



JPMorgan Claverhouse Investment Trust plc

Half Year Report & Financial Statements
for the six months ended 30th June 2022



*Awarded to investment
companies that have
increased their
dividends each year for
20 years or more*

J.P.Morgan
ASSET MANAGEMENT

Key Features

Objective

Capital and income growth from UK investments.

Investment Policies

- To invest in a diversified portfolio consisting mostly of leading companies listed on the London Stock Exchange. The Company's portfolio consists typically of between 60 and 80 individual stocks in which the Manager has high conviction.
- To invest no more than 15% of gross assets in other UK listed investment companies (including investment trusts).
- To invest no more than 15% of gross assets in any individual investment (including unit trusts and open ended investment companies).
- The Company uses short and long term gearing to increase potential returns to shareholders. The Company's gearing policy (excluding the effect of any futures) is to operate within a range of 5% net cash to 20% geared in normal market conditions. The Investment Managers have discretion to vary the gearing level between 5% net cash and 17.5% geared (including the effect of any futures).
- The Board permits the Manager to use FTSE index futures to effect changes in the level of the Company's gearing.

Benchmark

The FTSE All-Share Index (total return).

Capital Structure

At 30th June 2022, the Company's share capital comprised 59,955,653 ordinary shares of 25p each, with no shares held in Treasury.

In March 2020 the Company issued £30 million fixed rate 25 year unsecured notes at an annualised coupon of 3.22%. The Company's £50 million floating rate loan facility with National Australia Bank was extended to £70 million in March 2021. This loan facility expired in May. On 24th May 2022 the Company entered into an £80 million 2 year floating rate loan facility with Mizuho Bank Limited.

Management Company and Company Secretary

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

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

The Company currently conducts its affairs so that the shares issued by 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.

Association of Investment Companies ('AIC')

The Company is a member of the AIC.

ESG

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

AIC Dividend Heroes

The AIC Dividend Hero emblem on the front cover indicates that the Company has increased its dividends each year for at least 20 years.

Website

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

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DUGALD STEWART
BORN NOVEMBER 1769
DIED JUNE 1828

Financial Highlights

Total returns (including dividends reinvested) to 30th June 2022

	6 months	3 Years Cumulative	5 Years Cumulative	10 Years Cumulative
Return to shareholders ^{1A}	-13.9%	+3.8%	+20.0%	+137.8%
Return on net assets ^{2A}	-12.8%	+1.5%	+11.4%	+112.4%
Benchmark return ³	-4.6%	+7.3%	+17.5%	+94.1%
Net asset return performance against benchmark return ³	-8.2%	-5.8%	-6.1%	+18.3%
Interim dividends ⁴	15.0p			

¹ Source: Morningstar.

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

³ Source: Morningstar. The Company's benchmark is the FTSE All-Share Index (total return).

⁴ This figure comprises one interim dividend paid of 7.5p and one payable of 7.5p (2021: 14.0p).

^A Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 29 and 30.

Financial Highlights

Summary of results

	30th June 2022	31st December 2021
Net assets (£'000)	399,693	465,022
Number of shares in issue	59,955,653	59,435,653
Share price	650.0p	772.0p
Net asset value per share with debt at fair value ^{1,2}	668.6p	770.7p
Net asset value per share with debt at par value ¹	666.6p	782.4p
Share price premium/(discount) to net asset value per share with debt at fair value ^{3,A}	(2.8)%	0.2%
Share price premium/(discount) to net asset value per share with debt at par value ^{3,A}	(2.5)%	(1.3)%
Gearing (excluding effect of futures) at 30th June^A	6.9%	19.0%
Gearing (including effect of futures) at 30th June^A	2.0%	8.8%
Ongoing charges^A	0.71%	0.66%

¹ Includes the current year revenue account balance.

² The fair value of the £30m private placement loan has been calculated using discounted cash flow techniques using the yield on a similarly dated gilt plus a margin based on the five year average yield for the AA Barclays Corporate Bond.

³ Using cum-income net asset value per share.

^A Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 29 and 30.



Chairman's Statement



David Fletcher
Chairman

This is my first statement as Chairman of your Company following the retirement from the Board of Andrew Sutch who had been Chairman for some seven years and a Director for a total of nine years. On behalf of the Board I would like to thank Andrew for all his hard work and effective stewardship of the Board and the Company.

Performance

Following the Company's financial year end to 31st December 2021, economies across the world, including the UK, were expected to begin to recover following the easing of Covid-19 restrictions. However, the Russian invasion of Ukraine in February 2022, rising energy prices (partly as a result of the war) and increasing inflation and interest rates have all slowed economic growth both in the UK and globally.

The FTSE All Share (total return) fell 4.6% in the six months to 30th June 2022. The Company underperformed its benchmark index over the first six months of the financial year. The total return on net assets was -12.8% (with debt valued at par), an underperformance of -8.2% compared to the FTSE All-Share Index (total return). The share price fell, from 772p as at 31st December 2021 to 650p as at 30th June 2022. While this is a disappointing result, it reflects a very unusual market that has been driven by macro concerns and sentiment rather than individual stock fundamentals, which are the portfolio management team's focus. The Investment Managers' report on pages 11 to 14 reviews the market and provides more detail on the period's performance. Since the half year end, the share price has risen to 692p (as at 29th July 2022) and it is encouraging to report the net asset value has outperformed the benchmark index over the same period.

