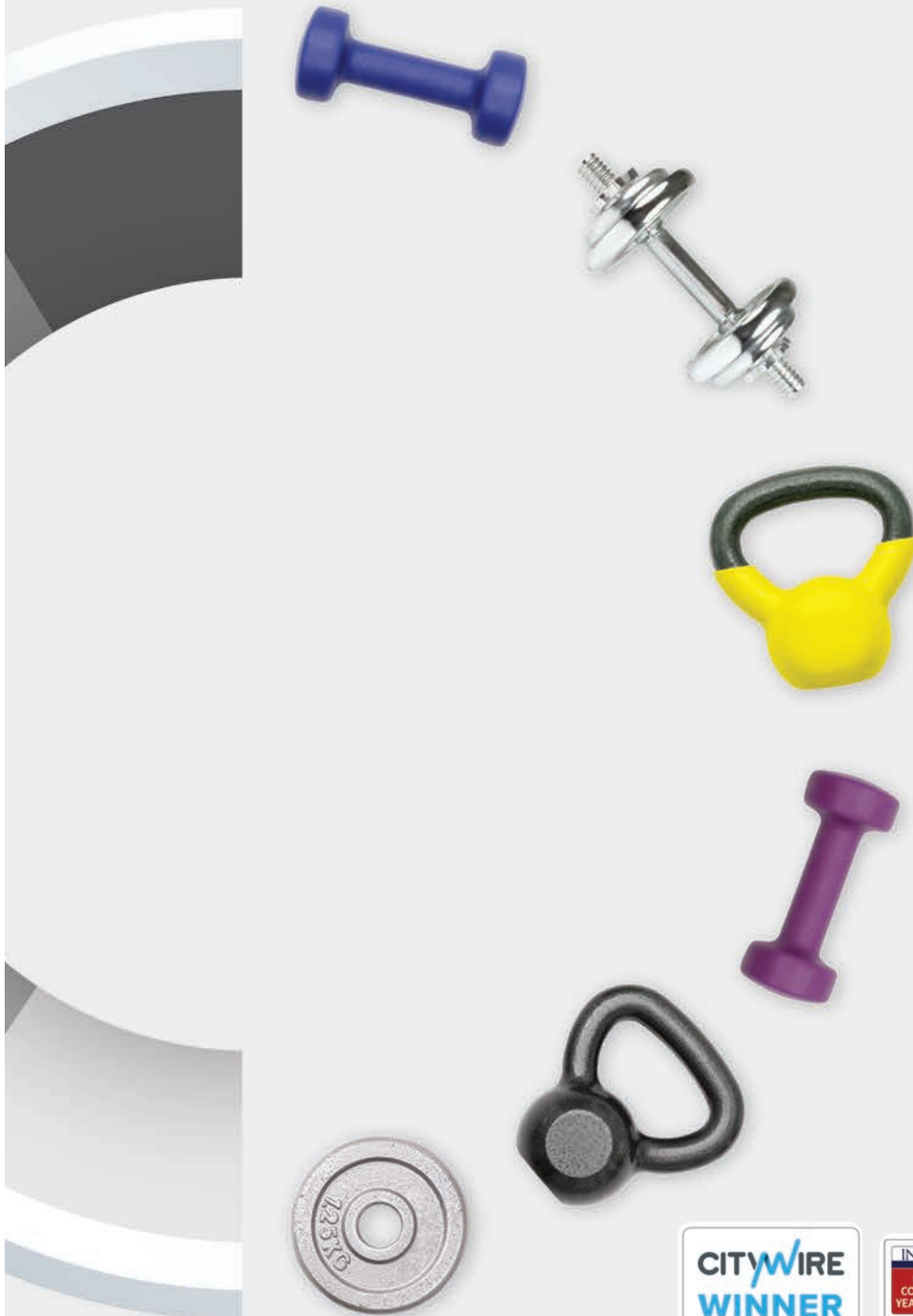


JPMorgan UK Smaller Companies Investment Trust plc

Half Year Report & Financial Statements for the six months ended 31st January 2022



Your Company

Objective

Capital growth from UK listed smaller companies.

Investment Policies

- To provide capital appreciation for shareholders from a diversified portfolio of UK listed small companies, emphasising capital rather than income growth.
- Liquidity and borrowings are managed with the aim of increasing returns to shareholders.
- Further details on investment policy and risk management are contained in the Strategic Report of the Company's Annual Report on page 18.

Gearing

A flexible low cost £50 million borrowing facility (with the option to increase to £60 million under an accordion arrangement) is in place and available for the investment managers to utilise within guidelines set by the Board. At 31st January 2022, £40 million was drawn down on the facility with the gearing level being 9.5% at that date.

