020.

Last re-appointed to the Board: 2023.

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 Murray International Trust PLC, IG Design Group Plc and NHBS Ltd. Ms Binyon is a Fellow of the Institute of Chartered Accountants in England and Wales and qualified as a chartered accountant with EY.

Connections with Manager: None. **Shared directorships with other Directors:** None.

Pui Kei Yuen

Appointed to the Board: 2023.

Ms Yuen has over 25 years' experience in equities. Her previous roles included UK institutional equity portfolio management and research at Mercury Asset Management, Pan European equity responsibilities at UBS and Bank of America Merrill Lynch advising large institutional investors and hedge funds, and more recently working with the Boards of earlier stage private companies. Ms Yuen is also a Non-Executive Director of European Assets Trust PLC.

Connections with Manager: None. **Shared directorships with other Directors:** None.

Colin Moore

Appointed to the Board: 2024.

Mr Moore has over 40 years' experience in the investment industry. His previous roles include his position as the Global Chief Investment Officer at Columbia Threadneedle and his role as the Chief Investment Officer of International Value at Putnam Investments and Chief Investment Officer at Rockefeller & Co. Mr Moore is based in the US.

Connections with Manager: None. **Shared directorships with other Directors:** None.

Directors' Report

The Directors present their Annual Report & Financial Statements for the year ended 31st December 2023.

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. 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.jpmamerican.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 page 91.

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.

The 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 USD Liquidity LVNAV Fund was not subject to a separate management fee and therefore not excluded from the calculation.

Directors

The Directors of the Company who held office at the end of the year, along with the latest Board appointment, are detailed on page 47. Details of Directors' beneficial shareholdings may be found in the Directors' Remuneration Report on pages 51 to 53.

All Directors, except Dr Kevin Carter who will be retiring at the forthcoming Annual General Meeting, will offer themselves for appointment/re-appointment. The Board is satisfied that all Directors remain independent from the Manager. The Nomination Committee, having considered their qualifications, performance and contribution to the Board and its committees, confirms that each Director is and continues to be effective and demonstrates commitment to the role. The Board recommends to shareholders that they be appointed/re-appointed.

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:

(a) so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies

Act 2006) of which the Company's Auditor is unaware; and

(b) each of the Directors has taken all the steps that 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

BDO LLP was appointed as Auditor to the Company with effect from 19th August 2022. BDO have expressed their willingness to continue in office as the Auditor and a resolution to appoint them and authorise the Directors to determine their remuneration for the ensuing year will be proposed at the forthcoming Annual General Meeting.

Total Return, Revenue and Dividends

As detailed on page 69, the gross total return for the year amounted to £329.1 million (2022: £132.0 million loss) and net total return after deducting finance costs, administrative expenses and taxation amounted to £318.3 million (2022: £143.6 million loss). Distributable income for the year totalled £14.2 million (2022: £14.2 million).

The Company paid an interim dividend of 2.5p per share on 6th October 2023. The Directors recommend a final dividend of 5.25p per share, payable on 31st May 2024 to shareholders on the register at the close of business on 19th April 2024. These distributions total £14.2 million (2022: £13.7 million). After payment of the final dividend, if approved, the revenue reserve will amount to £22.0 million (2022: £21.7 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 6,314,594 shares, into Treasury, for a total consideration of £45 million. Since the year end, the Company has not repurchased any shares and 150,000 shares have been issued from Treasury for total proceeds of £1.4 million.

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 25th March 2024 are given in note 16 to the Notice of Annual General Meeting on page 97.

Notifiable Interests in the Company's Voting Rights

The Board has been advised that the following shareholders owned 3% or more of the issued share capital of the Company as at 31st December 2023:

Shareholders	Number of voting rights as at 31st December 2023	% holding as at 31st December 2023
Quilter plc	33,981,613	18.61
RBC Brewin Dolphin	14,563,182	7.98
Rathbones	12,744,464	6.98
Interactive Investor*	10,901,911	5.97
Hargreaves Lansdown*	10,181,793	5.58
Charles Stanley	7,505,564	4.11
Craigs Investment Partners	6,596,145	3.61
Investec Wealth & Investment	5,963,571	3.27

* non-beneficial interests.

As at 28th February 2024, the following interests have been notified to the Company, as required under the Disclosure, Guidance and Transparency Rules.

Shareholders	Number of voting rights	% holding
Quilter plc	32,503,572	17.80

Directors' Report

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 15th May 2024 is given on pages 94 to 97. 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 18,275,322 new shares or sell shares held in Treasury for cash up to an aggregate nominal amount of £913,767 (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 94 to 97. This authority will expire at the conclusion of the Annual General Meeting of the Company in 2025 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 2023, 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 17th November 2024 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 27,394,707 shares representing approximately 14.99% of the Company's issued shares as at 25th March 2024 (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 94 to 97. 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.

(iii) Authority to hold general meetings (Resolution 14)

Proposed as a special resolution, the Directors seek shareholder approval to call a general meeting, other than an Annual General Meeting, on no less than 14 clear days' notice. The Company will only use the shorter notice period where it is merited by the purpose of the meeting.

(iv) Approval to amend the Articles of Association of the Company (Resolution 15)

The Directors seek approval to amend the Articles of Association of the Company to increase the aggregate annual director remuneration cap to £325,000. The proposed increase is consistent with market practice for similar companies of this size.

Recommendation

The Board considers that resolutions 1 to 15 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 50,521 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. Nadia Manzoor, 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

26th March 2024

Directors’ Remuneration Report

Introduction

The Board presents the Directors’ Remuneration Report for the year ended 31st December 2023 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 63 to 67.

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 2024 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 £53,500; Audit Committee Chair £44,000 and £36,500 for other Directors. The roles of Senior Independent Director and Chair of the Risk Committee both attract an additional fee of £3,000 and £3,000 respectively.

The role of the Chair of Remuneration Committee attracts an additional fee of £1,000.

From 1st January 2024 Director’s fees are being paid at the following rates: Chair £57,000, Chair of the Audit Committee £46,000, and other Directors £38,000. The Senior Independent Director will receive an additional fee of £3,000, the Chair of the Risk Committee an additional £3,000 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’s Articles of Association stipulate that aggregate fees must not exceed £285,000 per annum. Any increase in this amount requires both the Board’s and shareholders’ approval. The Board is seeking approval from shareholders at the forthcoming Annual General Meeting to increase the Directors’ aggregate annual remuneration cap to £325,000. The proposed increase is consistent with market practice for similar companies of this size.

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 55.

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 2022 and no changes are proposed for the year ending 31st December 2024.

At the Annual General Meeting held on 18th May 2023, 99.8% 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 0.02% voted against. Votes withheld were 44,804 and 68,903 respectively, the equivalent of less than 0.01% of votes cast.

Directors' Remuneration Report

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

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 2023 was £229,410. 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 Table (Audited)[1]

Directors' Name	2023 Fees £	2023 Taxable expenses[2] £	2023 Total £	2022 Fees £	2022 Taxable expenses[2] £	2022 Total £
Dr Kevin Carter	53,500	—	53,500	51,000	—	51,000
Claire Binyon	44,000	329	44,329	42,000	667	42,667
Sir Alan Collins[3]	16,611	265	16,876	41,500	—	41,500
Nadia Manzoor	38,973	—	38,973	35,000	683	35,683
Robert Talbut	38,354	757	39,111	35,000	730	35,730
Pui Kei Yuen[4]	36,500	121	36,621	—	—	—
Total	**227,938**	**1,472**	**229,410**	**204,500**	**2,080**	**206,580**

[1] 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 18th May 2023.
[4] Appointed on 1st January 2023.

Annual Percentage Change in Directors' Remuneration

The following table sets out the annual percentage change in Single Total Figure for Directors' fees for the year to 31st December 2023:

Directors' name	Percentage change for year to 31st December 2023	31st December 2022	31st December 2021
Dr Kevin Carter	4.9%	6.3%	9.1%
Claire Binyon[1]	3.9%	20.8%	2.6%
Sir Alan Collins[2]	N/A	9.2%	13.4%
Nadia Manzoor[3]	9.2%	8.1%	11.9%
Robert Talbut[4]	9.5%	8.3%	11.9%
Pui Kei Yuen[5]	N/A	N/A	N/A

[1] Appointed as Audit Committee Chair on 31st August 2021.
[2] Retired on 18th May 2023.
[3] Assumed the function of Senior Independent Director and Remuneration Committee Chair with effect from 18th May 2023.
[4] Assumed the Risk Committee Chair with effect from 18th May 2023.
[5] Appointed on 1st January 2023.

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 2023	2022
Remuneration paid to all Directors	£229,410	£206,580
Remuneration paid to Directors as a percentage of Shareholders' funds	0.01%	0.01%
Distributions to shareholders		
— by way of dividends paid	£13,292,000	£13,418,000
— by way of share repurchases	£45,108,000	£35,032,000

Remuneration for the Chair over the five years ended 31st December 2023

Year ended 31st December	Fees[1]
2023	£53,500
2022	£51,000
2021	£48,000
2020	£44,000
2019	£44,000

[1] Excluding taxable expenses.

Directors' Shareholdings (Audited)

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.