Revenue and Dividends

Revenue per share for the six months to 30th June 2022 was 17.38p, compared with 12.82p earned in the same period in 2021. As shown in the Statement of Comprehensive Income, dividend income is 33.5% higher than in the six months of the corresponding year. A first quarterly dividend of 7.50p per share (2021: 7.00p) was paid on 1st June 2022. It remains the Board's intention that the first three quarterly dividends should be of an equal amount and has therefore declared a second quarterly dividend of 7.50p per share (2021: 7.00p) to be paid on 1st September 2022 to shareholders on the register at the close of business on 22nd July 2022. The Board's dividend policy remains to seek to increase the total dividend each year and, taking a run of years together, to increase dividends at a rate close to or above the rate of inflation. The Company continues to benefit from a relatively high level of revenue reserves, which have been built up over a number of years, and the ability to utilise these, if necessary, to support the dividend.

The Board intends to declare an increased dividend for 2022, compared with that for 2021.

Discount, Share Issues/Repurchases

The discount at which the Company's share price traded relative to net asset value has fluctuated during the period and at times the shares have traded at a premium. During the period no shares were repurchased into Treasury and 520,000 new shares were issued, raising over £3.8 million for investment. As at 30th June 2022 the Company's discount (to its cum-income, debt at fair value, NAV) was 2.8%.

Gearing

The Company's gearing policy (excluding the effect of any futures) is to operate within a range of 5% net cash and 20% geared in normal market conditions. The Investment Managers have discretion to vary the gearing level between 5% net cash and 17.5% geared (including the effect of any futures). The Company has a long-term £30 million 3.22% private placement loan and also has a revolving credit facility of £80 million with Mizuho Bank Ltd of which £30 million was drawn as at 30th June 2022.

Chairman's Statement

Taking into account borrowings, net of cash balances held and including the effect of futures, the Company started the period approximately 8.8% geared. At the end of the period the Company was approximately 2.0% geared.

Board Succession

The Board is well advanced in the search for a suitably qualified additional Director to join the Board following Andrew Sutch's retirement and expects to announce an appointment in the Autumn.

Outlook

Since the Company's Annual General Meeting in April, the global economy has slowed further. Although there are no signs of any immediate economic recovery, the UK market continues to represent relatively good value, trading on a lower valuation than most other world markets. The Company is invested predominantly in large, well diversified FTSE 100 stocks, many of which are continuing to pay growing dividends. In this very difficult and extremely uncertain environment, the Manager is focused on high quality, resilient companies coupled with a cautious approach to gearing. This, together with the Company's strong dividend record, should benefit shareholders going forward.

David Fletcher
Chairman

4th August 2022



Investment Managers' Report

Investment Approach

We aim to construct a diversified portfolio of our best ideas, comprising both quality, growth and value stocks. For the patient investor, such an approach will, we believe, over a run of years produce outperformance of the index in a steady, risk-controlled manner irrespective of market conditions. We also strive to maintain Claverhouse's enviable dividend record by biasing the portfolio towards stocks with growing dividends.

Market Review

Equities globally fell sharply over the period. Russia's invasion of Ukraine at the end of February signalled the first war in Europe since 1945 and seriously rattled investors. After the initial shock, concerns soon grew over both the price and security of supplies of many essential commodities such as oil, wheat and gas. Inflation, which was already a concern as economies had started to open up after a long period of lockdown, started to rise sharply. Supply chains have been stubbornly sluggish, with China's zero Covid policy and related lockdowns compounding the issue. After a decade-long period of cheap money, central banks around the world started to raise interest rates, making clear as they did, that further rises were to come.

As economic growth forecasts were cut, the spectre of a global recession loomed. Worse still, were the growing fears of a period of stagflation: low/zero growth coupled with rising inflation.

Markets fell consistently throughout the period. The UK stock market fell less than most, with oil strongly outperforming and the more traditionally defensive pharmaceuticals, defence and tobacco sectors performing relatively well. However, the vast majority of stocks under-performed, with consumer stocks and industrials faring particularly poorly.

The pound fell from \$1.35 to \$1.21, which only served to compound the UK's inflation woes. The period ended with no end to the war in sight and inflation in the UK (and many other countries) rapidly heading to double digits. In June, Putin further restricted the supply of Russian gas to Europe so making the prospect of energy rationing in many parts of Europe in the autumn a real possibility.

At the end of the period, the mood amongst investors was unremittingly grim. Markets continued to fall and, as a series of disruptive strikes broke out on the railways and other key industries, parallels with the UK's economic woes of the 1970s started to be drawn. After the period end, Boris Johnson agreed to step down from his position as the Prime Minister after a series of scandals.

By the end of June, the total return on the FTSE All-Share index from the start of the year was a fall of -4.6%.

