JPMorgan American Investment Trust plc

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

J.P.Morgan
ASSET MANAGEMENT

Key Features

Investment Objective

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

Investment Policies

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

Gearing

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

ESG

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

Benchmark Index

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

Capital Structure

As at 30th June 2022, the Company's share capital comprised 281,633,910 ordinary shares of 5p each, including 90,033,505 shares held in Treasury.

During the period under review, the Company had a £80 million floating rate debt facility, a US$65 million fixed-rate unsecured loan note at an annual coupon of 2.55% which will mature in February 2031 and a US$35 million fixed rate unsecured loan note at an annual coupon of 2.32% maturing in October 2032. On 16th August 2022, the Company's £80 million floating rate debt facility with ING was repaid and a new £80 million floating rate debt facility (including an option to expand the facility by a further £20 million) with Mizuho Bank Ltd was entered into. All facilities are drawn in US dollars.

Management Fee

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

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

Management Company

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

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

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

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

Association of Investment Companies ('AIC')

The Company is a member of the AIC.

Website

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

Contents

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[1, APM]	–11.2%	+53.3%	+90.1%	+335.5%
Return on net assets[2, APM]	–8.4%	+51.2%	+87.2%	+341.3%
Benchmark return[1,3]	–10.8%	+40.7%	+80.3%	+324.0%
Annualised net asset return outperformance against benchmark return[3,4]	+2.4%	+2.4%	+0.8%	+0.4%
Interim dividend	2.5p			

[1] Source: Morningstar.
[2] Source: Morningstar/J.P. Morgan, using cum income net asset value per share, with debt at fair value.
[3] The Company's benchmark is the S&P 500 Index, net of the appropriate withholding tax, expressed in sterling total return terms.
[4] Annualised returns calculated on a geometric basis. Six month returns are not annualised.
[APM] Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 31 to 33.

Financial Highlights

Summary of results

	30th June 2022	31st December 2021	% change
Shareholders' funds (£'000)	1,334,142	1,496,120	–10.8
Shares in issue (excluding shares held in Treasury)[1]	191,600,405	193,822,176	–1.1
Net asset value per share with debt at fair value[2, APM]	702.2p	771.0p	–8.9[3]
Net asset value per share with debt at par value[APM]	696.3p	771.9p	–9.8[3]
Share price	677.0p	767.0p	–11.7[4]
Share price discount to net asset value per share with debt at fair value[APM]	3.6%	0.5%	
Share price discount to net asset value per share with debt at par value[APM]	2.8%	0.6%	
Gearing[APM]	**5.2%**	**4.9%**	
Ongoing Charges Ratio[APM]	**0.35%**	**0.38%**	
Exchange rate	**1 £ = $ 1.2144**	**1 £ = $ 1.3544**	

[1] Excluding 90,033,505 (31st December 2021: 87,811,734) shares held in Treasury.

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

[3] % change, excluding dividends paid. Including dividends the returns would be –8.4% and –9.3% respectively.

[4] % change, excluding dividends paid. Including dividends the returns would be –11.2%.

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

A glossary of terms and APMs is provided on pages 31 to 33.

Chair's Statement

Dr Kevin Carter
Chair

Dear Shareholders,

Performance

The first six months of 2022 has been a difficult period for the US stockmarket with growing concerns about high and persistent inflation, rising interest rates and more subdued economic growth. Notwithstanding this environment, the portfolio outperformed the S&P 500. The total return on net assets per share in sterling terms over the period was –8.4%. The return to Ordinary shareholders per share in sterling terms was –11.2%, reflecting a small widening of the Company's discount to net asset value per share ('NAV') at which the shares traded over the period. The total return from the Company's benchmark, the S&P 500 Index in sterling terms, was –10.8%, resulting in an outperformance of 2.4% in asset terms.

In the 38 months since the change in investment policy under the management of our Portfolio Managers, Jonathan Simon and Tim Parton, the Company's NAV has grown by an annualised 18.9% compared to 16.6% by the benchmark. This represents an annualised outperformance of 2.0% (calculated on a geometric basis). More information about the portfolio and individual stock performance can be found in the Investment Manager's report on page 11.

Share price and Discount Management

The Company's shares have traded at a discount to NAV throughout the period under review and the Company has continued to buy back its shares in line with the Board's longstanding position of buying shares back when they stand at anything more than a small discount to NAV. The Company bought into Treasury a total of 2,221,771 shares, or 1.2% of the Company's issued share capital as at end of June 2022 (30th June 2021: 1.3%). These shares were purchased at an average discount to NAV of 3.9%, producing a modest accretion to the NAV for continuing shareholders.

Dividend

The Company is declaring a dividend of 2.5 pence per share (2021: 2.5 pence) for the first six months of this year, which will be payable on 7th October 2022 to shareholders on the register on 2nd September 2022.

Whilst capital growth is the primary aim of the Company, the Board is aware that dividend receipts can be an important element of shareholder returns. The Board continues to monitor the net income position of the Company and in the absence of unforeseen circumstances, the Board is aiming to pay an increased total dividend for the financial year compared to the 7.0 pence per share paid in respect of the 2021 financial year.

Gearing

The Board has maintained the current tactical level of gearing at 5% over the period with a permitted range around this level of plus or minus 5%, meaning that currently gearing can vary between 0% and 10%. The Company ended the period with gearing of 5.2%.

On 12th August 2022, the Company entered into a three year revolving credit facility of £80 million (including an option to expand the facility by a further £20 million) with Mizuho Bank Ltd of which $30 million was drawn as at 16th August 2022. This new facility replaces the facility with ING Bank which expired on 16th August 2022. In addition, the Company has in issue $65 million of unsecured loan notes repayable in February 2031 with a fixed interest rate of 2.55% per annum and $35 million of unsecured loan notes repayable in October 2032 with a fixed coupon of 2.32%.

Environment, Social and Governance

The Manager has continued to evolve its approach to the assessment of ESG factors at individual company level, and integrate further its analysis of these in the construction of the Company's portfolio. The continuing Russia/Ukraine war has brought renewed focus on global energy security and food supplies with an impact on how to factor these new realities into the ESG analysis of affected companies.