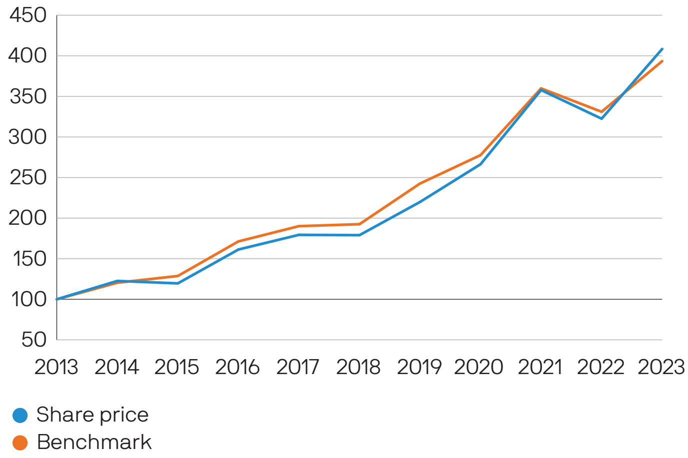
Ordinary	31st December 2023	1st January 2023
Dr Kevin Carter	35,000	35,000
Claire Binyon	2,496	2,475
Sir Alan Collins[1]	N/A	8,234
Nadia Manzoor	2,643	2,643
Robert Talbut	7,882	7,882
Pui Kei Yuen	2,500	—
Colin Moore[2]	N/A	N/A

[1] Retired from the Board on 18th May 2023.
[2] Appointed to the Board on 1st February 2024.

All of the holdings of the Directors are beneficial.

Ten Year Ordinary Share Price and Benchmark Total Returns to 31st December 2023

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.

For and on behalf of the Board
Nadia Manzoor
Remuneration Committee Chair

26th March 2024

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.

In January 2024, the Financial Reporting Council updated the UK Corporate Governance Code ('Code'). This new Code will apply to financial years beginning on or after 1st January 2025. The Company will consider the implications of this new Code when it becomes effective.

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 pages 56 and 57.

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 currently consists of six non-executive Directors and is chaired by Dr Kevin Carter. Following the Chair's planned retirement at the forthcoming AGM, the Board would revert to having five non-executive Directors. 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 47.

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 pages 55 and 56. At 31st December 2023, there were two male Directors and three female Directors on the Board, which was also in compliance with the Parker Review recommendations on diversity in the UK boardroom. Please refer to page 56 for more information on the workings of the Nomination Committee.

Listing Rule 9.8.6R (9) requires listed companies to include a statement in their annual reports and accounts in respect of certain targets on board diversity, or if those new targets have not been met to disclose the reasons for this. This requirement applies to accounting periods commencing on or after 1st April 2022 and therefore the Company has included the table below to report against these diversity targets. The table below shows the information as at 31st December 2023:

	Number of Board members	Percentage of Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)[2]	Number in executive management	Percentage of executive management
Gender					
Men	2	40	1	NA	NA
Women	3	60	2	NA	NA
Other Categories	0	0	0	NA	NA
Not specified/prefer not to say	NA	NA	NA	NA	NA
Ethnicity[1]					
White British (or any other white background)	3	60	2	NA	NA
Asian or Asian British	2	40	1	NA	NA

[1] Categorisation of ethnicity is stated in accordance with the Office of National Statistics classification.

[2] The position of Audit Chair has been included as a senior position in the Company as the Company does not have a CEO or CFO.

The information in the above table was provided by individual Directors in response to a request from the Company. The Company is pleased to report that it meets FCA's target on all the three categories below:

- at least 40% of the board should be women.
- at least one senior board position should be held by a woman.
- at least one member of the board should be from an ethnic minority background, excluding white ethnic groups (using ONS categories).

Tenure and terms of appointment

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 re-appointment. In accordance with corporate governance best practice, Directors continuing in office seek annual re-appointment and no Director, including the Chair, will normally seek re-appointment after having served for nine years on the Board unless there are exceptional circumstances for doing so.

As mentioned in the Chair's statement, the Chair will be retiring from the Board at the 2024 AGM and Mr Colin Moore was appointed to the Board with effect from 1st February 2024. 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.

Re-appointment of Directors

The Directors of the Company and their brief biographical details are set out on page 47. 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 re-appointment of Nadia Manzoor. She joined the Board in June 2016 and has served for seven years as a Director. 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 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 47 of the Report.

Resolution 6 concerns the re-appointment of Robert Talbut. He joined the Board in May 2017 and has served for six years as

Corporate Governance Statement

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 47 of the Report.

Resolution 7 concerns the re-appointment of Claire Binyon. She joined the Board in June 2020 and has served for four years, becoming Audit Committee Chair in September 2021. After qualifying as a chartered accountant and following an early career in corporate finance, she worked for global multinationals in the areas of corporate development and strategic planning. Her relevant experience also includes her non-executive directorships at Murray International Trust PLC and IG Design Group plc. Claire is a Fellow of the Institute of Chartered Accountants in England and Wales.

Resolution 8 concerns the re-appointment of Pui Kei Yuen. She joined the Board in January 2023. Ms Yuen has over 25 years' experience in equities in various roles including fund management, research and advising large institutional investors and hedge funds. Her relevant experience also includes her non-executive directorship at European Assets Trust PLC.

Resolution 9 concerns the appointment of Colin Moore. He joined the Board in February 2024 and has over 40 years' experience in the investment industry. His previous roles include his position as the Global Chief Investment Officer at Columbia Threadneedle and his role as the Chief Investment Officer of International Value at Putnam Investments and Chief Investment Officer at Rockefeller & Co.

For more details, please refer to page 47 of the Report.

The Board confirms that each of the Directors standing for appointment or re-appointment at the forthcoming Annual General Meeting continues to contribute effectively and recommends that shareholders vote in favour of their appointment/re-appointment.

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 47.

The table below details the number of formal Board and Committee meetings attended by each Director. There were 6 Board meetings held during the year, 2 Audit Committee meetings, 2 Risk Committee meetings and 1 Remuneration, Management Engagement and Nomination Committee meetings during the year.

Meetings attended during the year

Director	Board Meeting	Audit Committee Meeting	Risk Committee Meeting
Dr Kevin Carter	6	2	2
Claire Binyon	6	2	2
Sir Alan Collins[1]	3	1	1
Nadia Manzoor	6	2	2
Robert Talbut	6	2	2
Pui Kei Yuen	5	2	2
Colin Moore[2]	N/A	N/A	N/A

Director	Remuneration Committee Meeting	Management Engagement Committee Meeting	Nomination Committee Meeting
Dr Kevin Carter	1	1	1
Claire Binyon	1	1	1
Sir Alan Collins[1]	1	1	1
Nadia Manzoor	1	1	1
Robert Talbut	1	1	1
Pui Kei Yuen	1	1	1
Colin Moore[2]	N/A	N/A	N/A

[1] Retired from the Board on 18th May 2023.
[2] Appointed to the Board on 1st February 2024.

As well as the formal meetings detailed above, the Board meets and communicates frequently by email or video-conference to deal with day to day matters as they arise. During the year, the Directors also travelled to the United States to have 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.

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.

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.

Remuneration Committee

The Remuneration Committee, chaired by Sir Alan Collins until May 2023 and thereafter by Nadia Manzoor, 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 until May 2023 and thereafter by Robert Talbut, 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 pages 59 and 60.

Annual General Meeting ('AGM')

As mentioned in the Chair's statement, this year's Annual General Meeting will be held on 15th May 2024, at Trinity House, Tower Hill, London EC3N 4DH. Apart from the formal business of the meeting, the shareholders will have the opportunity to hear from our portfolio managers, Felise Agranoff 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 105, 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 95 to 97.

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 42 to 44). 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.

Corporate Governance Statement

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, and the Registrar;
- 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 2023, 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 any necessary actions has not been considered appropriate.

Employees, Social, Community, Environment and Human Rights Issues

The Company has a management contract with the Manager. 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. More details on this can be found on page 103.

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. More information can be found on page 103.

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.

The Board's policy is to offset the carbon emissions from any air travel it undertakes on Company business. The Manager arranges such travel for the Board, and has been offsetting 100% of air travel emissions from flights booked through its travel agency since 2008.

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. JPMAM's policy statements on corporate governance, voting policy and social and environmental issues has been reviewed and noted by the Board and can be found on page 104. Details on Environmental, Social and Governance considerations are included in the Manager's Investment Process on pages 21 to 24.

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

26th March 2024

Audit Committee Report

The Audit Committee consists of all Directors, and meets at least three times each year. The Chair of the Company is a member of the Committee, which benefits from his valuable contributions drawing on his extensive knowledge and experience. This is permitted under the AIC Code as he was deemed to be independent on appointment to the Board. 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 Report 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 re-appointment 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 2023, 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.
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.
Going Concern/Long Term Viability	The Committee has also reviewed the appropriateness of the adoption of the Going Concern basis in preparing the accounts. The Committee recommended to the Board 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 45 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, 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 from the ongoing conflicts between Ukraine and Russia and in the Middle East, and 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 2025, 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.

Audit Committee Report

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 disruption such as that caused by the pandemic.