Portfolio review

At the start of the period, your portfolio was positioned for a post-Covid economic bounce and so was cyclically biased with a good representation to consumer stocks which, after two years of lockdown, we thought were well positioned for the opening up of economies which was starting to take place. The sudden outbreak of war in Ukraine in February changed all that and necessitated some radical shifts, and a higher turnover than usual, in the portfolio. It was difficult to get ahead of the market's rapid fall and, at times, the move in some share prices bordered on complete panic. The extent to which the market was driven by macro concerns, whilst fundamentals were often neglected, is unusual and reflects the fear present in the market. By the end of the period though, the portfolio was more defensively positioned and had even lower gearing than the start of the period.



William Meadon
Investment
Manager



Callum Abbot
Investment
Manager

Investment Managers' Report

Some of the more significant transactions we undertook are detailed below.

Purchases

The Russian invasion of Ukraine has forced many countries to reassess the sources of their **energy supply**. Combined with the dearth of new capital entering the oil and gas markets, this has led to a significant energy supply shortage and higher oil and gas prices. We added to several holdings which should benefit from this **Drax, SSE, Serica Energy, BP** and **Shell**. **Glencore's** exposure to copper, nickel and zinc leaves it well placed to benefit from the energy transition. The ESG credentials of Glencore continue to improve and we expect the complete overhaul of the management team to mark the start of a new greener, better-governed era for the company.

Inflation is raging and protection against it is critical. We therefore added to several utilities where their regulated asset bases are inflation-linked: **National Grid, Severn Trent, and United Utilities**. **Bunzl**, a distributor of non-food consumable products, has strong pricing power as its contracts are typically on a cost plus basis. **Hilton Food Group** processes, packs and distributes meat and fish products to international food retailers. It, too, has a large number of long dated contracts which are on a cost plus basis.

London Stock Exchange should be relatively resilient to economic cycles due to its high percentage of recurring revenues and its data/tools being deeply integrated in its end customers' businesses.

Man Group is an alternative asset manager which continues to deliver strong operational momentum despite the challenging backdrop. Performance in key strategies has been good year to date and this provides the potential for the company to pay significantly higher dividends.

As growth in the economy is likely to slow further, we increased our exposure to a number of **defensive, non-cyclical companies** including **AstraZeneca, BAE** and **Imperial Brands**.

After their sharp share price falls, we added to two of our existing financial companies **3i** and **Intermediate Capital Group**. We also bought three new housebuilders **Redrow, Crest Nicholson** and **Berkeley Group**, all of which now look very good value with extremely attractive yields.

Sales

We had already sold our holdings in **Polymetal** and **Evrax** when Russia invaded Ukraine. Both have operations in Russia; Evrax shares have subsequently been suspended.

After the Russian invasion, we sold a number of industrial and cyclical stocks to fund our purchase of more defensive stocks. These sales included **AVEVA, Breedon, National Express, Synthomer, Unite Group** and **WIZZ Air**.

With the cost of living crisis escalating, we reduced our exposure to the retail sector through sales of the discount retailer **B&M, Burberry, Marks & Spencer** and **JD Sports**. We reduced our exposure to the cyclical media sector through sales of **Future** and **WPP**.

Asset management is a highly operationally geared business and so we grew increasingly concerned about the downside risk at **Impax, Liontrust** and **Polar Capital**. We took substantial profits on our sale of **Scottish Mortgage**.

We were obliged to sell our holding in **Ferguson**, as shareholders voted to move the primary listing to the US.

Investment Managers' Report

**Performance Review: six months to 30th June 2022 – Stock Attribution
(actives ex-futures)**

Top 5 Stocks	Average Active %	Attribution %	Explanation
Shell	+4.1	+1.26	Oil majors have strongly outperformed as the Russian invasion has exposed the fragility of global energy markets which has been caused by the severe underinvestment in oil and gas assets over the last few years.
AstraZeneca	+3.3	+0.91	Pharmaceutical companies like AstraZeneca have performed strongly during H1 as investors have sought out companies with reliable earnings streams.
BP	+3.2	+0.60	Oil majors have strongly outperformed as the Russian invasion has exposed the fragility of global energy markets which has been caused by the severe underinvestment in oil and gas assets over the last few years.
British American Tobacco	+1.7	+0.34	This tobacco company has outperformed as investors have sought out highly cash generative companies with demonstrable resilience to economic downturns.
GlaxoSmithKline	+1.5	+0.23	The impending split up of GlaxoSmithKline into a consumer goods company and a specialist vaccines/pharma company has caused investors to reassess the hidden value within the business.

Bottom 5 stocks	Average Active %	Attribution %	Explanation
JPM UK Smaller Companies Investment Trust	+4.0	-1.45	The trust underperformed over the period as large caps outperformed.
Intermediate Capital	+2.4	-0.95	This private market specialist asset manager underperformed as concerns over its credit book rose as credit spreads remained wide throughout H1 and the funding environment deteriorated.
Ashtead	+2.0	-0.89	Owning this cyclical industrial equipment rental business was negative for returns as fears of a recession grew.
Watches of Switzerland	+1.3	-0.67	Despite continued good results this specialist retailer of luxury watches has de-rated as consumer sentiment has rolled off on concerns over rising inflation. Discretionary spending is likely to be lower than expected and so retail stocks have suffered.
Dunelm	+1.4	-0.65	Consumer sentiment has rolled off on concerns over rising inflation. Discretionary spending is likely to be lower than expected and so retail stocks, like homewares retailer Dunelm, have suffered.