Chair's Statement

Investment Manager

As announced previously, the Company has been informed by its Manager that Mr Timothy Parton, one of the Company's two Large Cap Portfolio Managers, has given notice that he intends to retire in early 2024. Tim will continue with his existing responsibilities until his retirement. Following discussions between the Board and the Manager, I am pleased to announce that Ms Felise Agranoff, who has been with the Manager for 18 years, is being named as a Portfolio Manager with effect from 23rd August 2022, working alongside Tim on the growth stocks in the Large Cap Portfolio. Felise has been working closely with Tim on this portfolio's growth stocks for a number of years and is also the named portfolio manager alongside Tim on other of the Manager's flagship funds. The intention is that Felise will become the sole Portfolio Manager responsible for the growth stocks in the Large Cap Portfolio upon Tim's retirement. Jonathan Simon will remain as the Portfolio Manager responsible for the value stocks in the Large Cap Portfolio. The change is not expected to have any material impact on how the portfolio is run.

Board

As mentioned in the Annual Report, Sir Alan Collins, current Senior Independent Director and Chair of the Risk and Remuneration Committees, will be retiring from the Board at the conclusion of the May 2023 AGM. The Board is currently in the process of searching for a new director and shareholders will be kept up to date with recruitment plans to the Board as these develop.

Auditor Review

As explained previously in our 2021 Annual Report, Deloitte LLP informed the Board of their intention to step down as external Auditor of the Company as they continued to review and prioritise their current audit appointments. The Board underwent a formal audit tender process, as a result of which BDO LLP was appointed as Auditor by the Company with effect from 19th August 2022. Deloitte LLP therefore ceased to be Auditor to the Company with effect from the same date and their statement of reasons, none of which relates to the Company itself, will be sent to shareholders along with this Report.

Outlook

The current period of stagflation (heightened inflation accompanied by slow growth) appears likely to continue for the rest of 2022. The US central bank, the Federal Reserve, is still mid cycle in its process of raising short term interest rates, and the behaviour of the yield curve at longer maturities suggests an increasing possibility of a recession in the US economy before this cycle is complete. The Company's benchmark, the S&P 500 index has already declined by 11.28% in US dollar terms year to date at the time of writing, thereby discounting some or most of these factors. Key now for the market's near term direction will be the earnings expectations at company level over the next one to two years. Our portfolio managers, assisted by the extensive team of analysts at their disposal, will be monitoring this very closely. Over the longer term the depth and resilience of the US stockmarket and its world class companies will continue to provide our managers with excellent opportunities for inclusion in the Company's portfolio.

Dr Kevin Carter
Chair

23rd August 2022

Investment Manager's Report

Market Review

In the first six months of 2022, the S&P 500 Index declined by 20% (in US dollar terms) and 10.8% (in sterling terms), as inflation fears gave way to worries about a recession.

The US economy is currently beset by the highest inflation in over 40 years, and inflation pressures have proved greater and more prolonged than either the Federal Reserve or markets expected. At the Federal Open Market Committee's (FOMC) December 2021 meeting, core inflation was expected to fall from 4.4% year-on-year (YoY) in Q4 2021, to 2.7% in Q4 2022. Unfortunately, Russia's invasion of Ukraine and resulting sanctions, combined with China's zero-Covid policy, have kept upward pressure on prices. Core inflation reached 6.0% YoY in June, forcing the Fed to adopt a much more hawkish stance. A 0.25% increase in the federal funds rate in March 2022 was followed by further hikes of 0.50% in May and 0.75% in both June and July.

Timothy Parton

Jonathan Simon

Persistently high inflation is undermining real wage growth, consumer spending power and corporate profits. The labour market remains a bright spot, with job vacancies far exceeding the number of unemployed, but low unemployment has not stopped consumer sentiment from falling sharply. The University of Michigan Consumer Sentiment Index has plunged, and while the Conference Board's consumer confidence survey has held up better, given the higher importance it attaches to labour market conditions, it too has weakened. Higher short-term rates and quantitative tightening have also boosted both mortgage rates and the dollar, damaging the prospects of the housing and export sectors. This, allied with falling consumer confidence and a very significant fiscal drag, has resulted in a slowdown in economic activity. GDP contracted modestly in Q1 2022 and the risks of a near-term recession are escalating.

The continued rise in oil prices ensured that energy was the only sector of the S&P 500 Index to make gains over the first six months of the year. Energy stocks returned 32% over the period. Defensive stocks also did relatively well – utilities declined by only 1.0%, consumer staples were down 5.6% and health care stocks fell 8.3%. Longer duration growth sectors were the primary laggards, with consumer discretionary stocks (–32.8%), communication services (–30.2%) and information technology (–26.9%) worst affected.

Large cap stocks, as represented by the S&P 500 Index, returned –20% (in US dollar terms), outperforming the small cap Russell 2000 Index, which returned –23%. Overall, value continued to outperform growth, as the Russell 3000 Value Index declined by 13%, while the Russell 3000 Growth Index declined by 28%. During the period, the allocation to the small cap portfolio was maintained at approximately 5%.

Performance

The Company's net asset value declined by 8.4% on a total return (GBP) basis over the first six months of 2022, outperforming its benchmark, the S&P 500, which fell by 10.8% in sterling terms.

Although the large cap portion of the portfolio posted a negative return, it outperformed its benchmark for the six-month period and was responsible for all the Company's outperformance. Gearing detracted from relative returns due to the market's decline.