In preparing the financial statements, the Directors have reviewed the Company's ability to continue operating as a going concern. This review took into consideration the principal and emerging risks described on pages 42 to 44, including the outlook for the US economy, US equity markets and for investment trusts.

The Directors have considered three possible scenarios, comprising a base case and two stress tests, which are described in the Viability Statement on page 45. In addition, they have considered a reverse stress test as described below.

The Company's investments, which are predominantly readily realisable, quoted securities, and its other assets, are expected to significantly exceed its liabilities under all three scenarios reviewed by the Board. The Company's financing facilities, described in notes 13 and 14 on page 80, comprise a mix of fixed and floating rate debt of different tenors, drawn in US dollars. The private placements mature significantly beyond the period of the going concern review. The Directors are satisfied that the Company has access to sufficient readily realisable assets should it be required to repay its revolving credit facility at short notice. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis and covenant compliance has been modelled as part of the going concern review with significant headroom anticipated throughout the period in all scenarios, with the exception of the most severe scenario.

In addition, a reverse stress test has been modelled to estimate by how much the US stock market would have to fall, in the absence of any mitigating actions, to trigger a covenant breach. This test was for illustrative purposes only and the scale of market declines implied from this would exceed those of the 1929 crash. This outcome is considered extremely unlikely as it does not include any assumptions surrounding mitigating actions, such as portfolio liquidations, reduced dividend payments and share buy-backs and operating cost reductions, that the Directors and the Manager could take should such a situation arise.

Furthermore, the Directors are satisfied that the Company's key third party service providers have in place appropriate business continuity plans to ensure their operational resilience and the performance of these service providers is reviewed at least annually by the Management Engagement Committee. Accordingly, the financial statements have been prepared on the going concern basis as it is the Directors' reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. The Company's longer-term viability is considered in the Viability Statement on page 45.

Auditor Appointment and Tenure

The Committee reviews the scope and results of the external audit, its effectiveness and cost effectiveness, the balance of audit and non-audit services and the independence and objectivity of the Auditor. In the Directors' opinion the Auditor is independent. The Committee also has primary responsibility for making recommendations to the Board on the reappointment and removal of the Auditor.

Representatives of the Company's auditor attend the Audit Committee meeting at which the draft annual report and financial statements are considered and they also attend the half-year audit committee meeting to present their audit plan for the current financial year's audit. As part of its review of the continuing appointment of the Auditor, the Audit Committee considered the length of tenure of the audit firm, its fee, its independence from JPMF and the Manager and any matters raised during the audit.

BDO LLP were appointed as the Auditor of the Company in August 2022. This is their second year auditing the Company. Chris Meyrick is the audit partner and has conducted the Company's 2023 audit. As the Company went through a formal tender process in 2022, based upon existing legislation, another tender process is not required until 2032. 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.

The Audit Committee reviews and approves any non-audit services provided by the independent Auditors and assesses the impact of any non-audit work on the ability of the Auditors to remain independent. No such work was undertaken during the year.

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 2023, 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 61.

Claire Binyon
Audit Committee Chair

26th March 2024

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.jpmamerican.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 47, confirms that, to the best of their knowledge:

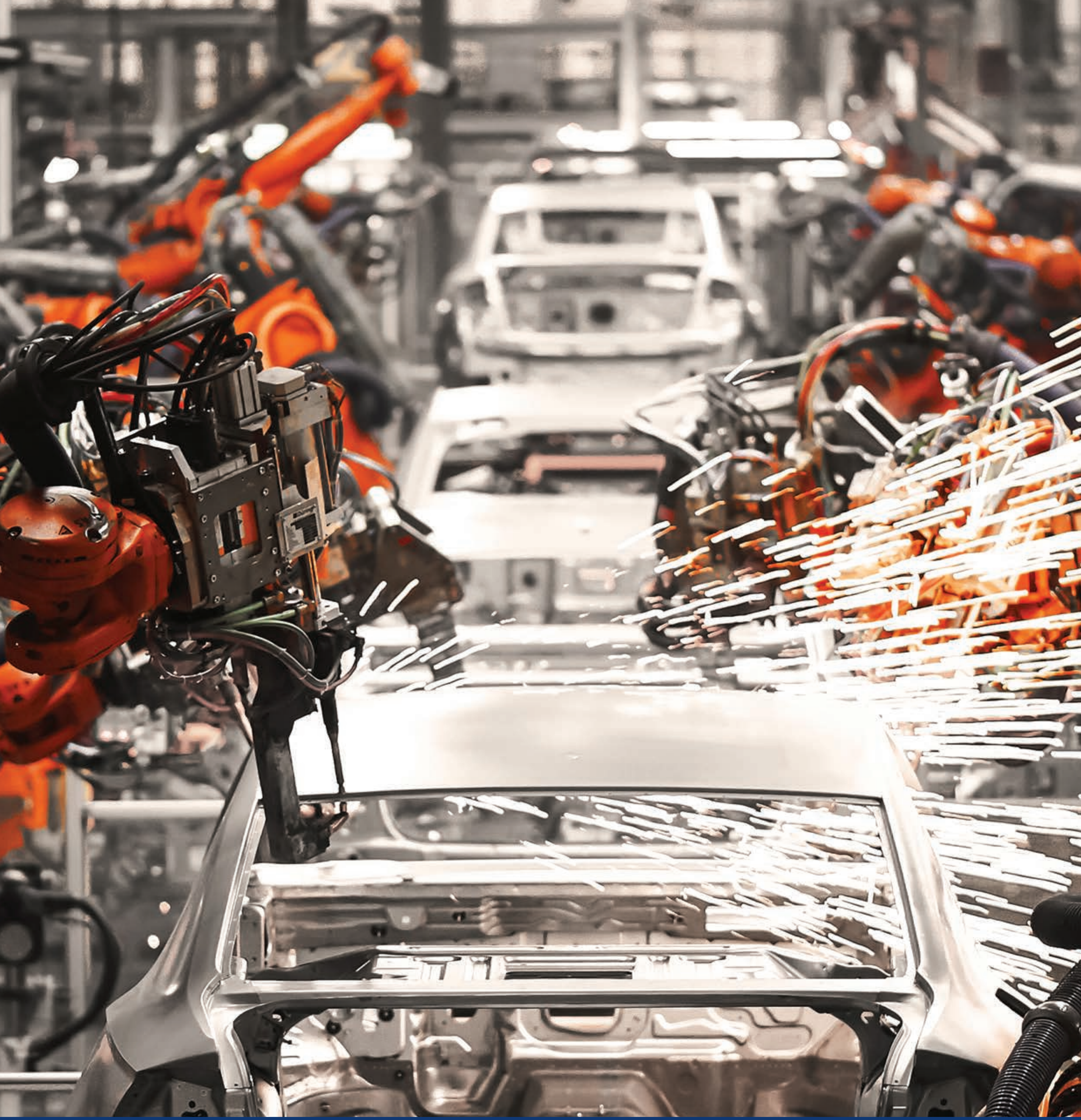
- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), give a true and fair view of the assets, liabilities, financial position and return or loss of the Company; and
- the 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

26th March 2024



Independent Auditor’s Report

Image: Automobile assembly line production

Independent Auditor's Report

Independent auditor's report to the members of JPMorgan American Investment Trust plc

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31st December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of JPMorgan American Investment Trust plc (the 'Company') for the year ended 31st December 2023 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

Following the recommendation of the audit committee, we were appointed by shareholders on 19th August 2022 to audit the financial statements for the year ending 31st December 2022 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is two years, covering the years ended 31st December 2022 to 31st December 2023. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

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:

- Evaluating the appropriateness of the Directors' method of assessing the going concern in light of economic and market conditions by reviewing the information used by the Directors in completing their assessment;
- Assessing the appropriateness of the Directors' assumptions and judgements made by comparing the prior year forecasted costs to the actual costs incurred to check that the projected costs are reasonable;
- Assessing the appropriateness of the Directors' assumptions and judgements made in their base case and stress tested forecasts including consideration of the available cash resources relative to forecast expenditure and commitments; and
- Challenging the Directors' assumptions and judgements made in their forecasts by performing an independent analysis of the liquidity of the portfolio.

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 Company's reporting on how it 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.

Overview

		2023	2022
Key audit matters	Valuation and ownership of listed investments	✔	✔
Materiality	Company financial statements as a whole: £15.6m (2022:£13.0m) based on 1% (2022: 1%) of Net assets		

Independent Auditor's Report

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

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, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters 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.