Benchmark

The Numis Smaller Companies plus AIM (excluding Investment Companies). Prior to 1st January 2019, the benchmark was the FTSE Small Cap Index (excluding Investment Trusts).

Capital Structure

- UK Domiciled.
- Premium listing on the London Stock Exchange.
- As at 31st January 2022, the Company's share capital comprised 79,611,410 ordinary shares of 5p each, including 1,559,741 shares held in Treasury.

Continuation Vote

In accordance with the Company's Articles of Association, the Directors are required to propose an ordinary resolution that the Company shall continue in existence at the Annual General Meeting in 2023 and in every third year thereafter.

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 is approved by the Financial Conduct Authority and 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 shares are not classified as 'complex instruments' under the FCA's revised 'appropriateness' criteria adopted in the implementation of MiFID II.

Association of Investment Companies ('AIC')

The Company is a member of the AIC.

Website

The Company's website, which can be found at www.jpmsmallercompanies.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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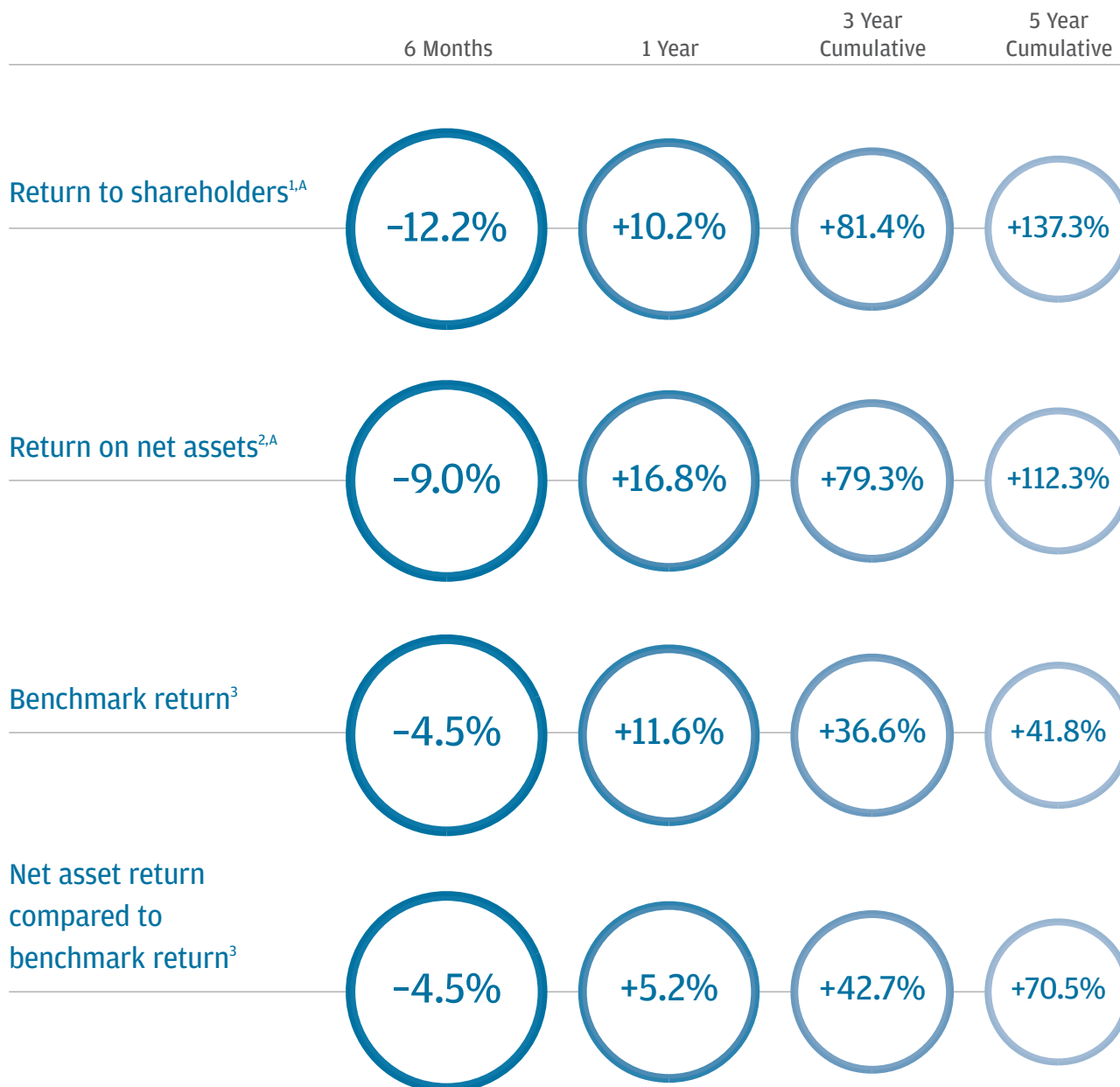
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Half Year Performance

TOTAL RETURNS IN STERLING TERMS (INCLUDING DIVIDENDS REINVESTED)

TO 31ST JANUARY 2022

¹ Source: Morningstar.² Source: Morningstar/J.P. Morgan, using cum income net asset value per share.³ Source: Morningstar. The Company's benchmark is the Numis Smaller Companies plus AIM Index (excluding Investment Companies). Prior to 1st January 2019, the Company's benchmark was the FTSE Small Cap Index (excluding Investment Trusts).^A Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 24 and 25.