Investment Managers' Report

Top Over and Under-weight positions vs FTSE All-Share Index

Top Five Overweight Positions		Top Five Underweight Positions	
Astrazeneca	+2.5%	Unilever	-4.4%
Shell	+2.5%	Reckitt Benckiser	-1.8%
3i Group	+2.3%	Compass Group	-1.4%
BP	+2.2%	Prudential	-1.3%
SSE	+2.1%	Vodafone	-1.1%

Source: JPMAM, as at 30th June 2022.

Market Outlook

Economies around the world face a generational storm of slowing growth, rapidly rising inflation and tightening interest rates. With the first war in Europe since 1945 still raging, there is much to be concerned about. Investor sentiment is fragile, volatility has markedly picked up and liquidity (especially in small and mid-cap stocks) is drying up.

Inflation is proving not to be 'transitory' and the authorities are belatedly starting to recognise such by raising rates, although there clearly needs to be more – but at what price to economic growth? Markets are now worrying (rightly) about stagflation in the developed world, which would be bad for most asset classes and most companies' real profitability. The labour market remains tight and Putin continues to use commodities as a weapon of war. Gas rationing in Europe this coming winter is now a distinct possibility.

The oil price remains stubbornly high and high prices have historically closely correlated with recessions.

The Russian/Ukraine war looks like being a long and harrowing one, which will fully test the West's resolve to stay the course. A tough economic winter lies ahead.

However, equities have priced in a lot of bad news and for long term investors such as ourselves, there are an increasing number of really strong, sound companies now trading on attractive valuations. The market will eventually return to focus on company fundamentals, which should suit our bottom up stock picking approach. Whilst only over a short time period, the market has been more responsive to fundamentals throughout the July earnings season.

Without expecting to call the bottom of markets, our instinct is to start (very gradually) to increase the gearing of the portfolio from its current low level, selectively adding to opportunities when we see them. Markets may yet fall further, but with the significant gearing potential at our disposal, we are steeling ourselves to lean – gently – into the gathering storm.

Claverhouse is comprised predominantly of large, quality, liquid, blue-chip equities. Its shares continue to trade around NAV with an attractive, well-funded yield.

At the time of writing, the fund is 5.0% geared.

William Meadon

Callum Abbot

Investment Managers

4th August 2022

Sector Analysis

Sector	30th June 2022		31st December 2021	
	Portfolio	Benchmark	Portfolio	Benchmark
	% ¹	%	% ¹	%
Financials ²	22.5	22.3	23.6	22.5
Energy	15.1	10.7	9.8	7.9
Health Care	14.4	12.4	9.8	9.8
Consumer Staples	12.2	15.8	7.6	14.9
Basic Materials	9.4	7.8	7.9	9.3
Industrials	9.3	10.5	12.2	13.5
Utilities	6.9	3.6	2.1	3.3
Consumer Discretionary	5.8	10.2	21.4	11.9
Technology	1.6	1.3	2.6	1.6
Telecommunications	1.4	2.4	0.6	2.0
Real Estate	1.4	3.0	2.4	3.3
Total	100.0	100.0	100.0	100.0

¹ Based on total investments of £427.5m (31st December 2021: £553.2m).

² Includes the Company's investment in JPMorgan UK Smaller Companies Investment Trust plc: 2.9% (31st December 2021: 3.7%) of the portfolio.

List of Investments

List of investments

As at 30th June 2022

Company	Valuation £'000	Company	Valuation £'000
Financials		Industrials	
HSBC	16,583	BAE Systems	9,477
JPMorgan UK Smaller Companies Investment Trust	12,470	Ashtead	8,245
3i	11,241	CRH	6,159
Lloyds Banking	9,917	Experian	4,423
Intermediate Capital	8,704	Smurfit Kappa	3,093
Barclays	8,425	Bunzl	2,182
Legal & General	7,035	RS	2,033
M&G	5,997	Hays	1,797
Man	5,077	PageGroup	1,153
NatWest	3,408	Morgan Sindall	1,032
OSB	3,108		39,594
Phoenix	2,723	Utilities	
London Stock Exchange	1,334	SSE	11,678
	96,022	National Grid	7,346
Energy		Drax	6,079
Shell	39,716	Severn Trent	3,198
BP	22,466	United Utilities	1,209
Serica Energy ¹	2,242		29,510
	64,424	Consumer Discretionary	
Health Care		RELX	8,317
AstraZeneca	41,086	Barratt Developments	3,722
GSK	20,549	Taylor Wimpey	2,161
	61,635	Bellway	1,838
Consumer Staples		Watches of Switzerland	1,750
British American Tobacco	20,816	Entain	1,124
Diageo	15,483	Next	1,066
Imperial Brands	6,458	Berkeley	977
Tesco	3,872	Persimmon	960
Cranswick	2,164	Redrow	762
Greggs	1,662	Dunelm	741
Hilton Food	1,545	Crest Nicholson	717
	52,000	Flutter Entertainment	710
Basic Materials			24,845
Glencore	16,466		
Rio Tinto	15,875		
Anglo American	8,059		
	40,400		

List of Investments

Company	Valuation £'000
Technology	
Softcat	4,532
Computacenter	2,395
	6,927
Telecommunications	
BT	3,706
Vodafone	2,488
	6,194
Real Estate	
Segro	3,627
Safestore	2,287
	5,914
Total investments	427,465
Futures	
FTSE 100 Index 16/09/2022	(76)
	(76)
Total investments including derivatives	427,389

¹ AIM listed.