Key audit matter		How the scope of our audit addressed the key audit matter
Valuation and ownership of listed investments Notes 1 and 11 .	The investment portfolio at the year-end comprised of quoted equity investments held at fair value through profit or loss. We considered the valuation and ownership of investments to be a significant audit area as investments represent the most significant balance in the financial statements and underpins the principal activity of the entity. There is a risk that the bid price used as a proxy for fair value of investments held at the reporting date is inappropriate. Given the nature of the portfolio is such that it comprises solely of listed level 1 investments, we do not consider the use of bid price to be subject to significant estimation uncertainty. There is also a risk of error in the recording of investment holdings such that those recording do not appropriate reflect the property of the Company. For these reasons and the materiality to the financial statements as a whole, they are considered to be a key area of our overall audit strategy and allocation of our resources and hence a Key Audit Matter.	We responded to this matter by testing the valuation and ownership of the whole portfolio of quoted investments. We performed the following procedures: ● Confirmed the year-end bid price was used by agreeing to externally quoted prices; ● Assessed if there were contra indicators, such as liquidity considerations, to suggest bid price is not the most appropriate indication of fair value by considering the realisation period for individual holdings; ● Recalculated the valuation by multiplying the number of shares held per the statement obtained from the custodian by the valuation per share; and ● Obtained direct confirmation of the number of shares held per equity investment from the custodian regarding all investments held at the balance sheet date. ***Key observations:*** Based on our procedures performed we did not identify any matters to suggest the valuation or ownership of the listed equity investments was not appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

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

Independent Auditor's Report

	Company financial statements	
	2023 £m	**2022 £m**
Materiality	15.6	13.0
Basis for determining materiality	1% of net assets	
Rationale for the benchmark applied	As an investment trust, the net asset value is the key measure of performance for users of the financial statements.	
Performance materiality	11.7	9.7
Basis for determining performance materiality	75% of materiality	
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £156,000 (2022: £130,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

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

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 or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified; and • The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate.
Other Code provisions	• Directors' statement on fair, balanced and understandable; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and • The section describing the work of the Audit Committee.

Independent Auditor's Report

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: ● the information given in the Strategic report and 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 material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: ● adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or ● the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or ● certain disclosures of Directors' remuneration specified by law are not made; or ● we have not received all the information and explanations we require for our audit.

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.

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.

Extent to which the audit was 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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with the Investment Manager, Administrator and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be Companies Act 2006, the FCA listing and DTR rules, the

Independent Auditor's Report

principles of the AIC Code of Corporate Governance, industry practice represented by the AIC SORP, the applicable accounting framework, and qualification as an Investment Trust under UK tax legislation as any non-compliance of this would lead to the Company losing various deductions and exemptions from corporation tax.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of management and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- Reviewing minutes of meeting of those charged with governance throughout the period for instances of non-compliance with laws and regulations; and
- Reviewing the calculation in relation to Investment Trust compliance to check that the Company was meeting its requirements to retain their Investment Trust Status. This included a review of other qualitative factors and ensuring compliance with these.

Fraud

We assessed the susceptibility of the financial statement to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with the Investment Manager, the Administrator and those charged with governance regarding any known or suspected instances of fraud;
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the area most susceptible to be management override of controls.

Our procedures in respect of the above included:

- In addressing the risk of management override of control, we:
    - o Performed a review of estimates and judgements applied by management in the financial statements to assess their appropriateness and the existence of any systematic bias;
    - o Considered the opportunity and incentive to manipulate accounting entries and target tested relevant adjustments made in the period end financial reporting process;
    - o Reviewed for significant transactions outside the normal course of business; and

o Performed a review of unadjusted audit differences for indications of bias or deliberate misstatement.

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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 Meyrick (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

26th March 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial Statements

Image: A variety of cosmetics in a store

Statement of Comprehensive Income

For the year ended 31st December 2023

	Notes	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Gains/(losses) on investments held at fair value through profit or loss	3	—	304,636	304,636	—	(144,183)	(144,183)
Net foreign currency gains/(losses)		—	5,078	5,078	—	(8,319)	(8,319)
Income from investments	4	16,519	1,214	17,733	18,883	1,063	19,946
Interest receivable	4	1,654	—	1,654	612	—	612
Gross return/(loss)		**18,173**	**310,928**	**329,101**	**19,495**	**(151,439)**	**(131,944)**
Management fee	5	(852)	(3,409)	(4,261)	(866)	(3,463)	(4,329)
Other administrative expenses	6	(1,053)	—	(1,053)	(835)	48	(787)
Net return/(loss) before finance costs and taxation		**16,268**	**307,519**	**323,787**	**17,794**	**(154,854)**	**(137,060)**
Finance costs	7	(627)	(2,506)	(3,133)	(651)	(2,607)	(3,258)
Net return/(loss) before taxation		**15,641**	**305,013**	**320,654**	**17,143**	**(157,461)**	**(140,318)**
Taxation charge	8	(1,429)	(909)	(2,338)	(2,943)	(326)	(3,269)
Net return/(loss) after taxation		**14,212**	**304,104**	**318,316**	**14,200**	**(157,787)**	**(143,587)**
Return/(loss) per share	**9**	**7.73p**	**165.41p**	**173.14p**	**7.42p**	**(82.45)p**	**(75.03)p**

The dividends payable in respect of the year ended 31st December 2023 amount to 7.75p (2022: 7.25p) per share, costing £14,152,000 (2022: £13,746,000). Details of dividends paid and proposed are given in note 10 on page 78.

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/(loss) after taxation represents the profit/(loss) for the year and also the total comprehensive income.

The notes on pages 73 to 89 form an integral part of these financial statements.

Statement of Changes in Equity

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31st December 2021	**14,082**	**151,850**	**8,151**	**1,292,152**	**29,885**	**1,496,120**
Repurchase of shares into Treasury	—	—	—	(35,032)	—	(35,032)
Net (loss)/return	—	—	—	(157,787)	14,200	(143,587)
Dividends paid in the year (note 10)	—	—	—	—	(13,418)	(13,418)
At 31st December 2022	**14,082**	**151,850**	**8,151**	**1,099,333**	**30,667**	**1,304,083**
Repurchase of shares into Treasury	—	—	—	(45,108)	—	(45,108)
Net (loss)/return	—	—	—	304,104	14,212	318,316
Dividends paid in the year (note 10)	—	—	—	—	(13,292)	(13,292)
At 31st December 2023	**14,082**	**151,850**	**8,151**	**1,358,329**	**31,587**	**1,563,999**

The notes on pages 73 to 89 form an integral part of these financial statements.

Statement of Financial Position

At 31st December 2023

	Notes	2023 £'000	2022 £'000
Fixed assets			
Investments held at fair value through profit or loss	11	**1,608,263**	**1,381,109**
Current assets	12		
Debtors		789	938
Cash and cash equivalents		34,207	34,884
		34,996	35,822
Current liabilities			
Creditors: amounts falling due within one year	13	(1,121)	(30,083)
Net current assets		**33,875**	**5,739**
Total assets less current liabilities		**1,642,138**	**1,386,848**
Creditors: amounts falling due after more than one year	14	(78,139)	(82,765)
Net assets		**1,563,999**	**1,304,083**
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	1,358,329	1,099,333
Revenue reserve	16	31,587	30,667
Total shareholders' funds		**1,563,999**	**1,304,083**
Net asset value per share – debt at par	17	**856.5p**	**690.3p**

The financial statements on pages 69 to 72 were approved and authorised for issue by the Directors on 26th March 2024 and signed on their behalf by:

Claire Binyon
Director

The notes on pages 73 to 89 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 2023

	Notes	2023 £'000	2022[1] £'000
Cash flows from operating activities			
Net return/(loss) before finance costs and taxation		323,787	(137,060)
Adjustment for:			
Net (gains)/losses on investments held at fair value through profit or loss		(304,636)	144,183
Net foreign currency exchange (gains)/losses		(5,078)	8,319
Dividend income		(17,733)	(19,946)
Interest income		(1,654)	(612)
Realised foreign currency exchange losses on transactions		(756)	(1,022)
Realised foreign currency exchange (losses)/gains on JPMorgan USD Liquidity Fund		(596)	3,739
Increase in accrued income and other debtors		(14)	(29)
Increase/(decrease) in accrued expenses		214	(56)
Net cash outflow from operations before dividends and interest		**(6,466)**	**(2,484)**
Dividends received		14,423	16,413
Interest received		1,656	481
Overseas withholding tax recovered		1,182	167
Net cash inflow from operating activities		**10,795**	**14,577**
Purchases of investments		(625,714)	(496,876)
Sales of investments		703,254	540,264
Net cash inflow from investing activities		**77,540**	**43,388**
Dividends paid	10	(13,292)	(13,418)
Repurchase of shares into Treasury		(45,108)	(35,036)
Repayment of bank loan		(26,929)	(78,558)
Draw down of bank loan		—	78,596
Loan interest paid		(1,269)	(906)
Private placement interest paid		(2,007)	(1,995)
Net cash outflow from financing activities		**(88,605)**	**(51,317)**
(Decrease)/increase in cash and cash equivalents		**(270)**	**6,648**
Cash and cash equivalents at start of year		34,884	28,355
Foreign currency exchange movements		(407)	(119)
Cash and cash equivalents at end of year		**34,207**	**34,884**
Cash and cash equivalents consist of:			
Cash and short term deposits		280	1,079
Cash held in JPMorgan USD Liquidity Fund		33,927	33,805
Total		**34,207**	**34,884**

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

Analysis of change in net debt

Analysis of change in net debt

	As at 31st December 2022 £'000	Cash flows £'000	Other non-cash charges £'000	As at 31st December 2023 £'000
Cash and cash equivalents				
Cash and short term deposits	1,079	(799)	—	280
Cash held in JPMorgan USD Liquidity LVNAV Fund	33,805	529	(407)	33,927
	34,884	(270)	(407)	34,207
Borrowings				
Debt due within one year	(29,096)	26,929	2,167	—
Debt due after one year	(82,765)	—	4,626	(78,139)
	(111,861)	26,929	6,793	(78,139)
Net debt	**(76,977)**	**26,659**	**6,386**	**(43,932)**

Other non-cash charges relate to an amortisation adjustment on borrowings and foreign currency exchange gains/(losses).