Investment Manager's Report

Performance attribution

For the six months ended 30th June 2022

	%	%
Contributions to total returns		
Net asset value total return (in sterling terms)[APM]		**–8.4**
Benchmark total return (in sterling terms)		**–10.8**
Excess return		**2.4**
Contributions to total returns		
Large cap Portfolio		**3.8**
Allocation effect	0.1	
Selection effect	3.7	
Small cap Portfolio		**–0.8**
Allocation and selection effect	–0.8	
Gearing		**–1.0**
Share buybacks		**0.0**
Management fee and expenses		**–0.2**
Impact of fair value valuation[1]		**0.9**
Technical differences		**–0.3**
Total		**2.4**

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

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

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

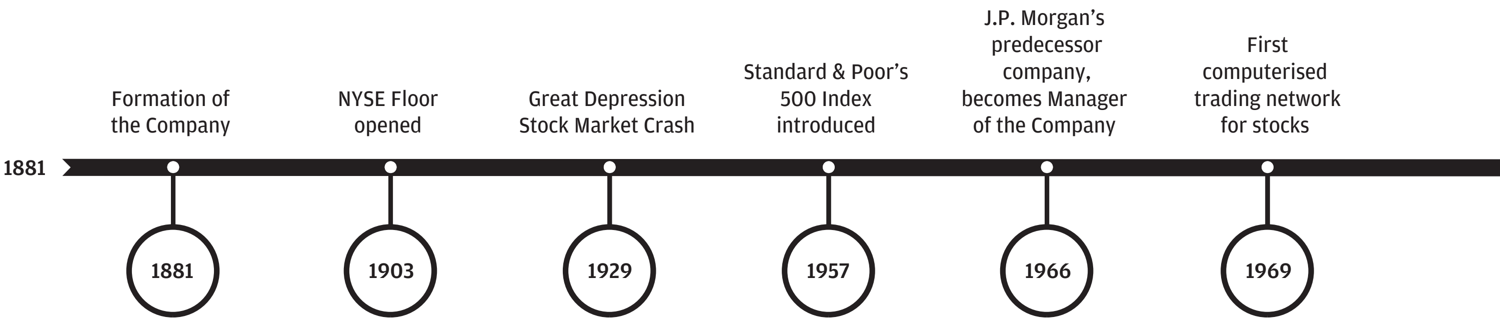
[APM] Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 31 to 33.

Large Cap Portfolio

The Company's large cap portfolio benefited from stock selection in the communication services and consumer discretionary sectors. As mentioned above, these were among the three worst performing sectors of the S&P 500 for the period, but our holdings in each of these sectors outperformed their benchmark peers.

In the communications services sector, a lack of exposure to **Meta Platforms** (formerly Facebook) and an overweight position in telecoms services company **T Mobile US** proved beneficial. Meta Platforms shares came under significant pressure during the period, to the point where the stock looks interesting from a valuation perspective. Indeed, it could be considered a value name, as it is now included in the Russell 1000 Value Index. However, we have not been tempted to add this name to the



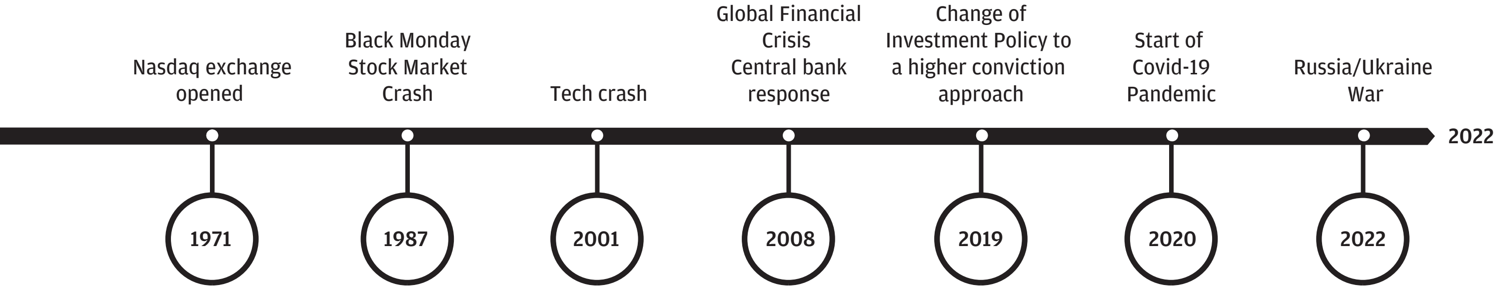
portfolio, as we see further potential downside for the share price due to regulatory and data privacy concerns. T-Mobile US, along with other wireless carriers, has performed relatively well this year, as investors sought the safety of more defensive names. The pandemic boosted T-Mobile's subscriptions, and that momentum has continued this year, with 5.8 million new subscriptions over the 12-month period ended March 2022. The company posted strong Q1 results accordingly.

Within consumer discretionary, our exposure to auto parts retailer **AutoZone** added value. Given demand trends for durable goods, AutoZone's pricing power and the non-discretionary nature of its products, this company has continued to perform strongly and gain market share. Despite macroeconomic pressures, it has managed margins well and we maintain our view that the company is an attractive investment.

At the stock level, our exposure to **ConocoPhillips**, an oil and gas producer, and **Bristol Myers Squibb**, a pharmaceutical supplier, were among the top contributors to performance. ConocoPhillips' share price rallied more than 25% during the review period, as elevated oil and natural gas prices benefited the sector as a whole. The company reported solid first quarter earnings that exceeded expectations. The market reacted favourably to Bristol Myers Squibb's planned acquisition of Turning Point Therapeutics, which will expand the company's presence in precision/targeted medicine field and generate synergies with its existing oncology franchise. We continue to like the name given its undemanding valuation, healthy dividend and strong free cash flow, and the company is also delivering on important growth drivers and drug approvals.

At the sector level, relative performance was hindered most by our underweight position in consumer staples. While the sector generated a negative return over the period, it significantly outperformed the S&P 500. We recognise that this sector offers some defensive characteristics; however we continue to struggle to find attractively valued names that offer long term growth opportunities. Our exposure is centred around **Procter & Gamble (P&G)**, a producer of household and personal products, which has been gaining market share in many of its product categories over the last few years. These trends accelerated during the pandemic as many consumers experienced an improvement in their purchasing power and indulged themselves by buying more expensive brands. The company was also able to navigate supply concerns better than its smaller competitors, enhancing its market share. While the current cost of living crisis may see consumers trade down to lower priced brands, we believe the quality of P&G's brands will ensure it continues to increase market share over the long term.

At the stock level, the largest detractors to relative performance were **Zebra Technologies**, a communications equipment company, and **Advanced Micro Devices**, a semiconductor producer. Zebra Technologies provides business equipment such as scanners and printers, that digitalise and automate workflows and monitor inventories in real time. The company reported strong Q1 revenues, with organic growth of 5%. However, earnings missed estimates, as higher than expected supply chain costs put pressure on margins. Q2 guidance was also lowered in anticipation of persistent supply chain headwinds. However, we maintain our positive view on this name given its high free cash flow, strong prospects for high-quality growth and favourable long term secular trends. Zebra also commands a significant market share and invests in technologies to enhance its product offerings. In addition, it recently expanded its industrial automation portfolio via the acquisition of Fetch Robotics, while its acquisitions of Adaptive Vision, antuit.ai and Matrox Imaging increased its machine vision and AI software capabilities. The stock currently trades around 15x forward earnings, which we feel is very attractive given its long-term growth potential.