SUMMARY OF RESULTS

	31st January 2022	31st July 2021	% change
Shareholders' funds (£'000)	311,157	346,291	-10.1
Number of shares in issue	78,051,669	78,051,669	
Net asset value per share ¹	398.7p	443.7p	-10.1 ¹
Share price	353.0p	408.0p	-13.5 ²
Share price discount to net asset value per share ¹	11.5%	8.0%	
Gearing ¹	9.5%	8.9%	
Ongoing charges ¹	0.94%	0.91%	

¹ This return excludes dividends reinvested. Including dividends reinvested the return would be -9.0%.

² This return excludes dividends reinvested. Including dividends reinvested the return would be -12.2%.

¹ Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 24 and 25.

Chairman's Statement



Andrew Impey
Chairman

Investment Performance

Your Board is sure that the appalling situation in the Ukraine is at the forefront of everyone's minds and we share the concerns over this unfolding humanitarian disaster. We earnestly hope that our leaders will be willing and strong enough to stand up to Putin in support of the Ukrainian people without triggering all out-war.

After several years of strong outperformance your Company has had a more challenging first half producing a return to shareholders of -12.2% in the six months period. The total return on net assets at par value was -9.0%, underperforming the Numis Smaller Companies plus AIM (excluding Investment Trusts) Index which fell by -4.5%. The lesser return for shareholders reflects a widening of the share price discount to net asset value from 8.0% at the start of the financial year to 11.5% at the end of the half year. Your Investment Managers explain the reasons for this weak period in their report. However, this disappointing performance should be viewed in the context of the strong returns produced over longer time periods. Your managers do not follow short term market trends but focus on investing in good quality companies with sound longer term prospects. Your Board fully supports this approach.

Since the end of the reporting period, from 31st January 2022 to 23rd March 2022, the Company's total return on net assets was -5.37%, marginally underperforming the Company's benchmark index which declined by -5.28% as at 23rd March 2022. Over the same period, the Company delivered a return to ordinary shareholders of -5.38%.

In their report, your Investment Managers provide further detail on portfolio performance, positioning and attribution, together with a commentary on markets.

Loan Facility and Gearing

As noted in the previous Annual Report, on 1st October 2021 your Board renewed and increased the borrowing facility with Scotiabank to £50 million for a period of 24 months. The current facility will expire on 1st October 2023. There is a further option to increase borrowings to £60 million subject to certain conditions. As at 31st January 2022, £40 million was drawn on the loan facility.

During a period of low interest rates, the use of gearing is an attractive way of amplifying the effect of rising markets, but inevitably increases the risk of loss if markets fall. The Company has maintained a fairly constant level of gearing, with the Board giving the Investment Managers flexibility to adjust the gearing tactically within guidelines. During the reporting period, the Company's gearing ranged from 7.9% to 10.5%, ending the half year at 9.5% geared as your managers took advantage of perceived attractive valuations. As at 23rd March 2022 the Company's gearing was 9.0%, with total borrowings of £40 million.

Share buybacks

During the six months to 31st January 2022, it was not necessary for the Company to repurchase any shares. However, the Board's objective remains to reduce the volatility of the discount, acting in the best interests of shareholders by making purchases should supply and demand for shares become unbalanced. As at the end of the reporting period there were 79,611,410 shares in issue (including 1,559,741 shares held in Treasury).

Board Succession

As previously stated in the last Annual Report, Frances Davies will retire from the Board at the Annual General Meeting (AGM) in November 2022 having completed nine years of service as a Director. The Board, via the Nomination Committee, has recently appointed a recruitment consultant to commence the search for a new candidate who will succeed her, with the intention to appoint the new Director ahead of the 2022 AGM. All other Directors will stand for annual re-appointment at the AGM. The Board is also mindful that the size of the Board may need to be increased in light of the forthcoming, much delayed, corporate governance reviews.

Outlook

The situation in Ukraine and its evolution will clearly continue to have an enormous impact on global economies. The unpredictability of Putin adds a further frightening dimension and also increased uncertainty for policy makers and the markets. Furthermore, the effects will also be felt directly by ordinary citizens the world over particularly those who are less well off. The advent of globalisation, just in time supply chains and the unfortunate geographic concentration of hydrocarbons, raw materials and some food production makes sanctions a double-edged sword. None of us can predict what will happen but we can hope that our governments rethink some of the unsound policies that have set us down this path and that the electorate allow them to do so.

