JPMorgan European Discovery Trust plc

Uncovering Europe's hidden gems

Annual Report and Financial Statements
for the Year Ended 31st March 2024

J.P.Morgan
ASSET MANAGEMENT

Key Features

Objective

Capital growth from smaller Continental European companies.

Investment Policies

- To invest in a diversified portfolio of high-quality smaller companies in Continental Europe.
- To emphasise capital growth rather than income. Shareholders should expect the dividend to vary from year to year.
- To manage liquidity and borrowings to increase potential returns to shareholders. The Board's current gearing policy is to be between 20% net cash and 20% geared.
- To invest no more than 15% of gross assets in other UK listed investment companies (including investment trusts).

Risk

The Company invests in the shares of smaller companies, which tend to be more volatile than those of larger companies. The Company also employs gearing to generate greater returns. The Company's shares should therefore be regarded as carrying greater than average risk.

Further details on investment policies and risk management are given in the Strategic Report on page 33.

Benchmark

MSCI Europe (ex UK) Small Cap Net Total Return Index in sterling terms.

Capital Structure

At 31st March 2024, the Company's issued share capital comprised 157,474,931 Ordinary shares of 5p each, of which 9,782,472 were held in Treasury.

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').

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.jpmeuropeandiscovery.co.uk.

FINANCIAL CALENDAR

Financial year end	**31st March**
Final results announced	**June**
Half year end	**30th September**
Half year results announced	**December**
Annual General Meeting	**July**

Contents

Financial Highlights

Total returns (including dividends reinvested)

	2024	2023	3 years Cumulative	5 years Cumulative	10 years Cumulative
Return to shareholders[1,A]	+13.0%	–4.3%	+6.8%	+46.7%	+127.8%
Return on net assets[2,A]	+6.8%	–3.8%	+3.0%	+41.0%	+121.0%
Benchmark return[3]	+5.9%	–3.2%	+6.4%	+46.7%	+115.2%
Shareholder return compared to benchmark[A] return	+7.1%	–1.1%	+0.4%	+0.0%	+12.6%
Net asset return compared to benchmark return[3,A]	+0.9%	–0.6%	–3.4%	–5.7%	+5.8%
Dividend in respect of the year	10.5p	9.0p			

[1] Source: Morningstar.
[2] Source: Morningstar/J.P. Morgan using cum income net asset values per share.
[3] Source: Morningstar. The Company's benchmark is the MSCI Europe (ex UK) Small Cap Net Total Return Index in sterling terms.
[A] Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 101 and 102.

Financial Highlights

Summary of results

	2024	2023	% change
Total returns for the year ended 31st March			
Share price total return[1,A]	+13.0%	–4.3%	
Net asset value return[2,A]	+6.8%	–3.8%	
Benchmark return[3]	+5.9%	–3.2%	
Net asset value, share price, discount and market data at 31st March			
Shareholders' funds (£'000)	769,046	785,062	–2.0
Net asset value per share[A]	520.7p	498.5p	+4.5[4]
Share price	465.5p	423.0p	+10.0[5]
Share price discount to net asset value per share[A]	10.6%	15.1%	
Shares in issue	147,692,459	157,474,931	
Revenue for the year ended 31st March			
Gross revenue return (£'000)	23,982	22,502	+6.6
Net revenue attributable to shareholders (£'000)	18,670	17,512	+6.6
Revenue return per share	12.04p	11.11p	+8.4
Dividend per share	10.5p	9.0p	+16.7
Gearing at 31st March[A]	**7.9%**	**6.9%**	
Ongoing charges[A]	**0.92%**	**0.94%**	

[1] Source: Morningstar.
[2] Source: Morningstar/JPMorgan, using cum income net asset value per share.
[3] The Company's benchmark is the MSCI Europe (ex UK) Small Cap Net Total Return Index in sterling terms.
[4] % change, excluding dividends paid. Including dividends the return is +6.8%.
[5] % change, excluding dividends paid. Including dividends the return is +13.0%.
[A] Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 101 and 102.

Chairman's Statement

Marc van Gelder
Chairman

Dear Shareholder,

I am pleased to present the Company's results for the year ended 31st March 2024.

Investment Performance

Over the year to 31st March 2024 (FY24) the total return on net assets was 6.8%, outperforming the Company's benchmark index, the MSCI Europe (ex UK) Small Cap Index, which returned 5.9% over the same period. The total return to shareholders was 13.0%, as a result of a significant narrowing of the discount at which the Company's shares trade relative to NAV, from 15.1% to 10.6% over the year.

The explanation for this performance is in the Portfolio Managers' report on pages 11 to 18. This also provides a detailed commentary on portfolio positioning and the investment outlook.

Whilst the past year's performance is pleasing, the Company adopts a long-term investment strategy, so it is important to also consider performance over a longer timeframe. On this basis, the Company has underperformed the market over three and five years, returning 3.0% and 41.0% respectively over these periods, compared to benchmark returns of 6.4% and 46.7%, although its longer-term performance remains strong in both absolute and relative terms. Over the ten years to the end of March 2024, its total return on net assets was 121.0%, ahead of the benchmark total return of 115.2%.

Enhancements and Change

The Board has been very mindful of this mixed long-term performance. As I reported in the interim results, over the five years to 30th September 2023 the net asset value total return was 2.0%, compared to the benchmark total return of 20.1%. This followed a period of underperformance in the six months to 30th September 2023 of –11.4% with the Company's benchmark returning –5.7%. The Portfolio Managers noted in their report that the Company's investment process tended to struggle during periods of high volatility. During the year, they therefore implemented some important enhancements to their process and risk management, seeking to minimise downside risk during periods of volatility and capture upside risk when volatility reduces.

I am pleased to be able to report that these changes have had a positive impact on performance, with the net asset value total return up 6.8% for the year to 31st March 2024, outperforming the benchmark total return of 5.9%. A significant amount of performance came in the last six months of the financial year, with the net asset value total return up 20.5% against the benchmark return of 12.4%.

As announced earlier this year, in light of the Company's longer-term performance, the Board of Directors and J.P. Morgan Asset Management ('JPMAM') undertook an internal review of the portfolio management team and its investment process. This led to Jon Ingram, Jack Featherby and Jules Bloch being appointed as named Portfolio Managers of the Company with effect from 1st March 2024, replacing Francesco Conte and Edward Greaves. The Board is delighted to welcome Jon, Jack and Jules and looks forward to working with the new investment team to deliver strong, long-term returns for all shareholders. Since 1st March, the new Portfolio Managers have continued to refine the investment process; the changes they have made are set out in their Report starting on page 11.

Francesco Conte is retiring and the Board and I would like to take this opportunity to recognise his immense contribution to the Company for over the 25 years since he has been at the helm. Since 1998 the fund has provided a share price total return of some 1,666% through several market cycles and shocks. We would like to thank him for his commitment and efforts during this period, as well as to Edward Greaves who has been a named Portfolio Manager since 2016.

Gearing

Gearing can be a differentiator for an investment trust, and the Board believes that it can be beneficial to performance. The Board sets the overall strategic gearing policy and guidelines, and reviews these at each Board meeting. During the year, the revolving credit facility with Scotia Bank (EUR125m) expired. This facility was renewed for a further two-year term. During the year gearing varied between 10.0% geared and 0.5% cash. At the end of the financial year, gearing stood at 7.9%.

Chairman's Statement

Revenue and Dividends

The Board's dividend policy is to pay out the majority of revenue available each year to its shareholders. This is set against the Company's objective of maximising capital growth, and the Portfolio Managers are therefore not constrained to deliver income in any one financial year.

An interim dividend of 2.5 pence per share was paid on 5th February 2024, higher than the previous year's interim dividend of 1.2 pence, reflecting the increased income received by the Company during the first six months of the financial year, compared to the previous year. After taking into account the income received and the level of the Company's revenue reserves, and subject to shareholder approval at the forthcoming Annual General Meeting, a final dividend of 8.0 pence per share will be paid on 2nd August 2024 to shareholders on the register as at the close of business on 28th June 2024 (ex-dividend date 27th June 2024). This will take the total dividend for the year to 10.5 pence, compared to a total dividend of 9.0 pence for the previous year.

Discounts and Share Repurchases

The Company's share price discount relative to net asset value narrowed during the Company's financial year, from 15.1% as at the end of March 2023 to 10.6% as at 31st March 2024. The average discount over the period was 13.0%. As at 14th June 2024, the discount was 10.76%. The Board continues to monitor the level of the discount carefully and seeks to use its ability to repurchase shares to minimise the short-term volatility and the absolute level of the discount when appropriate.

During the year, the Company repurchased 9,782,472 shares at an average discount of 11.8%.

Manager Evaluation

During the year, the Management Engagement Committee undertook a formal review of the Manager, facilitated by an independent board evaluation firm. The review covered the investment management, company secretarial, administrative and marketing services provided to the Company. The review took account of the Manager's investment performance record, management processes, investment style, resources and risk control mechanisms. Apart from the changes in the Portfolio Management team as described above, the Board agreed with the Committee's recommendation that the continued appointment of the Manager was in the best interests of shareholders.

The Board

Nicholas Smith will be retiring from the Board at the end of the forthcoming Annual General Meeting ('AGM'), having served as a Director since 2015. The Board would like to thank Nicholas for his significant contribution to the Company during his tenure as Audit Chair and Senior Independent Director and wish him well for the future.

Sarah Watters took over the role of the Senior Independent Director of the Company during the year and Arun Sarwal will succeed Nicholas as Audit Chair following the AGM.

In anticipation of Nicholas's impending retirement, the Board initiated a search earlier this year to identify a new Director. As announced on 13th June 2024, James Will has been appointed as an independent non-executive director with effect from the conclusion of the 2024 AGM. James has extensive investment company experience and my fellow Board members and I look forward to working with him.

Environmental, Social and Governance ('ESG')

The Board shares the Investment Manager's view of the significance of financially material environmental, social and governance ('ESG') factors when making long term investments. The Portfolio Managers regularly discuss financially material ESG issues with the management teams of potential and current investee companies on an ongoing basis. Further information on the Manager's ESG process and engagement is set out in the ESG Report on pages 30 to 32.

Shareholder Engagement

The Board believes that shareholder interactions are very helpful in assisting it with the management of the Company's affairs. Over the course of the year, we have engaged with a number of our largest shareholders to listen to their thoughts and views. The Board values the feedback it has received and insights it has gained through the engagement process and we thank the shareholders for their support.

We remain committed to continued engagement over the coming year; in particular, Board members welcome and seek such meetings as and when such opportunities arise.

During the year, the Board also undertook an Asset Reunification Programme, conducted by the Company's registrar, which ultimately traced and reunited shareholders with unclaimed shares and dividends in the Company valued at approximately £230,000. More details can be found on page 43.

Tender Offer

Following a consultation with a number of the Company's largest shareholders, the Board has decided to undertake a tender offer for up to 15% of the issued share capital (excluding shares held in Treasury) of the Company (the 'Tender Offer'). The Tender Offer, which is subject to shareholder approval, will be made at a tender price equal to a 2% discount to the prevailing net asset value per share as at the calculation date, less the costs of implementing the Tender Offer.

In addition, the Board intends to introduce a performance related tender offer for up to 15% of the issued share capital (excluding shares held in Treasury) of the Company (the 'Conditional Tender Offer'). If the Company's net asset value total return does not equal or exceed the benchmark total return (MSCI Europe ex UK Small Cap Index (net)) over the five-year period beginning 1st April 2024 and ending on 31st March 2029. The Conditional Tender Offer will be held as soon as practicable following the conclusion of the 2029 Annual General Meeting. The Conditional Tender Offer, which is subject to shareholder approval, will be made at a tender price equal to a 2% discount to the prevailing net asset value per share as at the calculation date, less the costs of implementing the Conditional Tender Offer.

Further announcements in relation to the Tender Offer and Conditional Tender Offer will be made following the conclusion of the Company's upcoming Annual General Meeting.

Annual General Meeting

The Company's Annual General Meeting will be held on Wednesday, 24th July 2024 at 12.30 p.m. at 60 Victoria Embankment, London EC4Y 0JP.

The Portfolio Managers' will give a presentation to shareholders, reviewing the past year and commenting on the outlook for the current year. The meeting will be followed by lunch, providing shareholders with the opportunity to meet the Directors and representatives of the Manager. We look forward to seeing as many shareholders as possible at the AGM.

For shareholders wishing to follow the AGM proceedings but choosing not to attend in person, we will be able to welcome you through conferencing software. Details on how to register, together with access details, will be available shortly on the Company's website:
www.jpmorganeuropeandiscovery.co.uk, or by contacting the Company Secretary at invtrusts.cosec@jpmorgan.com.

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

If you have any detailed or technical questions, it would be helpful if you could raise them in advance with the Company Secretary at 60 Victoria Embankment, London EC4Y 0JP or via the 'Ask a Question' link on the Company's website. Shareholders who are unable to attend the AGM are encouraged to use their proxy votes.

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 on the London Stock Exchange.

Chairman's Statement

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=JEDT or by scanning the QR code on this page.

Outlook

The outlook for European small cap companies seems considerably brighter than when I wrote my last statement to shareholders for the Half Year Report six months ago. Since then, economic and financial conditions have improved, and real wage increases should give the recovery further momentum. It seems very likely that the European Central Bank ('ECB') will cut interest rates at least a couple of times this year which will further improve economic conditions in the region.

These positive developments have already had a favourable impact on investor sentiment. European small and mid-cap companies tend to outperform as the broader market rallies and based on history your Company's carefully selected, high quality, investments should do even better in such markets. Looking further ahead, as you will read in the Portfolio Managers' report, the innovative, nimble businesses that germinate in the small cap and mid cap space are positioned to benefit significantly from the emerging trends we are seeing, such as the Artificial Intelligence (AI) and research in certain areas in pharmaceuticals.

These macro and structural developments all bode well for the sector and your Company. Together with a new investment team and the ongoing support of JPMorgan's extensive research resources, the Board is confident that the Company is well positioned to make the most of this supportive environment to deliver strong results to shareholders over the rest of 2024 and beyond.

Marc van Gelder
Chairman
19th June 2024

Investment Manager's Report

Jon Ingram
Investment Manager

Jack Featherby
Investment Manager

Jules Bloch
Investment Manager

This year was a major one for the Company as the decision was made in February to transition the investment management team to a new team consisting of Jon Ingram, Jack Featherby and Jules Bloch – three experienced portfolio managers with a collective history of 40 years of investing in European Small Caps.

Through this time, especially following a period of tough absolute and relative performance, we appreciate the continued support of all our shareholders. We believe that the change in management team, alongside the continued commitment to the existing investment process, should be positive for our shareholders. As we, the new managers, step in, we would like to thank both Francesco Conte and Edward Greaves for their many years of stewardship and we wish them well going forward.

As to the Company, we are very excited about the current investment opportunity in European Small Caps. It is an asset class with a fantastic long-term track record. As we write in our outlook below, we firmly believe that the current set up of the asset class, one supported by multiple tailwinds, align the Company in a good position to deliver strong returns for you, our shareholders.

Review

The financial year ended 31st March 2024 was marked by dramatic shifts in investor sentiment and market performance. At the start of the period, global markets were still reverberating from the collapse of Silicon Valley Bank (SVB) and Credit Suisse in March 2023.

As concerns around a banking crisis receded, markets were swayed by inflation figures and the corresponding reactions of central banks. As the year progressed, investors welcomed confirmation that inflation rates were falling. Nonetheless, central banks continued to raise rates, motivated by concerns that inflation would otherwise become entrenched.

There was almost universal consensus amongst forecasters that Europe was heading into recession, induced by the compounding effects of a regional energy crisis, Russia's invasion of Ukraine, double-digit inflation and monetary tightening that pushed interest rates to their highest level in well over a decade.

This recession failed to materialise, but these macroeconomic fears still had a significant impact on European Small Cap stocks which are typically more levered to the economic performance of their national home markets.

Inflation rates around the world cooled as the year progressed, and central bankers started to recognise the progress made on the inflation front. In late October 2023, Federal Reserve Chairman Powell adopted a more dovish stance, marking a significant turning point in investor sentiment. Global equity markets began a recovery that continued through to the end of the review period.

Though European smaller companies did benefit from the improvement in market sentiment in the second half of 2023, they have now underperformed European large companies by more than 25% since September 2021. This is the longest and sharpest period of underperformance in the past 20 years. These periods have historically been followed by strong outperformance of European smaller companies.

Table 1: Periods of European Small Cap underperformance and the corresponding performance rebound

Period	Number of months	Under-performance	5Y forward outperformance
September 2021 – March 2024	30	–29%	Still within period
March 2007 – December 2008	22	–15%	95%
March 2018 – September 2019	19	–10%	Still within period
January 2011 – December 2011	12	–10%	53%
March 2014 – October 2014	8	–7%	19%

Source: J.P. Morgan Asset Management, Bloomberg. Large Caps: MSCI Europe, Small Caps: MSCI Europe Small Caps.

Investment Manager's Report

Portfolio Performance

Despite the volatility induced by macroeconomic factors, the Net Asset Value of the Company increased by 6.8% during the year, outperforming the benchmark by 0.9%.

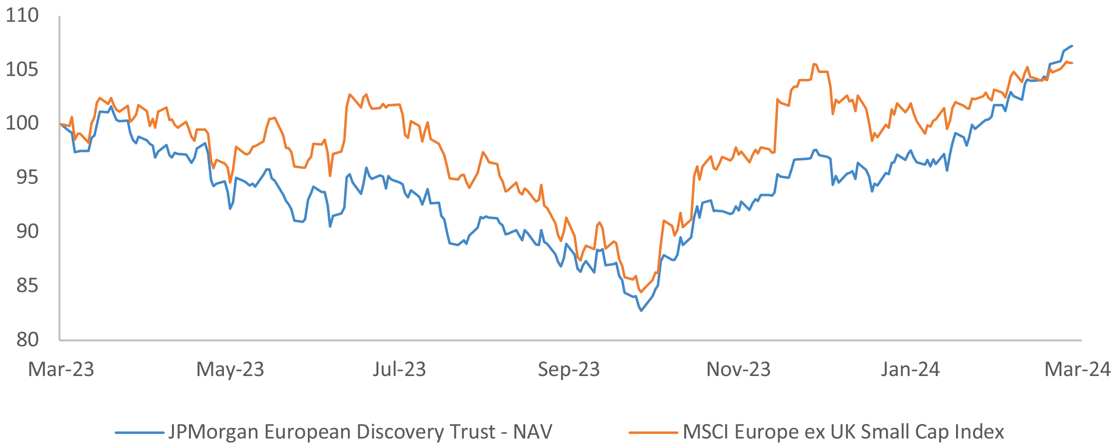
Performance attribution

Year ended 31st March 2024

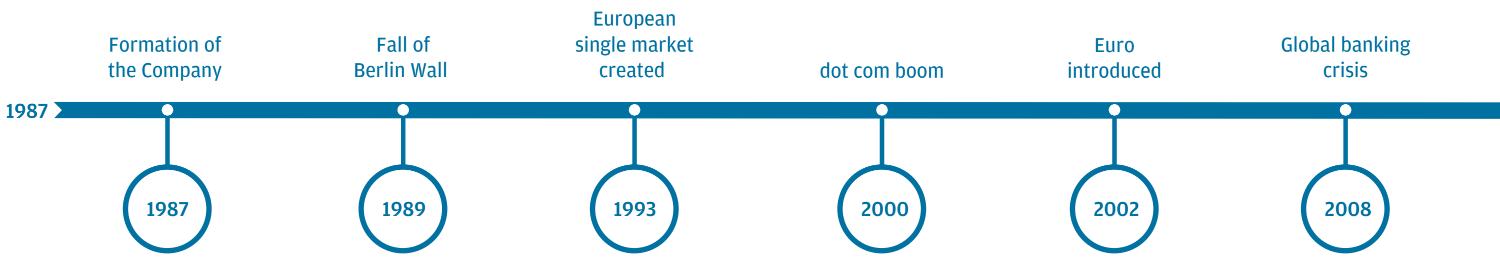
	%	%
Contributions to total returns		
Benchmark return		**+5.9%**
Asset allocation	–1.6%	
Stock selection	1.5%	
Gearing/cash effect	1.1%	
Currency effect	0.1%	
Investment Managers' added contribution		**1.1%**
Portfolio return		**7.0%**
Management fees/other expenses	–0.9%	
Share Buy-Back	0.7%	
Other effects		**–0.2%**
Return on net assets[A]		**6.8%**
Return to shareholders[A]		**13.0%**

Source: JPMAM/Morningstar.
All figures are on a total return basis.
Performance attribution analyses how the Company achieved its recorded performance relative to its benchmark.
[A] Alternative Performance Measure ('APM').
A glossary of terms and APMs is provided on pages 101 and 102.

Chart 1: Performance of JPMorgan European Discovery Trust versus MSCI Europe ex UK-Small Cap Index benchmark



Source: Bloomberg



The relative performance of the Company has been volatile during the year. Performance was adversely impacted in periods where macroeconomic themes dominated. For instance, the portfolio underperformed in the last quarter of 2023, when expectations of significant interest rate cuts fuelled a substantial rally in low-quality and high-risk companies.

However, since the start of 2024, company fundamentals have become the main driver of share price performance again. In the first three months of 2024, the NAV increased 10.4% compared to 2.1% for the MSCI Europe ex-UK Small Cap index.

Sector contribution

Table 2: Sector performance – Top 3 and Bottom 3 sectors contributing to performance

	Account (%)		Benchmark (%)		Attribution (%)		
Group	**Avg Wgt**	**Return**	**Avg Wgt**	**Return**	**Selection**	**Allocation**	**Total**
Communication Services	6.28	21.78	4.77	8.67	0.84	0.03	0.87
Materials	5.17	7.32	7.91	–4.08	0.51	0.20	0.71
Financials	14.01	35.30	13.92	26.16	0.88	–0.22	0.67
Utilities	0.82	–4.28	2.78	3.18	–0.25	–0.04	–0.29
Consumer Discretionary	17.42	0.23	8.22	0.41	–0.03	–0.76	–0.79
Information Technology	12.70	–13.25	10.48	-6.29	–1.30	–0.01	–1.31

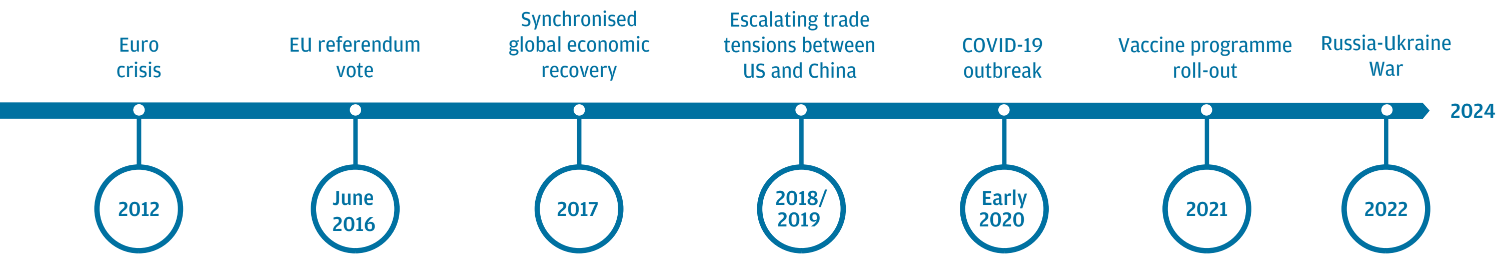
Source: J.P. Morgan Asset Management.

Our overweight to Communication Services contributed positively to performance during the year. Our large overweight in CTS Eventim, the German online ticketing platform, delivered strong performance; the cost of live entertainment skyrocketed in 2023 due to increased demand as consumers returned to the experiences they missed out on during the pandemic. Ticketing platforms benefitted from this ‘revenge spending’ which shows no sign of abating.

The positive attribution from Materials is the result of our underweight to companies that have been hurt by energy prices, have structurally low returns on invested capital or were delivering earnings that we thought were not maintainable. Our focus on defensive companies with strong balance sheets and high cash flow conversion allowed us to outperform the sector. This includes the German producer of industrial lubricants Fuchs Petrolub, which has a robust medium-term volume growth potential because of recent capacity investments, while the deflation in base oils is a tailwind to its margins and cash flows.