Statement of Comprehensive Income

For the six months ended 30th June 2022

	(Unaudited) Six months ended 30th June 2022			(Unaudited) Six months ended 30th June 2021			(Audited) Year ended 31st December 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments held at fair value through profit or loss	—	(68,379)	(68,379)	—	47,525	47,525	—	67,191	67,191
Net foreign currency gains/(losses)	—	275	275	—	(1)	(1)	—	(4)	(4)
Income from investments	11,393	—	11,393	8,533	—	8,533	20,224	—	20,224
Interest receivable and similar income	90	—	90	3	—	3	6	—	6
Gross return/(loss)	11,483	(68,104)	(56,621)	8,536	47,524	56,060	20,230	67,187	87,417
Management fee	(403)	(749)	(1,152)	(365)	(678)	(1,043)	(772)	(1,434)	(2,206)
Other administrative expenses	(385)	—	(385)	(341)	—	(341)	(668)	—	(668)
Net return/(loss) before finance costs and taxation	10,695	(68,853)	(58,158)	7,830	46,846	54,676	18,790	65,753	84,543
Finance costs	(298)	(555)	(853)	(307)	(570)	(877)	(589)	(1,094)	(1,683)
Net return/(loss) before taxation	10,397	(69,408)	(59,011)	7,523	46,276	53,799	18,201	64,659	82,860
Taxation	1	—	1	(43)	—	(43)	(99)	—	(99)
Net return/(loss) after taxation	10,398	(69,408)	(59,010)	7,480	46,276	53,756	18,102	64,659	82,761
Return/(loss) per share (note 3)	17.38p	(115.99)p	(98.61)p	12.82p	79.30p	92.12p	30.77p	109.92p	140.69p

All revenue and capital items in the above statement derive from continuing operations.

The 'Total' column of this statement is the profit and loss account of the Company and the 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies.

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

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
Six months ended 30th June 2022 (Unaudited)						
At 31st December 2021	14,859	171,863	6,680	250,060	21,560	465,022
Issue of Ordinary shares	130	3,713	—	—	—	3,843
Net (loss)/return	—	—	—	(69,408)	10,398	(59,010)
Dividends paid in the period (note 4)	—	—	—	—	(10,162)	(10,162)
At 30th June 2022	14,989	175,576	6,680	180,652	21,796	399,693
Six months ended 30th June 2021 (Unaudited)						
At 31st December 2020	14,651	165,378	6,680	184,483	21,667	392,859
Issuance of the Company's shares from Treasury	—	412	—	3,247	—	3,659
Issue of Ordinary shares	90	2,612	—	—	—	2,702
Repurchase of shares into Treasury	—	—	—	(2,329)	—	(2,329)
Net return	—	—	—	46,276	7,480	53,756
Dividends paid in the period (note 4)	—	—	—	—	(9,909)	(9,909)
At 30th June 2021	14,741	168,402	6,680	231,677	19,238	440,738
Year ended 31st December 2021 (Audited)						
At 31st December 2020	14,651	165,378	6,680	184,483	21,667	392,859
Issuance of the Company's shares from Treasury	—	412	—	3,247	—	3,659
Issue of Ordinary shares	208	6,073	—	—	—	6,281
Repurchase of the Company's shares into Treasury	—	—	—	(2,329)	—	(2,329)
Net return	—	—	—	64,659	18,102	82,761
Dividends paid in the year (note 4)	—	—	—	—	(18,209)	(18,209)
At 31st December 2021	14,859	171,863	6,680	250,060	21,560	465,022

¹ This reserve forms the distributable reserve of the Company and may be used to fund distributions to investors.

Statement of Financial Position

At 30th June 2022

	(Unaudited) 30th June 2022 £'000	(Unaudited) 30th June 2021 £'000	(Audited) 31st December 2021 £'000
Fixed assets			
Investments held at fair value through profit or loss	427,465	510,979	553,180
Current assets			
Derivative financial assets	—	419	—
Debtors	1,800	871	1,403
Cash held at broker	1,894	—	4,969
Cash and cash equivalents	28,989	18,902	6,886
	32,683	20,192	13,258
Current liabilities			
Creditors: amounts falling due within one year	(379)	(60,433)	(70,480)
Derivative financial liabilities	(76)	—	(936)
Net current assets/(liabilities)	32,228	(40,241)	(58,158)
Total assets less current liabilities	459,693	470,738	495,022
Creditors: amounts falling due after more than one year	(60,000)	(30,000)	(30,000)
Net assets	399,693	440,738	465,022
Capital and reserves			
Called up share capital	14,989	14,741	14,859
Share premium	175,576	168,402	171,863
Capital redemption reserve	6,680	6,680	6,680
Capital reserves	180,652	231,677	250,060
Revenue reserve	21,796	19,238	21,560
Total shareholders' funds	399,693	440,738	465,022
Net asset value per share (note 5)	666.6p	747.5p	782.4p