Whilst the short-term prospects for equity markets are uncertain, human ingenuity will eventually rise to the challenge as it has in the past and new opportunities and business models will be created. Smaller, agile companies are well placed to capitalise on this and it is your Investment managers job to seek them out. Your Board believes that your Company's focus on high quality companies and the longer term is the best strategy and we are fortunate to have highly experienced managers investing your assets.

Andrew Impey

Chairman

25th March 2022



Georgina Brittain
Investment Manager



Katen Patel
Investment Manager

Performance and Market Background

Stockmarkets continued to perform strongly until the end of the calendar year, but January saw significant market declines, with our index down over 6% in the month. The cause of these sharp declines was twofold. Inflation started to increase significantly, caused by the re-opening of the global economy and the ensuing supply side shortages ranging from semi-conductor chips to energy to labour. While initially deemed transitory, it brought to the fore the inevitable rise in interest rates in the USA and the UK from their abnormally low levels. In December, the UK was first to increase interest rates (by 15bp) from the 0.1% set at the start of the pandemic, followed by a further 25bp rise in February. Markets reacted swiftly to this change in outlook, dramatically selling off growth stocks. In addition, concerns over the rising cost of living brought about by inflationary pressures led to a fairly indiscriminate sell off in consumer facing stocks in the UK.

Against this backdrop, your Company produced a total return on net asset value of -9.0% in the six month period, compared to a return of -4.5% for the Numis Smaller Companies plus AIM (ex Investment Companies) Index. This underperformance was almost entirely due to the January sell-off. The share price total return was lower at -12.2%, as the discount of the share price relative to net assets widened significantly.

Portfolio

A number of our key holdings continued to produce very strong outperformance in the six months, including Watches of Switzerland (retailer), Next Fifteen Communications (a consultancy company), Dunelm (value retailer) and our gas play, Serica Energy. On the negative side, the main detractors were CMC (a spreadbetting company) and Games Workshop (a manufacturer and retailer of war gaming figurines), and a recent IPO, Victorian Plumbing (bathware). 2021 saw a huge boom in IPOs, and while a large number have undoubtedly disappointed and are trading significantly below float price, our highly disciplined approach meant that we avoided many of those. The two most recent IPOs that we participated in have performed well to date, namely Ashtead Technology, a subsea equipment rental provider to the offshore energy sector, and Devolver, a video gaming company.

Other changes to the portfolio saw us adding new investments such as the bowling company Hollywood Bowl as a re-opening beneficiary, and Clarkson, the provider of shipping services, which is benefitting from increased trade and higher shipping rates. We also sold out of certain positions. These included Marston's and Restaurant Group on concerns over numerous inflationary headwinds in bars and restaurants, and Auction Technology, a very successful IPO, on valuation grounds. In addition, we exited both Sumo and Augean post their bids in order to take advantage of volatile markets by reinvesting the cash.

Outlook

At the end of 2021 we were feeling confident in the outlook. The Covid pandemic appeared to be nearing its end, and normal life was close to resuming. Your Company was performing very strongly, and we held a portfolio of high quality high performing companies, in which we had (and continue to have) strong conviction, despite the known headwinds of inflation, rising interest rates and to a much lesser extent, Covid.

As described in the Market Background above, stockmarkets declined significantly in January of this year. Then, as we all know, the situation between Russia and Ukraine took a dramatic turn, culminating in the invasion of a sovereign country neighbouring Europe. Our hearts go out to the citizens of Ukraine, but our minds must focus on the economic impact here in the UK and how our investments will be impacted. We none of us can know the endgame of Russia's invasion. So it is likely stockmarkets will remain highly volatile in the near term driven by macro factors, but we continue to focus on company fundamentals which drive stock markets over the longer-term.

There are some economic positives. The important Purchasing Managers' Indices for February points to strong growth at 59.9 (where anything above 50 is expansionary). The UK economy is forecast by the IMF and OECD to grow 4.7% in 2022, as it continues to recover from the historic decline in 2020, and normal life resumes. Unemployment is lower than expected, job vacancies stand at over one million, and overall for the UK consumer household deposits (savings as a proportion of disposable income) remain extremely high. The JP Morgan estimate of excess household savings from the pandemic over the last two years is over 10% of GDP.