Despite the volatility induced by the collapse of SVB and Credit Suisse at the start of the period, the Financial sector was one of the largest contributors to returns at the sectoral level. After it became clear that these bank failures were isolated events, this undervalued sector stabilised and reaped the benefits from high interest rates and low bankruptcy rates. Our investment in BPER Banca, the Italian banking group, performed particularly strongly for these reasons.

The largest sectoral detractor from performance was the portfolio’s stock selection in Information Technology. Our exposure to automotive semiconductor companies such as Melexis and Elmos suffered from the sharp slowdown in the electric vehicle market and fears of a broad-based



destocking from automotive OEMs. Our overweight to IT consulting companies such as Alten, Reply and Tietoevry also contributed negatively as clients postponed some IT and innovation projects due to macroeconomic uncertainty.

The portfolio's overweight to Consumer Discretionary also contributed negatively. Elevated rates of inflation and increasing interest rates eroded consumer confidence in 2023. Our overweight to auto suppliers such as Forvia and Plastic Omnium contributed negatively as they were hit by significant cost inflation, leaving their levered balance sheets under pressure. Other companies related to construction such as JM (a Swedish housing developer) or Ariston (an Italian manufacturer of heating solutions) also suffered from the impact of tightening monetary policies.

Stock contribution

Table 3: Investment performance – Top 3 and Bottom 3 investments contributing to performance

	Account (%)		Benchmark (%)			
Security Name	**Avg Wgt**	**Return**	**Avg Wgt**	**Return**	**Wgt Diff**	**Total Effect**
Top 3 Contributors						
SPIE	3.45	30.07	0.49	29.28	2.96	0.71
Arcadis	2.18	48.14	0.39	48.56	1.78	0.57
CTS Eventim	2.49	41.69	0.47	41.46	2.02	0.56
Bottom 3 Contributors						
Bravida	2.26	–21.71	0.20	–22.25	2.06	–0.85
Melexis	1.90	–28.42	0.21	–29.25	1.69	–0.78
Forvia	0.81	–44.14	0.37	–31.44	0.44	–0.76

Source: J.P. Morgan Asset Management.

During the year our biggest contributors to performance at the stock level were: SPIE, the French technical services company, as demand for installation of electrical systems was boosted by the ongoing energy transition towards electrification; Arcadis, the Dutch engineering and architecture services company, which has benefitted from strong infrastructure investments in the US and in Europe; and CTS Eventim, as demand for live events continued to grow significantly post-COVID.

The biggest detractors to performance were Bravida, the Swedish multi-technical services company, as the sharp slowdown in Swedish residential construction led to significant pricing pressure for installers; Melexis, the Belgian manufacturer of automotive chips, as automotive manufacturers who over-ordered chips due to post-COVID supply chain constraints now have to reduce their inventories in a slowing demand environment; and Forvia, the French automotive supplier, as the company did not manage to increase prices enough, while increasing interest rates put pressure on a stretched balance sheet.

Portfolio Changes

During the review period, we aimed to position the Company to take best advantage of the opportunities available.

We acquired several Healthcare companies with strong innovation pipelines, thereby increasing our allocation to the Healthcare sector. These included Zealand Pharma, a Danish biotech company with interesting weight-loss assets. We believe the development of anti-obesity drugs has become a key structural driver of the Healthcare sector, and Zealand Pharma offers exposure via its long-acting amylin petrelintide. This drug could have a better tolerability profile than existing weight-loss drugs, and thus offer a superior patient experience. We also purchased Bonesupport, a Swedish biotechnology company with a unique and innovative bone graft technology platform which is perceived as vastly superior to current standards of care, with lower deep infection rates and a higher rate of bone union. Bonesupport's offering is now approved for various applications, which will allow the company to grow very rapidly.

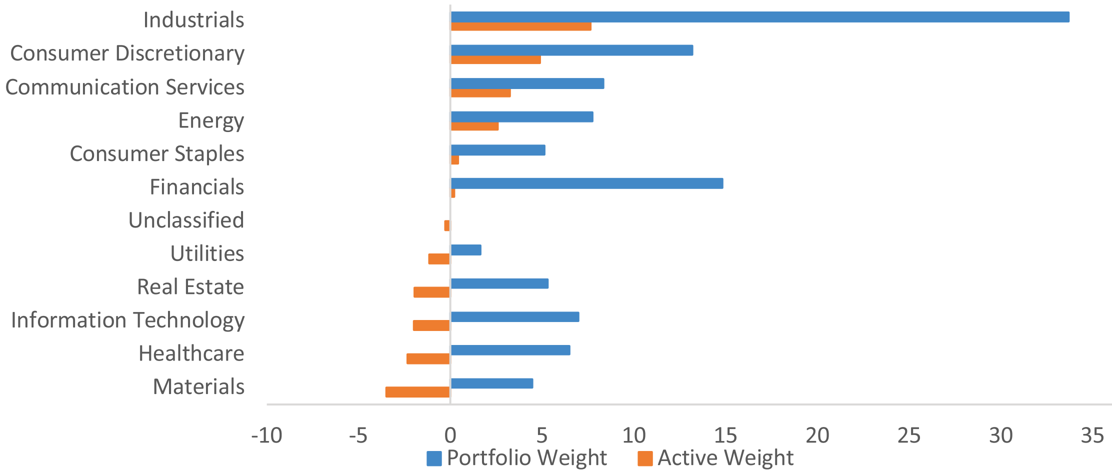
We also identified several attractive investment opportunities in the Energy sector. After years of underinvestment in energy infrastructure, recent changes in the geopolitical landscape are reshaping energy supply chains. This has been positive for European companies in the sector, which still trade at attractive valuations. One such company is Vallourec, a French producer of premium pipes for oil & gas drilling and distribution. In the past 18 months, a new management team has cut debt, closed loss-making operations across Europe, and re-focused commercial efforts on high-margin applications. As a result, Vallourec is now a profitable and cash-flow generative business, trading at an appealing valuation. We also purchased GTT, a French engineering company specialising in the design of cryogenic membrane containment systems for liquid natural gas (LNG) shipping and storage. LNG's share of the world's energy consumption is increasing as the world strives to cut its dependence on energy sources with higher carbon emissions. The war in Ukraine has accelerated investments in liquefaction and LNG transportation, which materially improved GTT's growth prospects.

Real Estate is the other area to which we increased exposure. With inflation under control, and interest rates set to decline, we expect real estate companies with strong balance sheets to start trading closer to the net asset value (NAV) of their underlying assets. We purchased TAG Immobilien, a German residential company. TAG's stock trades at a significant discount to NAV despite a low-risk leverage ratio, high occupancy rates, increasing rents and an attractive growth pipeline in the Polish market. We also bought Merlin Properties, which owns diversified real estate assets in Spain. Merlin has a strong balance sheet and will use its financial firepower to invest in data centres, which are expected to see sustained demand from the rapidly rising appetite for data processing and storage. We expect this growth to be value accretive for Merlin, but the stock still trades at a significant discount to the portfolio's NAV.

To fund these purchases, we reduced overweights to IT and Industrials. Within the Technology sector, we adopted a more cautious stance on automotive semiconductors. In the post-pandemic recovery, automotive component companies struggled to source chips due to supply chain disruptions. This benefited chip manufacturers, as availability became more important than price. However, automotive component makers now have adequate levels of chip inventories and demand for electric vehicles is slowing. The earnings growth prospects for automotive chip manufacturers are therefore less attractive and we have reduced exposure accordingly. We sold Elmos Semiconductors and Melexis due to their deteriorating operating momentum.

Within Industrials, we reduced our exposure to companies with high exposure to construction; activity in the sector has suffered due to the rapid rise in interest rates. Building permits in Germany are down almost 50% from the peak levels of 2021. During the year, we sold industrial companies such as Georg Fischer (which produces piping systems), Ariston (a supplier of heating systems), Aalberts (which makes flow control devices) and AFRY (an architectural services company). Other names in the Industrial sector such as Prysmian, Trelleborg and d'Ieteren were sold because they left our investment universe following strong performance.

Chart 2: Current Portfolio Positioning



Source: J.P. Morgan Asset Management.

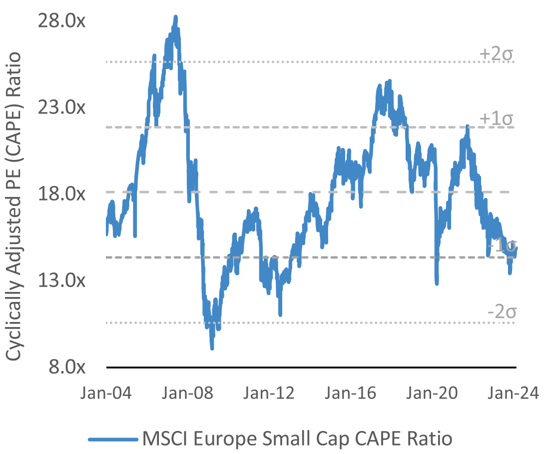
Despite the disposal of these companies, Industrials remain the portfolio's most significant overweight. Any recovery in manufacturing activity would provide a tailwind for many of the industrial companies we own, but our holdings have company-specific drivers that should help them perform regardless of the economic environment. Do&Co for example is an Austrian airline catering company taking market share from struggling peers thanks to its unique 'premium fresh cuisine' branding. An economic slowdown is unlikely to slow the pace at which the company opens new locations and signs new airlines. Another holding, Bilfinger, is a German industrial services company whose new management is implementing better risk controls and pricing mechanisms, which should significantly increase their operating margin. Although an improvement in economic conditions would help, the stock's performance will depend mainly on these internal reforms.

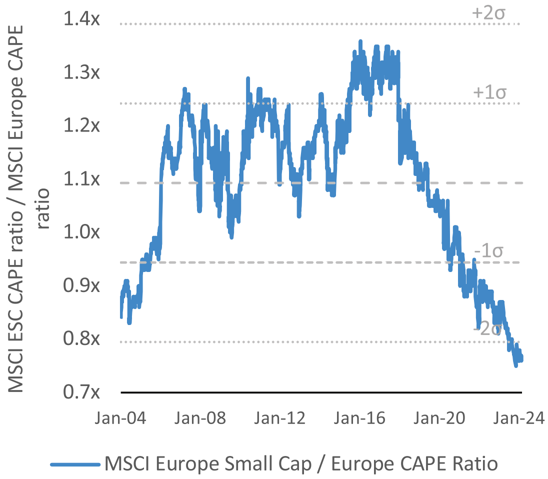
The same is true for our overweight to Consumer Discretionary. Consumer confidence, growth in real disposable income and the unemployment rate are all significant drivers of consumer spending. With inflation and energy prices falling, consumer sentiment in Europe has rebounded from the lows of September 2022. This should help the businesses we own in the sector, but their strong brands and exposure to structurally growing categories are more significant drivers of stock performance. For example, De'Longhi, an Italian manufacturer of home appliances, has built a solid reputation for 'premium quality at the press of a button' coffee machines, allowing it to benefit from the significant growth in global coffee consumption. Sanlorenzo's tailor-made and exclusive superyachts are recognised for their exceptional Italian design, which makes them appealing to a growing population of ultra-high-net-worth individuals.

Materials continues to be the portfolio's largest sectoral underweight. Many companies in the sector are commoditised, capital intensive, cyclical businesses, with a poor track record of shareholder value creation. Strong post-pandemic demand and the sharp increase in energy prices after the invasion of Ukraine significantly boosted the price of materials. However, the subsequent rapid fall in gas and electricity prices will at some point turn into a headwind for earnings in the sector. During the year we sold our position in Verallia, the French glassmaker. The shortage of glass in 2022 and early 2023 gave glassmakers exceptional pricing power. We doubt these earnings will be maintainable.

Despite some sectoral over and underweights, our sector allocation is balanced relative to benchmark, as every sector is offering attractive investment propositions. Investors' focus on macroeconomic variables and their implications for monetary policy has led to a raft of valuation dislocations. Not only are small cap valuations extremely attractive compared to history, but we think the opportunity set for alpha creation through stock-picking is also wider than usual.

Chart 3: Small cap cyclically adjusted PE ratios, on an absolute basis (LHS) and versus large caps (RHS)





Source: J.P. Morgan Asset Management.

Our ability to use gearing to increase market exposure has the potential to further enhance returns in a rising market. Gearing stood at 7.9% at the end March 2024 and has since remained stable.

Outlook

Because of the attractive valuations European smaller companies currently trade at, we think the expected return for the asset class is higher than usual. In addition, the macroeconomic headwinds the asset class faced over recent years are now fading. The market expects the ECB to cut interest rates during 2024 and this should boost investor sentiment, thereby benefitting small cap companies.

Furthermore, the latest data points suggest that global and European economies are more resilient than anticipated. Indicators such as Purchasing Managers' Index ('PMI') appeared to have bottomed. And for the first time in years, major European economies are seeing growth in real wages, which should continue to improve consumer confidence.

The asset class should receive further support from the resurgence of mergers and acquisitions (M&A) activity. There has been a lull in deal flow within the European Small Caps space in recent years, but attractive valuations and the prospect of lower rates could drive a marked pick-up in M&A activity.

Small cap companies are also likely to be supported over the longer-term by emerging themes such as Artificial Intelligence (AI) and drug-assisted weight loss. To date, both these themes have mostly played out in the mega cap space. However, the main point for small cap investors is that most of tomorrow's winners might be today's small caps. For example, Amazon and ASML were small caps back in 2000, while Tesla and Meta were not even founded.

It is our strong conviction that many of the companies which will be most successful in capitalising on the AI revolution, pharmaceutical breakthroughs and other emergent structural trends over the coming years are yet to be identified, or even conceived, and are thus most likely to emerge from the small cap space.

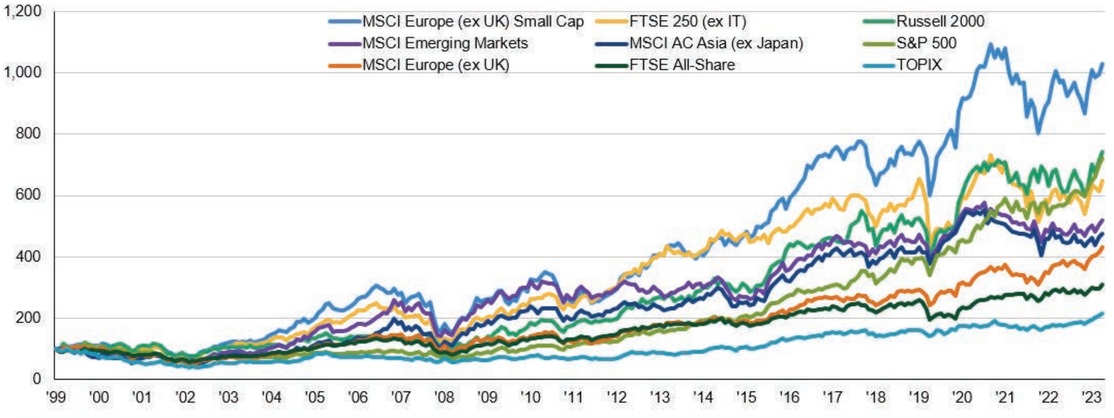
We expect this confluence of attractive valuations, favourable macroeconomic trends, and long-term thematic developments to act as key drivers for small caps, which have outperformed every asset class globally over the past 25 years.

All this leaves us feeling positive about the prospects for the portfolio. In fact, in our view, the outlook has rarely been brighter, and we expect our shareholders to benefit accordingly.

Investment Manager's Report

Chart 4: A compelling long term asset class

Cumulative returns



Source: J.P. Morgan Asset Management.

Jon Ingram
Jack Featherby
Jules Bloch
Investment Managers

19th June 2024

Manager's Investment Process

During the past year, the investment management of the Company continued to evolve to take full advantage of JPMorgan Asset Management's ever-growing resources. Although the Company's fundamental investment process remains the same, there have been several enhancements and changes which the Portfolio Managers believe will enhance their efforts to identify attractive, but mispriced, investment opportunities across the European Small Cap space, and to deliver strong returns. These changes continue the evolution of the Company's Investment Process since its inception.

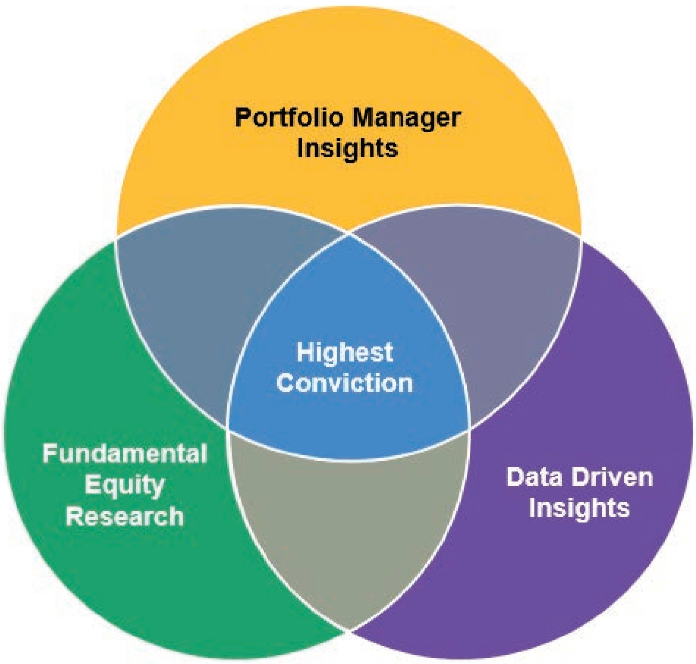
The following section details the Company's Investment Process, including recent enhancements made by JPMorgan Asset Management, such as the introduction of a decision analytics framework. This innovation is intended to improve the quality of investment decisions and is discussed further below.

The Core Investment Objective

Through its Investment Managers, the Company aims to achieve capital growth by investing in a portfolio of smaller continental European companies. The investment universe is defined at the time of purchase by the countries and market capitalisation range of the constituents of the benchmark, the MSCI Europe (ex UK) Small Cap Index.

The Portfolio Managers employ a bottom-up selection process which seeks to identify Europe's smaller 'hidden gems' before they are discovered by the wider investing community (and hence the 'Discovery' in the Company's name). Typically, these companies are attractively priced, market-leading growth companies with strong quality attributes that the Portfolio Managers expect to drive outperformance over the medium-term.

The search for hidden gems is a collaborative, team-based effort that starts with a quantitative approach to idea generation and is complemented by fundamental research and the Portfolio Managers' expertise. Overall risk and financially material environmental, social and governance (ESG) considerations are integrated into each stage of the investment decision-making process, including research, company engagement – before and after stocks enter the portfolio – and portfolio construction. This approach results in the construction of a portfolio of high conviction stocks.



Idea Generation

The primary source of investment ideas is the Investment Manager's proprietary quantitative investment screening process ('Data Driven Insights' above) that ranks stocks within the Company's investment universe according to their valuation, quality, and momentum characteristics. Valuation is assessed using metrics such as valuation multiples, a total expected return framework and discounted cash flow analysis. Quality is judged on characteristics such as return on capital, whether earnings can be maintained, and capital discipline, while Momentum is considered in terms of potentially positive catalysts such as whether a company is exceeding the market's earnings estimates.

Manager's Investment Process

Investment philosophy

We believe that attractively valued, high quality stocks with positive momentum outperform the market

Is it a good business?

We consider the quality of the company through its profitability, consistency of earnings and capital allocation discipline

Is it attractively valued?

We look at a company's valuation to assess if its future prospects have been incorrectly estimated by the market

Is the outlook improving?

Assessing the operational momentum of the business and how is this being reflected in expectations

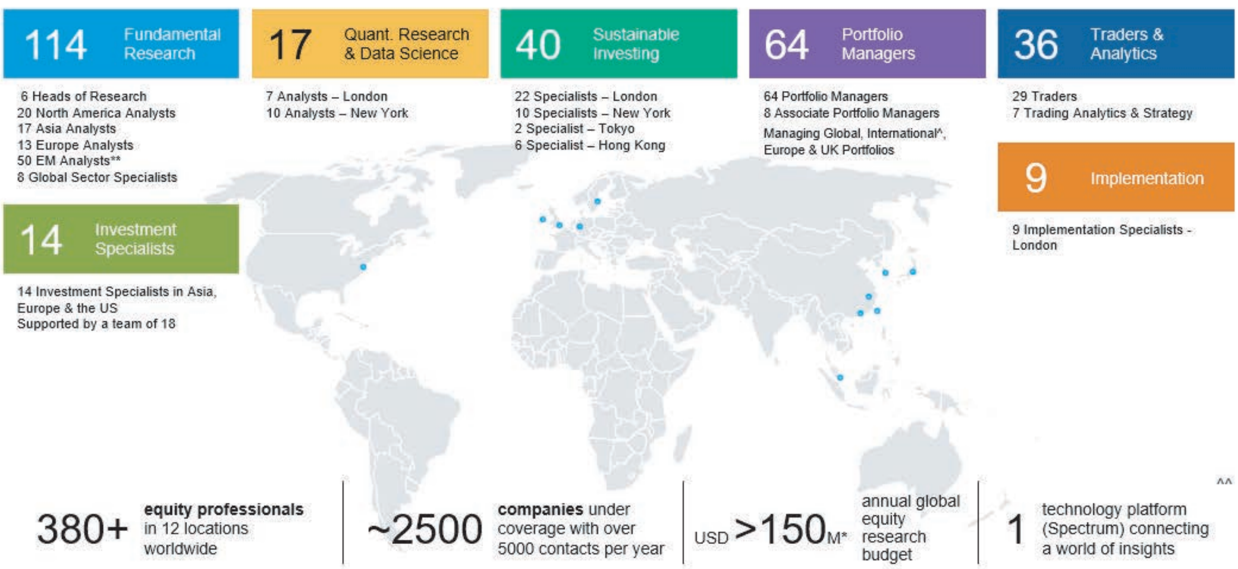
A stock's financially material ESG characteristics are considered throughout our decision-making process

In the research process described above, we systematically assess financially material ESG factors amongst other factors in our investment decisions with the goals of managing risk and improving long-term returns. ESG integration does not change a strategy's investment objective, exclude specific types of companies or constrain a strategy's investable universe. ESG factors may not be considered for each and every investment decision.

Fundamental Research

After identifying companies with characteristics that meet the Portfolio Managers' quantitative requirements, the investment process progresses to in-house fundamental research. At this stage, the Portfolio Managers draw on JPMorgan's extensive analytical and technological resources. The continental European small cap team is part of the wider International Equity Group at JPMorgan, so the Portfolio Managers have access to the expertise of close to 100 investment professionals in this group, as well as JPMorgan's broader global resources. Crucially, the Portfolio Managers also evaluate each investment opportunity using their own skills, knowledge, and experience.

International Equity Group: Drawing on resources around the world



Data as at 30 September 2023. ^^This data is for the Global Equities Platform.*As of 13 October 2022. ^International is Global ex-US. Note this illustrates the resources available and does not necessarily reflect reporting lines. **Includes analysts from JPMorgan Asset Management (China) formerly CIFM (China International Fund Management Co.)

Portfolio Construction

This in-depth, bottom-up fundamental research allows the Portfolio Managers to construct a concentrated, best ideas portfolio of Europe's hidden gems. The Company's investment guidelines do not prohibit the Portfolio Managers from investing in any sector or country. Rather, they pursue the best opportunities given the prevailing market environment.

Any investment portfolio is subject to a range of potential risks, which may be stock or style specific, or related to the economic environment, or to conditions within a given sector or country. The Portfolio Managers utilise JPMorgan's proprietary risk tools to ensure that the portfolio's risk exposures are identified and evaluated.

Sell Discipline

The Portfolio Managers employ a strict sell discipline. A portfolio holding will be sold if:

- The market capitalisation has significantly outgrown the benchmark index;
- There is a deterioration in the underlying fundamental investment thesis;
- The valuation has become unattractive; or
- Better investment opportunities are identified.

Decision analytics framework

Over the past year the Portfolio Managers launched a project to analyse the performance impact of both successful and unsuccessful investment decisions. Initially, they looked at both internal analysis and third-party software products designed for this purpose, but they quickly realised there were significant limitations to existing offerings. Principally, both internal and external providers are only able to analyse trades undertaken and are unable to consider the opportunity costs of actions not taken (due to the lack of associated data).