Investment Manager's Report

Advance Micro Devices' share price has been under pressure over the last six months due to recessionary concerns as semiconductors have tended to be even more economically sensitive than others sectors in the past. We like the company given its exposure to cloud computing services and commercial AI applications, and these sectors have been the company's primary growth drivers for the last few years. Its recent merger with Xilinx should ensure this remains the case in coming years. Xilinx produces chips for the industrial sector and the merger will give Advance Micro Devices access to a host of new, rapidly expanding markets in the automotive, manufacturing, aerospace and defence industries.

Portfolio activity

The recent market pullback has created opportunities to acquire attractive, high growth companies at more reasonable prices. However, we are being very selective, only adding names with differentiated and compelling fundamentals. During the review period we purchased four new names and exited the same number, substantially fewer than the same period last year, when we swapped out 12 positions to reduce risk and reposition for a changing market environment, as the worst effects of the pandemic abated.

One recent new acquisition was **SolarEdge Technologies**, which provides solar power equipment to residential and commercial customers. Its products include smart modules to optimise and monitor power usage, solar inverters, electric vehicle (EV) chargers and energy bank batteries to support EV charging. The renewables industry has struggled to deal with recent supply chain issues and there is uncertainty regarding the future of solar subsidies and tax credits. However, we believe the sector has very favourable long-term prospects as the global transition to net zero carbon emissions gathers momentum and SolarEdge is a sector leader with a healthy balance sheet, positive free cash flow and a comprehensive range of products, that we were able to acquire at an attractive valuation.

This and other acquisitions were funded by the outright sale of several positions, including our holding in **PayPal**, a digital payments company. While we like this sector, we have concerns about PayPal's ability to compete in the ecommerce sphere, given the prevalence of newer entrants, and we feel the company could experience sustained pressure on margins and earnings.

On the value side of the portfolio, we exited apparel retailer **GAP** to switch into electronics retailer **Best Buy**. GAP's management team has made considerable efforts to reduce the footprint of GAP stores, in favour of its higher growth Old Navy and Athleta brands, but the company has struggled to execute these plans effectively. GAP also faces structural challenges including ecommerce disintermediation, associated downward pressures on clothing prices and a shift in consumer preferences away from expenditure on clothing. While the stock remains very attractive from a valuation perspective, at 7.5x price/earnings, in our view its structural and cyclical risks are too high to justify continued exposure.

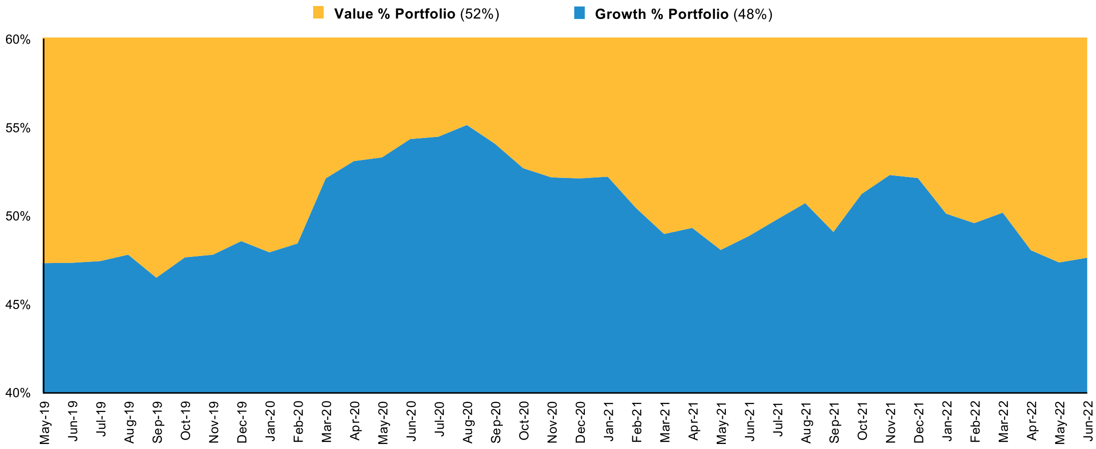
We redeployed the proceeds of this sale into the better risk/reward opportunity offered by Best Buy. This company is positioning itself to benefit from rising long term demand for consumer electronic products such as home entertainment systems, virtual reality devices, smart home products and equipment to facilitate remote work and fitness. Many of these products are no longer consumer luxuries. Instead, they are now considered essential components of consumers' post-pandemic lifestyles, which are more focused around the home. Best Buy is also one of the premier omni-channel retailers, with ecommerce accounting for over 30% of sales, and we like the fact that the company is investing in initiatives such as its ecommerce sales channel, tele-health, and a membership programme, which are expected to drive long-term growth.

These recent acquisitions and disposals have not had a significant impact on the portfolio's structure. Financials and information technology remain the largest sectoral allocations, which together represent approximately 38% of the overall large cap allocation. Financials remain the largest overweight in the portfolio relative to the benchmark and we have been adding to our exposure to higher quality names in this sector, such as **Bank of America**. Conversely, we remain underweight IT, based on our view that this sector is still a little overvalued and we have continued trimming our IT positions selectively. The portfolio also remains underweight consumer staples and health care, as we continue to find names with better risk/reward profiles in other sectors.

The large cap portfolio is divided between value and growth stocks, with the allocation allowed to vary between 60:40 and 40:60. At the end of the review period, value stocks comprised some 52% of the large cap portfolio, somewhat higher than the 48% allocation to value stocks at the end of the previous financial year (see chart below). The allocation to growth stocks has contracted accordingly.

Value and growth exposure

As of 30th June 2022



Source: J.P. Morgan Asset Management. The portfolio is actively managed. Holdings, sector weights, allocations and leverage, as applicable, are subject to change at the discretion of the Investment Manager without notice. Data shown since change in investment approach in June 2019.