The notes on pages 73 to 89 form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31st December 2023

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 July 2022.

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

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 ongoing conflicts between Ukraine and Russia and in the Middle East, and 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 2025, 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 disruption such as that caused by the pandemic.

Accordingly, the financial statements have been prepared on the going concern basis as it is the Directors' reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the 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 apply the provisions of Sections 11 and 12 of FRS 102 in respect of financial instruments.

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

Accordingly, upon initial recognition the investments are measured by the Company 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 through profit or loss, which are quoted bid prices for investments traded in active markets.

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

(c) Accounting for reserves

Capital reserve – realised gains and losses

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 recognised in capital reserves within 'Realised gains and losses'.

Capital reserve – investment holding gains and losses

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 recognised in capital reserves within 'Investment holding gains and losses'.

Notes to the Financial Statements

1. Accounting policies (continued)

(c) Accounting for reserves (continued)

Share premium

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

Capital redemption reserve

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

Revenue 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.

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. The Liquidity fund portfolio consists of short dated deposits and commercial paper, a maturity profile of less than three months and low volatility net asset value.

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.

A deferred tax asset has not been recognised in respect of surplus management expenses as the Company is unlikely to have sufficient future taxable revenue to offset against these.

(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. Significant 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.

Except for the functional and presentation currency as noted in note 1(j) above, the Directors do not believe that any other significant accounting judgements have been applied to this set of financial statements. The Directors do not consider there to be any sources of key estimation uncertainty.

Notes to the Financial Statements

3. (Losses)/gains on investments held at fair value through profit or loss

	2023 £'000	2022 £'000
Realised gains on sale of investments	123,176	75,665
Capital dividends from Real Estate Investment Trusts (REITs)[1]	2,709	1,194
Net change in unrealised gains/(losses) on investments	178,763	(221,031)
Other capital charges	(12)	(11)
Total capital gains/(losses) on investments held at fair value through profit or loss	**304,636**	**(144,183)**

[1] In 2022, the amounts were included with realised gains on sale of investments.

4. Income

	2023			2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income from investments:						
UK dividends	6	—	6	—	—	—
Overseas Dividends	15,862	—	15,862	16,126	—	16,126
Special dividends[1]	651	1,214	1,865	2,757	1,063	3,820
	16,519	**1,214**	**17,733**	**18,883**	**1,063**	**19,946**
Interest receivable and similar income						
Deposit interest	6	—	6	1	—	1
Interest from JPMorgan USD Liquidity LVNAV Fund	1,648	—	1,648	611	—	611
	1,654	—	1,654	612	—	612
Total income	**18,173**	**1,214**	**19,387**	**19,495**	**1,063**	**20,558**

[1] Includes REIT income that is classified as special dividends.

5. Management fee

	2023			2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fee	852	3,409	4,261	866	3,463	4,329

Details of the management fee are given in the Directors' Report on page 48.

6. Other administrative expenses

	2023 £'000	2022 £'000
Administration expenses	624	390
Auditor's remuneration for audit services[1]	56	44
Directors' fees[2]	228	205
Depository fees	145	148
	1,053	**787**

[1] Auditor's remuneration is shown excluding VAT and includes £7,000 (2022: nil) of additional fees paid to the auditor in respect of the audit for 2022.

[2] Full disclosure is given in the Directors' Remuneration Report on pages 51 to 53. Excludes taxable directors expenses which are included within administration expenses.

7. Finance costs

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Bank loan and overdraft interest	192	763	955	214	858	1,072
Private placement loan interest	416	1,669	2,085	409	1,637	2,046
Loan arrangement fees	19	74	93	28	112	140
	627	**2,506**	**3,133**	**651**	**2,607**	**3,258**

8. Taxation

(a) Analysis of tax charge for the year

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Overseas withholding tax	1,429	909	2,338	2,943	326	3,269
Total tax charge for the year	**1,429**	**909**	**2,338**	**2,943**	**326**	**3,269**

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

The tax charge for the year is lower (2022: higher) than the Company's applicable rate of corporation tax of 23.52% (2022: 19%) based on the respective tax rates applicable in the financial year.

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

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Net return/(loss) before taxation	15,641	305,013	320,654	17,143	(157,461)	(140,318)
Net return/(loss) on ordinary activities before taxation multiplied by the effective rate of corporation tax of 23.52% (2022: 19.00%)	3,679	71,739	75,418	3,257	(29,917)	(26,660)
Effects of:						
Non taxable UK dividends	(1)	—	(1)	—	—	—
Non taxable overseas dividends	(3,848)	—	(3,848)	(3,252)	—	(3,252)
Non taxable capital (gains)/losses	—	(72,208)	(72,208)	—	28,773	28,773
Tax attributable to expenses and finance costs charged to capital	(607)	607	—	—	—	—
Income taxed in different years	(69)	—	(69)	(2)	—	(2)
Overseas withholding tax	1,429	909	2,338	2,943	326	3,269
Unrelieved expenses	842	—	842	47	1,021	1,068
Double taxation relief expensed/(credited)	4	(138)	(134)	(50)	—	(50)
Disallowed interest and amount	—	—	—	—	123	123
Total tax charge for the year	**1,429**	**909**	**2,338**	**2,943**	**326**	**3,269**

Notes to the Financial Statements

8. Taxation (continued)

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £28,100,000 (2022: £26,477,000) based on a prospective corporation tax rate of 25% (2022: 25%). The March 2021 Budget announced an increase to the main rate of corporation tax to 25% from 1st April 2023. This increase in the standard rate of corporation tax was substantively enacted on 24th May 2021 and became effective from 2nd June 2021. The deferred tax asset has arisen due to £112,507,000 (2022: £105,910,000) of 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/(loss) per share

	2023 £'000	2022 £'000
Revenue return	14,212	14,200
Capital return/(loss)	304,104	(157,787)
Total return/(loss)	**318,316**	**(143,587)**
Weighted average number of shares in issue during the year	183,852,137	191,374,674
Revenue return per share	7.73p	7.42p
Capital return/(loss) per share	165.41p	(82.45)p
Total return/(loss) per share	**173.14p**	**(75.03)p**

The total return per share represents both basic and diluted return per share as the Company has no dilutive shares.

10. Dividends

(a) Dividends paid and proposed and declared

	2023 £'000	2022 £'000
Dividends paid		
2022 Final dividend of 4.75p (2021: 4.50p)	8,727	8,646
2023 Interim dividend of 2.50p (2022: 2.50p)	4,565	4,772
Total dividends paid in the year	**13,292**	**13,418**
Dividends declared		
2023 Final dividend of 5.25p (2022: 4.75p)	9,587	8,974

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

The dividend proposed in respect of the year ended 31st December 2022 amounted to £8,974,000. However, the amount paid amounted to £8,727,000 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 2023, will be reflected in the financial statements for the year ending 31st December 2024.

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

The requirements of Section 1158 are considered on the basis of dividends declared in respect of the financial year, shown below.

The revenue available for distribution by way of dividend for the year is £14,212,000 (2022: £14,200,000).

	2023 £'000	2022 £'000
2023 Interim dividend of 2.50p (2022: 2.50p)	4,565	4,772
2023 Final dividend of 5.25p (2022: 4.75p)	9,587	8,974
Total	**14,152**	**13,746**

The revenue reserve after payment of the final dividend will amount to £22,000,000 (2022: £21,693,000).

11. Investments

	2023 £'000	2022 £'000
Opening book cost	1,124,144	1,090,743
Opening investment holding gains	256,965	477,996
Opening valuation	1,381,109	1,568,739
Movements in the year:		
Purchases at cost	625,818	496,797
Sales proceeds	(703,312)	(540,255)
Gains/(losses) on investments	304,648	(144,172)
Closing valuation	**1,608,263**	**1,381,109**
Closing book cost	1,172,535	1,124,144
Closing investment holding gains	435,728	256,965
Total investments held at fair value through profit or loss	**1,608,263**	**1,381,109**

The Company received £703,312,000 (2022: £540,225,000) from investments sold in the year. The book cost of these investments when they were purchased was £577,427,000 (2022: £463,396,000). 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 £84,000 (2022: £77,000) and on sales during the year amounted to £84,000 (2022: £159,000). These costs comprise mainly brokerage commission.

12. Current assets

	2023 £'000	2022 £'000
Debtors		
Dividends and interest receivable	620	853
Overseas tax recoverable	21	—
Securities sold awaiting settlement	49	—
Other debtors	99	85
	789	**938**

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

Cash and cash equivalents

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

The carrying amount of these represents their fair value.