The small cap arena is undoubtedly attractively valued. Our portfolio is comprised of companies that are growing faster than our market, are delivering better results than the market, are cheaper on both a P/E and notably a free cash flow yield basis (5.8% for the fund versus 2.9% for the index at the time of writing) and are higher quality as measured by both Return on Equity and Return on Invested Capital. None of this has assisted performance in the short term, but value will out. Indeed, in the month of February, we have had approaches for two of our companies, and we continue to expect M&A to be an ongoing theme. The long term profitable and cash-generative winners in which we seek to invest are largely weathering the inflationary and supply chain issues and continue to produce strong results. We believe the emphasis we have always placed on quality within the portfolio, in addition to our focus on earnings momentum and valuations will stand them, and you, our investors, in good stead.

Georgina Brittain

Katen Patel

Investment Managers

25th March 2022

LIST OF INVESTMENTS

AT 31ST JANUARY 2022

Company	Valuation £'000	Company	Valuation £'000	Company	Valuation £'000
CONSUMER DISCRETIONARY		INDUSTRIALS CONT.		HEALTH CARE	
Watches of Switzerland	15,533	Somero Enterprises ¹	4,558	Ergomed ¹	9,720
Future	13,825	Keller	3,477	Indivior	3,822
Dunelm	10,175	Judges Scientific ¹	3,192		13,542
Halfords	9,628	Clarkson	2,956	ENERGY	
Next Fifteen Communications ¹	7,320	Norcros	2,745	Serica Energy ¹	5,760
Vistry	7,260	Robert Walters	2,679	Jadestone Energy ¹	2,760
Reach	7,125	Elixirr International ¹	2,592	Ashtead Technology	1,890
JET2 ¹	6,522	Brickability ¹	2,323		10,410
Games Workshop	5,951	Serco	2,181	REAL ESTATE	
Team17 ¹	5,935	Clipper Logistics	2,129	LSL Property Services	3,658
CVS ¹	4,526	FDM	1,958	CLS	2,297
National Express	4,288	Mpac ¹	1,934	Urban Logistics REIT	1,295
Pets at Home	4,183	Volex ¹	1,791	Palace Capital	1,109
Watkin Jones ¹	4,168	Fonix Mobile ¹	1,629		8,359
Currys	3,874	Science ¹	1,386	BASIC MATERIALS	
888	3,315	Equals ¹	679	Hill & Smith	2,913
Mitchells & Butlers	2,877		73,648	Central Asia Metals ¹	2,253
Devolver Digital ¹	2,850	FINANCIALS		Treatt	2,110
Focusrite ¹	2,424	Alpha FX ¹	11,235		7,276
Inspecc ¹	2,405	OSB	8,228	CONSUMER STAPLES	
Rank	2,386	Liontrust Asset Management	4,379	Premier Foods	5,171
Sanderson Design ¹	1,967	Provident Financial	3,946	Hilton Food	751
Tremor International ¹	1,958	Brewin Dolphin	3,793		5,922
M&C Saatchi ¹	1,958	Tatton Asset Management ¹	2,928	TELECOMMUNICATIONS	
Saga	1,922	Polar Capital ¹	2,732	Calnex Solutions ¹	1,876
Hollywood Bowl	1,877	Mortgage Advice Bureau ¹	2,560		1,876
MJ Gleeson	1,349	Impax Asset Management ¹	2,394	TOTAL INVESTMENTS¹	
Keywords Studios ¹	1,210	Bank of Georgia	2,266	340,828	
Victorian Plumbing ¹	1,194	CMC Markets	2,139		
Joules ¹	1,187		46,600		
Churchill China ¹	1,185	TECHNOLOGY			
Gear4Music ¹	1,184	Cerillion ¹	5,891		
Moonpig	888	Computacenter	5,715		
Wickes	150	Learning Technologies ¹	5,277		
	144,599	Bytes Technology	4,838		
INDUSTRIALS		Big Technologies	3,137		
Luceco	9,990	Tinybuild ¹	2,017		
SDI ¹	9,315	accesso Technology ¹	1,721		
Wincanton	5,915		28,596		
Morgan Sindall	5,499				
Oxford Instruments	4,720				

¹ AIM listed, totalling 40.1% of total investments (31st July 2021: 35.8%).

SECTOR ANALYSIS

SECTOR ANALYSIS

	31st January 2022		31st July 2021	
	Portfolio % ¹	Benchmark %	Portfolio % ¹	Benchmark %
Consumer Discretionary	42.4	19.2	45.2	20.3
Industrials	21.6	23.4	19.3	23.7
Financials	13.7	14.0	13.7	13.8
Technology	8.4	10.5	9.1	8.6
Health Care	4.0	6.5	3.6	7.7
Energy	3.1	6.4	1.4	4.2
Real Estate	2.5	5.5	2.6	6.7
Basic Materials	2.1	7.2	2.2	6.7
Consumer Staples	1.7	4.3	2.1	4.4
Telecommunications	0.5	1.4	0.3	1.6
Utilities	–	1.6	0.5	2.3
Total	100.0	100.0	100.0	100.0

¹ Based on total investments of £340.8m (2021: £377.1m).