The table below shows that the large cap portfolio is trading at a 13% discount to the market on a free cash flow basis, which confirms that we are not paying a premium for good cash flow. Additionally, the portfolio is expected to deliver earnings growth of around 12% for the next 12 months, higher than the market and especially remarkable given that the portfolio is trading at a lower price-to-earnings (P/E) multiple than the index. While earnings may come under pressure over the next year, and may not deliver the forecast double digit growth, it is comforting to have the valuation cushion provided by our holdings, relative to the market.

Characteristics	Large Cap Portfolio	S&P 500
Weighted Average Market Cap	USD 596.8bn	USD 627.3bn
Price/Earnings, 12-month forward[1]	18.4x	19.4x
Price/Free Cash Flow, last 12-months	18.3x	20.6x
EPS Growth, 12-month forward[1]	12.0%	11.4%
Return on Equity, last 12-months	23.9%	25.9%
Predicted Beta	1.05	—
Predicted Tracking Error	3.56	—
Active Share	69%	—
Number of holdings	40	500

Source: FactSet, Barra, J.P. Morgan Asset Management. Data as of 30th June 2022.

[1] Including negatives.

Small Cap Portfolio

The small cap portfolio is allocated to growth stocks. It negatively impacted returns over the past six months, as it underperformed the S&P 500. Small cap growth stocks were caught up in the sharp sell-off of much larger growth names, and underperformance during Q1 2022 was only partially offset by a rebound in Q2. The overall allocation to the small cap portfolio was maintained at approximately 5% during the period.

Investment Manager's Report

Outlook

Financial conditions have rarely tightened more over a six-month period than they have done so far this year, thanks to the Fed's increasingly hawkish stance. The risks of recession have undoubtedly increased accordingly. However, the cyclical sectors of the economy are not yet suggesting a serious slowdown. We also take some comfort from the fact that we do not see evidence of the kind of excesses in housing construction or business investment that have led to previous deep and protracted recessions. In addition, the improvement in commercial banks' balance sheets over recent years leaves them well-placed to weather a period of economic weakness. Corporates have high gross debt levels, but they are awash with cash and do not appear overextended. Consumer debt metrics also look healthy. All this reduces the prospects of a vicious, credit crunch-induced recession. So, our base case scenario is for a soft economic landing, with any slowdown likely to be much less severe than the previous two downturns.

Markets tend to anticipate economic conditions and share prices have already dropped significantly due to mounting concerns about the outlook for growth. We expect volatility to persist until we get clarity on the medium-term inflation picture and the Fed's response, but we will not be deterred by such uncertainties. Valuations are now at much more attractive levels, and we will seek to capitalise on the interesting investment opportunities this volatility will inevitably generate, with the aim of maintaining our track record of capital growth and superior returns for our shareholders.

Timothy Parton
Jonathan Simon
Portfolio Managers

23rd August 2022

Portfolio Information

Ten largest equity investments

Company	Sub Sector	30th June 2022 Valuation £'000	%[1]	31st December 2021 Valuation £'000	%[1]
Apple	Information Technology	77,624	5.5	96,390	6.2
Microsoft	Information Technology	77,044	5.5	92,042	5.9
AutoZone	Consumer Discretionary	57,169	4.1	44,657	2.9
Alphabet	Communication Services	56,778	4.0	73,193	4.7
UnitedHealth	Health Care	53,671	3.8	46,899	3.0
Loews	Financials	53,126	3.8	50,420	3.2
Bank of America	Financials	50,319	3.6	47,417	3.0
Weyerhaeuser	Real Estate	46,137	3.3	51,305	3.3
Berkshire Hathaway	Financials	45,414	3.2	48,234	3.1
Capital One Financial[2]	Financials	41,563	3.0	42,675	2.7
Total		**558,845**	**39.8**		

[1] Based on total investments of £1,403.9m (2021: £1,568.7m).

[2] Not included in the ten largest equity investments at 31st December 2021.

At 31st December 2021 the value of the ten largest equity investments amounted to £606.2 million representing 38.9% of total investments.

List of Investments

List of investments

As at 30th June 2022

Company	Valuation £'000
Large Companies (representing approximately 95% of total investments)	
These are generally defined as companies which have a market capitalisation of more than US$3 billion.	
Apple	77,624
Microsoft	77,044
AutoZone	57,169
Alphabet	56,778
UnitedHealth	53,671
Loews	53,126
Bank of America	50,319
Weyerhaeuser	46,137
Berkshire Hathaway	45,414
Capital One Financial	41,563
Amazon.com	39,581
Mastercard	39,259
AbbVie	38,241
Tesla	37,201
Martin Marietta Materials	35,665
ConocoPhillips	35,429
Procter & Gamble	34,637
FedEx	34,577
Bristol-Myers Squibb	32,779
Charter Communications	31,915
Kinder Morgan	31,876
Xcel Energy	31,290
Regeneron Pharmaceuticals	27,617
Packaging Corp. of America	27,390
SolarEdge Technologies	26,286
Quanta Services	24,178
T-Mobile US	23,489
Intuitive Surgical	21,822
Advanced Micro Devices	20,702
Zoom Video Communications	20,518
QUALCOMM	20,431
Deere	19,582
Booking	18,847
Global Payments	17,526
Public Storage	15,887
Trane Technologies	15,874
Ingersoll Rand	15,171
Zebra Technologies	12,113
Dexcom	12,109
Best Buy	11,674
	1,332,511

Company	Valuation £'000
Small Companies (representing approximately 5% of total investments)	
These are generally defined as companies which, at the date of investment, have a market capitalisation of less than US$3 billion. The investments within the Small Companies portfolio are listed separately as they are managed as a discrete portfolio.	
Shockwave Medical	1,399
Applied Industrial Technologies	1,302
Halozyme Therapeutics	1,277
Performance Food	1,172
CyberArk Software	1,131
Matador Resources	1,111
Planet Fitness	1,111
Evolent Health	1,103
II-VI	1,060
Grocery Outlet	1,051
First Financial Bankshares	1,049
Simpson Manufacturing	968
Casella Waste Systems	957
NuVasive	946
MSA Safety	914
iRhythm Technologies	906
Amicus Therapeutics	901
Terreno Realty	867
Acadia Healthcare	864
MKS Instruments	863
Cactus	862
EXL Service	862
Paycor HCM	858
Littelfuse	844
Texas Roadhouse	832
DigitalOcean	821
CONMED	780
Advanced Drainage Systems	775
Rush Enterprises	773
Hexcel	770
Focus Financial Partners	767
Helen of Troy	764
Marriott Vacations Worldwide	759
Blackline	750
Carlisle	749
Chart Industries	746
Envestnet	733
Valmont Industries	718
John Bean Technologies	699
ITT	696