Notes to the Financial Statements

13. Current liabilities

	2023 £'000	2022 £'000
Creditors: amounts falling due within one year		
Bank Loan - Mizuho Bank	—	29,096
Bank Loan interest and fees payable	93	314
Private placement loan interest payable	597	562
Other creditors and accruals	327	111
Securities purchased awaiting settlement	104	—
	1,121	**30,083**

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

On 12th August 2022, a new £80 million three year revolving credit facility, expiring on 12th August 2025, (including an option to expand the facility by a further £20 million) with Mizuho Bank Ltd was arranged. The facility may be drawn down in Sterling or US dollars and has an interest rate of a margin plus a compounded reference rate based on Sterling Overnight Index Average (SONIA). In addition, there is a commitment fee payable of 0.343% per annum on the undrawn amount of the facility available. The facility is also subject to loan covenants. At the year end, the sterling equivalent of £nil was drawn down on the facility

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

	2023 £'000	2022 £'000
US$65 million 2.55% Private Placement Feb 2031	50,727	53,723
US$35 million 2.32% Private Placement Oct 2032	27,412	29,042
	78,139	**82,765**

The private placement of US$65 million fixed-rate 11 year unsecured 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.

The private placement of US$35 million fixed-rate 11 year unsecured notes issued on 7th October 2021 at a fixed annualised coupon of 2.32%, will mature on 7th October 2032, and pay interest semi-annually.

15. Called up share capital

	2023		2022	
	Number of shares	£'000	Number of shares	£'000
Authorised ordinary shares allotted and fully paid:				
Opening balance of Ordinary shares excluding shares held in Treasury	188,917,810	9,446	193,822,176	9,691
Repurchase of Ordinary shares into Treasury	(6,314,594)	(316)	(4,904,366)	(245)
Closing balance of Ordinary shares of 5p each excluding shares held in Treasury	182,603,216	9,130	188,917,810	9,446
Shares held in Treasury	99,030,694	4,952	92,716,100	4,636
Closing Balance of shares of 5p each including shares held in Treasury	**281,633,910**	**14,082**	**281,633,910**	**14,082**

During the year, 6,314,594 shares of 5p were repurchased from the market into Treasury at an average price of 714p per share, for a total net consideration of £ 45,108,000.

Further details of transactions in the Company's shares are given in the Strategic Report on page 49.

16. Capital and reserves

For the year ended 31st December 2023	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves[1] Gains and losses on sales of investments £'000	Capital reserves[1] Investment holding gains and losses £'000	Revenue reserve[1] £'000	Total £'000
Opening balance	14,082	151,850	8,151	848,024	251,309	30,667	1,304,083
Net foreign currency exchange loss on cash and cash equivalents	—	—	—	(1,759)	—	—	(1,759)
Realised gains on sale of investments	—	—	—	123,176	—	—	123,176
Net change in unrealised gains and (losses) on investments	—	—	—	—	178,763	—	178,763
Repurchase of shares into Treasury	—	—	—	(45,108)	—	—	(45,108)
Realised foreign currency exchange gains on repayment of loans	—	—	—	3,449	—	—	3,449
Unrealised gains on loans and private placements	—	—	—	—	3,388	—	3,388
Management fee and finance costs charged to capital	—	—	—	(5,915)	—	—	(5,915)
Other capital charges	—	—	—	(12)	—	—	(12)
Capital special dividend received	—	—	—	3,923	—	—	3,923
Withholding tax charged on capital special dividends	—	—	—	(909)	—	—	(909)
Retained revenue for the year	—	—	—	—	—	14,212	14,212
Dividends paid in the year	—	—	—	—	—	(13,292)	(13,292)
Closing balance	**14,082**	**151,850**	**8,151**	**924,869**	**433,460**	**31,587**	**1,563,999**

For the year ended 31st December 2022	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves[1] Gains and losses on sales of investments £'000	Capital reserves[1] Investment holding gains and losses £'000	Revenue reserve[1] £'000	Total £'000
Opening balance	14,082	151,850	8,151	810,329	481,823	29,885	1,496,120
Net foreign currency exchange gains on cash and cash equivalents	—	—	—	2,598	—	—	2,598
Realised gains on sale of investments	—	—	—	76,859	—	—	76,859
Net change in unrealised gains and (losses) on investments	—	—	—	—	(221,031)	—	(221,031)
Repurchase of shares into Treasury	—	—	—	(35,032)	—	—	(35,032)
Transfer of foreign currency exchange gains from prior periods on loans repaid	—	—	—	1,510	(1,510)	—	—
Realised foreign exchange currency losses on repayment of loans	—	—	—	(2,944)	—	—	(2,944)
Unrealised losses on loans and private placements	—	—	—	—	(7,973)	—	(7,973)
Management fee and finance costs charged to capital	—	—	—	(6,070)	—	—	(6,070)
Other capital credits	—	—	—	37	—	—	37
Capital special dividend received	—	—	—	1,063	—	—	1,063
Withholding tax charged on capital special dividends	—	—	—	(326)	—	—	(326)
Retained revenue for the year	—	—	—	—	—	14,200	14,200
Dividends paid in the year	—	—	—	—	—	(13,418)	(13,418)
Closing balance	**14,082**	**151,850**	**8,151**	**848,024**	**251,309**	**30,667**	**1,304,083**

[1] These reserves form the distributable reserves of the Company and may be used to fund distributions to investors in accordance with the Articles of Association of the Company. The Company normally uses the realised capital reserve to fund share buybacks and the revenue reserve for dividend distributions.

Notes to the Financial Statements

17. Net asset value per share

The net asset value per Ordinary share and the net asset value attributable to the Ordinary shares at the year end are set out below. These were calculated using 182,603,216 (2022: 188,917,810) Ordinary shares in issue at the year end (excluding Treasury shares).

	2023		2022	
	Net asset value attributable		Net asset value attributable	
	£'000	pence	£'000	pence
Net asset value - debt at par	**1,563,999**	**856.5**	**1,304,083**	**690.3**
Add: amortised cost of US$65 million 2.55% Private Placement Feb 2031	50,727	27.8	53,723	28.4
Less: fair value of US$65 million 2.55% Private Placement Feb 2031	(45,636)	(25.0)	(45,913)	(24.3)
Add: amortised cost of US$35 million 2.32% Private Placement Oct 2032	27,412	15.0	29,042	15.4
Less: fair value of US$35 million 2.32% Private Placement Oct 2032	(23,328)	(12.8)	(23,522)	(12.5)
Net asset value - debt at fair value	**1,573,174**	**861.5**	**1,317,413**	**697.3**

18. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2022: same).

19. Transactions with the Manager and related parties

Details of the management contract are set out in the Directors' Report on page 48. The management fee payable to the Manager for the year was £4,261,000 (2022: £4,329,000) of which £nil (2022: £nil) was outstanding at the year end.

Included in administration expenses in note 6 on page 76 are safe custody fees amounting to £15,000 (2022: £12,000) payable to JPMorgan Chase Bank N.A. of which £5,000 (2022: £2,000) was outstanding at the year end.

Handling charges on dealing transactions amounting to £12,000 (2022: £11,000) were payable to JPMorgan Chase Bank N.A during the year of which £5,000 (2022: £3,000) was outstanding at the year end.

The Company also holds cash in the JPMorgan USD Liquidity LVNAV Fund, which is managed by JPMF. At the year end this was valued at £33.9 million (2022: £33.8 million). Income amounting to £1,648,000 (2022: £611,000) was receivable during the year of which £nil (2022: £131,000) was outstanding at the year end.

At the year end, total cash of £280,000 (2022: £1,079,000) was held with JPMorgan Chase Bank N.A.. The net amount of interest of £6,000 (2022: £1,000) was receivable by the Company during the year from JPMorgan Chase of which £nil (2022: £nil) was outstanding at the year end.

Full details of Directors' remuneration can be found on page 51 and in note 6 on page 76.

20. 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 73.

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

	2023		2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	1,608,263	—	1,381,109	—
Total	**1,608,263**	**—**	**1,381,109**	**—**

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

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

As an investment trust, the Company invests in equities and other securities for the long term so as to secure its investment objective stated on the 'Key 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 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; and
- private placement unsecured notes and the revolving credit facility, the purpose of which is to finance the Company's operations.

(a) Market risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and other price risk. Information to enable an evaluation of the nature and extent of these three elements of market risk is given in parts (i) and (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 quarterly 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. The Manager may use forward currency contracts to mitigate currency risk in respect of any material long-dated non-dollar gearing it may draw down. Throughout the year, there was none.

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.

Notes to the Financial Statements

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

(a) Market risk (continued)

(i) Currency risk (continued)

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.

	2023		2022	
	US Dollar £'000	Total £'000	US Dollar £'000	Total £'000
Current assets: Cash and debtors	34,858	34,858	34,655	34,655
Current liabilities (excluding bank loans and private placements)	(794)	(794)	(876)	(876)
Bank loan and private placements	(78,139)	(78,139)	(111,861)	(111,861)
Foreign currency exposure on net monetary items	(44,075)	(44,075)	(78,082)	(78,082)
Investments held at fair value through profit or loss	1,608,263	1,608,263	1,381,109	1,381,109
Total net foreign currency exposure	**1,564,188**	**1,564,188**	**1,303,027**	**1,303,027**

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% (2022: 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.