Historical analysis can help determine whether, on average, portfolio managers should hold investments for more or less time than they do; whether larger positions should be taken to maximise returns, or if more equal weighting between investments would be appropriate. However, the difficulty with this approach is that most decisions made on a daily basis do not result in investments. Yet, decisions not to invest are just as potentially significant for returns as decisions to invest. For example, if an investor considered three AI-related technology stocks at the start of the financial year, and chose to purchase only one, that decision was likely a good one, but the decision not to invest in the other two was probably detrimental to performance. To complete this form of analysis, it is necessary to consider all three decisions.

To this end, the Portfolio Managers have started to develop a more complete framework through which to analyse each part of their decision-making behaviour. This framework records all their decisions in more detail, to build a better picture of their biases, strengths and weaknesses. Specifically, the framework records decisions related to the Portfolio Managers' interactions with company management teams and in-house and external analysts pitching ideas. It also captures their responses to JPMorgan's proprietary quantitative analysis and to daily company news flow and share price movements. Their decisions on single stocks as well as the whole portfolio are also factored into the analysis.

The intention of this new, more comprehensive approach is to derive unique insights to improve investment decision-making, and help the Portfolio Managers answer the key question driving this work: what is the most effective use of their time? Time is a finite and valuable resource, and they want to ensure theirs is allocated most effectively, in those investment areas most likely to benefit the Company's investors.

Portfolio Gearing and Liquidity

The Board has set a liquidity range of between 20% cash and 20% gearing within which the Portfolio Managers may operate. This gives the investment team further flexibility to adjust portfolio risk according to their assessment of the market outlook, by leveraging up individual positions in which they have a high conviction, to amplify expected returns.

In addition, gearing and the closed-end nature of the fund allow the Portfolio Managers to take advantage of opportunities as soon as they arise, by using gearing as a form of liquidity until market conditions provide them with the opportunity to raise cash from other portfolio positions.

Less Liquid positions

The Company's closed-ended nature means that it does not have to deal with daily cash flows into and out of the fund. This has the advantage of allowing the Portfolio Managers to invest in smaller, publicly traded, but less liquid, positions. Such 'illiquid' or less liquid companies, provide the Investment Managers with attractive opportunities to invest in 'undiscovered gems' which are typically overlooked by open-ended funds due to the liquidity limits under which such funds operate.

Manager's Investment Process

Currency Hedging

The Company does not hedge the currency exposure of its portfolio assets. This policy is based on the view that the performance impact of foreign exchange rate fluctuations evens out over the longer term.

Environment, Social and Governance (ESG) considerations

The Portfolio Managers consider financially material ESG factors as part of the investment process, specifically where they see related risks as a potential threat to the long-term earnings capacity of portfolio companies. Further details of the Investment Manager's approach to ESG integration and stewardship is set out in the ESG Report on pages 30 to 32.

Stock Examples

The following are two examples of current investments resulting from the investment process outlined above.

Elis

Stock Overview

Elis provides services for the rental and cleaning of work textiles such as hotel and restaurant linen, workwear, and personal protection equipment. It serves healthcare, hospitality, industrial, and trade sectors worldwide. Following the acquisition of Berendsen in 2017, Elis has grown to be the European leader in textile services, with top positions in most key sectors. It is also present in Latin America, where it benefits from a first-mover advantage.

Investment Thesis

We think Elis is attractively valued given the earnings growth potential, the defensive nature of the business and the consistency of its capital allocation.

Outsourcing the cleaning of work materials (such as hotel bed linen) offers significant efficiency potential for Elis's clients who see it as a secondary function to their main business. Because of this, Elis's market should continue to grow above GDP rates as clients grab the opportunity this represents. Due to its scale in the European market, Elis is the most dependable outsourcing partner and has the highest quality of service, two attributes which we believe will result in continued market share gains. Alongside this, as the market is still fragmented, Elis should also be able to acquire smaller competitors at attractive prices. We expect Elis to grow its top-line at a mid-to-high-single digit rate over time.

As Elis continues to grow, operational margins should also improve. The more clients Elis serves in a specific area, the higher the profitability of the area because of the high fixed costs involved (laundry equipment, staff, trucks). The regions with the highest sales density such as France have materially higher than average margins, which gives us confidence in Elis's ability to improve margins in less mature regions. This should result in very robust earnings growth.

The management is also committed to reducing the amount of debt on the balance sheet. Not only will this result in lower financial costs, but our experience is that reduced financial leverage result in higher valuation multiples and is therefore value accretive. As Elis continues to de-leverage, we think the stock could re-rate over time.

De'Longhi

Stock Overview

De'Longhi is an Italian manufacturer of coffee machines and small kitchen appliances. It is the global leader in espresso machines and is twice the size of its next competitor in this business. The company also owns well-known cooking equipment brands such as Kenwood, Braun and Nutribullet.

Investment Thesis

Thanks to its 'affordable quality' brand perception, De'Longhi should continue to benefit from the high-single-digit annual growth in global coffee consumption, which is mostly driven by emerging markets. Coffee consumption per capita in Asia is still 9x less than in Europe. The high growth in Asia is likely to continue over the medium-term.

This does not mean there is no growth in developed markets. Today, only around 10% of coffee machines sold are espresso machines. As consumers continue to shift from filter coffee to espresso, the demand for De'Longhi machines will continue to rise.

Over time, consumers upgrade from capsules machines to fully automatic coffee beans machines. This considerably increases the average selling price for De'Longhi, as well as the margin that the company can generate on each machine. This premiumisation trend should continue to improve the company's profitability.

Lastly, the company's strong balance sheet and high free cash flow conversion will allow the company to selectively invest in M&A. The company considerably strengthened its cooking appliances business with the acquisition of United Brands in 2020. By acquiring La Marzocco in late 2023, the company also entered the fast-growing and highly profitable professional coffee market.

Portfolio information

Ten largest equity investments

At 31st March

Company	Country	2024 Number of shares	2024 Valuation £'000	2024 %[1]	2023[3] Number of shares	2023[3] Valuation £'000	2023[3] %[1]
SPIE SPIE is the independent European leader in multi-technical services in the areas of energy and communication.	France	743,826	22,143	2.7	1,595,548	37,489	4.5
KION[2] KION provides material handling solutions. The Company offers forklifts, warehouse equipments and other industrial trucks.	Germany	493,821	20,607	2.5	—	—	—
Bilfinger[2] Bilfinger SE provides industrial services, power services, building and facility services, construction and concessions.	Germany	534,878	19,810	2.4	305,957	10,517	1.3
CTS Eventim[2] CTS Eventim produces, sells, brokers and distributes entry tickets for concerts, theater productions, artistic, sporting and similar events.	Germany	279,501	19,750	2.4	440,312	22,266	2.7
Elis Elis provides commercial services. The company offers rental and cleaning of textile and hygiene articles such as workwear, linen, air purification products, dryers, personal protection equipment, automatic dispensers, mats, mops, beverage machines, consumables, and accessories.	France	1,085,967	19,553	2.4	1,539,404	23,847	2.8
Fugro[2] Fugro collects, processes and interprets geological data. The company collects data at sea, on land, and from the air of land areas and the sea bed. The data is used in building offshore oil platforms, tunnels, roads, pipelines, factories and communication cables and to explore for oil, gas and minerals.	Netherlands	987,940	19,156	2.3	—	—	—
De'Longhi[2] De'Longhi is a designer, manufacturer and distributor of small domestic appliances worldwide, with market shares in the espresso coffee makers, food preparation, comfort and home care segments.	Italy	696,397	19,088	2.3	—	—	—
SCOR[2] SCOR operates as a reinsurance company that offers property and casualty, life and health, and reinsurance solutions.	France	662,648	18,163	2.2	—	—	—
BFF Bank[2] BFF Bank is a specialty finance company operating throughout Europe, specialised in the management and non-recourse factoring of trade receivables due from public administrations, securities services, banking and corporate payments.	Italy	1,712,579	18,112	2.2	868,775	6,985	0.8
Merlin Properties Socimi, REIT[2] Merlin Properties Socimi, is a real estate investment trust that acquires, actively manages, operates and invests in commercial real estate.	Spain	1,998,019	17,005	2.0	—	—	—
Total			**193,387**	**23.4**			

[1] Based on total investments of £829.7m (2023: £839.6m).

[2] Not included in the ten largest investments at 31st March 2023.

[3] At 31st March 2023, the value of the ten largest investments amounted to £282.2m representing 33.6% of total investments.

Portfolio information

Geographical analysis

	31st March 2024		31st March 2023	
	Portfolio %[1]	Benchmark %	Portfolio %[1]	Benchmark %
Germany	21.7	13.3	12.4	13.7
France	20.2	11.0	20.0	10.8
Italy	14.8	10.1	19.2	9.7
Sweden	12.1	17.3	15.7	16.6
Netherlands	5.8	5.0	9.9	6.0
Denmark	5.7	6.3	1.9	5.9
Spain	4.1	5.7	1.2	5.3
Austria	3.9	2.8	1.1	2.7
Norway	3.9	6.9	0.9	6.4
Switzerland	2.7	12.9	8.6	13.5
Finland	1.9	3.4	1.7	3.8
Belgium	1.7	3.5	7.4	4.1
Ireland	1.5	0.9	—	0.7
Portugal	—	0.9	—	0.8
Total	**100.0**	**100.0**	**100.0**	**100.0**

[1] Based on total investments of £829.7m (2023: £839.6m).

Sector analysis

	31st March 2024		31st March 2023	
	Portfolio %[1]	Benchmark %	Portfolio %[1]	Benchmark %
Industrials	32.7	29.0	48.5	30.1
Consumer Discretionary	19.7	11.8	17.2	11.8
Financials	13.3	14.6	11.7	14.0
Information Technology	8.1	9.2	15.2	9.9
Healthcare	6.0	8.5	0.1	7.4
Energy	5.2	4.0	—	3.3
Real Estate	4.8	7.8	1.7	7.1
Consumer Staples	4.1	5.3	1.9	5.4
Materials	3.1	5.5	3.4	6.1
Utilities	1.5	2.6	—	2.8
Communication Services	1.5	1.7	0.3	2.1
Total	**100.0**	**100.0**	**100.0**	**100.0**

[1] Based on total investments of £829.7m (2023: £839.6m).

Portfolio Information

Investment activity

During the year ended 31st March 2024

	Value at 31st March 2023 £'000	Value at 31st March 2023 % of Portfolio	Purchases £'000	Sales £'000	Change in value £'000	Value at 31st March 2024 £'000	Value at 31st March 2024 % of Portfolio
Germany	104,313	12.4	146,734	(87,846)	15,833	179,034	21.7
France	167,901	20.0	100,372	(102,529)	1,491	167,235	20.2
Italy	161,074	19.2	97,018	(146,936)	11,997	123,153	14.8
Sweden	131,885	15.7	106,759	(123,940)	(15,191)	99,513	12.1
Netherlands	83,328	9.9	28,660	(69,371)	5,512	48,129	5.8
Denmark	15,842	1.9	53,899	(27,869)	4,953	46,825	5.7
Spain	9,806	1.2	27,311	(9,565)	7,105	34,657	4.1
Austria	9,451	1.1	23,923	(3,364)	2,999	33,009	3.9
Norway	7,855	0.9	24,529	(298)	889	32,975	3.9
Switzerland	71,730	8.6	33,998	(84,889)	1,201	22,040	2.7
Finland	14,021	1.7	10,400	(4,074)	(3,717)	16,630	1.9
Belgium	62,376	7.4	12,906	(52,061)	(9,071)	14,150	1.7
Ireland	—	—	11,690	(1,109)	1,807	12,388	1.5
Total investments	**839,582**	**100.0**	**678,199**	**(713,851)**	**25,808**	**829,738**	**100.0**

Portfolio Information

List of investments

At 31st March 2024

Company	Valuation £'000	% of Portfolio
Germany		
KION	20,607	2.5
Bilfinger	19,810	2.4
CTS Eventim	19,750	2.4
Scout24	16,532	2.0
FUCHS Preference	16,417	2.0
Hensoldt	13,912	1.7
Freenet	12,427	1.5
TAG Immobilien	11,561	1.4
Stabilus	10,868	1.3
Evotec	9,195	1.1
Bechtle	8,137	1.0
Fielmann	7,705	0.9
AIXTRON	5,586	0.7
Atoss Software	4,569	0.6
SAF-Holland	1,958	0.2
	179,034	**21.7**
France		
SPIE	22,143	2.7
Elis	19,553	2.4
SCOR	18,163	2.2
IPSOS	15,668	1.9
SEB	15,024	1.8
Sopra Steria	14,380	1.7
Gaztransport Et Technigaz	12,384	1.5
Covivio	11,760	1.4
Alten	11,386	1.4
Nexans	9,215	1.1
Vallourec	8,887	1.1
Virbac	8,672	1.0
	167,235	**20.2**
Italy		
De'Longhi	19,088	2.3
BFF Bank	18,112	2.2
Sanlorenzo	16,637	2.0
Saipem	14,008	1.7
BPER Banca	12,021	1.4
Unipol Gruppo	10,158	1.2
Brembo	9,124	1.1
Lottomatica	7,716	0.9
A2A	6,746	0.8
Iren	5,811	0.7
Intercos	3,732	0.5
	123,153	**14.8**

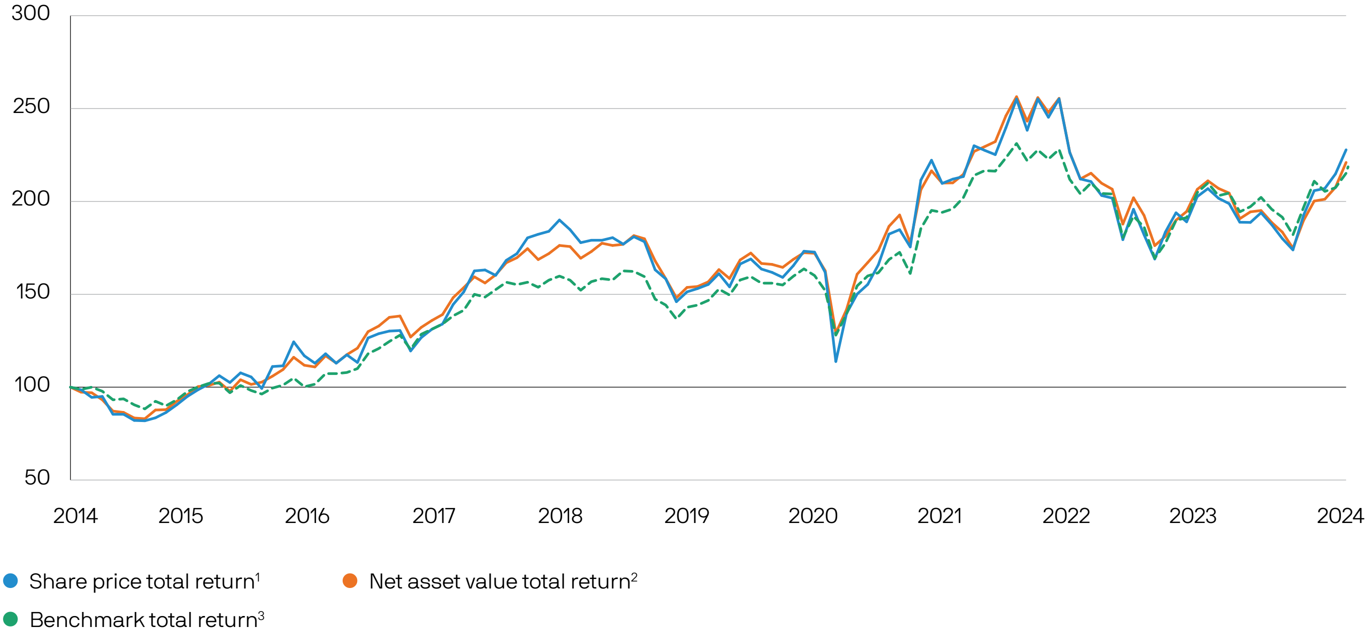
Company	Valuation £'000	% of Portfolio
Sweden		
AAK	14,612	1.8
Bravida	13,698	1.7
Munters	11,780	1.4
Loomis	10,545	1.3
Electrolux Professional	10,447	1.3
Hexpol	9,533	1.1
BoneSupport	9,151	1.1
Thule	8,429	1.0
Sweco	6,521	0.8
Husqvarna	4,797	0.6
	99,513	**12.1**
Netherlands		
Fugro	19,156	2.3
Koninklijke Vopak	15,107	1.8
Arcadis	13,866	1.7
	48,129	**5.8**
Denmark		
ISS	10,453	1.3
Sydbank	10,382	1.3
Zealand Pharma	9,298	1.1
NKT	9,268	1.1
Jyske Bank	7,424	0.9
	46,825	**5.7**
Spain		
Merlin Properties Socimi	17,005	2.0
Banco de Sabadell	13,566	1.6
Fluidra	4,086	0.5
	34,657	**4.1**
Austria		
DO & CO	16,528	2.0
BAWAG	8,488	1.0
Wienerberger	4,276	0.5
ANDRITZ	3,717	0.4
	33,009	**3.9**
Norway		
Bakkafrost	13,450	1.6
Storebrand	11,808	1.4
Aker Solutions	7,717	0.9
	32,975	**3.9**
Switzerland		
Accelleron Industries	13,708	1.7
Inficon	8,332	1.0
	22,040	**2.7**

Company	Valuation £'000	% of Portfolio
Finland		
Tokmanni	8,543	1.0
TietoEVRY	6,057	0.7
Puuilo	2,030	0.2
	16,630	**1.9**
Belgium		
Fagron	13,742	1.7
Melexis	408	—
	14,150	**1.7**
Ireland		
Cairn Homes	6,542	0.8
Glanbia	5,846	0.7
	12,388	**1.5**
Total Investments	**829,738**	**100.0**

Ten Year Record

Ten year performance

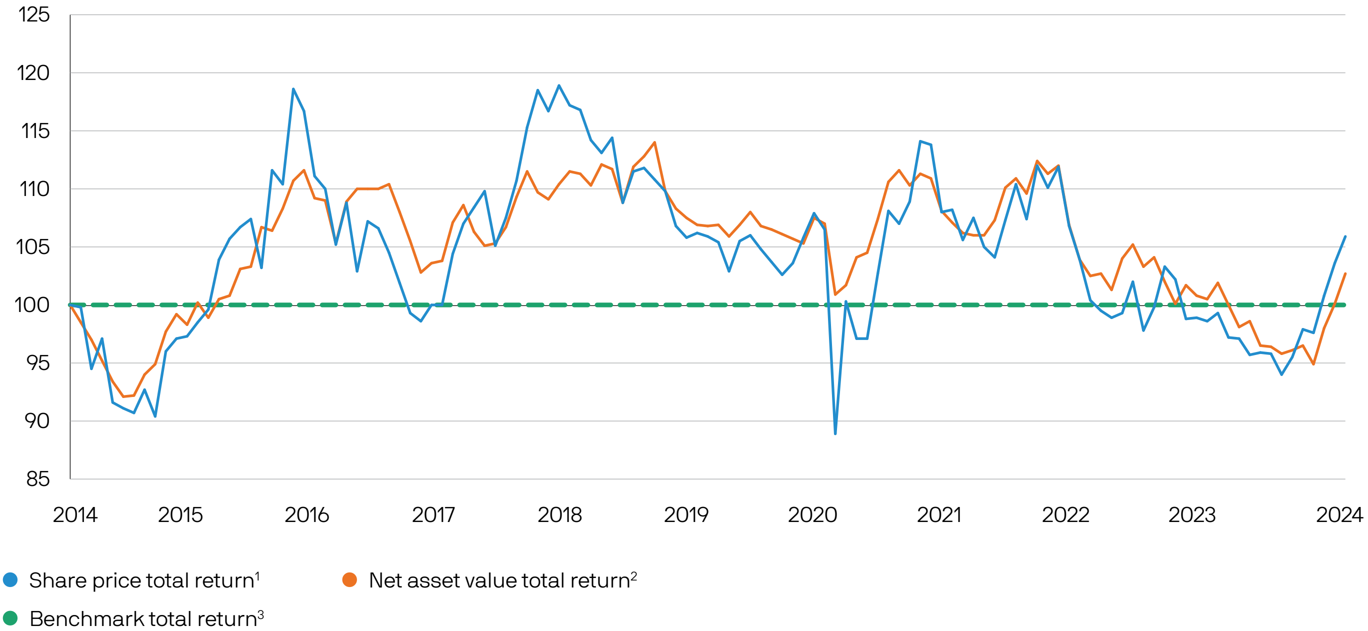
Figures were rebased to 100 on 31st March 2014



[1] Source: Morningstar, share price. JPMorgan, share price total return calculation.
[2] Source: Morningstar, cum income net asset value per share. JPMorgan, net asset value total return calculation.
[3] Source: Morningstar. The Company's benchmark.

Ten year performance relative to benchmark

Figures were rebased to 100 on 31st March 2014



[1] Source: Morningstar, share price. JPMorgan, share price total return calculation.
[2] Source: Morningstar, cum income net asset value per share. JPMorgan, net asset value total return calculation.
[3] Source: Morningstar. The Company's benchmark.

Ten Year Record

Ten year financial record

At 31st March	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total assets less current liabilities (£'m)	474.8	473.1	495.4	620.8	794.2	637.8	517.3	923.0	833.7	785.1	841.7
Net asset value per share (p)[A]	270.7	268.3	309.3	388.1	438.9	400.0	324.4	530.7	526.1	498.5	520.7
Share price (p)	240.0	233.5	276.0	334.0	406.0	349.0	251.0	462.0	450.0	423.0	465.5
Share price discount (%)[A]	11.3	13.0	10.8	13.9	7.5	12.8	22.6	12.9	14.5	15.1	10.6
Gearing (%)/(Net cash)[A]	12.6	7.5	(2.8)	5.3	7.9	(5.2)	3.8	8.8	0.0	6.9	7.9
Ongoing charges (%)[A]	1.31	1.32	1.18	1.15	1.03	1.07	1.05	0.91	0.93	0.94	0.92

Year ended 31st March	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Gross revenue return (£'000)	8,016	8,586	8,448	10,771	13,251	15,837	15,077	9,625	16,498	22,502	23,982
Net revenue available for shareholders (£'000)	5,047	5,519	5,732	7,807	9,575	11,680	10,886	7,051	11,154	17,512	18,670
Revenue return per share (p)	2.99	3.45	3.58	4.88	5.98	7.31	6.83	4.42	7.00	11.11	12.04
Total dividend(s) per share (p)	2.9	3.2	3.2	4.7	6.7	6.7	6.7	6.7	6.7	9.0	10.5

Rebased to 100 at 31st March 2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total return to shareholders[1,A]	100.0	98.6	118.0	144.5	177.8	155.3	113.8	213.4	210.7	201.7	227.8
Total return on net assets[2,A]	100.0	100.3	116.9	148.2	169.4	156.7	129.1	214.6	215.2	207.0	221.0
Benchmark total return[3]	100.0	100.1	107.3	138.4	152.2	146.7	128.0	202.1	209.9	203.1	215.2

[1] Source: Morningstar, share price. JPMorgan, share price total return calculation.

[2] Source: Morningstar, cum income net asset value per share. JPMorgan, net asset value total return calculation.

[3] Source: Euromoney. The Company's benchmark is the MSCI Europe (ex UK) Small Cap Net Total Return Index. (2019 and before: Euromoney Smaller European Companies (ex UK) Total Return Index in sterling terms).

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

A glossary of terms and APMs definitions is provided on pages 101 and 102.

Environmental, Social and Governance ('ESG') Report

Manager's Approach to ESG and JPMorgan European Discovery Trust plc

Why do we integrate ESG into our investment process?

In actively managed strategies deemed by J.P. Morgan Asset Management (UK) Limited ('JPMAM') to be ESG integrated under our governance process, we systematically assess financially material ESG factors (amongst other factors) in our investment analysis and investment decisions, where possible and appropriate, with the goals of managing risk and improving long-term returns. Essentially, we seek to determine whether, in our opinion, a company faces potential headwinds or tailwinds from ESG considerations which may ultimately have a significant impact on its share price.