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31ST JANUARY 2022

	(Unaudited) Six months ended 31st January 2022			(Unaudited) Six months ended 31st January 2021			(Audited) Year ended 31st July 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	–	(32,407)	(32,407)	–	63,614	63,614	–	138,923	138,923
Net foreign currency gains/(losses)	–	1	1	–	(4)	(4)	–	(3)	(3)
Income from investments	3,609	–	3,609	1,786	–	1,786	4,572	–	4,572
Interest receivable and similar income	4	–	4	2	–	2	3	–	3
Gross return/(loss)	3,613	(32,406)	(28,793)	1,788	63,610	65,398	4,575	138,920	143,495
Management fee	(406)	(948)	(1,354)	(283)	(661)	(944)	(635)	(1,481)	(2,116)
Other administrative expenses	(259)	–	(259)	(248)	–	(248)	(425)	–	(425)
Net return/(loss) before finance costs and taxation	2,948	(33,354)	(30,406)	1,257	62,949	64,206	3,515	137,439	140,954
Finance costs	(78)	(183)	(261)	(33)	(77)	(110)	(83)	(210)	(293)
Net return/(loss) before taxation	2,870	(33,537)	(30,667)	1,224	62,872	64,096	3,432	137,229	140,661
Taxation	(18)	–	(18)	25	–	25	(14)	–	(14)
Net return/(loss) after taxation	2,852	(33,537)	(30,685)	1,249	62,872	64,121	3,418	137,229	140,647
Return/(loss) per share (note 3)	3.65p	(42.97)p	(39.32)p	1.60p	80.55p	82.15p	4.38p	175.82p	180.20p

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period.

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

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

STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31ST JANUARY 2022

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve ¹ £'000	Total £'000
Six months ended 31st January 2022 (Unaudited)						
At 31st July 2021	3,981	25,895	2,903	308,194	5,318	346,291
Net (loss)/return	–	–	–	(33,537)	2,852	(30,685)
Dividend paid in the period (note 4)	–	–	–	–	(4,449)	(4,449)
At 31st January 2022	3,981	25,895	2,903	274,657	3,721	311,157
Six months ended 31st January 2021 (Unaudited)						
At 31st July 2020	3,981	25,895	2,903	170,965	6,193	209,937
Net return	–	–	–	62,872	1,249	64,121
Dividend paid in the period (note 4)	–	–	–	–	(4,293)	(4,293)
At 31st January 2021	3,981	25,895	2,903	233,837	3,149	269,765
Year ended 31st July 2021 (Audited)						
At 31st July 2020	3,981	25,895	2,903	170,965	6,193	209,937
Net return	–	–	–	137,229	3,418	140,647
Dividend paid in the year (note 4)	–	–	–	–	(4,293)	(4,293)
At 31st July 2021	3,981	25,895	2,903	308,194	5,318	346,291

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

STATEMENT OF FINANCIAL POSITION

AT 31ST JANUARY 2022

	(Unaudited) 31st January 2022 £'000	(Unaudited) 31st January 2021 £'000	(Audited) 31st July 2021 £'000
Fixed assets			
Investments held at fair value through profit or loss	340,828	296,115	377,140
Current assets			
Debtors	1,512	1,130	2,291
Cash and cash equivalents	8,941	3,664	3,077
	10,453	4,794	5,368
Current liabilities			
Creditors: amounts falling due within one year	(124)	(31,144)	(36,217)
Net current assets/(liabilities)	10,329	(26,350)	(30,849)
Total assets less current liabilities	351,157	269,765	346,291
Creditors: amounts falling due after one year	(40,000)	–	–
Net assets	311,157	269,765	346,291
Capital and reserves			
Called up share capital	3,981	3,981	3,981
Share premium	25,895	25,895	25,895
Capital redemption reserve	2,903	2,903	2,903
Capital reserves	274,657	233,837	308,194
Revenue reserve	3,721	3,149	5,318
Total shareholders' funds	311,157	269,765	346,291
Net asset value per share (note 5)	398.7p	345.6p	443.7p

Company registration number: 2515996.

STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31ST JANUARY 2022

	(Unaudited) Six months ended 31st January 2022 £'000	(Unaudited) Six months ended 31st January 2021 £'000	(Audited) Year ended 31st July 2021 £'000
Net cash outflow from operations before dividends and interest (note 6)	(1,674)	(1,207)	(2,566)
Dividends received	3,385	1,842	4,414
Interest received	4	3	4
Overseas tax recovered	–	–	29
Interest paid	(265)	(115)	(291)
Net cash inflow from operating activities	1,450	523	1,590
Purchases of investments	(38,883)	(57,701)	(142,657)
Sales of investments	42,776	51,110	129,424
Net cash inflow/(outflow) from investing activities	3,893	(6,591)	(13,233)
Dividend paid	(4,449)	(4,293)	(4,293)
Litigation expense	(31)	–	(14)
Repayment of bank loans	(3,000)	–	–
Drawdown of bank loans	8,000	9,000	14,000
Net cash inflow from financing activities	520	4,707	9,693
Increase/(decrease) in cash and cash equivalents	5,863	(1,361)	(1,950)
Cash and cash equivalents at start of period/year	3,077	5,025	5,025
Exchange movements	1	–	2
Cash and cash equivalents at end of period/year	8,941	3,664	3,077
Increase/(decrease) in cash and cash equivalents	5,863	(1,361)	(1,950)
Cash and cash equivalents consist of:			
Cash and short term deposits	278	251	250
Cash held in JPMorgan Sterling Liquidity Fund	8,663	3,413	2,827
Total	8,941	3,664	3,077

RECONCILIATION OF NET DEBT

	As at 31st July 2021 £'000	Cash flows £'000	Other non-cash charges £'000	As at 31st January 2022 £'000
Cash and cash equivalents				
Cash	250	27	1	278
Cash equivalents	2,827	5,836	–	8,663
	3,077	5,863	1	8,941
Borrowings				
Debt due after one year	(35,000)	(5,000)	–	(40,000)
Total	(31,923)	863	1	(31,059)

FOR THE SIX MONTHS ENDED 31ST JANUARY 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 July 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 and 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 revised '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 31st January 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 July 2021.

3. Return/(loss) per share

	(Unaudited) Six months ended 31st January 2022 £'000	(Unaudited) Six months ended 31st January 2021 £'000	(Audited) Year ended 31st July 2021 £'000
Return per share is based on the following:			
Revenue return	2,852	1,249	3,418
Capital (loss)/return	(33,537)	62,872	137,229
Total (loss)/return	(30,685)	64,121	140,647
Weighted average number of shares in issue	78,051,669	78,051,669	78,051,669
Revenue return per share	3.65p	1.60p	4.38p
Capital (loss)/return per share	(42.97)p	80.55p	175.82p
Total (loss)/return per share	(39.32)p	82.15p	180.20p

4. Dividend paid

	(Unaudited) Six months ended 31st January 2022 £'000	(Unaudited) Six months ended 31st January 2021 £'000	(Audited) Year ended 31st July 2021 £'000
2021 final dividend of 5.7p (2020: 5.5p)	4,449	4,293	4,293

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

No interim dividend has been declared in respect of the six months ended 31st January 2022 (2021: nil).

5. Net asset value per share

	(Unaudited) Six months ended 31st January 2022	(Unaudited) Six months ended 31st January 2021	(Audited) Year ended 31st July 2021
Net assets (£'000)	311,157	269,765	346,291
Number of shares in issue	78,051,669	78,051,669	78,051,669
Net asset value per share	398.7p	345.6p	443.7p

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 31st January 2022 £'000	(Unaudited) Six months ended 31st January 2021 £'000	(Audited) Year ended 31st July 2021 £'000
Net (loss)/return before finance costs and taxation	(30,406)	64,206	140,954
Add: capital loss/less: capital return before finance costs and taxation	33,354	(62,949)	(137,439)
Scrip dividends received as income	(145)	–	–
(Increase)/decrease in accrued income and other debtors	(103)	65	(116)
Decrease in accrued expenses	(19)	(14)	(18)
Management fee charged to capital	(948)	(661)	(1,481)
Tax on unfranked investment income	(18)	(5)	(43)
Dividends received	(3,385)	(1,842)	(4,414)
Interest received	(4)	(3)	(4)
Realised loss on foreign exchange transactions	–	(4)	(5)
Net cash outflow from operations before dividends and interest	(1,674)	(1,207)	(2,566)

7. Fair valuation of investments

The fair value hierarchy disclosures required by FRS 102 are given below:

	(Unaudited) Six months ended 31st January 2022		(Unaudited) Six months ended 31st January 2021		(Audited) Year ended 31st July 2021	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	340,828	–	296,115	–	377,140	-
Total	340,828	–	296,115	–	377,140	-

Interim Management Report

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

Principal and Emerging Risks and Uncertainties

During 2021 and into 2022, the virus COVID-19 (coronavirus) has continued to create significant uncertainty for markets, and therefore risk to the value of investments and volatility. In addition, the Board also now considers the risk of war to be an emerging risk following the recent crisis in Ukraine. Other than this, the principal and emerging risks and uncertainties faced by the Company have not changed significantly and fall into the following broad categories: corporate strategy; investment and performance; discount; smaller company investment; political and economic; investment management team; market; accounting, legal and regulatory; corporate governance and shareholder relations; operational and counterparty failure; cybercrime; financial; global pandemics and climate change. Information on each of these areas is given in the Strategic Report within the Annual Report and Financial Statements for the year ended 31st July 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 during the period.