	2023		2022	
	If sterling strengthens by 10% £'000	If sterling weakens by 10% £'000	If sterling strengthens by 10% £'000	If sterling weakens by 10% £'000
Statement of Comprehensive Income				
Revenue return after taxation	(1,817)	1,817	(1,950)	1,950
Capital return after taxation	(156,419)	156,419	(130,303)	130,303
Total return after taxation for the year	(158,236)	158,236	(132,253)	132,253
Net assets	**(158,236)**	**158,236**	**(132,253)**	**132,253**

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:

	2023 £'000	2022 £'000
Exposure to floating interest rates		
Cash and short term deposits	280	1,079
JPMorgan USD Liquidity LVNAV Fund	33,927	33,805
Bank loan	—	(29,096)
Net exposure	**34,207**	**5,788**

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

Cash deposits are held with the custodian, JPMorgan Chase Bank, N.A which is AA rated.

The target interest earned on the JPMorgan US Dollar Liquidity LVNAV Fund, a AAA rated money market fund, is the prevailing money market rate on the US dollar.

Details of the bank loans are given in note 13 on page 80.

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 1.0% (2022: 4.0%) 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.

	2023		2022	
	1% increase in rate £'000	1% decrease in rate £'000	4% increase in rate £'000	4% decrease in rate £'000
Statement of Comprehensive Income				
Revenue return after taxation	342	(342)	1,163	(1,163)
Capital return after taxation	—	—	(931)	931
Total return after taxation	**342**	**(342)**	**232**	**(232)**
Net assets	**342**	**(342)**	**232**	**(232)**

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.

The Company's portfolio is not directly exposed to interest rate risk.

(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.

Notes to the Financial Statements

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

(a) Market risk (continued)

(iii) Other price risk (continued)

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:

	2023 £'000	2022 £'000
Investments held at fair value through profit or loss	1,608,263	1,381,109

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% (2022: 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.

Other price risk sensitivity (continued)

	2023		2022	
	10% increase in fair value £'000	10% decrease fair value £'000	10% increase fair value £'000	10% decrease fair value £'000
Statement of Comprehensive Income				
Revenue return after taxation	(80)	80	(69)	69
Capital return after taxation	160,505	(160,505)	137,835	(137,835)
Total return after taxation	**160,425**	**(160,425)**	**137,766**	**(137,766)**
Net assets	**160,425**	**(160,425)**	**137,766**	**(137,766)**

(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.

A lack of liquidity in the portfolio may make it difficult for the Company to realise assets at or near their purported value in the event of a forced sale.

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. In addition, the cash at bank, the liquidity fund and the borrowing facilities provide additional funding flexibility. The financial liabilities of the Company at the balance sheet date are shown in notes 13 and 14.

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:

	2023			
	Three months or less £'000	More than three months but less than one year £'000	One year or more £'000	Total £'000
Creditors				
Other creditors and accruals	327	–	–	327
Securities purchased for future settlement	104	–	–	104
Bank loan – Mizuho Bank, including interest	152	181	151	484
US$65 million 2.55% Private Placement Feb 2031	770	980	59,003	60,753
US$35 million 2.32% Private Placement Oct 2032	305	480	32,408	33,193
	1,658	**1,641**	**91,562**	**94,861**

	2022			
	Three months or less £'000	More than three months but less than one year £'000	One year or more £'000	Total £'000
Creditors				
Other creditors and accruals	111	—	—	111
Securities purchased for future settlement	—	—	—	—
Bank loan – Mizuho Bank, including interest	29,463	—	—	29,463
US$65 million 2.55% Private Placement Feb 2031	745	1,038	63,912	65,695
US$35 million 2.32% Private Placement Oct 2032	323	509	35,021	35,853
	30,642	**1,547**	**98,933**	**131,122**

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

Notes to the Financial Statements

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

(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, as shown on the following page, 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.

	2023		2022	
	Accounts value £m	Fair value £m	Accounts value £m	Fair value £m
US$65 million 2.55% Private Placement Feb 2031	50.7	45.6	53.7	45.9
US$35 million 2.32% Private Placement Oct 2032	27.4	23.3	29.0	23.5

22. Capital management policies and procedures

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

	2023 £'000	2022 £'000
Debt		
Bank loan	—	29,096
US$65 million 2.55% Private Placement Feb 2031	50,727	53,723
US$35 million 2.32% Private Placement Oct 2032	27,412	29,042
	78,139	111,861
Equity		
Equity share capital	14,082	14,082
Reserves	1,549,917	1,290,001
	1,563,999	1,304,083
Total debt and equity	**1,642,138**	**1,415,944**

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.

	2023 £'000	2022 £'000
Investments held at fair value through profit or loss	1,608,263	1,381,109
Net assets	1,563,999	1,304,083
Gearing	**2.8%**	**5.9%**

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.

23. Subsequent events

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

Regulatory Disclosures

Image: Brooklyn Bridge in New York City, US

Regulatory Disclosures

Alternative Investment Fund Managers Directive Disclosures

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 2023 are shown below:

	Gross Method	Commitment Method
Leverage exposure		
Maximum limit	200%	200%
Actual	105%	105%

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.

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 2023 Performance Year in July 2023 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 2023 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 27 Alternative Investment Funds (with 4 sub-funds) and 2 UCITS (with 44 sub-funds) as at 31st December 2023, with a combined AUM as at that date of £23.99 billion and £20.03 billion respectively.

	Fixed remuneration	Variable remuneration	Total remuneration	Number of beneficiaries
All staff of the Management Company (US$'000s)	23,549	15,069	38,618	149

The aggregate 2023 total remuneration paid to AIFMD Identified Staff was US$119,474,000 of which US$1,636,000 relates to Senior Management and US$117,837,000 relates to other Identified Staff[1].

[1] For 2023, the AIFMD identified staff disclosures includes employees of the companies to which portfolio management has been formally delegated in line with the latest ESMA guidance.

Regulatory Disclosures

Securities Financing Transactions Regulation ('SFTR') Disclosures

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 2023.

Shareholder Information

Image: Wall Street, financial district of Manhattan, New York City, US

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of JPMorgan American Investment Trust plc will be held at Trinity House, Tower Hill, London EC3N 4DH on 15th May 2024 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 2023.
2. To approve the Directors' Remuneration Policy.
3. To approve the Directors' Remuneration Report for the year ended 31st December 2023.
4. To declare a final dividend on the ordinary shares of 5.25 pence per share.
5. To re-appoint Nadia Manzoor as a Director of the Company.
6. To re-appoint Robert Talbut as a Director of the Company.
7. To re-appoint Claire Binyon as a Director of the Company.
8. To re-appoint Pui Kei Yuen as a Director of the Company.
9. To appoint Colin Moore as a Director of the Company.
10. To re-appoint BDO LLP as Auditor to the Company and to authorise the Directors to determine BDO 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 and in accordance with Section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot equity securities in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ('Rights') up to an aggregate nominal amount of £913,767 or, if different, the aggregate nominal amount representing approximately 10% of the Company's issued share capital (excluding shares held in Treasury) as at the date of the passing of this resolution providing that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2025 or the date occurring 15 months from the date on which this resolution is passed, whichever is the earlier, unless renewed, revoked or varied by the Company 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 equity securities to be allotted or Rights to be granted after such expiry and so that the Directors of the Company may allot equity securities and grant Rights 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, the Directors of the Company be and they are hereby empowered pursuant to Sections 570 and 573 of the Act to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 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, provided that this power shall be limited to the allotment of equity securities for cash up to an aggregate nominal amount of £913,767 or, if different, the aggregate nominal amount representing approximately 10% of the total Ordinary share capital (excluding shares held in Treasury) as at the date of the passing of this resolution 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, save that the Company may before such expiry make offers, agreements or arrangements which would or might require equity securities to be allotted after such expiry and so that the Directors of the Company may allot equity securities in pursuance of such offers, agreements or arrangements 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;

Notice of Annual General Meeting

(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 14th November 2025 unless the authority is renewed at the Company's Annual General Meeting in 2025 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.

Authority to hold general meetings – Special Resolution

14. THAT, a general meeting, other than an Annual General Meeting, may be called on not less than 14 clear days' notice.

Approval to amend the Articles of Association – Ordinary Resolution

15. THAT, the Company be authorised to increase the Directors' aggregate annual remuneration cap contained in the Articles to £325,000.

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

26th March 2024

Notes

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

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

Notice of Annual General Meeting

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.

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.jpmamerican.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 24th March 2024 (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 98,880,694 Treasury shares. Therefore the total voting rights in the Company are 182,753,216.

Electronic appointment – CREST members

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

Glossary of Terms and Alternative Performance Measures

Alternative Performance Measure (APM)

Alternative Performance Measures (APMs) are numerical measures of current, historical or future financial performance, financial position or cash flow that are not GAAP measures. APMs are intended to supplement the information in the financial statements, providing useful industry-specific information that can assist shareholders to better understand the performance of the Company.

Where a measure is labelled as an APM, a definition and reconciliation to a GAAP measure is set out below.

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.