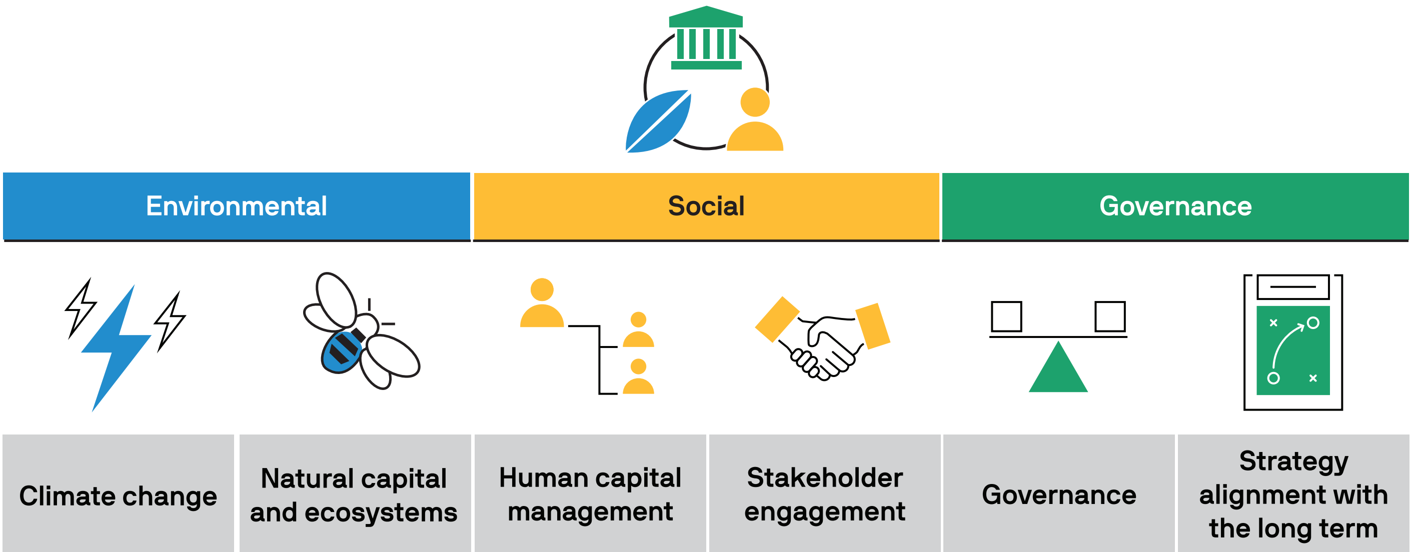
ESG Integration within the Company's portfolio

ESG integration does not change the Company's investment objective, exclude specific types of companies, or constrain the Company's investable universe. However, our assessment of financially material ESG factors may influence the investment decision. Ultimately, it may impact our Investment Manager's decision to purchase a company or not, or impact the position size taken in a Company due to the level of conviction.

Engagement

We recognise and embrace our wider stewardship responsibilities to clients as a major asset owner. We use engagement to better understand and encourage portfolio companies to develop and adopt practices to manage their risk and create long-term shareholder value. Active ownership in the context of ESG integration allows us to manage ESG risks and systematically to incorporate insights gained from engagement into our investment decisions. For further details on our engagement processes, please see JPMAM's Annual Investment Stewardship Report Annual Investment Stewardship Report (https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/sustainable-investing/investment-stewardship-report.pdf).

In JPMAM's International Equity Group, corporate engagement is a collaboration between our investors and the Investment Stewardship specialists within our Global Sustainable Investing Team. Engagement driven by our Investment Stewardship team focuses on the six firm-wide priorities below.



Underlying each priority are specific themes, which are typically topical issues within the industry and with our clients. JPMAM's Investment Stewardship Team has identified a set of 'focus' companies, aligned with these themes, which we proactively target for engagement. These companies are selected because of an issue of concern, typically in reference to our six priorities, that is sufficiently material to warrant more focused engagement and where the name is held in sufficient size to make our voice effective. The list of companies will be validated as part of ongoing dialogue between the Investment Stewardship Team and the Portfolio Managers and Research Analysts.

Portfolio Managers and Research Analysts in the International Equity Group (IEG) also directly drive engagement with the companies, addressing a broad range of financially material ESG issues as part of their bottom-up stock analysis.

Examples of our recent activity with regard to engagement with stocks in the Company's portfolio during the year are provided below:

Environmental, Social and Governance ('ESG') Report

Our IEG investors met with **SPIE** to discuss the company's ESG initiatives. Our objectives were to: (i) clarify what operations fall under the company's oil, gas & nuclear business division and if they have any direct nuclear exposure; (ii) clarify the drivers of the company's scope 1, 2 and 3 emission reduction targets; and (iii) discuss the drivers of the recent third-party downgrade of SPIE's ESG rating.

SPIE confirmed that they did not have any direct nuclear exposure. Their oil, gas & nuclear business division accounted for 7% revenues in 2022. This work is predominantly for taking care of clients' fire safety and electrical networks. Next, the company is confident that they will be able to meet their 2025 targets for scope 1 and scope 2 emissions. These emissions are mainly from SPIE's large vehicle fleet which they are currently renewing progressively into electric vehicles. Finally, MSCI downgraded their ESG rating for SPIE from A to BBB, citing their assessment of SPIE's labour management practices and limited evidence of their robust staff development programmes. SPIE has refuted this assessment and has been engaging with MSCI, but said they have had limited success so far.

Our portfolio management team met with **Arcadis**, the engineering and consulting company, at their recent capital markets day. We raised the issue of per- and polyfluorinated substances (PFAS), which are used to make fluoropolymer coatings and products that resist heat, oil, stains, grease and water. These are also known as 'forever chemicals' as they are unable to breakdown naturally. We wanted to understand the implications of their usage across the world and what steps the company is taking in order to tackle the issues. The company noted that the market for PFAS is forecasted to be >$160 billion over the next 20-30 years. This means that the growing consumption of PFAS chemicals has serious implications. Arcadis are aware of their leadership position in the market, and are at the forefront of R&D developing remediation solutions to help tackle the problem. They assured us that they were working with organisations such as the US Army and universities globally to both develop clean up solutions and to help transition to a PFAS-free world through alternatives such as PFAS-free firefighting foams. We look forward to seeing more progress on possible solutions from Arcadis and see how the business develops in the future.

Proxy voting

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

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

A summary of key voting statistics and activity for the Company during the year is detailed below:

	For	Against	Abstain	Did Not Vote*	Total	Against/ Abstain (number)	Against/ Abstain (%)
Audit Related	58	7	0	2	67	7	10%
Capitalisation	91	14	0	3	108	14	13%
Company Articles	28	3	0	3	34	3	9%
Compensation	181	51	0	8	240	51	21%
Director Election	222	36	0	13	271	36	13%
Director Related	185	13	0	9	207	13	6%
Miscellaneous	3	0	0	0	3	0	0%
Non-Routine Business	10	0	0	1	11	0	0%
Routine Business	189	10	0	8	207	10	5%
Social	0	1	0	0	1	1	100%
Strategic Transactions	1	1	0	1	3	1	33%
Takeover Related	0	3	0	0	3	3	100%
Total	**968**	**139**	**0**	**48**	**1,155**	**139**	

*Meetings may not be voted due to share blocking and/or conflicts of interest.

Environmental, Social and Governance ('ESG') Report

Two examples of our proxy voting activity over the last year are provided below.

Brembo SpA

Issue

Brembo SpA is an Italian automotive parts manufacturer. At the 2023 Annual General Meeting, shareholders were asked to submit an advisory vote on the company's Remuneration Report for the financial year 2022 (FY22) in addition to a binding vote on the forward-looking Remuneration Policy. We have had concerns with several aspects of the company's remuneration proposals over successive years. In FY22, a one-off award of EUR 800,000 was paid to the Chief Executive Officer which was not linked to pre-determined performance conditions. In its Remuneration Policy, the company also continues not to disclose the weightings and targets of its cash-based Long-Term Incentive Plan (LTIP) preventing shareholders from assessing the robustness of the Plan's metrics. Neither of these features are considered in-line with market standards.

Action

When reviewing remuneration proposals, we take into consideration a company's progress and responsiveness to shareholder feedback over time, in addition to the merits and features of the individual proposals. In the case of Brembo SpA, whilst we acknowledged that certain aspects of remuneration-related disclosure has improved over the past few years, we remained concerned around the board's discretionary use of one-off awards and the inadequate disclosure of LTIP targets in the forward-looking Remuneration Policy.

Outcome

As we were unable to allay our concerns, we voted against the Remuneration Report and the Remuneration Policy resolutions at the company's Annual General Meeting. The resolutions received significant dissent at the general meeting. We will continue to monitor the company's remuneration practices going forward.

Bechtle AG

Issue

Bechtle AG is a German listed IT services provider. At the 2023 Annual General Meeting, shareholders voted on the election of two new board members and the re-election of several incumbent directors. Independence of the Board and its key committees is crucial in ensuring effective oversight of company strategy and material risks. Our view is that an audit committee should consist solely of non-executive directors who are independent of management; however Bechtle AG fell short of this requirement. Furthermore, the proposed term for all directors up for election was five years which raised concerns.

Action

In our analysis of the Board and the composition of key committees, we carefully considered market context and best practice. Ultimately, we determined that one of the Audit Committee members could not be considered fully independent given the length of his tenure on the Board had already exceeded 20 years. Although five years is common practice in Germany, we believe that shorter terms serve to enhance shareholder rights by allowing more regular evaluation of the performance of the director and therefore Board accountability. Shorter terms also strengthen board refreshment.

Outcome

We voted against the director who was a member of the Audit Committee and who we considered not independent based on his tenure. In addition, we voted against the election of all directors on the basis of the proposed five-year terms. We will monitor the company practices going forward and seek to encourage and promote convergence with international best practice for governance.

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). More details on page 106.

J.P. Morgan Asset Management

The Company's Purpose, Values, Strategy and Culture

The purpose of the Company is to provide a cost effective, investment vehicle for investors who seek capital growth from a portfolio of high-quality smaller companies in Continental Europe, over the long term. To achieve this, the Board of Directors is responsible for employing and overseeing an investment management company that has appropriate investment expertise, resources and controls in place to meet the Company's investment objective. To ensure that it is aligned with the Company's purpose, values and strategy, the Board comprises non-executive Directors from a diverse background, including gender and ethnicity, who have a breadth of relevant experience and contribute in an open and transparent boardroom culture that both supports and challenges the Manager and its other third party suppliers.

All Directors act with integrity, lead by example and seek to promote the Company's culture through ongoing dialogue and engagement with its stakeholders.

Investment Objective

JPMorgan European Discovery Trust plc is an investment trust company that has a premium listing on the London Stock Exchange. It is a constituent of the FTSE 250 Index. The Company is incorporated in England and Wales. Its objective is to achieve capital growth from smaller Continental European companies. In seeking to achieve this objective, the Company employs JPMorgan Funds Limited ('JPMF') which, in turn, delegates portfolio management to JPMorgan Asset Management (UK) Limited ('JPMAM') to actively manage the Company's assets. The Board has determined an investment policy and related guidelines and limits as described below. It aims to outperform the MSCI Europe (ex UK) Small Cap Net Total Return Index.

The Company is subject to legislation and regulations including UK company law, United Kingdom Accounting Standards, the FCA Listing, Prospectus, Disclosure Guidance and Transparency Rules, Market Abuse Regulation, taxation law and the Company's own Articles of Association.

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.

Investment Policies and Risk Management

In order to achieve its investment objective and to seek to manage investment risks, the Company invests in a diversified portfolio of high-quality smaller companies in Continental Europe. The investment universe is defined at the time of purchase by the countries and market capitalisation range of the constituents of the benchmark index which, at the end of March 2024, consisted of 674 companies with a free float adjusted market capitalisation range of GBP 200 million to GBP 7 billion.

The Company manages liquidity and borrowings with the aim of increasing potential Sterling returns to shareholders. The Company borrows in Euros in order to hedge the currency risk in respect of the geared portion of the portfolio. The Company does not normally hedge the foreign currency exposure of the remainder of the portfolio.

The investment policy emphasises capital growth rather than income and shareholders should therefore expect dividends to vary from year to year.

The Board has set no minimum or maximum limits on the number of investments in the portfolio but, in the year under review, the number of investments ranged between approximately 50-80. To gain the appropriate exposure, the investment managers are permitted to invest in collective investment schemes. On a day-to-day basis, the assets are managed by three investment managers based in London, supported by a team of over 99 equity professionals.

Investment Restrictions and Guidelines

The Board seeks to manage the risks facing the Company by imposing various limits and restrictions;

- The Company will not invest more than 5% of its total assets in any one individual stock at the time of acquisition.
- No more than 25% of assets may be invested outside the benchmark. Any such investments must be in European ex UK companies or a UK investment company that invests in Europe.
- The Company does not normally invest in unquoted investments and to do so requires prior Board approval.
- No more than 25% of the Company's assets may be invested in the aggregate of: (i) securities not listed on a recognised exchange; and (ii) holdings in which the Company has 20% or more of the issued equities. It is unlikely that the Company would invest in companies that fall into either of these categories and did not do so in the year under review.
- In accordance with the FCA Listing Rules, the Company will not invest more than 15% of its gross assets in other UK listed closed-ended investment funds and will not invest more than 10% of its gross assets in UK listed closed-ended investment funds that themselves may invest more than 15% of gross assets in UK listed closed-ended investment funds. It is very unlikely that the Company would wish to have substantial positions in such companies and had no such investments in the year under review.

Business Review

- The Board has set a normal gearing range of 20% net cash to 20% geared.
- The Company does not normally enter into derivative transactions and to do so requires prior Board approval.

These limits and restrictions may be varied by the Board at any time at its discretion.

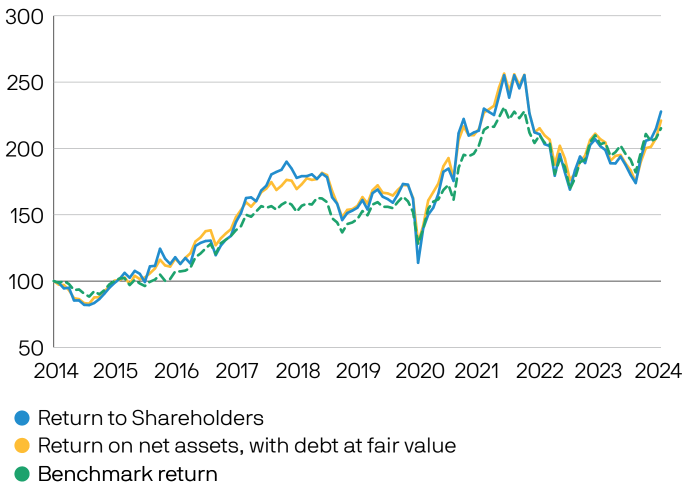
Compliance with the Board's investment restrictions and guidelines is monitored continuously by the Manager and is reported to the Board on a monthly basis.

Performance

In the year ended 31st March 2024, the Company produced a share price total return of 13.0% and a net asset value total return of 6.8%. This compares with the total return on the Company's benchmark index of 5.9%. As at 31st March 2024 the value of the Company's investment portfolio was £829.7 million (2023: £839.6 million). The Investment Managers' Report on pages 11 to 18 includes a review of developments during the year as well as information on investment activity within the Company's portfolio.

Ten Year Performance

Figures have been rebased to 100 since 31st March 2014



Source: Morningstar.

Key Performance Indicators ('KPIs')

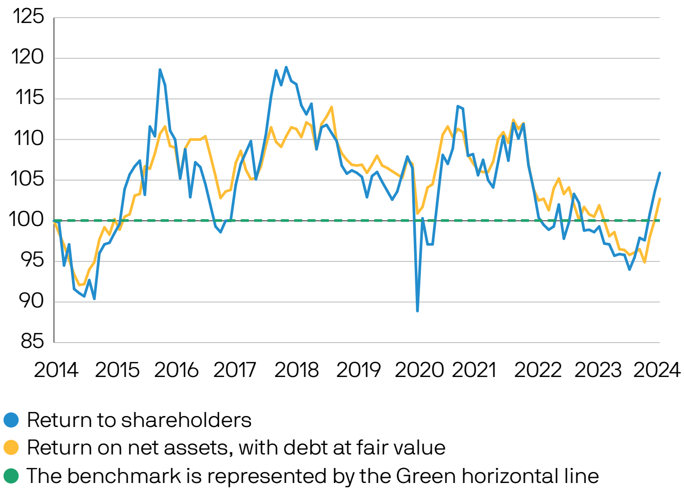
At each Board meeting the Directors consider a number of performance measures to assess the Company's success in achieving its objectives. The principal KPIs are performance relative to the benchmark index, performance against the Company's peers, performance attribution, share price discount to net asset value per share and ongoing charges. Unless there is a particular reason for the Board to change the KPIs (which would require an explanation to shareholders), consistency is maintained to provide continuity. Further details of the principal KPIs are given below.

- **Performance relative to the benchmark index**

  This is the most important KPI by which performance is judged. Information on the Company's performance is given in the Chairman's Statement and the Investment Managers' Report on pages 11 to 18.

Performance Relative to Benchmark Index

Figures have been rebased to 100 since 31st March 2014



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

  The principal objective is to achieve capital growth relative to the benchmark. However, the Board also monitors the performance relative to a broad range of competitor funds with similar objectives.

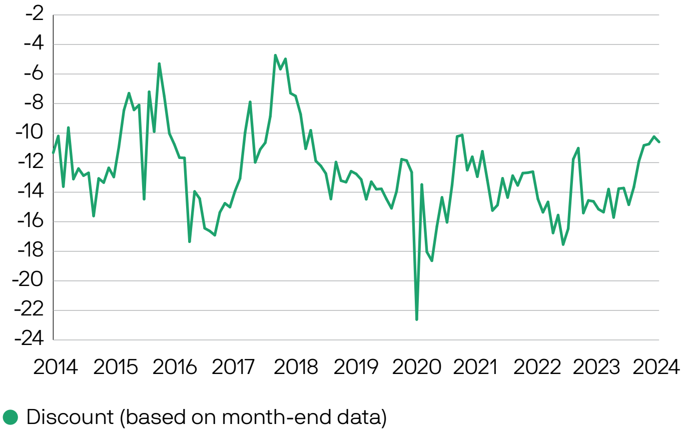
- **Performance attribution**

  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 stock selection and asset allocation. Details of the attribution analysis for the year ended 31st March 2024 are given in the Investment Managers' Report on page 11.

- **Share price discount to net asset value ('NAV') per share**

  The Board recognises that the possibility of a short term widening of the discount can be a key disadvantage of investment trusts that can discourage investors, but is of the view that over the long term it is not a material factor in long term shareholder return. The Board has for several years operated a share repurchase programme which seeks to address imbalances in the supply of and demand for the Company's shares within the market and thereby seek to manage the volatility and absolute level of the discount to NAV per share at which the Company's shares trade. In the year ended 31st March 2024, the discount ranged between 9.7% and 16.9%. More information on the Board's share repurchase policy is given in the Chairman's Statement on page 7.

Discount



Source: Morningstar (month end data).

- **Ongoing charges**

The ongoing charges represent the Company's management fee and all other operating expenses, excluding any finance costs, expressed as a percentage of the average daily net assets during the year. The ongoing charges for the year ended 31st March 2024 were 0.92% (2023: 0.94%). Each year the Board reviews an analysis which shows a comparison of the Company's ongoing charges and its main expenses with those of its peers.

Principal and Emerging Risks

The Directors confirm that they conduct a robust assessment of the principal and emerging risks facing the Company. It is with a focus on those risks that could materially adversely impact the Company's performance, share price, reputation or the viability of its business. The reviews are based on a risk matrix developed by the Audit Committee with the assistance of the Manager.

During the year, the Board discussed the risks and identified those that merit particular attention. At the current time these are – investment performance, discount control and the impact of geopolitical events. At the same time, they viewed that the threat of a recession and the adverse impact of further pandemics as having declined over the year.

The AIC Code of Corporate Governance requires the Audit Committee to put in place procedures to identify emerging risks facing the Company. The Committee has conducted horizon scanning and other than the exacerbation of geopolitical events in Ukraine & the Middle East, growing usage of Artificial Intelligence and continuing Climate Change, it does not believe that there are any new emerging risks.

The risks together with how these are mitigated and managed, as far as practicable, are set out in the table below.

RISK & DESCRIPTION	MITIGATION & MANAGEMENT
Investment Performance and Strategy Performance of the Company's investment portfolio is fundamental to the success of the company. An inappropriate investment strategy, or poor implementation of the strategy, for example relating to concentration of investments, asset allocation, the level of gearing or the degree of portfolio risk.	Ongoing performance measurement of the portfolio computed independently of the investment managers. This is shared within Investment Managers teams for ongoing oversight as well as to the Board. The Board reviews the overall strategy and structure of the Company and reports of comparison of the performance against benchmark, peer group and share activity. The Board holds a separate meeting devoted to strategy each year which includes consideration of whether the Company's objectives and structures are appropriate for the long-term interests of shareholders. Regular reports prepared by the Manager are received by the Board on stock selection, asset allocation, gearing, hedging and costs of running the Company and these are reviewed at each Board meeting.
Discount/Premium Control Share price premium volatility and deep discount to net asset value per share leads to a sense of uncertainty reducing shareholder confidence. Potentially triggering shareholder intervention.	The Board continuously monitors the level of the discount. Where deemed it prudent, seeks to address the imbalances in the supply of and demand for the Company's shares through share repurchases.
Geopolitical Market instability and declining investment opportunities from escalation of geopolitical conflicts such as in Ukraine and the emerging instability in the Middle East.	The Company monitors global developments with the Manager and external experts on an ongoing basis. The Board can, with shareholder approval, amend the investment policy and objectives of the Company to mitigate the risks arising from geopolitical instability.
Market and Currency Uncertainty about the future prices and liquidity of the Company's investments arising from economic, social, fiscal, climate, inflationary and regulatory changes. This covers the impact of holding investments in the face of negative market movements. The company has an inherent risk exposure to the Euro/Sterling exchange rate. The majority of the Company's assets, liabilities and income are denominated in Euros, rather than in Sterling which is the Company's functional currency and in which it reports performance.	The Board manages these risks by diversification of investments and monitoring compliance with investment guidelines and policies with the Investment Manager. The Board includes an assessment of these risk factors at meetings and has placed investment restrictions and guidelines to limit these risks. The Board also reviews the level of liquidity in the portfolio. The Company borrows in Euros in order to hedge the currency risk in respect of the geared portion of the portfolio. The Company does not hedge the foreign currency exposure of the remainder of the portfolio.

Principal and Emerging Risks

RISK & DESCRIPTION	MITIGATION & MANAGEMENT
Loss of Key Personnel Loss of one or more of the investment management team, particularly key individuals.	The Manager ensures appropriate performance reviews and benchmarked incentivisation and compensation. In addition, ongoing succession planning through a team-based approach. The Board also takes a keen interest in getting to know the individuals through attendance at Board meetings and their participation at the off-site Strategy meetings.
Shareholder Relations Failure to communicate effectively and regularly and appropriately with the different shareholder constituencies.	The Manager has a programme of visiting major institutional holders and providing presentations via various platforms to communicate more widely with its investors. Extensive range of investor information and nation-wide presentations are done by the Sales teams and feedback via brokers is reviewed for improvements. In addition, the Board arranges regular meetings with major institutional holders and responds to questions and matters raised at AGMs or in the interim by shareholders.
Operational and Cyber Crime In common with most investment trusts the Board delegates the operation of the business to third parties, the principal delegate being the Manager. Disruption to, failure of, or fraud in the Manager's accounting, dealing or payments systems or at its service providers (Custodian, Depositary or Registrar) preventing timely implementation of investment decisions, and potentially shortfalls in the accuracy of reporting and monitoring of the Company's financial position. Cyber attack impacting business continuity, breaches of information security and integrity of data.	The Audit Committee receives independently audited reports on the Managers and other service providers' internal controls, as well as a report from the Manager's Compliance function. The Company's management agreement obliges the Manager to report on the detection of fraud relating to the Company's investments and the Company is afforded protection through its various contracts with suppliers, of which one of the key protections is the Depositary's indemnification for loss or misappropriation of the Company's assets held in custody. Details of how the Board monitors the services provided by JPMF and its associates and the key elements designed to provide effective risk management and internal control are included within the Risk Management and Internal Control section of the Corporate Governance Statement on page 49. The Board is kept up to date with the Manager's cyber security defences and its cyber security programme. The information technology controls around the physical security of data centres, security of its networks and trading applications are tested and reported on every.
Accounting, Legal and Regulatory Failure to comply with existing and emerging accounting, fiscal regulatory rules. The Company operates in an environment with significant regulation including the FCA Listing Rules, The UK Companies Act, the Corporation Taxes Act, Market Abuse Regulation, Disclosure Guidance and Transparency Regulations and the Alternative Investment Fund Managers Directive (AIFMD). An example is the breach of Section 1158 which would lead to a loss of investment trust status and, as a consequence, gains within the Company's portfolio would be subject to capital gains tax.	The Board relies on the services of its Company Secretary, the Manager (JPMF) and its service providers and professional advisers to ensure compliance. Relying on relevant processes reviewed on a regular basis including by Internal Audit and Risk & Operational audits together with regular consultation with External Auditors and meetings of the Audit Committee. Specifically, the Section 1158 compliance is continually monitored by the Manager and the results reported to the Board each month.