Statement of Cash Flows

For the six months ended 30th June 2022

	(Unaudited) 30th June 2022 £'000	(Unaudited) 30th June 2021 £'000	(Audited) 31st December 2021 £'000
Net cash outflow from operations before dividends and interest (note 6)	(1,304)	(1,424)	(2,888)
Dividends received	11,011	8,486	19,322
Interest received	90	3	6
Interest paid	(925)	(804)	(1,587)
Net cash inflow from operating activities	8,872	6,261	14,853
Purchases of investments	(133,414)	(87,549)	(191,662)
Sales of investments	190,615	72,463	156,615
Settlement of foreign currency contracts	(2)	—	(1)
Settlement of futures contracts	(724)	(1,668)	(2,635)
Transfer of company cash to be held at the broker	3,075	—	(4,969)
Net cash inflow/(outflow) from investing activities	59,550	(16,754)	(42,652)
Dividends paid	(10,162)	(9,909)	(18,209)
Issuance of the Company's shares from Treasury	—	3,659	3,659
Repurchase of the Company's shares into Treasury	—	(2,329)	(2,329)
Issue of Ordinary Shares	3,843	2,702	6,281
Repayment of bank loans and debenture	(80,000)	(15,000)	(25,000)
Drawdown of Private Placement loan and bank loan	40,000	25,000	45,000
Net cash (outflow)/inflow from financing activities	(46,319)	4,123	9,402
Increase/(decrease) in cash and cash equivalents	22,103	(6,370)	(18,397)
Cash and cash equivalents at start of period/year	6,886	25,283	25,283
Unrealised loss on foreign currency cash and cash equivalents	—	(11)	—
Cash and cash equivalents at end of period/year	28,989	18,902	6,886
Increase/(decrease) in cash and cash equivalents	22,103	(6,370)	(18,397)
Cash and cash equivalents consist of:			
Cash and short term deposits	262	4,028	2,188
Cash held in JPMorgan Sterling Liquidity Fund	28,727	14,874	4,698
Total	28,989	18,902	6,886

Reconciliation of net debt

	As at 31st December 2021 £'000	Cash flows £'000	Other non-cash charges £'000	As at 30th June 2022 £'000
Cash and cash equivalents				
Cash	2,188	(1,926)	—	262
Cash equivalents	4,698	24,029	—	28,727
	6,886	22,103	—	28,989
Borrowings				
Debt due within one year	(70,000)	70,000	—	—
Debt due after one year				
Mizuho bank	—	(30,000)	—	(30,000)
£30m 3.22% private placement loan	(30,000)	—	—	(30,000)
	(100,000)	40,000	—	(60,000)
Total	(93,114)	62,103	—	(31,011)

Notes to the Financial Statements

For the six months ended 30th June 2022

1. Financial statements

The information contained within the financial statements in this half year report has not been audited or reviewed by the Company's auditors.

The figures and financial information for the year ended 31st December 2021 are extracted from the latest published financial statements of the Company and do not constitute statutory accounts for that year. Those financial statements have been delivered to the Registrar of Companies including the report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting policies

The financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' of the United Kingdom Generally Accepted Accounting Practice ('UK GAAP') and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the Association of Investment Companies in April 2021.

FRS 104, 'Interim Financial Reporting', issued by the Financial Reporting Council ('FRC') in March 2015 has been applied in preparing this condensed set of financial statements for the six months ended 30th June 2022.

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

The accounting policies applied to this condensed set of financial statements are consistent with those applied in the financial statements for the year ended 31st December 2021.

3. (Loss)/return per share

	(Unaudited) Six months ended 30th June 2022 £'000	(Unaudited) Six months ended 30th June 2021 £'000	(Audited) Year ended 31st December 2021 £'000
(Loss)/return per share is based on the following:			
Revenue return	10,398	7,480	18,102
Capital (loss)/return	(69,408)	46,276	64,659
Total (loss)/return	(59,010)	53,756	82,761
Weighted average number of shares in issue	59,839,438	58,359,136	58,822,971
Revenue return per share	17.38p	12.82p	30.77p
Capital (loss)/return per share	(115.99)p	79.30p	109.92p
Total (loss)/return per share	(98.61)p	92.12p	140.69p

Notes to the Financial Statements

4. Dividends paid

	(Unaudited) Six months ended 30th June 2022 £'000	(Unaudited) Six months ended 30th June 2021 £'000	(Audited) Year ended 31st December 2021 £'000
2021 fourth quarterly dividend of 9.50p (2020:10.00p) paid in March 2022	5,665	5,826	5,826
2022 first quarterly dividend of 7.50p (2021: 7.00p) paid in June 2022	4,497	4,083	4,083
2021 second quarterly dividend of 7.00p paid in September 2021	n/a	n/a	4,150
2021 third quarterly dividend of 7.00p paid in December 2021	n/a	n/a	4,150
Total dividends paid in the period	10,162	9,909	18,209

All dividends paid in the period/year have been funded from the revenue reserve.