List of Investments

Company	Valuation £'000
Twist Bioscience	690
Five9	689
Saia	688
Globant	680
National Vision	640
Arrowhead Pharmaceuticals	637
Blueprint Medicines	633
Pinnacle Financial Partners	629
Semtech	613
Sonos	602
Lithia Motors	601
Life Time	594
Petco Health & Wellness	587
Revance Therapeutics	575
ManTech International	572
Bumble	571
Smartsheet	564
Arvinas	560
Ciena	554
Evoqua Water Technologies	547
Bloom Energy	545
REGENXBIO	545
Fox Factory	541
Boyd Gaming	537
CubeSmart	523
Outset Medical	515
Elastic	512
SM Energy	499
Shoals Technologies	498
Apellis Pharmaceuticals	495
Papa John's International	488
Cano Health	477
Amedisys	476
Six Flags Entertainment	473
KBR	470
Freshpet	455
New Relic	448
Wolfspeed	444
Repay	426
Natera	424
Relay Therapeutics	416
SiteOne Landscape Supply	413
Xometry	410
JFrog	403
Confluent	402
Winnebago Industries	394
SentinelOne	390

Company	Valuation £'000
Bright Horizons Family Solutions	389
Eventbrite	387
Air Lease	368
Atara Biotherapeutics	360
Nevro	356
Floor & Décor	352
Evercore	351
PMV Pharmaceuticals	341
Coherus Biosciences	334
Duck Creek Technologies	333
Chord Energy	331
Vertex	330
LiveRamp	329
HashiCorp	328
REVOLUTION Medicines	321
Sage Therapeutics	297
Q2	289
Everbridge	285
Sprout Social	278
ACADIA Pharmaceuticals	273
Frontier	261
Accolade	247
Allogene Therapeutics	244
ACV Auctions	236
Fate Therapeutics	225
Global-e Online	213
Alector	207
Heron Therapeutics	206
Figs	201
Remitly Global	192
Verve Therapeutics	185
ADC Therapeutics	184
Biohaven Pharmaceutical	180
Sight Sciences	119
G1 Therapeutics	116
Kronos Bio	101
Sana Biotechnology	85
Seer	75
Personalis	69
Rapid Micro Biosystems	54
	71,387
Total investments	**1,403,898**

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	—	(133,134)	(133,134)	—	177,362	177,362	—	322,790	322,790
Net foreign currency (losses)/gains	—	(9,126)	(9,126)	—	129	129	—	(1,047)	(1,047)
Income from investments	10,000	—	10,000	7,563	—	7,563	15,900	—	15,900
Interest receivable	86	—	86	33	—	33	55	—	55
Gross return/(loss)	**10,086**	**(142,260)**	**(132,174)**	**7,596**	**177,491**	**185,087**	**15,955**	**321,743**	**337,698**
Management fee	(439)	(1,755)	(2,194)	(389)	(1,556)	(1,945)	(815)	(3,260)	(4,075)
Other administrative expenses	(365)	48	(317)	(346)	—	(346)	(685)	(48)	(733)
Net return/(loss) before finance costs and taxation	**9,282**	**(143,967)**	**(134,685)**	**6,861**	**175,935**	**182,796**	**14,455**	**318,435**	**332,890**
Finance costs	(300)	(1,201)	(1,501)	(187)	(750)	(937)	(385)	(1,539)	(1,924)
Net return/(loss) before taxation	**8,982**	**(145,168)**	**(136,186)**	**6,674**	**175,185**	**181,859**	**14,070**	**316,896**	**330,966**
Taxation	(1,553)	—	(1,553)	(960)	—	(960)	(2,385)	—	(2,385)
Net return/(loss) after taxation	**7,429**	**(145,168)**	**(137,739)**	**5,714**	**175,185**	**180,899**	**11,685**	**316,896**	**328,581**
Return/(loss) per share (note 3)	**3.85p**	**(75.32)p**	**(71.47)p**	**2.90p**	**88.87p**	**91.77p**	**5.97p**	**161.80p**	**166.77p**

The interim dividend declared in respect of the six months ended 30th June 2022 amounts to 2.5p (2021: 2.5p) per share, costing £4,790,000 (2021: £4,882,000).

All revenue and capital items in the above statement derive from continuing operations. The return/(loss) per share represents the profit/(loss) per share for the period and also the total comprehensive income per share.

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.

Statement of Changes in Equity

For the six months ended 30th June 2022

	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	**14,082**	**151,850**	**8,151**	**1,292,152**	**29,885**	**1,496,120**
Repurchase of shares into Treasury	—	—	—	(15,593)	—	(15,593)
Net (loss)/return	—	—	—	(145,168)	7,429	(137,739)
Dividends paid in the period (note 4)	—	—	—	—	(8,646)	(8,646)
At 30th June 2022	**14,082**	**151,850**	**8,151**	**1,131,391**	**28,668**	**1,334,142**
Six months ended 30th June 2021 (Unaudited)						
At 31st December 2020	**14,082**	**151,850**	**8,151**	**1,006,007**	**31,432**	**1,211,522**
Repurchase of shares into Treasury	—	—	—	(15,224)	—	(15,224)
Net return	—	—	—	175,185	5,714	180,899
Dividends paid in the period (note 4)	—	—	—	—	(8,350)	(8,350)
At 30th June 2021	**14,082**	**151,850**	**8,151**	**1,165,968**	**28,796**	**1,368,847**
Year ended 31st December 2021 (Audited)						
At 31st December 2020	**14,082**	**151,850**	**8,151**	**1,006,007**	**31,432**	**1,211,522**
Repurchase of shares into Treasury	—	—	—	(30,751)	—	(30,751)
Net return	—	—	—	316,896	11,685	328,581
Dividends paid in the year (note 4)	—	—	—	—	(13,232)	(13,232)
At 31st December 2021	**14,082**	**151,850**	**8,151**	**1,292,152**	**29,885**	**1,496,120**