Principal and Emerging Risks

RISK & DESCRIPTION	MITIGATION & MANAGEMENT
Artificial Intelligence (AI) AI has become a powerful tool that will impact a huge range of areas. It could be a significant driver for new business as well as a disrupter to current business models and processes leading to emerging uncertainty in corporate valuations. There is also an increased potential risk from cyber related crime.	The Manager's investment process integrates financially material considerations of the impact of AI when taking investment decisions. The Board works with the Manager to monitor the developments concerning AI and its potential impact on the portfolio, our service providers and the wider market.
Climate Change Climate change has an increasingly significant impact on the business models, sustainability and even viability of individual companies, sectors and asset classes, impacting investment performance and valuations in the short and longer term.	The Manager's investment process integrates financially material considerations of environmental, social and governance (ESG) factors when taking investment decisions. This includes considering the approach investee companies take to recognising and mitigating climate change risks. This is outlined in Investment Manager's Report. The Board reviews ESG reports from the Manager on the way ESG considerations are integrated into the investment decision making. It also considers, where relevant, the direct impact on climate change from the nature of operations of the Manager and other service providers. At the level of the Company, as extreme weather events become more common, the resiliency, business continuity planning and location strategies of the Company's service providers will come under greater scrutiny.

Long Term Viability

In the light of the Company's current position, the principal and emerging risks that it faces and their potential impact on its future, the Directors have assessed the prospects of the Company, to the extent that they are able to do so, over the next five years. They have made that assessment by considering the principal risks, the risk of breaching the Company's debt covenants as a result of a reduction in its asset base, the Company's investment objective and strategy, the investment capabilities of the Manager and the current outlook for the European economies and equity markets. The Board has further considered the mitigation measures which key service providers, including the Manager, have in place to maintain operational resilience. In addition, the Company has carried out stress testing in connection with the Company's stated principal risks, encompassing a number of scenarios where the Company might be put under significant stress due to market volatility or other exogenous shocks. This included modelling the impact of substantial market falls, and testing portfolio liquidity under stress. The scenarios assumed that there would be no recovery in asset prices.

The results demonstrated the impact on the Company's NAV, its expenses, its debt levels and the covenants attached to that debt as well as the Company's ability to meet its liabilities. In even the most stressed scenario, the Company was shown to have sufficient cash, or to be able to liquidate a sufficient portion of its listed holdings, in order to meet its liabilities as they fall due.

Given the Company's objective of achieving long term capital growth, shareholders should consider the Company as a long term investment proposition. This is consistent with advice provided by investment advisers; that investors should consider investing in equities for a minimum of five years. Thus, the Directors consider five years to be an appropriate time horizon to assess the Company's viability.

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

Duty to Promote the Success of the Company

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

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

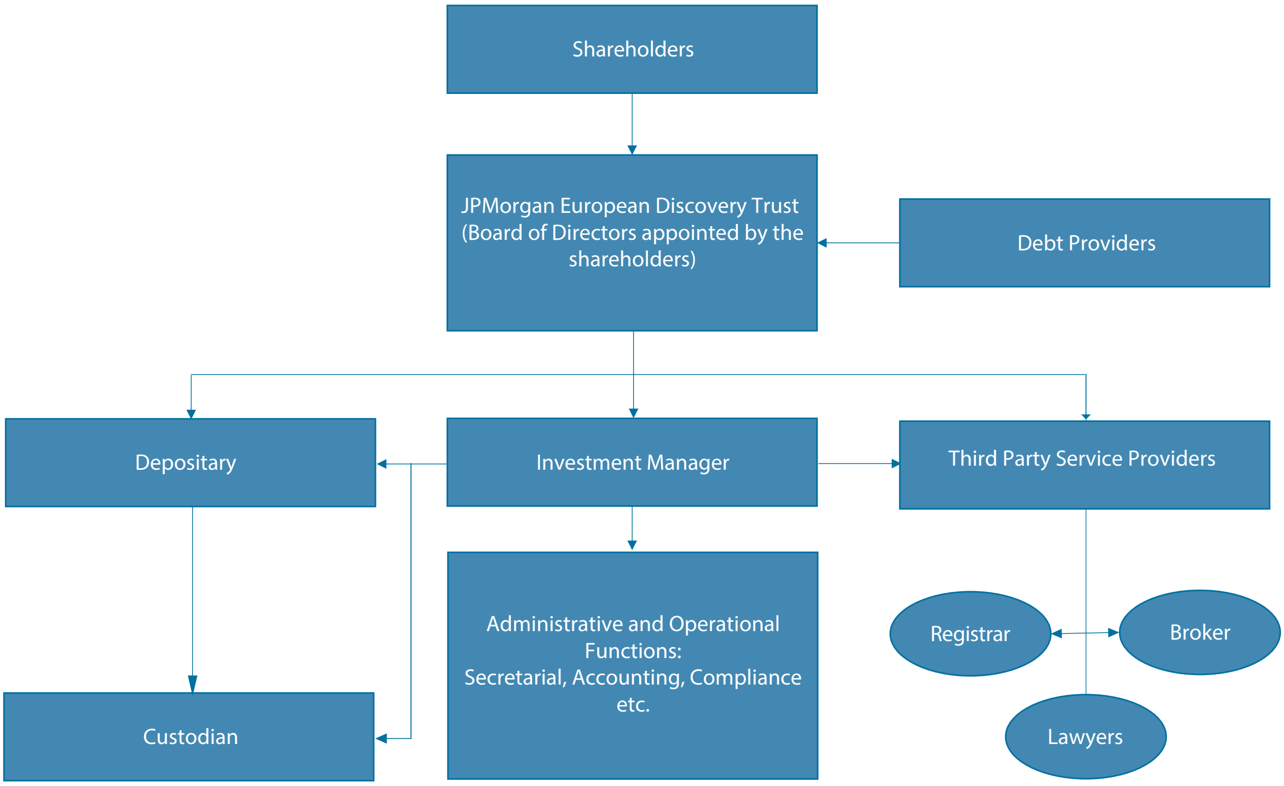
The Board is appointed by the Company's shareholders, who also approve the Company's investment objective. The Board appoints the investment manager to deliver the investment objective using its investment process. The Board oversees the Company's affairs by:

1. Ensuring the manager complies with the Investment Guidelines (see page 33).
2. Reviewing the Manager's performance against the benchmark index and Key Performance Indicators (see page 34).
3. Using gearing where the expected benefits outweigh the costs and risks (see page 42).
4. Monitoring the share price premium or discount and the use of share issuances and buybacks (see page 42).
5. Setting the dividend policy and level of revenue reserve (see page 42).
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 35).
9. Ensuring compliance with governance codes and regulatory requirements (see page 49.
10. Overseeing the marketing and investor relations activities carried out by the Manager (see page 42).

Duty to Promote the Success of the Company

Stakeholder Engagement

The following chart sets out the key stakeholders of the Company and how the Board engages with them.



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

Shareholders

The Board aims to provide shareholders with a full understanding of the Company's activities and performance. It 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 (NAV) of the Company's shares. In addition, the Company issues announcements for all significant events and these are available on the Company's website together with monthly factsheets published by the Manager.

The Board regularly monitors the shareholder profile of the Company. It 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. This is done by engaging in discussions on an ongoing basis, either directly or through the Company's brokers, the portfolio managers or JPMF. In addition the Chairman 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 107.

The Annual General Meeting (AGM) provides the key forum for the Board and Portfolio Managers to present to shareholders on the Company's performance, future plans and prospects. It also allows shareholders the opportunity to meet with the Board and Portfolio Managers to raise any questions or concerns. A recording of the Portfolio Managers' presentation is also available on the Company's website following the AGM.

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.

Duty to Promote the Success of the Company

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.

Investee companies

The Board is committed to responsible investing and actively monitors the activities of investee companies through its delegation to the Manager. In order to achieve this, the Manager has discretionary powers to exercise voting rights on behalf of the Company on all resolutions proposed by the investee companies.

In respect of the year under review, the Manager voted at the annual general meetings and extraordinary meetings held during the year by the Company's portfolio companies (full details can be found in the ESG report on page 30). The Board monitors investments made and divested and where appropriate, seeks the rationale for exposures taken and voting decisions made.

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 capability, performance records, resources and controls in place to deliver the services that the Company requires for meeting relevant obligations and safeguarding the Company's assets. For this reason, the Board consider the Company's Custodian, Depositary, Registrar, Auditor and Broker to be stakeholders.

The Board maintains regular contact with its key external service providers, either directly, or via its dedicated company secretary or client director, and receives regular reporting from these providers at Board and Committee meetings. The Management Engagement Committee meets annually to review and appraise its key service providers.

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.

Key Decisions

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

Review of Investment Performance

During the year, the Board held of number of meetings with the Investment Manager to hold them to account for investment performance. The Board also undertook an internal review of the portfolio management team. This led to Jon Ingram, Jack Featherby and Jules Bloch being appointed as the named Portfolio Managers of the Company with effect from 1st March 2024, replacing Francesco Conte and Edward Greaves.

Re-appointment of Manager

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

Share buybacks

The Board monitored the level of the discount during the year and actively used its ability to repurchase shares to minimise the short-term volatility and the absolute level of the discount when appropriate. As a result during the year 9,782,472 shares were repurchased, at a cost of £40.3 million representing 6.6% of the Company's issued share capital.

Gearing and Borrowings

During the year, the Company renewed its loan facility with Scotiabank for a further period of two years. The facility is for EUR 125 million and expires in March 2026.

Dividends Payable

The Board decided to recommend a final dividend of 8.0p per share, making a total of 10.5p per share to the shareholders for the year 31st March 2024. This balances the Company's investment objective to provide capital growth together with the value placed by some investors on the receipt of a cash dividend.

Duty to Promote the Success of the Company

Asset Reunification Programme

During the year, the Board considered and approved an asset reunification programme conducted by the Company's registrar. This aimed to identify shareholders for whom there were no current contact details. As a result, a total of seven shareholders (20% of the total untraced and 'gone away' shareholders) were identified, enabling them to access unclaimed dividends and shares valued, in total, at around £230,000.

Change of Registrar

As part of the regular review of its key service providers, the Company, through its Manager, undertook a review of its Registrar. After a thorough RFP (request for proposals) and due diligence process by the Manager and consideration by the Board, it was resolved to appoint Computershare. The Manager and the new Registrar have committed to ensure a smooth transition of the Company's shareholder register over the year. The shareholders will be notified via an RNS when the transition is complete.

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 Chairman's statement regarding the planned retirement of Nicholas Smith at the forthcoming AGM in July 2024 and appointment of James Will with effect from the conclusion of that meeting.

Changes to UK sanctions law

The Economic Crime (Transparency and Enforcement) Act 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, the Board has taken specific and practical steps to mitigate this risk including a decision to undertake an enhanced analysis of the shareholder register.

By order of the Board
Marc van Gelder
Chairman

19th June 2024

Board of Directors

Marc van Gelder (Chairman)

First appointed to the Board in August 2016.

Most recent reappointment was in 2023.

Marc has worked for over 30 years in business in Europe and is currently Chairman of the Supervisory Board of Incision, Member of the Supervisory Board of Action Service & Distributie BV and Member of the Board of the Netherland-America Foundation. His former roles include CEO of Mediq, a Dutch listed pharmaceutical distributor, which was acquired by Advent in 2013 and President & CEO of Peapod, part of Ahold USA.

Connections with the Manager: None.

Shared Directorships with other Directors: None.

Nicholas Smith (Chairman of the Audit Committee and Remuneration Committee)

First appointed to the Board in May 2015.

Most recent reappointment was in 2023.

Nicholas is a Chartered Accountant and has had a long career in investment banking and has been on the boards of a number investment companies over the last two decades. He is currently the Chairman of Preyshot Estates Ltd. His previous roles include being CFO of Jardine Fleming from 1993 to 1997.

Connections with the Manager: None.

Shared Directorships with other Directors: None.

Sarah Watters (Senior Independent Director)

First appointed to the Board in July 2021.

Most recent reappointment was in 2023.

Sarah Watters has extensive investment management experience gained over 25 years working for top tier institutions. She is currently Executive Director at Bellecapital heading up UK Portfolio Management and also a member of the Investment Committee of Churchill College at the University of Cambridge. Her recent roles include serving as the Head of Equities, UK, Europe and Emerging Markets at BP Investment Management Ltd.

Connections with the Manager: None.

Shared Directorships with other Directors: None.

Suzy Ross

First appointed to the Board in March 2022.

Most recent reappointment was in 2023.

Suzy has deep expertise in marketing and customer centric strategy gained over some 20 years. Suzy's current, full time executive role is at Google Cloud where she is Global Director for Private Equity partnerships. Her previous roles include Senior Retail Adviser to Accenture, Chief Customer Officer at Jaeger and Chief Marketing Officer at SpaceNK.

Connections with the Manager: None.

Shared Directorships with other Directors: None.

Arun Sarwal

First appointed to the Board in July 2023.

Arun is a Chartered Accountant and has broad experience of global equities and fund management over some 35 years in the UK, Europe, and Asia. He has an understanding of the European business having worked in Amsterdam, Dublin and Paris. His previous roles include CEO of Broadridge Fund Communication Solutions and DST Global Solutions, COO at Scottish Widows Investment Partnership and global roles at ABN AMRO and Societe Generale.

Connections with the Manager: None.

Shared Directorships with other Directors: None.

All Directors are members of the Audit, Management Engagement, Nomination and Remuneration Committees and are considered by the Board to be independent of the Manager.

Directors' Report

The Directors present their Annual Report & Financial Statements for the year ended 31st March 2024.

Management of the Company

The Manager and Company Secretary is JPMorgan Funds Limited ('JPMF'). JPMF 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 active management of the Company's assets is delegated by JPMF to an affiliate, JPMorgan Asset Management (UK) Limited ('JPMAM'). The Manager is a wholly owned subsidiary of JPMorgan Asset Management International Limited which, together with the other subsidiaries, provides accounting, banking, dealing and custodian services to the Company.

A dedicated Company Secretary is nominated by JPMF to service the Board.

The Management Engagement Committee conducts a formal evaluation of the Manager on an annual basis. The evaluation include a consideration of the management fees and whether the service received represents value for money for shareholders. The Committee has thoroughly reviewed the performance of the Manager over the course of the year. The review covered consideration of the investment strategy and process of the Manager, resources and risk controls, performance against the benchmark over the long term and the quality of support that the Company received including the marketing support provided. As a result of that process, the Board confirms that it is satisfied that the continuing appointment of the Manager is in the interests of shareholders as a whole.

The Alternative Investment Fund Managers Directive ('AIFMD')

JPMF is the Company's alternative investment fund manager ('AIFM'). It is approved as an AIFM by the FCA. For the purposes of the AIFMD the Company is an alternative investment fund ('AIF'). JPMF has delegated responsibility for the day- to-day management of the Company's portfolio to JPMAM. The Company has appointed Bank of New York Mellon (International) Limited ('BNY') as its depositary. BNY has appointed JPMorgan Chase Bank, N.A. as the Company's custodian. BNY is responsible for the oversight of the custody of the Company's assets and for monitoring its cash flows.

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

JPMF's remuneration disclosures are set out on page 92.

Management fee

With effect from 1st October 2023, the management fee has been charged at the annual rate of 0.75% of the Company's net assets (until 30th September 2023, it was charged at 0.85% of the Company's net assets). The fee is calculated and paid monthly in arrears. An adjustment is made to exclude from the calculation investments in funds on which the Manager charges a management fee and therefore there is no double charging of management fees on investment in JPM funds.

Directors

All Directors of the Company who held office at the end of the period under review are detailed on page 45. Details of their beneficial shareholdings in the Company may be found in the Directors' Remuneration Report on page 57.

In accordance with corporate governance best practice, all Directors, except Nicholas Smith, who will be retiring at the forthcoming Annual General Meeting, will offer themselves for 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 continues to be effective and demonstrates commitment to the role and the Board recommends to shareholders that they be re-appointed.

Director indemnification and insurance

As permitted by the Company's Articles of Association, each Director has the benefit of an indemnity which is a qualifying third party indemnity, as defined by Section 234 of the Companies Act 2006. For the Directors who served during the year under review, these indemnities were in place throughout the year and remains in place at the date of this report.

An insurance policy is maintained by the Company which insures 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 persons who are Directors of the Company at the time when this report was approved:

(a) so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act) of which the Company's Auditors are unaware, and

(b) each of the Directors has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information (as defined) and to establish that the Company's Auditors are aware of that information.

The above confirmation is given and should be interpreted in accordance with the provision of Section 418(2) of the Companies Act 2006.

Independent auditor

Ernst & Young LLP were appointed as Auditors in 2019 and have expressed their willingness to continue in office as the Auditors. A resolution to reappoint Ernst & Young LLP for the ensuing year is being put to shareholders at the forthcoming Annual General Meeting and to authorise the Directors to determine their remuneration.

Total Return, Revenue and Dividends

Gross gain for the year amounted to £51.8 million (2023: Gross loss £23.1 million) and net total gain after deducting the management fee, other administrative expenses, finance costs and taxation amounted to £39.6 million (2023: Net loss £33.9 million). Net revenue return after taxation for the year amounted to £18.7 million (2023: £17.5 million). An interim dividend of 2.5p per share (2023: 1.2p) was paid during the year, costing £3.8 million (2023: £1.9 million). The Directors have proposed a final dividend of 8.0p (2023: 7.8p) per share. This dividend will amount to £11.8 million and the total revenue reserve will amount to £9.0 million after the payment of this dividend. Further details are set out in note 72 to the financial statements.

Share Repurchases

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 9,782,472 shares, for a total consideration of £40.3 million. Since the year end, the Company has purchased 4,406,205 shares.

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

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

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

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

Voting Rights in the Company's shares

Details of the voting rights in the Company's shares as at the latest practicable date are given in note 16 to the Notice of Annual General Meeting on page 97.

Borrowings

The Company has a EUR 125 million unsecured loan facility with Scotiabank. This agreement was renewed in March 2024 for a further two year term.

Notifiable Interests in the Company's Voting Rights

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

Shareholders	Number of voting rights	% voting %
Allspring Global Investments Holdings.	23,178,118	15.68
Saba Capital Management, L.P.[1]	19,717,660	13.00
City of London Investment Management Company Limited	17,727,746	11.26
JPMorgan Chase & Co.	7,585,232	5.13

[1] Shares held through Total Return Swaps.

Listing rule 9.8.4R

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

Directors' Report

Annual General Meeting

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

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting. The full text of the resolutions is set out in the Notice of Meeting on pages 97 to 100.

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

The Directors will seek renewal of the authority at the Annual General Meeting to issue new ordinary shares for cash or by way of a sale of Treasury shares up to an aggregate nominal amount of £787,375, such amount being equivalent to approximately 10% of the issued share capital (excluding Treasury shares) as at the latest practicable date before the publication of this document or, if different, the number of ordinary shares which is equal to 10% of the Company's issued share capital (excluding Treasury shares) as at the date of the passing of the resolution. This authority will expire at the conclusion of the Annual General Meeting of the Company in 2025 unless renewed at a prior general meeting.

Resolution 11 will enable the allotment of ordinary shares otherwise than by way of a pro rata issue to existing shareholders. It is advantageous for the Company to be able to issue new shares (or to reissue shares from Treasury) to investors when the Directors consider that it is in the best interests of shareholders to do so. Any such issues would only be made at prices greater than the net asset value ('NAV'), thereby increasing the NAV per share and spreading the Company's administrative expenses, other than the management fee which is charged on the value of the Company's net assets, over a greater number of shares. The issue proceeds would be available for investment in line with the Company's investment policies. No issue of shares will be made which would effectively alter the control of the Company without the prior approval of shareholders in a general meeting.

(ii) Authority to repurchase the Company's shares (Resolution 12)

The authority to repurchase up to 14.99% of the Company's issued share capital, granted by shareholders at the 2023 Annual General Meeting, will expire on 23rd January 2025 unless renewed at the forthcoming Annual General Meeting. The Directors consider that the renewal of this authority is in the interests of shareholders as a whole, as the repurchase of shares at a discount to the underlying NAV enhances the NAV of the remaining shares.

Resolution 12 gives the Company authority to repurchase its own issued ordinary 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 number of ordinary shares, representing approximately 14.99% of the Company's issued ordinary shares as at the latest practicable date before the publication of this document or, if less, the number of ordinary shares which is equal to 14.99% of the Company's issued share capital (excluding Treasury shares) as at the date of the passing of the resolution. The authority also sets minimum and maximum prices.

If resolution 12 is passed at the Annual General Meeting, the Board may repurchase the shares for cancellation or hold them in Treasury pursuant to the authority granted to it for possible reissue at a premium to NAV. 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. This authority will expire in January 2026, or when the whole of the 14.99% has been acquired, whichever is the earlier, however it is the Board's intention to seek renewal of the authority at the 2025 Annual General Meeting.

(iii) Resolution 13, which will be proposed as a special resolution, seeks 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.

Recommendation

The Board considers that Resolutions 1 to 13 are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions as they intend to do, where voting rights are exercisable, in respect of their own beneficial holdings which, as at the year end, amounted in aggregate to 139,600 shares representing less than 1% of the voting rights in the Company.

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

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

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

The Board meets at least five times 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.

There is an agreed procedure for Directors to take independent professional advice, if necessary, 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, who is responsible to the Board for ensuring that Board procedures are followed and for compliance with applicable rules and regulations.

Board composition

The Board, chaired by Marc van Gelder, currently comprises five non-executive Directors, all of whom, including the Chairman, are regarded by the Board as independent of the Company's Manager. The Directors have a breadth of investment knowledge, business, marketing and financial skills and experience relevant to the Company's business. Brief biographical details of each Director are set out on page 45.

During the year, as part of the Board succession planning process, Trust Associates, a recruitment consultancy firm, were appointed to undertake a non-executive director search. After a short list for interview, the decision was made to appoint James Will as a Director. His appointment will be effective from the conclusion of the forthcoming Annual General Meeting on 24th July 2024. Trust Associates has no other connection with 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. During the year, Ms Sarah Watters took over the role of the Senior Independent Director of the Company and in line with corporate governance practice, she will lead the Chairman's review and

Corporate Governance Statement

may be contacted by shareholders if they have concerns that cannot be resolved through discussions with the Chairman.

Board Diversity

In terms of diversity, the current gender balance of three men and two women Directors exceeds the target of 33% of women on FTSE 350 company boards set under The Hampton-Alexander Review. The Board has also complied with the recommendations of the Parker Review in respect of board diversity. The FCA's Listing Rules set diversity targets and associated disclosure requirements for UK companies listed on the premium and standard segment of the London Stock Exchange. 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 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 the Company has included the table below to report against these diversity targets.

Diversity Table[1]

Gender	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	3	60	2	NA	NA
Women	2	40	1	NA	NA
Other Categories	0	0	0	NA	NA
Not specified/prefer not to say	NA	NA	NA	NA	NA
Ethnicity[2]					
White British (or any other white background)	4	80	3	NA	NA
Asian or Asian British	1	20	0	NA	NA

[1] Data as at 31st March 2024.

[2] Categorisation of ethnicity is stated in accordance with the Office of National Statistics ('ONS') classification.

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, as at the date of approval of this Annual Report, it meets FCA's target on the 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).

Reappointment of Directors

The Directors of the Company standing for re-appointment and their brief biographical details are set out on page 45. The skills and experience that each Director brings to the Board, and hence why their contributions are considered important to the long term success of the Company, are summarised below.

Resolution 5 relates to the reappointment of Marc van Gelder. Marc has over 30 years working knowledge of European business.