A second quarterly dividend of 7.50p (2021: 7.00p) per share, amounting to £4,497,000 (2021: £4,150,000) has been declared payable in respect of the year ending 31st December 2022. It will be paid on 1st September 2022 to shareholders on the register at the close of business on 22nd July 2022.

5. Net asset value per share

	(Unaudited) Six months ended 30th June 2022 £'000	(Unaudited) Six months ended 30th June 2021 £'000	(Audited) Year ended 31st December 2021 £'000
Net assets (£'000)	399,693	440,738	465,022
Number of shares in issue at period/year end	59,955,653	58,960,653	59,435,653
Net asset value per share	666.6p	747.5p	782.4p

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

	(Unaudited) Six months ended 30th June 2022 £'000	(Unaudited) Six months ended 30th June 2021 £'000	(Audited) Year ended 31st December 2021 £'000
Net (loss)/return before finance costs and taxation	(58,158)	54,676	84,543
Add capital loss/(less capital return) before finance costs and taxation	68,853	(46,846)	(65,753)
Scrip dividends received as income	—	—	(253)
Increase/(decrease) in accrued income and other debtors	(396)	14	(512)
Decrease in accrued expenses	(28)	(28)	(3)
Management fee charged to capital	(749)	(678)	(1,434)
Overseas withholding tax	—	(81)	(143)
Dividends received	(11,011)	(8,486)	(19,322)
Interest received	(90)	(3)	(6)
Realised gains/(losses) on foreign currency transactions	275	8	(5)
Net cash outflow from operations before dividends and interest	(1,304)	(1,424)	(2,888)

Notes to the Financial Statements

7. Fair valuation of instruments

The fair value hierarchy analysis for financial instruments held at fair value at the period end is as follows:

	(Unaudited)		(Unaudited)		(Audited)	
	Six months ended		Six months ended		Year ended	
	30th June 2022		30th June 2021		31st December 2021	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000	£'000	£'000
Level 1 ¹	427,465	(76)	511,398	—	553,180	(936)
Total value of investments	427,465	(76)	511,398	—	553,180	(936)

¹ Includes future currency contracts.



Interim Management Report

The Company is required to make the following disclosures in its half year report.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company fall into the following broad categories: cybercrime; external factors (including political, economic, fiscal, monetary and other cyclical risks); share price discount; investment and strategy; market; operational; loss of investment team; climate change; legal and regulatory/corporate governance; and financial. Information on each of these areas is given in the Strategic Report within the Annual Report and Accounts for the year ended 31st December 2021.

Related Parties Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or the performance of the Company.

Going Concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future and, more specifically, that there are no material uncertainties pertaining to the Company that would prevent its ability to continue in such operational existence for at least 12 months from the date of the approval of this half yearly financial report. In reaching that view, the Directors have considered the impact of heightened market volatility since the Covid-19 outbreak and more recently the Russian invasion of Ukraine. For these reasons, they consider that there is sufficient evidence to continue to adopt the going concern basis in preparing the accounts.

Directors' Responsibilities

The Board of Directors confirms that, to the best of its knowledge:

- (i) the condensed set of financial statements contained within the half year financial report has been prepared in accordance with FRS 104 'Interim Financial Reporting' and gives a true and fair view of the state of affairs of the Company, and of the assets, liabilities, financial position and net return of the Company as at 30th June 2022 as required by the UK Listing Authority Disclosure Guidance and Transparency Rules 4.2.4R; and
- (ii) the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure Guidance and Transparency Rules.

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 the going concern basis unless it is inappropriate to presume that the Company will continue in business;

and the Directors confirm that they have done so.

For and on behalf of the Board

David Fletcher
Chairman

4th August 2022



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

Return to Shareholders (APM)

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

Total return calculation	Page	Six months ended 30th June 2022	
Opening share price as at 31st December 2021 (p)	6	772.0	(a)
Closing share price as at 30th June 2022 (p)	6	650.0	(b)
Total dividend adjustment factor ¹		1.023604	(c)
Adjusted closing share price (p) (d = b x c)		665.3	(d)
Total return to shareholders (e = d / a - 1)		-13.85%	(e)

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

Return on net assets with debt at par value (APM)

Total return on net asset value ('NAV') per share, on a bid value to bid value basis, assuming that all dividends paid out by the Company were reinvested, into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

Total return calculation	Page	Six months ended 30th June 2022	
Opening cum-income NAV per share with debt at par value as at 31st December 2021 (p)	21	782.4	(a)
Closing cum-income NAV per share with debt at par value as at 30th June 2022 (p)	21	666.6	(b)
Total dividend adjustment factor ¹		1.023321	(c)
Adjusted closing cum-income NAV per share (p) (d = b x c)		682.1	(d)
Total return on net assets with debt at par value (e = d / a - 1)		-12.8%	(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.

Return on net assets with debt at fair value (APM)

The Company's long-term debt (private placement) is valued in the Statement of Financial Position at amortised cost, which is materially equivalent to the repayment value of the debt on the assumption that it is held to maturity. This is often referred to as 'Debt at Par Value'.

