JPMorgan American Investment Trust plc

Half Year Report & Financial Statements
for the six months ended 30th June 2023

J.P.Morgan
ASSET MANAGEMENT

Key Features

Investment Objective

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

Investment Policies

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

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, with net dividends reinvested, expressed in sterling terms.

Capital Structure

As at 30th June 2023, the Company's share capital comprised 281,633,910 ordinary shares of 5p each, including 98,897,902 shares held in Treasury.

During the period under review, the Company had a £80 million revolving credit facility (including an option to expand the facility by a further £20 million) expiring in August 2025, a US$65 million fixed-rate unsecured loan note at an annual coupon of 2.55%, which will mature in February 2031, and a US$35 million fixed-rate unsecured loan note at an annual coupon of 2.32% maturing in October 2032. All 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' and Consumer Duty

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.

JPMorgan Funds Ltd has conducted an annual Value Assessment on the Trust in line with Financial Conduct Authority (FCA) rules set out in the Consumer Duty regulation. The Assessment focuses on the nature of the product, including benefits received and its quality, limitations that are part of the product, expected total costs to clients and target market considerations.

Within this, the assessment considers quality of services, performance of the trust (against both benchmark and peers), total fees (including management fees and entry and exit fees as applicable to the Trust), and also considers whether vulnerable consumers are able to receive fair value from the product.

JPMorgan Funds Ltd has concluded that the Trust is providing value based on the above assessment.

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

Image: Governors Island National Monument near New York and Manhattan.

Financial Highlights

Total returns (including dividends reinvested) to 30th June 2023

	6 months	3 Years Cumulative	5 Years Cumulative	10 Years Cumulative
Return to shareholders[1, APM]	+12.1%	+63.9%	+91.8%	+296.2%
Return on net assets[2, APM]	+14.8%	+59.6%	+92.4%	+310.9%
Benchmark return[1,3]	+10.5%	+45.2%	+83.1%	+288.7%
Annualised net asset return outperformance against benchmark return[3,4]	+4.3%	+3.2%	+1.0%	+0.6%
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, with net dividends reinvested, expressed in sterling 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 2023	31st December 2022	% change
Shareholders' funds (£'000)	1,441,857	1,304,083	+10.6
Shares in issue (excluding shares held in Treasury)[1]	182,736,008	188,917,810	–3.3
Net asset value per share with:			
– debt at fair value[2, APM]	795.5p	697.3p	+14.1[3]
– debt at par value[APM]	789.0p	690.3p	+14.3[3]
Share price	763.0p	685.0p	+11.4[4]
Share price discount to net asset value per share with:			
– debt at fair value[APM]	4.1%	1.7%	
– debt at par value[APM]	3.3%	0.8%	
Gearing[APM]	**5.1%**	**5.9%**	
Ongoing Charges Ratio[APM]	**0.38%**	**0.36%**	
Exchange rate	**1 £ = $ 1.2714**	**1 £ = $ 1.2029**	

1 Excluding 98,897,902 (31st December 2022: 92,716,100) 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 14.8% and 15.0% respectively.

4 % change, excluding dividends paid. Including dividends the returns would be 12.1%.

APM Alternative Performance Measure ('APM').

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

Image: Statue of Liberty, New York City

Chair's Statement

Dr Kevin Carter
Chair

Performance

The first six months of 2023 has been a positive period for the US stock market, despite continuing economic uncertainty and further rate hiking by the US Federal Reserve. The total return on net assets per share in sterling terms over the period was 14.8%. The return to Ordinary shareholders per share in sterling terms was 12.1%, 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, with net dividends reinvested, expressed in sterling terms was 10.5%, resulting in an outperformance of 4.3% in net asset terms.

Since the Company changed its investment approach on 1st June 2019, it has outperformed the benchmark index by 10.0% in the subsequent 49 months through to the end of June 2023, providing a NAV total return to shareholders of 79.9% compared with a benchmark return of 69.9%. This is an annualised outperformance of 1.6% since the change in investment approach.

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 6,181,802 shares, or 3.4% of the Company's issued share capital as at end of June 2023 excluding shares held in Treasury (30th June 2022: 1.2%). These shares were purchased at an average discount to NAV of 3.8%, producing a modest accretion to the NAV for continuing shareholders.

Dividend

The Company is declaring a unchanged dividend of 2.5 pence per share (2022: 2.5 pence) for the first six months of this year, which will be payable on 6th October 2023 to shareholders on the register on 1st September 2023.

In the absence of unforeseen circumstances, the Board is aiming to at least maintain the total dividend of 7.25 pence per share for the current financial year.