Resolution 6 relates to the reappointment of Sarah Watters. Sarah has extensive investment management experience gained over 25 years of having worked with top tier institution.

Resolution 7 relates to the reappointment of Suzy Ross. Suzy has deep expertise of marketing and retail customer centric strategy gained over some 20 years.

Resolution 8 relates to the appointment of Arun Sarwal. Arun is a Charted Accountant and has broad experience of global equities and fund management over some 35 years.

For details of current directorships of the Directors, please refer to page 45.

Tenure

Directors are initially appointed until the following Annual General Meeting when, under the Company's Articles of Association, it is required that they be appointed by shareholders. Thereafter, subject to the performance evaluation carried out each year, the Board will agree whether it is appropriate for each Director to seek 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.

The Board does not believe that length of service in itself necessarily disqualifies a Director from seeking reappointment but, when making a recommendation, the Board will take into account the requirements of the UK Corporate Governance Code and the AIC Code, including the need to refresh the Board and its Committees periodically.

As mentioned in the Chairman's Statement, Nicholas Smith will be retiring from the Board at this year's AGM, having served on the Board for more than nine years and James Will will be appointed with effect from the conclusion of the forthcoming Annual General Meeting on 24th July 2024.

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

A schedule of interests for each Director is maintained by the Company and reviewed at every Board meeting. New interests are considered carefully, taking into account the circumstances surrounding them and, if considered appropriate, are approved.

Induction and training

On appointment, the Manager and Company Secretary provide all Directors with induction training. Thereafter, regular briefings are provided on changes in law and regulatory requirements that affect the Company and the Directors. Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trust companies. Regular reviews of the Directors' training needs are carried out by the Chairman by means of the evaluation process described on page 49.

Meetings and committees

The Board delegates certain responsibilities and functions to Committees. Details of the membership of these Committees are shown with the Directors' profiles on page 45.

The table below details the number of formal Board and Committee meetings attended by each Director. During the year there were six Board meetings, three Audit Committee meetings, one Management Engagement Committee meeting, one Nomination and one Remuneration Committee meeting. These meetings were supplemented by additional meetings held to cover procedural matters and formal approvals. There is also regular contact between the Directors and the Manager and Company Secretary throughout the year.

Meetings Attended

Director	Board	Audit Committee	Management Engagement Committee	Remuneration Committee	Nomination Committee
Marc van Gelder	6	3	1	1	1
Nicholas Smith	6	3	1	1	1
Sarah Watters	6	3	1	1	1
Suzy Ross	6	3	1	1	1
Arun Sarwal[1]	5	2	1	1	1

[1] Appointed to the Board on 19th July 2023.

Board committees

The Nomination, Remuneration, Management Engagement and Audit Committees have written terms of reference which define clearly their respective responsibilities, and 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, currently chaired by Marc van Gelder, consists of all 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 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 also considers the balance of experience, skills, independence, corporate knowledge, its diversity, and how it works together. The evaluation of the individual Directors is led by the Chairman and the Senior Independent Director leads the evaluation of the Chairman's performance, which includes an appraisal of his Board leadership and effectiveness in the role. During the year, the Board undertook an externally facilitated board evaluation using an independent advisory firm, Lintstock. The evaluation was based on the collation and analysis of detailed questionnaires completed by each Director and then discussed by the Committee.

Having completed the annual evaluation process, the Committee confirms that it believes that the Board and its Committees have an appropriate balance of skills and

Corporate Governance Statement

experience, all Directors should be considered as Independent in accordance with the provisions of the AIC Code and all Directors have the time available to discharge their duties effectively.

Remuneration Committee

The Board has established a Remuneration Committee for the purpose of reviewing Directors' fees. It makes recommendations to the Board as and when appropriate, in relation to remuneration policy and implementation. All Directors are members of the Remuneration Committee and the Chairman is Nicholas Smith. This role will be taken over by Sarah Watters following Nicholas's retirement at the forthcoming AGM.

Management Engagement Committee

The membership of the Management Engagement Committee consists of all independent Directors and is chaired by Marc van Gelder. The Committee meets at least once a year to review the terms of the management agreement between the Company and the Manager, the performance of the Manager and fees, the notice period that the Board has with the Manager and to make recommendations to the Board on the continued appointment of the Manager following these reviews.

Audit committee

The Report of the Audit Committee is set out on pages 55 and 56.

Annual General Meeting ('AGM')

As mentioned in the Chairman's statement, this year's Annual General Meeting will be held on 24th July 2024 at 12.30p.m. at 60 Victoria Embankment, London EC4Y 0JP. Apart from the formal business of the meeting, the shareholders will have the opportunity to hear a presentation from our three portfolio managers, Jon Ingram, Jack Featherby and Jules Bloch 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 107, 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 page 98.

The Company's Annual Report and Financial Statements are published in time to give shareholders at least 20 working days' notice of the Annual General Meeting. Shareholders wishing to raise questions in advance of the meeting are encouraged to do so via the Company's website or write to the Company Secretary at the address shown on page 107.

A formal process is in place for all letters to the Directors to be immediately forwarded to them. As part of this process, any other feedback from shareholders is also communicated to the Board. Details of the proxy voting position on each resolution will be published on the Company's website shortly after the Annual General Meeting.

Risk Management and Internal Control

The AIC Code requires the Directors to review the effectiveness of the Company's system of risk management and internal control and to report this to shareholders at least annually. This encompasses a review of all controls which the Board has identified as relating to 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 risks entirely and therefore can only provide reasonable, but not absolute, assurance against fraud, material misstatement or loss.

Since investment management, custody of assets and all administrative services are provided to the Company by the Manager and its associates, the Company's system of risk management and internal control mainly comprises monitoring the services provided by the Manager and its associates, including the operating controls established to ensure 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 36 to 38). This process has been in place for the year under review and up to the date of the approval of the Annual Report and Financial Statements, and it accords with the Financial Reporting Council's guidance. In common with most investment trust companies, the Company does not have an internal audit function of its own. The Manager's internal audit department conducts regular and rigorous reviews of the various functions within its asset management business. Any significant findings that are relevant to the Company and/or the Manager's investment trust business are reported to the Board.

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

- **Financial Reporting**

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

- **Information Technology Systems**

  The Manager and the Company's other suppliers have security systems in place to protect the Company's information. Information technology controls are tested and reported on regularly by independent third parties.

- **Management Agreement**

  Evaluation and appointment of a manager and custodian, regulated by the FCA, whose responsibilities are clearly defined in documented agreements.

- **Management Systems**

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

- **Investment Strategy**

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

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

  – reviews the terms of the management agreement and receives regular reports from the Manager's Compliance department;

  – reviews reports on the risk management and internal control and the operations of its Custodian, JPMorgan Chase Bank, N.A., which is itself independently reviewed; and

  – reviews every six months an independent report on the risk management and internal control and the operations of the Manager.

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 March 2024 and to the date of approval of this Annual Report and Financial Statements.

The Board confirms that any failings or weaknesses identified during the course of its review of the system of risk management and internal control were not significant and did not materially affect the Company.

Employees, Social, Community, Environmental, Human Rights Issues and Greenhouse Gas Emissions

The Company has a management contract with JPMF. It has no employees and all of its Directors are non-executive with all 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 105.

The Company also 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.

Details on financially material Environmental, Social and Governance considerations are included in the Manager's Investment Process on pages 19 to 22.

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 105.

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 Statement

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 105.

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

19th June 2024

Audit Committee Report

I am pleased to present my formal report to shareholders as chairman of the Audit Committee for the year ended 31st March 2024.

Composition

Membership of the Audit Committee consists of all the Directors and the Committee meets at least three times each year. The members of the Audit Committee consider that they have the requisite skills and experience to fulfil the responsibilities of the Audit Committee and have a combination of financial, investment and other experience gained throughout their careers. Given the size of the Board, it has been determined that the Chairman of the Board, Marc van Gelder should be a member of the Audit Committee. This is permitted under the AIC Code because the Chairman was deemed to be independent on appointment. As a Chartered Accountant, I have recent and relevant experience, and the Committee as a whole has competence relevant to the sector.

Role and Responsibility

The Committee is responsible for monitoring and reviewing the principles, policies and practices adopted in the preparation and audit of the accounts of the Company and the integrity of the financial statements. The Committee is also responsible for monitoring the effectiveness of the internal controls and the risk management framework. The Audit Committee reviews the actions and judgements of the Manager in relation to the Half Year and Annual Report and Financial Statements and the Company's compliance with the AIC Code.

The Audit Committee keeps under review its Terms of Reference and recommends any necessary changes to the Board.

Financial Statements and Significant Accounting Matters

During its review of the Company's financial statements for the year ended 31st March 2024, the Audit Committee considered the following significant issues, including those communicated by the Auditors during their reporting:

Significant issue	How the issue was addressed
Valuation, existence and ownership of investments	The valuation of investments and derivatives are undertaken in accordance with the accounting policies, disclosed in note 1(b) and (g) to the accounts on pages 73 and 74. 100% of the portfolio can be verified against daily published prices. Controls are in place to ensure valuations are appropriate and existence is verified through custodian and depositary reconciliations. The Board monitors controls and significant movements in the underlying portfolio by reviewing reports regularly in Board Meetings.
Recognition of investment income	The recognition of investment income is undertaken in accordance with accounting policy note 1(d) to the financial statements on page 73. The Board regularly reviews subjective elements of income such as special dividends and agrees their accounting treatment.
Compliance with Sections 1158 and 1159 of the Corporation Tax Act 2010	Approval for the Company as an investment trust under Sections 1158 and 1159 for financial years commencing on or after 1st April 2013 has been obtained and ongoing compliance with the eligibility criteria is monitored on a regular basis.
Going Concern/ Long Term Viability	The Audit Committee has reviewed the appropriateness of the adoption of the Going Concern basis in preparing the financial statements. The Audit Committee recommended that the adoption of the Going Concern basis is appropriate (see Going Concern statement on page below). The Audit Committee also assessed the Long Term Viability of the Company and recommended to the Board its expectation that the Company would remain in operation for the five year period of the assessment.

The Board is required to be made fully aware of any significant financial reporting issues and judgements made in connection with the preparation of the Financial Statements.

Audit Committee Report

Going Concern

In accordance with The Financial Reporting Council's guidance on going concern and liquidity risk, the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern. The Board has, in particular, considered the impact of market volatility arising from geopolitical risks, including the crisis in Ukraine and Russia and 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 March 2026, 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 liquid quoted securities. 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.

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 36 to 38.

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 these financial statements. The Company's longer-term viability is considered in the Viability Statement on page 39.

Risk and Internal Control

The Audit Committee also examines the effectiveness of the Company's internal control systems and receives information from the Manager's compliance department. The Directors' statement on the Company's system of Risk Management and Internal Control is set out on page 52. The Audit Committee also reviews the scope and results of the external audit, its cost effectiveness, the balance of audit and non-audit services and the independence and objectivity of the external Auditors. In the Directors' opinion the Auditors are independent.

The Audit Committee considers the key risks facing the Company and the adequacy and effectiveness of the risk management process.

The Company is 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.

Auditor Appointment and Tenure

The Audit Committee also has a primary responsibility for making recommendations to the Board on the reappointment and removal of external Auditors. Representatives of the Company's Auditors attend the Audit Committee meeting at which the draft Annual Report and Financial Statements are considered and also engage with the Directors as and when required.

As part of its review of the continuing appointment of the Auditors, the Audit Committee considered the length of tenure of the audit firm, its fee, its quality of service and its independence from JPMF and the Investment Managers and any matters raised during the audit.

A formal tender exercise was undertaken in 2019, as a result of which Ernst & Young LLP was appointed in place of PricewaterhouseCoopers LLP. This is the Audit Partner's (Caroline Mercer) fifth of a five year maximum term. Mike Gaylor will be the Company's new audit partner. Details of the fees paid for audit services are included in note 6 on page 76.

Provision on non-audit services

The Board 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

The Audit Committee has considered all available information and discussed the content of the Annual Report and Financial Statements with the AIFM, the Investment Managers, the Company Secretary and other third party service providers. On this basis the Audit Committee has concluded that the Annual Report and Financial Statements for the year ended 31st March 2024, taken as a whole, is fair, balanced and understandable. It provides the information necessary for shareholders to assess the Company's performance, business model and strategy and has reported on any findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 60.

Nicholas Smith
Audit Committee Chairman

19th June 2024

Directors' Remuneration Report

The Board presents the Directors' Remuneration Report for the year ended 31st March 2024 which has been prepared in accordance with the requirements of Section 421 of the Companies Act 2006 as amended.

The law requires the Company's Auditors to audit certain disclosures provided. Where disclosures have been audited they are indicated as such. The Auditors' opinion is included in their report on pages 62 to 67.

Directors' Remuneration Policy

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

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

The Remuneration Committee, comprising all Directors, reviews fees on a regular basis and makes recommendations to the Board as and when appropriate. Reviews are based on information provided by the Manager, and 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: Chairman £46,500; Chairman of the Audit Committee £38,250; and other Directors £31,000. With effect from 1st April 2024, the fees have been increased to the following rates: Chairman £48,500; Chairman of the Audit Committee £40,000; and other Directors £32,500.

The Company's Articles of Association provide that any increase in the maximum aggregate annual limit on Directors' fees, currently £225,000, requires both Board and shareholder approval. The Directors have not proposed an increase to this level.

The Company has no Chief Executive Officer and no employees. Therefore, no consultation with employees is required and nor is there any employee comparative data to provide in relation to the setting of the remuneration policy for Directors.

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

The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for review at the Company's Annual General Meeting and the Company's registered office. Details of the Board's policy on tenure are set out on page 50.

Directors' Remuneration Policy Implementation

The Directors' Remuneration Report, which includes details of the Directors' remuneration policy and its implementation, is subject to an annual advisory vote and therefore an ordinary resolution to approve this report will be put to shareholders at the forthcoming Annual General Meeting. There have been no changes to the policy compared with the year ended 31st March 2023 and no changes are proposed for the year ending 31st March 2025.

At the Annual General Meeting held on 19th July 2023, of votes cast in respect of the Remuneration Policy, 99% were in favour (or granted discretion to the Chairman who voted in favour) and less than 1% were against. Abstentions were received from less than 1% of the votes cast. Of the votes cast in respect of the Remuneration Report, 99% were in favour (or granted discretion to the Chairman who voted in favour) and less than 1% were against. Abstentions were received from less than 1% of the votes cast.

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

Single total figure of remuneration

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

Directors' Remuneration Report

Single total figure table[1]

Directors' Name	2024 Fees £	2024 Taxable expenses[2] £	2024 Total £	2023 Fees £	2023 Taxable expenses[2] £	2023 Total £
Marc van Gelder	46,500	—	46,500	45,000	—	45,000
Nicholas Smith	38,250	404	38,654	37,000	—	37,000
Sarah Watters	31,000	56	31,056	30,000	—	30,000
Suzy Ross	31,000	—	31,000	30,000	220	30,220
Arun Sarwal[4]	21,649	—	21,649	—	—	—
Ashok Gupta[3]	9,351	—	9,351	30,000	—	30,000
Total	**177,750**	**460**	**178,210**	**172,000**	**220**	**172,220**

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

[2] Taxable travel and subsistence expenses incurred in attending Board and Committee meetings (gross, including tax and NI).

[3] Retired on 19th July 2023.

[4] Appointed on 19th July 2023.

A table showing the total remuneration for the Chairman over the five years ended 31st March 2024 is below:

Remuneration for the Chairman over the five years ended 31st March 2024

Year ended 31st March	Fees
2024	£46,500
2023	£45,000
2022	£43,000
2021	£42,000
2020	£40,500

Directors' Shareholdings

There are no requirements pursuant to the Company's Articles of Association for the Directors to own shares in the Company. The beneficial shareholdings of the Directors who held office at the year end are detailed below.

Directors	31st March[1] 2024	1st April[1] 2023 or date of appointment
Marc van Gelder	110,000	80,000
Nicholas Smith	11,600	11,600
Sarah Watters	5,000	5,000
Suzy Ross	3,000	Nil
Arun Sarwal[2]	10,000	Nil

[1] Audited information.

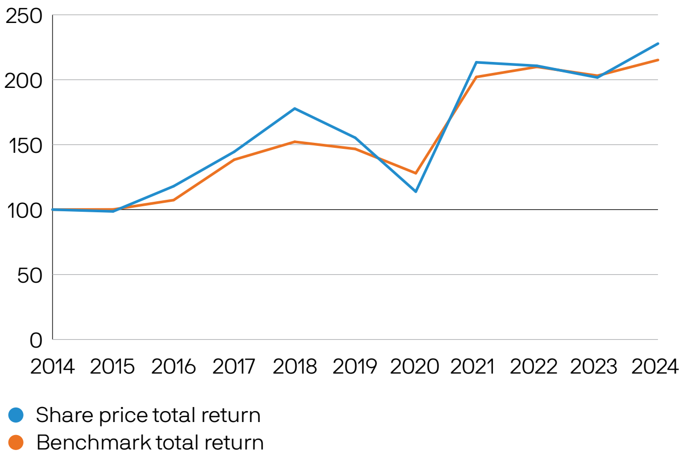
[2] Appointed on 19th July 2023.

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

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

In accordance with the Companies Act 2006, a graph showing the Company's share price total return compared with its benchmark, (until 31st March 2020 the Euromoney Smaller European Companies (ex UK) Index), over the last ten years is shown below. The Board believes that the current benchmark of the Company; the MSCI Europe (ex UK) Small Cap Net Total Return Index (the 'Index') is the most representative comparator for the Company, because the Company's investment universe is defined at the time of purchase by the countries and market capitalisation range of the constituents of the Index.

Ten Year Share Price and Benchmark Total Return Performance to 31st March 2024



Source: Morningstar/Euromoney.

Annual Percentage Change in Directors' Remuneration

The following table sets out the annual percentage change in Directors' fees for the last three financial years:

	% change for the year to 31st March			
Directors' Name	**2024**	**2023**	**2022**	**2021**
Ashok Gupta[1]	NA	5%	4%	4%
Marc van Gelder	3%	5%	2%	15%
Nicholas Smith	3%	6%	3%	5%
Sarah Watters[2]	3%	NA	NA	NA
Suzy Ross[3]	3%	NA	NA	NA
Arun Sarwal[4]	NA	NA	NA	NA

[1] Retired on 19th July 2023.

[2] As Sarah Watters was appointed on 1st July 2021, the fees paid in 2022 was not representative of the full year, hence the percentage increase on directors fees paid would not be meaningful for 2022 and 2023 and is therefore shown as NA. On a full year basis, the increase is 5%.

[3] As Suzy Ross was appointed on 1st March 2022, the directors fees paid in 2022 was not representative of the full year, hence the percentage increase on directors fees paid would not be meaningful and is shown as NA. On a full year basis, the increase is 5%.

[4] Appointed to the Board on 19th July 2023.

A table showing actual expenditure by the Company on remuneration and distributions to shareholders for the year and the prior year is below:

Expenditure by the Company on remuneration and distribution to shareholders

	Year ended 31st March	
	2024 £	**2023 £**
Remuneration paid to all Directors	178,240	172,220
Distribution to shareholders		
— by way of dividends paid	15,976,000[1]	10,551,000
— by way of share repurchases	40,278,000	4,254,000

[1] Net of unclaimed dividends returned to the Company of £120,000.

For and on behalf of the Board
Nicholas Smith
Remuneration Committee Chairman

19th June 2024

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with 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 and Accounts are fair, balanced and understandable, provide the information necessary for shareholders to assess the Company's position and 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 financial statements are published on the www.jpmeuropeandiscovery.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 Auditors does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditors accept no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. The financial statements are prepared in accordance with UK legislation, which may differ from legislation in other jurisdictions.

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

Each Director, whose names and functions are listed on page 45 confirm 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 and 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.

For and on behalf of the Board
Marc Van Gelder
Chairman

19th June 2024

Independent Auditor's Report

Independent auditor's report to the members of JPMorgan European Discovery Trust Plc

Opinion

We have audited the financial statements of JPMorgan European Discovery Trust Plc ('the Company') for the year ended 31st March 2024 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows, and the related notes1 to 24, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31st March 2024 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.

Basis for opinion

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

Independence

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

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of company in conducting the audit.

Conclusions relating to going concern

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

- Confirmation of our understanding of the Company's going concern assessment process and discussed with the Directors and the Company Secretary those factors they considered important in their assessment.
- Inspection of the Directors' assessment of going concern, including the revenue forecast, for the period to 30th June 2025 which is at least 12 months from the date these financial statements were authorised for issue. In preparing the revenue forecast, the Company has concluded that it is able to continue to meet its ongoing costs as they fall due.
- Review of the factors and assumptions, including the impact of the current economic environment and other significant events that could give rise to market volatility, as applied to the revenue forecast and the liquidity assessment of the investments and determined, through testing of the methodology and calculations, that the methods, inputs and assumptions utilised are appropriate to be able to make an assessment for the Company.
- Assessment of the risk of breaching the debt covenants as a result of a reduction in the value of the Company's portfolio. We calculated the Company's compliance with debt covenants and performed reverse stress testing in order to identify what factors would lead to the Company breaching the debt covenants.
- Consideration of the mitigating factors included in the revenue forecasts that are within the control of the Company. We reviewed the Company's assessment of the liquidity of investments held and evaluated the Company's ability to sell those investments in order to cover working capital requirements should revenue decline significantly.
- Review of the Company's going concern disclosures included in the annual report in order to assess that the disclosures were consistent with the financial statements and our understanding of the Company and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period assessed by the Directors, being the period to 30th June 2025 which is at least 12 months from when these financial statements are authorised for issue.

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

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

Independent Auditor's Report

Overview of our audit approach

Key audit matters	● Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Statement of Comprehensive Income. ● Risk of incorrect valuation or ownership of the investment portfolio.
Materiality	● Overall materiality of £7.69 million which represents 1% of shareholders' funds.

An overview of the scope of our audit

Tailoring the scope

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

Climate change

Stakeholders are increasingly interested in how climate change will impact companies. The Company has determined that the most significant future impacts from climate change on its operations will be from how climate change could affect the Company's investments and overall investment process. This is explained on page 38 in the principal and emerging risks section. This disclosure forms part of the 'Other information,' rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on 'Other information'.

Our audit effort in considering climate change was focused on the adequacy of the Company's disclosures in the financial statements as set out in note 1a and conclusion that there was no further impact of climate change to be taken into account as the investments are valued based on market pricing as required by FRS102. We also challenged the Directors' considerations of climate change in their assessment of viability and associated disclosures.

Key audit matters

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

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Statement of Comprehensive Income *Refer to the Audit Committee Report (page 55); Accounting policies (page 73).* The total revenue for the year to 31st March 2024 was £24.05 million (2023: £22.50 million), consisting primarily of dividend income from listed equity investments.	**We performed the following procedures:** We obtained an understanding of the Administrator's process and controls surrounding revenue recognition by performing walkthrough procedures. For all dividends received and accrued, we recalculated the dividend income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend per share, which was agreed to an independent data vendor. We also agreed all exchange rates to an external source and, for a sample of dividends received and dividends accrued, we agreed the amounts to bank statements.	The results of our procedures identified no material misstatements in relation to the risk of incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital items in the Statement of Comprehensive Income.

Independent Auditor's Report

Risk	Our response to the risk	Key observations communicated to the Audit Committee
The Company received special dividends amounting to £1.08 million (2023: £3.48 million). All were classified as revenue. There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment. In addition, the Directors may apply judgment in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Statement of Comprehensive Income.	To test completeness of recorded income, we tested that expected dividends for each investee company held during the year had been recorded as income with reference to an external source. For all dividends accrued at the year end, we reviewed the investee company announcements to assess whether the entitlement arose prior to 31st March 2024. For all investments held during the year, we inspected the type of dividends paid with reference to an external data source to identify those which were special dividends. We confirmed four special dividends, amounting to £1.08 million, were received during the year. We tested one special dividend (amounting to £0.78 million), which was above our testing threshold, by recalculating the amount received and assessing the appropriateness of classification as revenue by reviewing the underlying circumstances of the special dividend received.	
Incorrect valuation or ownership of the investment portfolio *Refer to the Audit Committee Report (page 55) and Accounting policies (page 73).* The valuation of the investment portfolio at 31st March 2024 was £829.74 million (2023: £839.58 million) consisting primarily of listed equities. The valuation of investments held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment pricing, or failure to maintain proper legal title of the investments held by the Company, could have a significant impact on the portfolio valuation and the return generated for shareholders.	**We performed the following procedures:** We obtained an understanding of the Administrator's processes and controls surrounding investment valuation and legal title by performing walkthrough procedures. For all listed investments, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year end. We inspected the stale pricing reports produced by the Administrator to identify prices that have not changed within one business day and verified whether the listed price is a valid fair value. We did not identify any investments with stale pricing. We compared the Company's investment holdings at 31st March 2024 to independent confirmations received directly from the Company's Custodian and Depositary.	The results of our procedures identified no material misstatements in relation to the risk of incorrect valuation or ownership of the investment portfolio.