Total return calculation	Page	Year ended 31st December 2023	Year ended 31st December 2022	
Opening share price (p)	6	685.0	767.0	
Closing share price (p)	6	859.0	685.0	(a)
Total dividend adjustment factor[1]		1.009830	1.009221	(b)
Adjusted closing share price (p) (c = a x b)		867.4	691.3	(c)
Total return to shareholders		**26.6%**	**–9.9%**	

[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 70) at amortised cost, which is materially equivalent to the repayment value of the debt on the assumption that it is held to maturity. This is often referred to as 'Debt at Par Value'.

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

This fair value is explained in note 21(d) (on page 88) 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, as shown in note 17 on page 82. 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.

Total return calculation	Page	Year ended 31st December 2023	Year ended 31st December 2022	
Opening cum-income NAV per share with debt at fair value (p)	6	697.3	771.0	
Closing cum-income NAV per share debt at fair value (p)	6	861.5	697.3	(a)
Total dividend adjustment factor[1]		1.009589	1.009091	(b)
Adjusted closing cum-income NAV per share (c = a x b)		869.8	703.6	(c)
Total return on net assets with debt at fair value		**24.7%**	**–8.7%**	

[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.

Glossary of Terms and Alternative Performance Measures

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

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

Total return calculation	Page	Year ended 31st December 2023	Year ended 31st December 2022	
Opening cum-income NAV per share with debt at par value (p)	6	690.3	771.9	
Closing cum-income NAV per share debt at par value (p)	6	856.5	690.3	(a)
Total dividend adjustment factor[1]		1.009670	1.009065	(b)
Adjusted closing cum-income NAV per share (c = a x b)		864.8	696.6	(c)
Total return on net assets with debt at par value		**25.3%**	**–9.8%**	(e)

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

Net asset value per share (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 82 for detailed calculations of both the net asset value with debt at par and debt at fair value.

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.

Annualised return on net assets relative to benchmark (APM)

This is the difference between the return on net assets, with debt at fair value, and the benchmark return. For periods greater than one year, the relative return has been annualised.

Gearing/(Net Cash) (APM)

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

Gearing calculation	Page	As at 31st December 2023	As at 31st December 2022	
Investments held at fair value through profit or loss	70	1,608,263	1,381,109	(a)
Net assets	70	1,563,999	1,304,083	(b)
Gearing/(net cash) (c = (a / b) – 1)		**2.8%**	**5.9%**	(c)

Glossary of Terms and Alternative Performance Measures

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.

Ongoing charges calculation	Page	Year ended 31st December 2023	Year ended 31st December 2022	
Management fee	69	4,261	4,329	
Other administrative expenses	69	1,053	787	
Total management fee and other administrative expenses		5,314	5,116	(a)
Average daily cum-income net assets		1,416,971	1,420,205	(b)
Ongoing charges ratio (c = a / b)		**0.38%**	**0.36%**	(c)

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

If the share price of an investment trust is lower than the NAV per share, the shares are said to be trading at a discount. The discount is shown as a percentage of the NAV per share. The opposite of a discount is a premium. It is more common for an investment trust's shares to trade at a discount than at a premium (page 6).

	Page	Year ended 31st December 2023 £'000	Year ended 31st December 2022 £'000	
Share price (p)	6	859.0	685.0	(a)
Net assets value per share with debt at fair value (p)	6	861.5	697.3	(b)
Discount to net asset value with debt at fair value (c = a – b) / b)		**(0.3)%**	**(1.8)%**	(c)

	Page	Year ended 31st December 2023 £'000	Year ended 31st December 2022 £'000	
Share price (p)	6	859.0	685.0	(a)
Net asset value per share with debt at par value (p)	6	856.5	690.3	(b)
Premium/(Discount) to net asset value with debt at par value (c = a – b) / b)		**0.3%**	**(0.8)%**	(c)

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).

Investing in JPMorgan American Investment Trust plc

You can invest in JPMorgan American Investment Trust plc through the following:

1. Via a third party provider

Third party providers include:

AJ Bell Investcentre
Barclays Smart investor
Charles Stanley Direct
Fidelity Personal Investing
Halifax Share Dealing
Hargreaves Lansdown
interactive investor

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

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

2. Through a professional adviser

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

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

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

Share Fraud Warning

Investment and pension scams are often sophisticated and difficult to spot

FINANCIAL CONDUCT AUTHORITY

Be a ScamSmart Investor

Be a ScamSmart investor and spot the warning signs

Fraudsters will often:

- contact you out of the blue
- apply pressure to invest quickly
- downplay the risks to your money
- promise tempting returns that sound too good to be true
- say that they're only making the offer available to you or even ask you to not tell anyone else about it

How to avoid investment and pension scams

1 **Reject unexpected offers**
Scammers usually cold call, but contact can also come by email, post, word of mouth or at a seminar. If you've been offered an investment out of the blue, chances are it's a high risk investment or a scam.

2 **Check the FCA Warning List**
Use the FCA Warning List to check the risks of a potential investment – you can also search to see if the firm is known to be operating without our authorisation.

3 **Get impartial advice**
Get impartial advice before investing – don't use an adviser from the firm that contacted you.

If you're suspicious, report it

You can report the firm or scam to us by contacting our **Consumer Helpline** on **0800 111 6768** or using our reporting form using the link below.

If you've lost money in a scam, contact Action Fraud on 0300 123 2040 or www.actionfraud.police.uk

Be ScamSmart and visit www.fca.org.uk/scamsmart

Information About the Manager

Manager's Policies regarding Employees, Social, Community, Environment and Human Rights Issues

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 Manager's Investment Process on pages 21 to 25.

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 ('MSA')

JPMorgan's statement on the MSA can be found on the following website:
https://www.jpmorganchase.com/about/ourbusiness/human-rights

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 JPMAMs approach lies a close collaboration between our portfolio managers, research analysts and investment stewardship specialists to engage with the companies in which JPMAM invests. Regular engagement with JPMAMs investee companies through investment-led stewardship has been a vital component of JPMAMs active management heritage.

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

JPMAM's formal stewardship structure is designed to identify risks and understand its portfolio companies' activities, in order to enhance value and mitigate risks associated with them. JPMAM has identified six 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;
- natural capital and ecosystems;
- stakeholder engagement; and
- climate risk.

Information About the Manager

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

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

JPMAM's Voting Policy and Corporate Governance Guidelines are available on request from the Company Secretary or can be downloaded from JPMAM's website: https://am.jpmorgan.com/content/dam/jpm-am-aem/americas/us/en/supplemental/proxy-information/global-procedures-and-guidelines.pdf and at https://www.jpmorganchase.com/about/governance/corporate-governance-principles

Financial Conduct Authority ('FCA') Regulation of 'non-mainstream pooled investments', MiFID II 'complex investments'

The Company currently conducts its affairs so that the shares issued by the Company can be recommended by independent financial advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust. The Company's ordinary shares are not considered to be 'complex instruments' under the FCA's 'Appropriateness' rules and guidance in the COB sourcebook.

Consumer Duty Value Assessment

The Manager has conducted an annual value assessment on the Company in line with FCA rules set out in the Consumer Duty regulation. The assessment focuses on the nature of the product, including benefits received and its quality, limitations that are part of the product, expected total costs to clients and target market considerations. Within this, the assessment considers quality of services, performance of the Company (against both benchmark and peers), total fees (including management fees and entry and exit fees as applicable to the Company), and also considers whether all consumers, including vulnerable consumers, are able to receive fair value from the product. The Manager has concluded that the Company is providing value based on the above assessment.

Task Force on Climate-related Financial Disclosures

As a regulatory requirement, JPMorgan Asset Management (JPMAM) published its first UK Task Force on Climate-related Financial Disclosures ('TCFD') Report for the Company in respect of the year ended 31st December 2022 on 30th June 2023. The report discloses estimates of the Company's portfolio climate-related risks and opportunities according to the Financial Conduct Authority (FCA) Environmental, Social and Governance (ESG) Sourcebook and the Task Force on Climate-related Disclosures (TCFD). The report is available on the Company's website under the ESG documents section:

https://am.jpmorgan.com/content/dam/jpm-am-aem/emea/regional/en/regulatory/esg-information/jpmorgan-american-investment-trust-plc-tcfd-report-uk-per.pdf

The Board is aware that best practice reporting under TCFD is still evolving with respect to metrics and input data quality, as well as the interpretation and implications of the outputs produced, and will continue to monitor developments as they occur.

Information About the Company

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.jpmamerican.co.uk, where the share price is updated every 15 minutes during trading hours.

Website

www.jpmamerican.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.

aic
The Association of Investment Companies

A member of the AIC

Manager and Company Secretary

JPMorgan Funds Limited

Company's Registered Office

60 Victoria Embankment
London EC4Y 0JP
Telephone: 0800 20 40 20 or +44 1268 44 44 70
email: invtrusts.cosec@jpmorgan.com

For company secretarial and administrative matters, please contact Priyanka Vijay Anand.

Depositary

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

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

Registrar

Equiniti Limited
Reference 1077
Aspect House
Spencer Road
West Sussex BN99 6DA
Telephone number: +44 (0)371 384 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. If calling from outside of the UK, please ensure the country code is used.

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

BDO LLP
55 Baker Street
London W1U 7EU

Broker

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

CONTACT

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Calls from outside the UK: +44 1268 44 44 70
Website: www.jpmamerican.co.uk

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J.P.Morgan
ASSET MANAGEMENT