[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	**1,403,898**	**1,441,616**	**1,568,739**
Current assets			
Debtors	1,369	676	701
Cash and cash equivalents	37,982	26,979	28,355
	39,351	27,655	29,056
Current liabilities			
Creditors: Amounts falling due within one year	(27,147)	(1,496)	(28,205)
Net current assets	**12,204**	**26,159**	**851**
Total assets less current liabilities	**1,416,102**	**1,467,775**	**1,569,590**
Creditors: amounts falling due after more than one year	(81,960)	(98,928)	(73,470)
Net assets	**1,334,142**	**1,368,847**	**1,496,120**
Capital and reserves			
Called up share capital	14,082	14,082	14,082
Share premium	151,850	151,850	151,850
Capital redemption reserve	8,151	8,151	8,151
Capital reserves	1,131,391	1,165,968	1,292,152
Revenue reserve	28,668	28,796	29,885
Total shareholders' funds	**1,334,142**	**1,368,847**	**1,496,120**
Net asset value per share (note 5)	**696.3p**	**698.1p**	**771.9p**

The financial statements on pages 21 to 24 were approved and authorised for issue by the Directors on 22nd August 2022 and were signed on their behalf by:

Claire Binyon
Director

The notes on pages 25 to 27 form an integral part of these financial statements.

Company registration number: 15543.

Statement of Cash Flows

For the six months ended 30th June 2022

	(Unaudited) Six months ended 30th June 2022 £'000	(Unaudited) Six months ended 30th June 2021 £'000	(Audited) Year ended 31st December 2021 £'000
Net cash outflow from operations before dividends and interest (note 6)	(890)	(5,241)	(7,079)
Dividends received	7,708	6,299	13,093
Interest received	86	33	55
Overseas tax recovered	143	239	240
Loan interest paid	(284)	(359)	(679)
Private placement interest paid	(950)	(588)	(1,214)
Net cash inflow from operating activities	**5,813**	**383**	**4,416**
Purchases of investments	(221,315)	(482,238)	(722,307)
Sales of investments	253,475	486,369	744,691
Settlement of foreign currency contracts	(32)	(21)	22
Net cash inflow from investing activities	**32,128**	**4,110**	**22,406**
Dividends paid	(8,646)	(8,350)	(13,232)
Repayment of bank loans	(28,478)	—	(25,325)
Draw down of bank loans	22,181	—	—
Draw down of private placement loan	—	—	25,643
Repurchase of shares into Treasury	(14,715)	(14,552)	(30,747)
Net cash outflow from financing activities	**(29,658)**	**(22,902)**	**(43,661)**
Increase/(decrease) in cash and cash equivalents	**8,283**	**(18,409)**	**(16,839)**
Cash and cash equivalents at start of period/year	28,355	43,360	43,360
Unrealised gain on foreign currency cash and cash equivalents	1,344	2,028	1,834
Cash and cash equivalents at end of period/year	37,982	26,979	28,355
Increase/(decrease) in cash and cash equivalents	**8,283**	**(18,409)**	**(16,839)**
Cash and cash equivalents consist of:			
Cash and short term deposits	46	16	36
Cash held in JPMorgan US Dollar Liquidity Fund	37,936	26,963	28,319
Total	**37,982**	**26,979**	**28,355**

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	36	10	—	46
Cash equivalents	28,319	8,273	1,344	37,936
	28,355	**8,283**	**1,344**	**37,982**
Borrowings				
Debt due within one year	(27,396)	6,297	(3,655)	(24,754)
Debt due after one year	(73,470)	—	(8,490)	(81,960)
	(100,866)	**6,297**	**(12,145)**	**(106,714)**
Total	**(72,511)**	**14,580**	**(10,801)**	**(68,732)**

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 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 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	7,429	5,714	11,685
Capital (loss)/return	(145,168)	175,185	316,896
Total (loss)/return	**(137,739)**	**180,899**	**328,581**
Weighted average number of shares in issue	192,725,229	197,114,911	195,855,208
Revenue return per share	3.85p	2.90p	5.97p
Capital (loss)/return per share	(75.32)p	88.87p	161.80p
Total (loss)/return per share	**(71.47)p**	**91.77p**	**166.77p**

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
Final dividend in respect of the year ended 31st December 2021 of 4.50p (2020: 4.25p)	8,646	8,350	8,350
Interim dividend in respect of the six months ended 30th June 2021 of 2.5p	—	—	4,882
Total dividends paid in the period/year	**8,646**	**8,350**	**13,232**

All the dividends paid in the period/year have been funded from the Revenue Reserve.

5. Net asset value per share

	(Unaudited) Six months ended 30th June 2022	(Unaudited) Six months ended 30th June 2021	(Audited) Year ended 31st December 2021
Net assets (£'000)	1,334,142	1,368,847	1,496,120
Number of shares in issue	191,600,405	196,076,253	193,822,176
Net asset value per share	**696.3p**	**698.1p**	**771.9p**

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	(134,685)	182,796	332,890
Add capital losses/(less capital return) before finance costs and taxation	143,967	(175,935)	(318,435)
Increase in accrued income and other debtors	(611)	(100)	(208)
(Decrease)/increase in accrued expenses	(71)	(15)	61
Management fee and other administration expenses charged to capital	(1,707)	(1,556)	(3,308)
Amortisation of bank loan charges	19	16	16
Overseas withholding tax	(1,696)	(1,190)	(2,616)
Dividends received	(7,708)	(6,299)	(13,093)
Interest received	(86)	(33)	(55)
Realised losses on foreign currency transactions	(14)	(825)	(1,246)
Foreign exchange gain/(loss) on liquidity funds	1,702	(2,100)	(1,085)
Net cash outflow from operations before dividends and interest	**(890)**	**(5,241)**	**(7,079)**

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) Six months ended 30th June 2022		(Unaudited) Six months ended 30th June 2021		(Audited) Year ended 31st December 2021	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	1,403,898	—	1,441,616	—	1,568,739	—
Total value of investments	**1,403,898**	**—**	**1,441,616**	**—**	**1,568,739**	**—**