Independent Auditor's Report

Our application of materiality

The results of our procedures identified no material misstatements in relation to the risk of incorrect valuation or ownership of the investment portfolio.

Materiality

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

We determined materiality for the company to be £7.69 million (2023: £7.85 million), which is 1% (2023: 1%) of shareholders' funds. We believe that shareholders' funds provides us with materiality aligned to the key measure of the Company's performance.

Performance materiality

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

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgement was that performance materiality was 75% (2023: 75%) of our planning materiality, namely £5.77 million (2023: £5.89 million). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for investment trusts, we also applied a separate testing threshold for the revenue column of the Statement of Comprehensive Income of £1.01 million (2023: £0.97 million), being 5% of the net revenue return before taxation.

Reporting threshold

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

We agreed with the audit committee that we would report to them all uncorrected audit differences in excess of £0.38 million (2023: £0.39 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

Independent Auditor's Report

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

Corporate Governance Statement

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

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

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 56;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 39;
- Director's statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on page 56;
- Directors' statement on fair, balanced and understandable set out on page 56;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 36;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 52; and;
- The section describing the work of the audit committee set out on page 55.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 60, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are FRS 102, the Companies Act 2006, the Listing Rules, the UK Corporate Governance Code, the Association of Investment Companies' Code and Statement of Recommended Practice and Section 1158 of the Corporation Tax Act 2010.
- We understood how the Company is complying with those frameworks through discussions with the audit committee and company secretary, and review of Board minutes and papers provided to the audit committee.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with

respect to incomplete or inaccurate revenue recognition through incorrect classification of special dividends as revenue or capital items in the statement of comprehensive income. Further discussion of our approach is set out in the key audit matter above.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the company secretary's reporting to the Directors with respect to the application of the documented policies and procedures, and review of the financial statements to ensure compliance with the reporting requirements of the Company.

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

Other matters we are required to address

- Following the recommendation from the audit committee, we were appointed by the Company at its annual general meeting on 10th July 2019 to audit the financial statements for the year ending 31st March 2020 and subsequent financial periods.

  The period of total uninterrupted engagement including previous renewals and reappointments is five years, covering the period from our appointment through to the period ending 31st March 2024.

- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

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

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

19th June 2024

Statement of Comprehensive Income

For the year ended 31st March

		2024			2023		
		Revenue	Capital	Total	Revenue	Capital	Total
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Gains/(losses) on investments and derivatives held at fair value through profit or loss	3	—	25,759	25,759	—	(45,535)	(45,535)
Foreign exchange (losses)/gains on liquidity fund		—	(172)	(172)	—	2,265	2,265
Net foreign currency gains/(losses)		—	2,225	2,225	—	(2,366)	(2,366)
Income from investments	4	23,050	—	23,050	22,389	—	22,389
Interest receivable and similar income	4	932	—	932	113	—	113
Gross return/(loss)		**23,982**	**27,812**	**51,794**	**22,502**	**(45,636)**	**(23,134)**
Management fee	5	(1,732)	(4,041)	(5,773)	(1,925)	(4,491)	(6,416)
Other administrative expenses	6	(860)	—	(860)	(690)	—	(690)
Net return/(loss) before finance costs and taxation		**21,390**	**23,771**	**45,161**	**19,887**	**(50,127)**	**(30,240)**
Finance costs	7	(1,227)	(2,861)	(4,088)	(530)	(1,237)	(1,767)
Net return/(loss) before taxation		**20,163**	**20,910**	**41,073**	**19,357**	**(51,364)**	**(32,007)**
Taxation	8	(1,493)	—	(1,493)	(1,845)	—	(1,845)
Net return/(loss) after taxation		**18,670**	**20,910**	**39,580**	**17,512**	**(51,364)**	**(33,852)**
Return/(loss) per share	9	**12.04p**	**13.49p**	**25.53p**	**11.11p**	**(32.60)p**	**(21.49)p**

A final dividend of 8.0p per share (2023: 7.8p per share) is proposed in respect of the year ended 31st March 2024, costing £11,815,000 (2023: £12,283,000). More details can be found in note 10(a) 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) on ordinary activities after taxation represents the profit for the year and also Total Comprehensive Income. The notes on pages 73 to 90 form an integral part of these financial statements.

Statement of Changes in Equity

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves[1] £'000	Revenue reserve[1] £'000	Total £'000
At 31st March 2022	**7,924**	**1,312**	**7,712**	**805,617**	**11,154**	**833,719**
Repurchase and cancellation of the Company's own shares	(50)	—	50	(4,254)	—	(4,254)
Net return on ordinary activities	—	—	—	(51,364)	17,512	(33,852)
Dividends paid in the year (note 10)	—	—	—	—	(10,551)	(10,551)
At 31st March 2023	**7,874**	**1,312**	**7,762**	**749,999**	**18,115**	**785,062**
Repurchase of shares into Treasury	—	—	—	(40,278)	—	(40,278)
Proceeds from unclaimed shares forfeited[2]	—	—	—	658	—	658
Net return on ordinary activities	—	—	—	20,910	18,670	39,580
Dividends paid in the year (note 10)	—	—	—	—	(15,976)	(15,976)
At 31st March 2024	**7,874**	**1,312**	**7,762**	**731,289**	**20,809**	**769,046**

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

[2] During the year the Company undertook an Asset Reunification Program for its shareholders. As a result, shares that could not be traced to shareholders for more than 12 years, were forfeited. In accordance with the Company's Articles of Association, these share were sold in the open market and the proceeds returned to the Company.

The notes on pages 73 to 90 form an integral part of these financial statements.

Statement of Financial Position

At 31st March

	Notes	2024 £'000	2023 £'000
Fixed assets			
Investments held at fair value through profit or loss	11	**829,738**	**839,582**
Current assets	12		
Debtors		6,815	16,100
Cash and cash equivalents		7,554	47,000
		14,369	63,100
Current liabilities	13		
Creditors: amounts falling due within one year		(2,391)	(117,620)
Net current assets/(liabilities)		**11,978**	**(54,520)**
Total assets less current liabilities		**841,716**	**785,062**
Current liabilities			
Creditors: amounts falling due after more than one year	14	(72,670)	—
Net assets		**769,046**	**785,062**
Capital and reserves			
Called up share capital	15	7,874	7,874
Share premium	16	1,312	1,312
Capital redemption reserve	16	7,762	7,762
Capital reserves	16	731,289	749,999
Revenue reserve	16	20,809	18,115
Total shareholders' funds		**769,046**	**785,062**
Net asset value per share	17	**520.7p**	**498.5p**

Included in the investments held at fair valuation through profit or loss are investments of £52,989,000 (2023: £41,510,000) that are on loan under securities lending arrangements.

The financial statements on pages 69 to 72 were approved and authorised for issue by the Directors on 19th June 2024 and were signed on their behalf by:

Marc van Gelder
Director

The notes on pages 73 to 90 form an integral part of these financial statements.

JPMorgan European Discovery Trust plc
Company registration number: 2431143

Statement of Cash Flows

For the year ended 31st March

	2024 £'000	2023 £'000
Cash flows from operating activities		
Net return/(loss) before finance costs and taxation	45,161	(30,240)
Adjustment for:		
Net (gains)/losses on investments held at fair value through profit or loss	(25,759)	45,535
Foreign exchange losses/(gains) on liquidity fund	172	(2,265)
Net foreign currency (gains)/losses	(2,225)	2,366
Dividend income	(23,050)	(22,201)
Interest income	(801)	—
Scrip dividends received as income	—	(188)
Realised loss on foreign exchange transactions	(486)	(567)
Realised foreign exchange (losses)/gains on JPMorgan Euro Liquidity Fund	(267)	2,897
Increase in accrued income and other debtors	(37)	(40)
(Decrease)/increase in accrued expenses	(31)	17
Net cash outflow from operating activities before dividends and interest	**(7,323)**	**(4,686)**
Dividends received	23,751	21,467
Interest received	748	1
Overseas withholding tax recovered/(paid)	(2,881)	(2,841)
Net cash inflow from operating activities	**14,295**	**13,941**
Purchases of investments and derivatives	(683,947)	(733,345)
Sales of investments and derivatives	723,852	675,882
Settlement of forward foreign currency contracts	—	2
Net cash inflow/(outflow) from investing activities	**39,905**	**(57,461)**
Dividends paid (note 10)	(15,976)	(10,551)
Repurchase and cancellation of the Company's own shares	—	(4,412)
Repurchase of shares into Treasury	(39,592)	—
Proceeds from unclaimed shares forfeited	658	—
Repayment of Bank loan	—	(42,528)
Drawdown of Bank loan	(34,447)	74,509
Interest paid	(4,770)	(1,184)
Net cash (outflow)/inflow from financing activities	**(94,127)**	**15,834**
Decrease in cash and cash equivalents	**(39,927)**	**(27,686)**
Cash and cash equivalents at start of year	47,000	75,318
Exchange movements	87	(632)
Cash and cash equivalents at end of year	**7,160**	**47,000**
Cash and cash equivalents consist of:		
Cash and short term deposits	312	447
Cash held in JPMorgan Euro Liquidity Fund	7,242	46,553
Cash and cash equivalents per the Statement of Financial Position	7,554	47,000
Bank overdraft (included as part of current liabilities in note 13)	(394)	—
Total cash, cash equivalents and bank overdraft per the Statement of Cash Flows	**7,160**	**47,000**

For the year ended 31st March 2024

1. Accounting policies

(a) Basis of accounting

The financial statements are prepared under the historical cost convention, modified to include fixed asset investments at fair value, and in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ('UK GAAP'), including 'the Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the Association of Investment Companies in July 2022. In preparing these financial statements the Directors have considered the impact of climate change risk as a principal risk as set out on page 38, and have concluded that it does not have a material impact on the Company's investments. In line with FRS 102 investments are valued at fair value, which for the Company are quoted bid prices for investments in active markets at the 31st March 2024 and therefore reflect market participants view of climate change risk.

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

The financial statements have been prepared on a going concern basis. The Board has, in particular, considered the exacerbation of geopolitical events in Ukraine and the Middle East, arising from geopolitical risks, including the crisis in Ukraine and Russia and the Middle East, and does not believe the Company's going concern status is affected. They have considered the potential impact and the mitigation measures which key service providers including Managers, have in place to maintain operational resilience and believe the adverse impact of further pandemics has declined. The Directors have reviewed income and expense projections to 30th June 2025 and the liquidity of the investment portfolio in making their assessment. Further details of Directors' considerations regarding this are given in the Chairman's Statement, Investment Managers' report, Going Concern Statement , Viability Statement and Principal Risks section of this Annual Report.

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

(b) Valuation of investments

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

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

Accordingly, upon initial recognition the investments are classified by the Company as held at fair value through profit or loss. They are included initially at transaction price which is taken to be their cost, excluding expenses incidental to purchase which are recognised in the capital column of the Statement of Comprehensive Income, at the time of acquisition. Subsequently the investments are valued at fair value, which are quoted bid prices for investments traded in active markets. For investments which are not traded in active markets, unlisted and restricted investments, the Board takes into account the latest traded prices, other observable market data and asset values based on the latest management accounts. Investments that are subject to securities lending arrangements are recognised in the Statement of Financial Position.

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

(c) Accounting for reserves

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

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

(d) Income

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

Overseas dividends are included gross of any withholding tax.

Notes to the Financial Statements

1. Accounting policies (continued)

(d) Income (continued)

Special dividends are looked at individually to ascertain the reason behind the payment. This will determine whether they are treated as revenue or capital. The Directors may exercise judgement in assessing the classification of special dividends as revenue or capital income.

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

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

Securities lending income is taken to revenue on a receipts basis which is not considered to be materially different to the accruals basis.

(e) Expenses

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

- The management fee is allocated 30% to revenue and 70% 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 of an investment are charged to capital. These expenses are commonly referred to as transaction costs and mainly comprise brokerage commission.

(f) Finance costs

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

Finance costs are allocated 30% to revenue and 70% 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

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

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

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

Bank loans and overdrafts are recorded initially at the proceeds received net of direct issue costs. Loans are subsequently recorded at amortised cost using the effective interest method. Interest payable on the bank loan and overdraft is accounted for on an accruals basis in the Statement of Comprehensive Income.

(h) Taxation

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

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

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

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

(i) Value Added Tax ('VAT')

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

(j) Foreign currency

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

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

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

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

(k) Dividends paid

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 ordinary shares for cancellation

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

(m) Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board. The Directors are of the opinion that the Company is engaged in a single segment of investment business. The Directors manage the business in this way.

2. Significant accounting judgements, estimates and assumptions

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

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

Notes to the Financial Statements

3. Gains/(losses) on investments held at fair value through profit or loss

	2024 £'000	2023 £'000
Realised gains/(losses) on sale of investments	14,211	(45,047)
Net change in unrealised gains and losses on investments	11,597	(429)
Other capital charges	(49)	(59)
Total capital gains/(losses) on investments held at fair value through profit or loss	**25,759**	**(45,535)**

4. Income

	2024 £'000	2023 £'000
Income from investments		
Overseas dividends	21,967	18,725
Scrip dividends	—	188
Special dividends	1,083	3,476
	23,050	**22,389**
Interest receivable and similar income		
Securities lending income	131	113
Deposit interest	118	—
Income from JPMorgan Euro Liquidity Fund	683	—
	932	113
Total income	**23,982**	**22,502**

5. Management fee

		2024			2023	
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fee	1,732	4,041	5,773	1,925	4,491	6,416

Details of the management fee are given in the Directors' Report on page 46.

6. Other administrative expenses

	2024 £'000	2023 £'000
Administration expenses	538	379
Directors' fees[1]	178	172
Depositary fee	91	89
Auditors' remuneration for audit services	53	50
	860	**690**

[1] Full disclosure is given in the Directors' Remuneration Report on pages 56 to 59.

7. Finance Costs

	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Interest on bank loans and overdrafts	1,227	2,861	4,088	530	1,237	1,767
	1,227	**2,861**	**4,088**	**530**	**1,237**	**1,767**

8. Taxation

(a) Analysis of tax charge for the year

	2024 £'000	2023 £'000
Overseas withholding tax	1,493	1,845[1]
Total tax charge for the year	**1,493**	**1,845**

[1] Contains historic withholding tax reclaimed under EU law based principles and recognised as windfall on receipt.

(b) Factors affecting total tax charge for the year

The tax charge for the year is lower (2023: lower) than the Company's applicable rate of corporation tax for the year of 25% (2023: 19%). The factors affecting the total tax charge for the year are as follows:

	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Net return/(loss) before taxation	20,163	20,910	41,073	19,357	(51,364)	(32,007)
Net return/(loss) before taxation multiplied by the Company's applicable rate of corporation tax of 25% (2023: 19%)	5,041	5,227	10,268	3,678	(9,759)	(6,081)
Effects of:						
Non taxable capital (gains)/losses	—	(6,953)	(6,953)	—	8,671	8,671
Non taxable overseas dividends	(5,737)	—	(5,737)	(4,218)	—	(4,218)
Non taxable scrip dividends	—	—	—	(36)	—	(36)
Overseas withholding tax	1,493	—	1,493	1,845	—	1,845
Tax attributable to expenses and finance costs charged to capital	(1,500)	1,500	—	(1,088)	1,088	—
Unutilised expenses carried forward to future periods	2,100	—	2,100	1,664	—	1,664
Disallowed interest	96	226	322	—	—	—
Total tax charge for the year	**1,493**	**—**	**1,493**	**1,845**	**—**	**1,845**

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £31,679,000 (2023: £29,578,000) based on a prospective corporation tax rate of 25% (2023: 25%). The deferred tax asset has arisen due to £126,715,000 (2023: £118,312,000) the cumulative excess of deductible expenses over taxable income.

Given the composition of the Company's portfolio, it is not likely that this asset will be utilised in the foreseeable future and therefore no asset has been recognised in the financial statements.

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

Notes to the Financial Statements

9. Return/(loss) per share

	2024 £'000	2023 £'000
Revenue return	18,670	17,512
Capital return/(loss)	20,910	(51,364)
Total return/(loss)	**39,580**	**(33,852)**
Weighted average number of shares in issue during the year	155,063,487	157,569,054
Revenue return per share	12.04p	11.11p
Capital return/(loss) per share	13.49p	(32.60)p
Total return/(loss) per share	**25.53p**	**(21.49)p**

10. Dividends

(a) Dividends paid and declared

	2024		2023	
	Pence	£'000	Pence	£'000
Dividends paid				
Unclaimed dividends returned to the Company	—	(120)	—	—
Final dividend in respect of the prior year	7.8	12,283	5.5	8,661
Interim dividend	2.5	3,813	1.2	1,890
Total dividends paid in the year	**10.3**	**15,976**	**6.7**	**10,551**
Dividend proposed				
Final dividend	8.0	11,815	7.8	12,283

All dividends paid and declared in the period have been funded from the revenue reserve.

The final dividend has been proposed in respect of the year ended 31st March 2024 and is subject to approval at the forthcoming Annual General Meeting. In accordance with the accounting policy of the Company, this dividend will be reflected in the financial statements for the year ending 31st March 2025.

(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 £18,670,000 (2023: £17,512,000). The revenue reserve after payment of the final dividend will amount to £8,994,000 (2023: £5,832,000).

	2024		2023	
	Pence	£'000	Pence	£'000
Interim dividend	2.5	3,813	1.2	1,890
Final dividend	8.0	11,815	7.8	12,283
Total	**10.5**	**15,628**	**9.0**	**14,173**

11. Investments

	2024 £'000	2023 £'000
Investments listed on a recognised stock exchange	829,738	839,582
Opening book cost	729,575	723,582
Opening investment holding gains	110,007	110,436
Opening valuation	839,582	834,018
Movements in the year:		
Purchases at cost	678,199	739,023
Sales — proceeds	(713,851)	(687,983)
Losses on investments	25,808	(45,476)
	829,738	839,582
Closing book cost	708,134	729,575
Closing investment holding gains	121,604	110,007
Total investments held at fair value through profit or loss	**829,738**	**839,582**

Transaction costs on purchases during the year amounted to £904,000 (2023: £1,100,000) and on sales during the year amounted to £297,000 (2023: £368,000). These costs comprise mainly brokerage commission.

The Company received £713,851,000 (2023: £687,983,000) from investments sold in the year. The bookcost of these investments when they were purchased was £699,640,000 (2023: £733,030,000). 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.

The Company participates in stock lending arrangements and further details can be found in note 21 (c), Credit risk, on page 88.

12. Current assets

	2024 £'000	2023 £'000
Debtors		
Securities sold awaiting settlement	2,067	12,129
Overseas tax recoverable	4,323	2,935
Dividends and interest receivable	292	940
VAT recoverable	78	40
Other debtors	55	56
	6,815	**16,100**

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. Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Current liabilities		
Creditors: amounts falling due within one year		
Securities purchased awaiting settlement	1,075	6,823
Loan interest payable	71	753
Bank overdraft	394	—
Bank loan	—	109,836
Repurchases of the Company's own shares awaiting settlement	686	—
Other creditors and accruals	165	208
	2,391	**117,620**

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

The bank overdraft at the year end is as a result of timing on the settlement of trades at the year end. The overdraft is available to the Company for short term settlement purposes only.

For details concerning the loan please refer to note 14.

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

	2024 £'000	2023 £'000
Bank loan	72,670	—
	72,670	**—**

The Company has a Euro 140 million (2023: Euro 125 million) multicurrency revolving credit facility with The Bank of Nova Scotia. This facility was renewed in January 2024 for two years and expires on 26th March 2026.

At the year end the Company had drawn down Euro 85 million of the credit facility (2023: Euro 125 million). Interest on the credit facility is payable at a margin above the prevailing EURIBOR plus commitment fee for the period of the credit facility.

15. Called up share capital

	2024		2023	
	Number of Shares	£'000	Number of Shares	£'000
Authorised ordinary shares allotted and fully paid:				
Opening balance of ordinary shares of 5p each	157,474,931	7,874	158,469,931	7,924
Repurchase and cancellation of shares	—	—	(995,000)	(50)
Repurchase of Ordinary shares into Treasury	(9,782,472)	(489)	—	—
Closing balance of Ordinary shares of 5p each excluding shares held in Treasury	**147,692,459**	**7,385**	**157,474,931**	**7,874**
Shares held in Treasury	9,782,472	489	—	—
Closing balance of ordinary shares of 5p each including shares held in Treasury	**157,474,931**	**7,874**	**157,474,931**	**7,874**

Further details of transactions in the Company's shares are given in the Strategic Report on page 33.

Notes to the Financial Statements

16. Capital and reserves

2024	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves[1] Realised gains and losses £'000	Capital reserves[1] Investment holding gains and losses £'000	Revenue reserve[1] £'000	Total £'000
Opening balance	7,874	1,312	7,762	639,631	110,368	18,115	785,062
Net foreign currency losses on cash and cash equivalents	—	—	—	(666)	—	—	(666)
Realised gains on investments	—	—	—	14,211	—	—	14,211
Unrealised losses on investments	—	—	—	—	11,597	—	11,597
Repurchase of shares into Treasury	—	—	—	(40,278)	—	—	(40,278)
Unrealised gains on loans and private placements	—	—	—	—	2,237	—	2,237
Proceeds from unclaimed shares forfeited	—	—	—	658	—	120	778
Realised gains on repayment of loans	—	—	—	482	—	—	482
Management fee and finance costs allocated to capital	—	—	—	(6,902)	—	—	(6,902)
Other capital charges	—	—	—	(49)	—	—	(49)
Retained revenue for the year	—	—	—	—	—	18,670	18,670
Dividends paid in the year	—	—	—	—	—	(16,096)	(16,096)
Closing balance	**7,874**	**1,312**	**7,762**	**607,087**	**124,202**	**20,809**	**769,046**

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

2023	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves[1] Realised gains and losses £'000	Capital reserves[1] Investment holding gains and losses £'000	Revenue reserve[1] £'000	Total £'000
Opening balance	7,924	1,312	7,712	693,294	112,323	11,154	833,719
Net foreign currency gains on cash and cash equivalents	—	—	—	1,698	—	—	1,698
Unrealised gains/(losses) on foreign currency contracts	—	—	—	2	(2)	—	—
Realised losses on investments	—	—	—	(45,047)	—	—	(45,047)
Unrealised gains on investments	—	—	—	—	(429)	—	(429)
Repurchase and cancellation of the Company's own shares	(50)	—	50	(4,254)	—	—	(4,254)
Unrealised losses on loans	—	—	—	—	(1,524)	—	(1,524)
Realised losses on repayment of loans	—	—	—	(275)	—	—	(275)
Management fee and finance costs allocated to capital	—	—	—	(5,728)	—	—	(5,728)
Other capital charges	—	—	—	(59)	—	—	(59)
Retained revenue for the year	—	—	—	—	—	17,512	17,512
Dividends paid in the year	—	—	—	—	—	(10,551)	(10,551)
Closing balance	**7,874**	**1,312**	**7,762**	**639,631**	**110,368**	**18,115**	**785,062**

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

17. Net asset value per share

	2024	2023
Net assets (£'000)	769,046	785,062
Number of shares in issue	147,692,459	157,474,931
Net asset value per share	**520.7p**	**498.5p**

Notes to the Financial Statements

18. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2023: none).

19. Transactions with the Manager and related parties

Details of the management contract are set out in the Directors' Report on page 46. The management fee payable to the Manager for the year was £5,773,000 (2023: £6,416,000), of which £nil (2023: £nil) was outstanding at the year end.

Included in administration expenses in note 6 on page 76 are safe custody fees payable to JPMorgan Chase amounting to £79,000 (2023: £86,000) excluding VAT of which £8,000 (2023: £30,000) was outstanding at the year end.