Going Concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio (including its liquidity) 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 year financial report. For these reasons, they consider there is reasonable evidence to continue to adopt the going concern basis in preparing the financial statements.

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 yearly 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 31st January 2022, as required by the UK Listing Authority Disclosure 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 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

Andrew Impey
Chairman

25th March 2022

Shareholder Information

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.

		Six months ended 31st January 2022	
Total return calculation	Page		
Opening share price (p)	4	408.0	(a)
Closing share price (p)	4	353.0	(b)
Total dividend adjustment factor ¹		1.014653	(c)
Adjusted closing share price (p) (d = b x c)		358.2	(d)
Total return to shareholders (e = d / a - 1)		-12.2%	(e)

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

Return on Net Assets (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.

		Six months ended 31st January 2022	
Total return calculation	Page		
Opening cum-income NAV per share (p)	4	443.7	(a)
Closing cum-income NAV per share (p)	4	398.7	(b)
Total dividend adjustment factor ¹		1.013112	(c)
Adjusted closing cum-income NAV per share (p) (d = b x c)		403.9	(d)
Total return on net assets (e = d / a - 1)		-9.0%	(e)

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

Net asset value per share (APM)

The value of the Company's net assets (total assets less total liabilities) divided by the number of ordinary shares in issue. Please see note 5 on page 19 for detailed calculations.

Benchmark Total Return

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

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

Gearing/(Net Cash) (APM)

Gearing represents the excess amount above net assets 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	Six months ended 31st January 2022 £'000	Year ended 31st July 2021 £'000	
Investments held at fair value through profit or loss	16	340,828	377,140	(a)
Net assets	16	311,157	346,291	(b)
Gearing (c = a / b - 1)		9.5%	8.9%	(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.

The figure as at 31st January 2022 is an estimated annualised figure based on the numbers for the six months ended 31st January 2022.

Ongoing charges calculation	Page	Six months ended 31st January 2022 £'000	Year ended 31st July 2021 £'000	
Management Fee	14	2,708	2,116	
Other administrative expenses	14	518	425	
Total management fee and other administrative expenses		3,226	2,541	(a)
Average daily cum-income net assets		343,125	278,319	(b)
Ongoing charges (c = a / b)		0.94%	0.91%	(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 cum-income 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.

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

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

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

2. Through a professional adviser

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

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

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

Be ScamSmart

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

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

If so, you might have been contacted by fraudsters.

Avoid investment fraud

1 Reject cold calls

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

2 Check the FCA Warning List

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

3 Get impartial advice

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

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

Report a Scam

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

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

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



FINANCIAL CALENDAR

Financial year end	31st July
Final results announced	October
Half year end	31st January
Half year results announced	March
Dividend on ordinary shares paid	December
Annual General Meeting	November/December

History

The Company was formed in June 1990 as River & Mercantile Smaller Companies Trust plc and raised £25 million by a public offer of shares. Its original policy was to invest in a diversified portfolio of investments in UK and foreign smaller companies. Its name was changed to The Fleming Smaller Companies Investment Trust plc in April 1996, and again in November 2002 to JPMorgan Fleming Smaller Companies Investment Trust plc. The Company adopted its present name in 2006.

Directors

Andrew Impey (Chairman)
 Frances Davies
 Gordon Humphries
 Alice Ryder

Company Numbers

Company registration number: 2515996
 LEI: 549300PXALXKUMU9JM18

Ordinary shares

London Stock Exchange SEDOL: BF7L8P1
 Bloomberg code: JMI LN
 ISIN: GB00BF7L8P11

Market Information

The Company's unaudited net asset value ('NAV') 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, The Times, The Daily Telegraph, The Scotsman and on the JPMorgan website at www.jpmsmallercompanies.co.uk, where the share price is updated every fifteen minutes during trading hours.

Website

www.jpmsmallercompanies.co.uk

Share Transactions

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

Manager and Company Secretary

JPMorgan Funds Limited

Company's Registered Office

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

For Company Secretarial and administrative matters please contact Lucy Dina at the above address.

Depository

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

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

Registrar

Equiniti Limited
 Reference 1139
 Aspect House
 Spencer Road
 Lancing
 West Sussex BN99 6DA
 Telephone number: 0371 384 2341

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 1139. Registered shareholders can obtain further details on their holdings on the internet by visiting www.shareview.co.uk.

Independent Auditor

Ernst & Young LLP
 Statutory Auditor
 1 More London Place
 London SE1 2AF

Broker

Panmure Gordon
 One New Change
 London
 EC4M 9AF



The Association of
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