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: investment and strategy; market; operational and cyber-crime; loss of investment team or Portfolio Managers; Share Price Relative to Net Asset Value ('NAV') per Share ; Accounting, Legal and Regulatory; Political and Economic; Global Pandemics and Climate Change. The US and China Technology competition, ESG Requirements from investors and Geopolitical risks have been identified as emerging risks. 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

In accordance with The Financial Reporting Council's guidance on going concern and liquidity risk, including its Covid-19 guidance, the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern. The Board has, in particular, considered the impact of heightened market volatility since the Covid-19 outbreak and more recently the Russian invasion of Ukraine, but does not believe the Company's going concern status is affected. The Company's assets, the vast majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly under all stress test scenarios reviewed by the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. Furthermore, the Directors are satisfied that the Company and its key third party service providers have in place appropriate business continuity plans.

Accordingly, having assessed the principal and emerging risks and other matters, the Directors believe 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.

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

Kevin Carter
Chair

23rd August 2022

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

Return to Shareholders (APM)

Total return to 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 (p)	6	767.0	(a)
Closing share price (p)	6	677.0	(b)
Total dividend adjustment factor[1]		1.005777	(c)
Adjusted closing share price (d = b x c)		680.9	(d)
Total return to shareholders (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 last traded price quoted at the ex-dividend date.

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

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

The Company's debt (including the private placements) is valued in the Statement of Financial Position (on page 23) 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 combined US$100 million private placements has been calculated using discounted cash flow techniques, using the yield from similar dated treasury notes plus a margin based on the US Broad Market AA 10-15 year spread.

Total return calculation	Page	Six months ended 30th June 2022	
Opening cum-income NAV per share (p)	6	771.0	(a)
Closing cum-income NAV per share (p)	6	702.2	(b)
Total dividend adjustment factor[1]		1.005846	(c)
Adjusted closing share price (d = b x c)		706.3	(d)
Total return on net assets (e = d / a – 1)		**–8.4%**	(e)

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

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

Total return on net asset value ('NAV') per share, with debt at par value, 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 (p)	6	771.9	(a)
Closing cum-income NAV per share (p)	6	696.3	(b)
Total dividend adjustment factor[1]		1.005869	(c)
Adjusted closing share price (d = b x c)		700.4	(d)
Total return on net assets (e = d / a – 1)		**–9.3%**	(e)

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

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

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 26 for detailed calculations.

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 shareholder's funds of total investments, expressed as a percentage of the shareholders' funds. Previously gearing represented the excess amount above shareholders' funds of total assets expressed as a percentage of shareholders' funds. Total assets included total investments and net current assets/liabilities less cash and cash equivalents and excluding bank loans of less than one year. If the amount calculated is negative, this is shown as a 'net cash' position.

Gearing calculation	Page	Six months ended 30th June 2022	Year ended 31st December 2021	
Investments held at fair value through profit or loss	23	1,403,898	1,568,739	(a)
Net assets	23	1,334,142	1,496,120	(b)
Gearing (c = a / b – 1)	**6**	**5.2%**	**4.9%**	(c)

Ongoing Charges Ratio (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.

Ongoing charges ratio calculation	Page	Six months ended 30th June 2022	Year ended 31st December 2021	
Management Fee	21	4,388	4,075	
Other administrative expenses	21	634	733	
Total management fee and other administrative expenses		5,022	4,808	(a)
Average daily cum-income net assets		1,432,328	1,280,097	(b)
Ongoing charges (c = a / b)	**6**	**0.35%**	**0.38%**	(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, meaning there are more sellers than buyers.

The discount is shown as a percentage of the NAV per share. The opposite of a discount is a premium. It is more common for an investment trusts' shares to trade at a discount than at a premium (see page 6).

Portfolio Turnover

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

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

Performance Attribution

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

Performance Attribution Definitions:

Allocation effect

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

Selection effect

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

Gearing

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

Share buyback

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

Management fee and expenses

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

Technical differences

Arises primarily where there is a divergence in the total return calculations. This is due to different methodologies being used to calculate the total return set out in the attribution calculations. The Company's NAV total return is calculated by Morningstar and includes reinvestment of dividends paid by the Company. The JPMorgan Asset Management in-house attribution system calculates the return at a portfolio level and includes dividends receivable by the Company from the underlying stocks held in the portfolio during the period, on an ex-dividend basis.

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

Please note this list is not exhaustive and the availability of individual trusts may vary depending on the provider. These 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**

FINANCIAL CALENDAR

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

History

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

Directors

Dr Kevin Carter (Chair of the Board, Nomination Committee and Management Engagement Committee)
Sir Alan Collins (Senior Independent Director, Chair of Risk Committee and Remuneration Committee)
Claire Binyon (Chair of Audit Committee)
Nadia Manzoor
Robert Talbut

Company Numbers

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

Market Information

The Company's shares are listed on the London Stock Exchange. The market price is shown daily in the Financial Times and on the J.P. Morgan internet site at www.jpmamerican.co.uk, where the share price is updated every fifteen minutes during trading hours.

Website

www.jpmamerican.co.uk

The Association of Investment Companies

A member of the AIC

Share Transactions

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

Manager and Company Secretary

JPMorgan Funds Limited

Company's Registered Office

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

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

Depositary

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

Registrars

Equiniti
Reference 1077
Aspect House
Spencer Road
West Sussex BN99 6DA
Telephone number: 0371 384 2316

Lines open 8.30 a.m. to 5.30 p.m. Monday to Friday. Calls to the helpline will cost no more than a national rate call to a 01 or 02 number. Callers from overseas should dial +44 121 415 0225
Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1077.
Registered shareholders can obtain further details on their holdings on the internet by visiting www.shareview.co.uk

Independent Auditor

Deloitte LLP (Statutory Auditor until 19th August 2022)
2 New Street Square
London EC4A 3ZB

BDO LLP (Statutory Auditor with effect from 19th August 2022)
55 Baker Street
London W1U 7EU

Brokers

Stifel Nicolaus Europe Limited
4th floor,
150 Cheapside,
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J.P.Morgan
ASSET MANAGEMENT