The current replacement or market value of the debt, which assumes it is repaid and renegotiated under current market conditions, is often referred to as the 'Debt at Fair Value'. The difference between fair and par values of the debt is subtracted from the NAV to derive the NAV with debt at fair value.

The fair value of the £30,000,000 private placement loan has been calculated using discounted cash flow techniques, using the yield from a similar dated gilt plus a margin based on the five year average for the AA Barclays Sterling Corporate Bond spread. As at 30th June 2022, the cum income NAV with debt at fair value was £400,840,000 (31st December 2021: £458,055,000) or 668.6p (31st December 2021: 770.7p) per share.

Total return calculation	Page	Six months ended 30th June 2022	
Opening cum-income NAV per share with debt at fair value as at 31st December 2021 (p)	6	770.7	(a)
Closing cum-income NAV per share with debt at fair value as at 30th June 2022 (p)	6	668.6	(b)
Total dividend adjustment factor ¹		1.023542	(c)
Adjusted closing cum-income NAV per share (d = b x c)		684.34	(d)
Total return on net assets with debt at fair value (e = d / a - 1)		-11.2%	(e)

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

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

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

Benchmark 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 'track' this index and, consequently, there may be some divergence between the Company's performance and that of the benchmark.

Gearing/(net cash) (APM)

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

	Page	Six months ended 30th June 2022	Year ended 31st December 2021	
Gearing calculation				
Investments held at fair value through profit or loss	21	427,465	553,180	(a)
Net assets	21	399,693	465,022	(b)
Gearing (excluding the exposure to futures) (c = a / b - 1)		6.9%	19.0%	(c)

Gross gearing, shown above, excludes the exposure to futures. Net gearing includes the exposure to futures. As at 30th June 2022, this was 2.0% (31st December 2021: 8.8%).

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.

The figure as at 30th June 2022 is an estimated annualised figure based on the numbers for the six months ended 30th June 2022.

	Page	Six months ended 30th June 2022	Year ended 31st December 2021	
Management Fee	19	2,304	2,206	
Other administrative expenses	19	770	668	
Total management fee and other administrative expenses		3,074	2,874	(a)
Average daily cum-income net assets		434,211	437,258	(b)
Ongoing charges (c = a / b)		0.71%	0.66%	(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.

Where to Buy J.P. Morgan Investment Trusts

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

1. Via a third party provider

Third party providers include:

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

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

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

2. Through a professional adviser

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

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

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

Be ScamSmart

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

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

If so, you might have been contacted by fraudsters.

Avoid investment fraud

1 Reject cold calls

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

2 Check the FCA Warning List

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

3 Get impartial advice

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

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

Report a Scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at www.fca.org.uk/consumers/report-scam-unauthorised-firm. You can also call the FCA Consumer Helpline on **0800 111 6768**

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at www.actionfraud.police.uk

Find out more at
www.fca.org.uk/scamsmart



Information About the Company

FINANCIAL CALENDAR

Financial year end	31st December
Final results announced	March
Half year end	30th June
Half year results announced	August
Quarterly interim dividends on ordinary shares paid	First business day of June, September, December, March
Annual General Meeting	April

History

The Company was launched as Claverhouse Investment Trust Limited in 1963 with assets of £5 million and managed by Robert Fleming & Co. The Company took its name from Viscount Claverhouse ("Bonnie Dundee") who was killed at the Battle of Killiecrankie in 1689 whilst leading a rebellion against William and Mary. The name was chosen to commemorate the Company's link with Dundee, where Flemings originated in 1873. The Company changed its name to The Fleming Claverhouse Investment Trust plc in 1983, to JPMorgan Fleming Claverhouse Investment Trust plc in 2003 and adopted its present name in 2007.

Directors

David Fletcher (Chairman)
Jill May
Nicholas Melhuish
Victoria Stewart

Company Numbers

Company registration number: 754577
LEI: 549300NFZYFSCD52W53
London Stock Exchange Sedol number: 0342218
ISIN: GB0003422184
Bloomberg code: JCH LN
Reuters code: JCH. L

Market Information

The Company's net asset value ("NAV") is published daily, via the London Stock Exchange. The Company's ordinary shares are listed on the London Stock Exchange and are quoted daily in the Financial Times and on the JPMorgan Internet site at www.jpmlclaverhouse.co.uk, where the ordinary share price is updated every fifteen minutes during trading hours.

Website

www.jpmlclaverhouse.co.uk

Share Transactions

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

aic

The Association of
Investment Companies

A member of the AIC

Manager and Company Secretary

JPMorgan Funds Limited.

Company's Registered Office

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

For company secretarial and administrative matters please contact Nira Mistry at the Company's registered office.

Depository

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

Registrars

Equiniti
Reference 1079
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone number: 0371 384 2318

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 Registrars quoting reference 1079. Registered shareholders can obtain further details on individual holdings on the internet by visiting www.shareview.co.uk

Independent Auditor

PricewaterhouseCoopers
Atria One
144 Morrison Street
Edinburgh EH3 8EX

Brokers

Numis Securities Limited
The London Stock Exchange Building
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