The Manager may carry out some of its dealing transactions through group subsidiaries. These transactions are carried out at arm's length. The commission payable to JPMorgan Securities Limited for the year was £44,000 (2023: £67,000) of which £nil (2023: £nil) was outstanding at the year end.

The Company also holds cash in JPMorgan Euro Liquidity Fund, which is managed by JPMF. At the year end, this was valued at £7.2 million (2023: £46.6 million). Interest amounting to £683,000 were payable (2023: £nil) during the year of which £53,000 (2023: £nil) was outstanding at the year end.

Securities lending income amounting to £131,000 (2023: £113,000) were receivable by the Company during the year. JPMAM commissions in respect of such transactions amounted to £15,000 (2023: £13,000).

Handling charges on dealing transactions amounting to £49,000 (2023: £59,000) were payable to JPMorgan Chase during the year of which £17,000 (2023: £29,000) was outstanding at the year end.

At the year end, the Company held cash of £311,000 and an overdraft of £394,000, resulting in net overdrawn amount of £83,000 (2022: cash held of £445,000 and £nil overdraft) with JPMorgan Chase Bank N.A. A net amount of interest of £118,000 (2023: £2,000) was receivable by the Company during the year from JPMorgan Chase of which £nil (2023: £1,000) was outstanding at the year end.

Full details of Directors' remuneration and shareholdings can be found on page 58.

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 March.

	2024		2023	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	829,738	—	839,582	—
Total	**829,738**	**—**	**839,582**	**—**

There have been no transfers between Levels 1, 2 or 3 during the year (2023: nil).

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

As an investment trust, the Company invests in equities for the long term so as to secure its investment objective stated on the '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 Directors' policy for managing these risks is set out below. The Company Secretary, in close cooperation with the Board and the Manager, coordinates the Company's risk management policy.

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

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

- investments in European 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
- loan facilities, the purpose of which are to finance the Company's operations.

(a) Market risk

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

(i) Currency risk

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

Management of currency risk

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

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

	2024					
	Euro £'000	Swiss francs £'000	Danish krone £'000	Swedish krona £'000	Norwegian krone £'000	Total £'000
Current assets	11,723	1,229	273	1,913	—	15,138
Creditors	(74,339)	—	—	(903)	—	(75,242)
Foreign currency exposure on net monetary items	(62,616)	1,229	273	1,010	—	(60,104)
Investments held at fair value through profit or loss	628,386	22,040	46,825	99,512	32,975	829,738
Total net foreign currency exposure	**565,770**	**23,269**	**47,098**	**100,522**	**32,975**	**769,634**

	2023					
	Euro £'000	Swiss francs £'000	Danish krone £'000	Swedish krona £'000	Norwegian krone £'000	Total £'000
Current assets	60,885	1,371	466	540	—	63,262
Creditors	(116,811)	(148)	(761)	—	—	(117,720)
Foreign currency exposure on net monetary items	(55,926)	1,223	(295)	540	—	(54,458)
Investments held at fair value through profit or loss	612,271	71,729	15,842	131,884	7,856	839,582
Total net foreign currency exposure	**556,345**	**72,952**	**15,547**	**132,424**	**7,856**	**785,124**

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

Foreign currency sensitivity

The following table illustrates the sensitivity of return after taxation for the year and net assets with regard to the Company's monetary financial assets and financial liabilities and exchange rates. The sensitivity analysis is based on the Company's monetary currency financial instruments held at each balance sheet date and the income receivable in foreign currency and assumes a 10% (2023: 10%) appreciation or depreciation in sterling against the Euro, Swiss francs, Danish krone, Swedish krona, Norwegian krone and US dollar to which the Company is exposed. This is considered to be a reasonable illustration based on the volatility of exchange rates during the year.

	2024		2023	
	If sterling strengthens by 10% £'000	If sterling weakens by 10% £'000	If sterling strengthens by 10% £'000	If sterling weakens by 10% £'000
Statement of Comprehensive Income – return after taxation				
Revenue return[1]	(2,373)	2,373	(2,239)	2,239
Capital return	6,010	(6,010)	5,446	(5,446)
Total return after taxation for the year	3,637	(3,637)	3,207	(3,207)
Net assets	**3,637**	**(3,637)**	**3,207**	**(3,207)**

[1] The sensitivity is calculated on the income received during the year.

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

(ii) Interest rate risk

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

Management of interest rate risk

The Company does not normally hold significant cash balances. Short term borrowings are used when required. The Company may finance part of its activities through borrowings at levels approved and monitored by the Board.

The possible effects on cash flows that could arise as a result of changes in interest rates are taken into account when the Company borrows on the floating rate loan facility. However, amounts drawn down on this facility are for short term periods and therefore there is limited exposure to interest rate risk.

Derivatives are not used to hedge against the exposure to interest rate risk.

Interest rate exposure

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

	2024 £'000	2023 £'000
Exposure to floating interest rates:		
Cash and short term deposits	312	447
Bank overdraft	(394)	—
JPMorgan Euro Liquidity Fund	7,242	46,553
Bank loan	(72,670)	(109,836)
Total exposure	**(65,510)**	**(62,836)**

Interest receivable on cash balances, or paid on overdrafts, is at a margin below or above SONIA respectively (2023: Interest receivable on cash balances, or paid on overdrafts, is at a margin below or above SONIA respectively). Interest payable on the Bank loan is at a margin above EURIBOR (2023: margin above EURIBOR).

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

(a) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 1% (2023: 4%) increase or decrease in interest rates with regard 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.

	2024		2023	
	1% Increase in rate £'000	1% Decrease in rate £'000	4% Increase in rate £'000	4% Decrease in rate £'000
Statement of Comprehensive Income – return after taxation				
Revenue return	(146)	146	562	(562)
Capital return	(509)	509	(3,075)	3,075
Total return after taxation	(655)	655	(2,513)	2,513
Net assets	**(655)**	**655**	**(2,513)**	**2,513**

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

(iii) Other price risk

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

Management of other price risk

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

Other price risk exposure

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

	2024 £'000	2023 £'000
Investments held at fair value through profit or loss	829,738	839,582
	829,738	**839,582**

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

Concentration of exposure to market price risk

An analysis of the Company's investments is given on pages 24 and 25. This shows that all of the investments' value is in European companies and there is no concentration of exposure to any one country. It should also be noted that an investment may not be entirely exposed to the economic conditions in its country of domicile or of listing.

Other price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to an increase or decrease of 10% (2023: 10%) in the market value of equity investments. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's equities, adjusting for changes in the management fee but with all other variables held constant.

	2024		2023	
	10% Increase in fair value £'000	10% Decrease in fair value £'000	10% Increase in fair value £'000	10% Decrease in fair value £'000
Statement of Comprehensive Income – return after taxation				
Revenue return	(187)	187	(214)	214
Capital return	82,538	(82,538)	83,459	(83,459)
Total return after taxation	82,351	(82,351)	83,245	(83,245)
Net assets	**82,351**	**(82,351)**	**83,245**	**(83,245)**

(b) Liquidity risk

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

Management of the risk

Liquidity risk is mitigated as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding requirements if necessary. Short term flexibility is achieved through the use of overdraft facilities.

The Board's policy is for the Company to remain fully invested in normal market conditions and that short term borrowings be used to manage short term liabilities and working capital requirements and to gear the Company as appropriate.

Liquidity risk exposure

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

	2024			
	Three months or less £'000	More than three months but not more than one year £'000	More than one year £'000	Total £'000
Creditors				
Securities purchased awaiting settlement	1,075	—	—	1,075
Repurchase of the Company's own shares	686	—	—	686
Bank overdraft	394	—	—	394
Other creditors	165	—	—	165
Bank loan, including interest	994	2,821	77,306	81,121
	3,314	**2,821**	**77,306**	**83,441**

Notes to the Financial Statements

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

(b) Liquidity risk (continued)

Liquidity risk exposure (continued)

	2023			
	Three months or less £'000	More than three months but not more than one year £'000	More than one year £'000	Total £'000
Creditors				
Securities purchased awaiting settlement	6,823	—	—	6,823
Other creditors	208	—	—	208
Bank loan, including interest	1,681	111,909	—	113,590
	8,712	**111,909**	**—**	**120,621**

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

(c) Credit risk

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

Management of credit risk

Portfolio dealing

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

Cash and cash equivalents

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

Exposure to JPMorgan Chase Bank, N.A

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

Stock Lending

The aggregate value of securities on loan at 31st March 2024 amounted to £53.0 million (2023: £41.5 million) and the maximum value of stock on loan during the year amounted to £66.6 million (2023: £41.6 million). Collateral is obtained by JPMorgan Asset Management and is called in on a daily basis to a minimum value of 102% of the value of the securities on loan if that collateral is denominated in the same currency as the securities on loan and a minimum of 105% if it is denominated in a different currency. Full details of the collateral is disclosed on pages 92 to 95.

(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.

22. Capital management policies and procedures

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

	2024 £'000	2023 £'000
Debt		
Bank loan	72,670	109,836
Total debt	**72,670**	**109,836**
Equity		
Called up share capital	7,874	7,874
Reserves	761,172	777,188
Total equity	**769,046**	**785,062**
Total debt and equity	**841,716**	**894,898**

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

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

	2024 £'000	2023 £'000
Investments held at fair value through profit or loss	829,738	839,582
Net assets	769,046	785,062
Gearing/(Net cash)	**7.9%**	**6.9%**

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

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

Notes to the Financial Statements

23. Analysis of Changes in Net Debt

	As at 31st March 2023 £'000	Cash flows £'000	Other non-cash changes[1] £'000	As at 31st March 2024 £'000
Cash and cash equivalents				
Cash	447	(126)	(9)	312
Cash held in JPMorgan Euro Liquidity Fund	46,553	(39,407)	96	7,242
Bank overdraft	—	(394)	—	(394)
	47,000	(39,927)	87	7,160
Borrowings				
Debt due within one year	(109,836)	—	109,836	—
Debt due after one year	—	34,447	(107,117)	(72,670)
	(109,836)	34,447	2,719	(72,670)
Net debt	**(62,836)**	**(5,480)**	**2,806**	**(65,510)**

[1] Other non cash changes include foreign currency exchange movements and the classification of the debt due within one year to debt due after one year, as shown in notes 13 and 14.

24. Subsequent events

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

Regulatory Disclosures

Alternative Investment Fund Managers' Directive ('AIFMD') Disclosures (Unaudited)

Leverage

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

The Company's maximum and actual leverage levels at 31st March 2024 are shown below:

	Gross Method	Commitment Method
Leverage exposure		
Maximum limit	200%	200%
Actual	109.6%	109.4%

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

The Remuneration Policy applies to all employees of the Management Company, including individuals whose professional activities may have a material impact on the risk profile of the Management Company or the Alternative Investment Funds it manages ('**AIFMD Identified Staff**'). The AIFMD Identified Staff include members of the board of the Management Company, 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 JPM Fund's Board reviews and adopts the Remuneration Policy on an annual basis, and oversees its implementation, including the classification of AIFMD Identified Staff. As at 31st December 2022, the Board last reviewed and adopted the Remuneration Policy in May 2022 with no material changes and was satisfied with its implementation.

Quantitative Disclosures

The table below provides an overview of the aggregate total remuneration paid to staff of the Management Company in respect of the 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 Assets Under Management ('AUM') weighted basis.

Due to the Firm's operational structure, the information needed to provide a further breakdown of remuneration attributable to the Company is not readily available and would not be relevant or reliable. However, for context, the Management Company manages 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.

Regulatory Disclosures

	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$119,473,000, 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 include employees of the companies to which portfolio management has been formally delegated in line with the latest ESMA guidance.

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

The Company engages in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Company's involvement in and exposures related to SFT for the accounting period ended 31st March 2024 are detailed below.

Global Data

Amount of securities on loan

The total value of securities on loan as a proportion of the Fund's total lendable assets, as at the balance sheet date, is 6.39%. Total lendable assets represents the aggregate value of assets types forming part of the Fund's securities lending programme.

Amount of assets engaged in securities lending

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

	Value £'000	% of AUM
Securities lending	52,989	6.89%

Concentration and Aggregate Transaction Data

Counterparties

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

Collateral	Country of Incorporation	Value £'000
Morgan Stanley	United States of America	29,056
Merrill Lynch	United States of America	6,578
BNP	France	4,974
JP Morgan	United States of America	4,804
HSBC	United Kingdom	1,883
UBS	Switzerland	1,466
Barclays	United Kingdom	1,423
Citigroup	United States of America	1,366
Goldman Sachs	United States of America	1,294
Nomura	Japan	145
Total		**52,989**

Maturity tenure of security lending transactions

The Company's securities lending transactions have open maturity.

Regulatory Disclosures

Collateral issuers

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

Issuer	Collateral Value £'000
United States of America Treasury	39,464
French Republic Government	7,184
United Kingdom Treasury	6,104
Kingdom of Belgium Government	2,421
Republic of Austria Government	1,833
Federal Republic of Germany Government	832
Republic of Finland Government	382
Kingdom of Netherlands Government	11
Total	**58,231**

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

Type, quality and currency of collateral

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

Type	Quality	Currency	Value £'000
Treasury Bonds	Investment Grade	USD	29,797
Sovereign Debt	Investment Grade	EUR	12,663
Treasury Notes	Investment Grade	USD	9,533
Sovereign Debt	Investment Grade	GBP	6,104
Treasury Bills	Investment Grade	USD	134
Total			**58,231**

Maturity tenure of collateral

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

Maturity	Value £'000
1 day to 1 week	—
1 to 4 weeks	75
1 to 3 months	47
3 to 12 months	270
More than 1 year	57,839
Total	**58,231**

Settlement and clearing

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

Regulatory Disclosures

Re-use of collateral

Share of collateral received that is reused and reinvestment return

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

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

Safekeeping of collateral

All collateral received (£58,231,000) by the Company in respect of securities lending transactions as at the balance sheet date is held by the Depository.

Return and cost

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

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of JPMorgan European Discovery Trust plc will be held at 60 Victoria Embankment, London EC4Y 0JP on Wednesday, 24th July 2024 at 12.30 p.m. for the following purposes:

1. To receive the Directors' Report, the Financial Statements and the Auditors' Report for the year ended 31st March 2024.
2. To approve the Directors' Remuneration Policy.
3. To approve the Directors' Remuneration Report for the year ended 31st March 2024.
4. To declare a final dividend of 8.0 pence per share.
5. To reappoint Marc van Gelder as a Director of the Company.
6. To reappoint Sarah Watters as a Director of the Company.
7. To reappoint Suzy Ross as a Director of the Company.
8. To appoint Arun Sarwal as a Director of the Company.

To consider the following resolution as an ordinary resolution:

9. THAT Ernst & Young be reappointed as Auditor of the Company and that their remuneration be fixed by the Directors.

Special Business

To consider the following resolutions:

Authority to allot new Ordinary shares – Ordinary Resolution

10. THAT the Directors of the Company be and they are hereby generally and unconditionally authorised, (in substitution of any authorities previously granted to the Directors), pursuant to and in accordance with Section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers for the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ('Rights') up to an aggregate nominal amount of £787,375 or, if different the aggregate nominal amount representing approximately 10% of the Company's issued ordinary share capital (excluding Treasury shares) as at the date of the passing of this resolution, provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2025 unless renewed at a general meeting prior to such time, save that the Company may before such expiry make offers, agreements or arrangements which would or might require shares to be allotted or Rights to be granted after such expiry and so that the Directors of the Company may allot shares and grant Rights in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

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

11. THAT subject to the passing of Resolution 10 set out above, the Directors of the Company be and they are hereby empowered pursuant to Sections 570 and 573 of the Act to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 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 £720,157 or, if different, the aggregate nominal amount representing approximately 10% of the issued share capital 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 10 above, 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

12. THAT the Company be generally and, subject as hereinafter appears, unconditionally authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693 of the Act) of its issued ordinary shares in the capital of the Company on such terms and in such manner as the Directors may from time to time determine:

    PROVIDED ALWAYS THAT

(i) the maximum number of ordinary shares hereby authorised to be purchased shall be the number of ordinary shares which is equal to 14.99% of the Company's issued share capital (less shares held in Treasury) as at the date of the passing of this Resolution;

(ii) the minimum price which may be paid for an ordinary share shall be the nominal value of such ordinary share;

(iii) the maximum price which may be paid for an ordinary share shall be an amount equal to the highest of: (a) 105% of the average of the middle market quotations for an ordinary share taken from and calculated by reference to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary 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 ordinary shares will be made in the market for cash at prices below the prevailing net asset value per ordinary share (as determined by the Directors);

(v) the authority hereby conferred shall expire on 23rd January 2026 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 a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which contract will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares pursuant to any such contract.

Authority to hold general meetings – Special Resolution

13. THAT a general meeting, other than an Annual General Meeting, may be called on no less than 14 clear days' notice.

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

19th June 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 no later than 12.30 p.m. two business days prior to the Meeting (i.e. excluding weekends and bank holidays).
5. You may change your proxy instructions by returning a new proxy appointment. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same Meeting, the one which is last received (regardless of its date or the date of its signature) shall be treated as replacing and revoking the other or others as regards that share; if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.
6. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members as at 6.30 p.m. two business days prior to the Meeting

(the 'specified time'). If the Meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original Meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Meeting. If, however, the Meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members as at 6.30 p.m. two business days prior to the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in that notice. Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote at the Meeting or adjourned Meeting.

7. A corporation, which is a shareholder, may appoint individuals to act as its representatives and to vote in person at the meeting (see instructions given on the proxy form). In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the company, provided that they do not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.

   Representatives should bring to the Meeting evidence of their appointment, including any authority under which it is signed.

8. Members that satisfy the thresholds in Section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to: (a) the audit of the Company's accounts (including the Auditors' report and the conduct of the audit) that are to be laid before the Meeting; or (b) any circumstances connected with Auditors of the Company ceasing to hold office since the previous Meeting, which the members propose to raise at the Meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's Auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the Meeting 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 Meeting any question relating to the business being dealt with at the Meeting 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 of Meeting 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 cannot 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 Meeting, the total voting rights members are entitled to exercise at the Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice of Meeting will be available on the Company's website www.jpmeuropeandiscovery.co.uk

Notice of Annual General Meeting

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, Sundays and public holidays excepted). They will also be available for inspection at the Meeting. 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 Form, you can appoint a proxy or proxies electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder Reference Number (this is the series of numbers printed under your name on the Form of Proxy/Voting Instruction Form). Alternatively, if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk. Full instructions are given on both websites.
16. As at 18th June 2024 (being the latest business day prior to the publication of this Notice), the Company's issued share capital consists of 143,286,254 ordinary shares (excluding Treasury Shares), carrying one vote each. Therefore, the total voting rights in the Company are 143,286,254.

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.

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

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

Total return calculation	Page	Year ended 31st March 2024	Year ended 31st March 2023	
Opening share price (p)	6	423.0	450.0	(a)
Closing share price (p)	6	465.5	423.0	(b)
Total dividend adjustment factor[1]		1.026517	1.018071	(c)
Adjusted closing share price (d = b x c)		477.8	430.6	(d)
Total return to shareholders (e = (d / a) – 1)		**+13.0%**	**–4.3%**	(e)

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

Return on Net Assets (APM)

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

Total return calculation	Page	Year ended 31st March 2024	Year ended 31st March 2023	
Opening cum-income NAV per share (p)	6	498.5	526.1	(a)
Closing cum-income NAV per share (p)	6	520.7	498.5	(b)
Total dividend adjustment factor[1]		1.022423	1.014844	(c)
Adjusted closing cum-income NAV per share (d = b x c)		532.4	505.9	(d)
Total return on net assets (e = (d / a) – 1)		**+6.8%**	**–3.8%**	(e)

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

Benchmark total return

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

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

Net asset value per share

The value of the Company's net assets (total assets less total liabilities) divided by the number of ordinary shares in issue. Please see note 17 on page 81 for detailed calculations.

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

Gearing/(Net Cash) (APM)

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

Gearing calculation	Page	31st March 2024 £'000	31st March 2023 £'000	
Investments held at fair value through profit or loss	71	829,738	839,582	(a)
Net assets	6	769,046	785,062	(b)
Gearing (c = (a / b) – 1)		**7.9%**	**6.9%**	(c)

Ongoing charges (APM)

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

Ongoing charges calculation	Page	Year ended 31st March 2024	Year ended 31st March 2023	
Management fee (£'000)	69	5,773	6,416	
Other administrative expenses (£'000)	69	860	690	
Total management fee and other administrative expenses (£'000)		6,633	7,106	(a)
Average daily cum-income net assets		717,766	753,063	(b)
Ongoing charges (c = a / b)		**0.92%**	**0.94%**	(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	Year ended 31st March 2024	Year ended 31st March 2023	
Share price (p)	6	465.5	423.0	(a)
Net assets value per share with debt at par value (p)	6	520.7	495.5	(b)
Discount to net asset value with debt at fair value (c = (a – b)/b)		**10.6%**	**15.1%**	(c)

Investing in JPMorgan European Discovery Trust plc

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

1. Via a third party provider

Third party providers include:

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

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

2. Through a professional adviser

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

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

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

3. Voting on Company Business and Attending the AGM

The Board encourages its shareholders to exercise their rights by voting at general meetings and attending if able to do so. If you hold your shares on the Company's main register, please refer to the notes to the AGM on page 102 and your form of proxy. If your shares are held through a platform, platform providers often 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.

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 seeks to deliver stronger financial outcomes, including by focusing on the most financially material ESG issues that it believes impact the long-term performance of companies in which it invests. Additionally, it advocates for robust corporate governance and sound business practices. The Manager believes that understanding financially material ESG factors plays an important role in delivering long-term value creation for its clients. These efforts are supported through one of the largest buyside research networks of approximately 300 equity and credit analysts globally, complemented by a dedicated stewardship team. Every year, the Manager challenges itself to consider how it can better steward its clients’ capital, both in terms of how it invests and how it operates. The dialogue continues to be shaped by important medium-and longer-term material financial risks and opportunities faced by investee companies around environmental issues such as climate change and natural capital, social issues such as labour standards and diversity in the workplace, and governance issues such as board effectiveness and executive compensation plans aligned with shareholders’ interests.

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

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

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/jpm-european-discovery-trust-plc-fund-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

On 24th April 1990, the Company acquired the undertaking and assets of Fleming European Fledgeling Fund Limited (the 'Fund') in exchange for the issue of its shares and warrants. That Fund was an open-ended, unquoted investment company based in Jersey with the same objectives and investment policies as the Company. The Company changed its name from JPMorgan European Smaller Companies Trust plc to JPMorgan European Discovery Trust plc on 15th June 2021. It is a constituent of the FTSE 250 index.

Company Numbers

Company registration number: 2431143
London Stock Exchange number: 0341969
ISIN: GB00BMTS0Z37
Bloomberg code: JEDT LN
LEI: 54930049CEWDI46Y3U28

Market Information

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

Website

www.jpmeuropeandiscovery.co.uk

Share Transactions

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

Manager and Company Secretary

JPMorgan Funds Limited.

Company's Registered Office

60 Victoria Embankment
London EC4Y 0JP
Telephone: 020 7742 4000

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

Depositary

The Bank of New York Mellon (International) Limited
1 Canada Square
London E14 5AL

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

Registrars

Equiniti Limited
Reference 1083
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Telephone: 0371 384 2325

Lines open 8.30 a.m. to 5.30 p.m. Monday to Friday. Calls to the helpline will cost no more than a national rate call to a 01 or 02 number. Callers from overseas should dial +44 121 415 0225.

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1083.

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

Please Note: Computershare Investor Services Plc will be replacing Equiniti as the Company's Registrar later this year. Further information including full contact details will be made available to shareholders nearer the time and will be incorporated into all future shareholder communications following the transition.

Independent Auditors

Ernst & Young LLP
Statutory Auditor
Atria One
144 Morrison Street
Edinburgh EH3 8EB

Brokers

Cavendish Financial plc
One Bartholomew Close
London EC1A 7BL

aic
The Association of Investment Companies
A member of the AIC

CONTACT

60 Victoria Embankment
London
EC4Y 0JP
Freephone: 0800 20 40 20
Calls from outside the UK: +44 1268 44 44 70
Website: www.jpmeuropeandiscovery.co.uk

GB A112 | 06/24

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