Gearing

The Board has set the current tactical level of gearing at 5%, with a permitted range around this level of plus or minus 5%, meaning that currently gearing can vary between 0% and 10%. This tactical level of gearing remained unchanged throughout the period. The Company began the year with gearing of 5.9% and ended the period with gearing of 5.1%.

The Board believes it is prudent for its gearing capacity to be funded from a mix of sources including short and longer term tenors and fixed and floating rate borrowings. The Company has a £80 million revolving credit facility (with an additional £20 million accordion) with Mizuho Bank Ltd. The Company also has in issue a combined US$100 million of unsecured loan notes issued via private placements, US$65 million of which are repayable in February 2031 and carry a fixed interest rate of 2.55% per annum and US$35 million of which mature in October 2032 and carry a fixed interest rate of 2.32%.

TCFD

As a regulatory requirement, JPMorgan Asset Management (JPMAM) published its first UK Task Force on Climate-related Financial Disclosures ('TCFD') Report for the Company in respect of the year ended 31st December 2022 on 30th June 2023. The report discloses estimates of the Company's portfolio climate-related risks and opportunities according to the Financial Conduct Authority (FCA) Environmental, Social and Governance (ESG) Sourcebook and the Task Force on Climate-related Disclosures (TCFD). The report is available on the Company's website under the ESG documents section: https://am.jpmorgan.com/content/dam/jpm-am-aem/emea/regional/en/regulatory/esg-information/jpmorgan-american-investment-trust-plc-tcfd-report.pdf

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

Chair's Statement

Board

As mentioned in the Company's 2023 Annual Report, Ms. Pui Kei Yuen joined the Board from 1st January 2023 and Sir Alan Collins, the previous Senior Independent Director and Chair of the Risk and Remuneration Committees, retired from the Board at the conclusion of the May 2023 AGM. Ms Nadia Manzoor became the Senior Independent Director and Chair of the Remuneration Committee, and Mr Robert Talbut assumed the Chair of the Risk Committee on Alan's retirement.

As previously communicated, after 10 years on the Board, I intend to retire at the AGM in 2024. Further information about Chair succession will be provided in due course.

Outlook

The pace and level of interest rate increases executed by the Federal Reserve since March 2022 appears, so far, to have delivered the favourable outcome of significantly reduced inflation while avoiding a recession for the economy. The stock market has duly reflected this positive environment during the period. In light of the strong returns achieved in the first half of 2023, it would seem prudent to consider the upward progress in the market may pause for a period as the full implications of the Federal Reserve's rate rises over the past 17 months fully work through the economy and have their impact on company earnings. Our portfolio managers have shown considerable skill in navigating the last four years since the Company's investment policy was changed, and shareholders should take confidence in the focused and long term investment approach they follow with the Company's portfolio.

Dr Kevin Carter
Chair

9th August 2023

Image: American highway with historical name Route 66.

Investment Manager's Report

Market Review

Timothy Parton

Jonathan Simon

Felise Agranoff

After a fairly challenging 2022, the first six months of 2023 took many by surprise, as the S&P 500 advanced 17% in US dollar terms and 11% in sterling terms. In 2022, the market was forced to process an extremely aggressive monetary policy tightening by the Federal Reserve, as it fought to contain the inflationary cats that escaped from the bag during the pandemic and following Russia's invasion of Ukraine. The magnitude and pace of Fed Funds rate increases was unparalleled since the late 1970s, instilling a fear of recession and creating strong headwinds for longer duration assets such as equities, and higher growth equities in particular. As 2022 came to a close, the market started to conclude that the Fed's actions were sufficient, and that even if rates did not come down for a while, they were probably close to their peak.

Economic data has been broadly supportive of the market's intuition that things might stop getting worse. The Consumer Price Index (CPI) has fallen steadily from a peak of 9% in June 2022, to 3% exactly one year later. This easing in the pace of inflation occurred despite a strongly lagging impact from the largest single CPI component, the cost of housing, which is just starting to register in the data now. Almost all other areas of inflation have moderated, and we have seen outright deflation in many areas, including many commodities, and in transportation and logistics, as supply chains have reopened and inventory stockpiles have been run down. China's unexpectedly lacklustre rebound since its reopening has further compounded these deflationary effects.

One confounding aspect of this cycle has been the corporate sector's reluctance to cut jobs in response to tougher trading conditions. In fact, the economy continues to suffer labour shortages, particularly in areas that are still experiencing pent-up consumer demand, such as travel and leisure, and auto production. However, anecdotal evidence does suggest that many firms are now being more cautious in their hiring, and layoff announcements have certainly picked up recently. Wage inflation remains somewhat above the historic 'normal', but the year-on-year increase in average hourly earnings was only 4.4% in the June labour report.

The sharp move in interest rates over the past 12 months created considerable challenges for the regional banking sector and triggered the dramatic failure of three banks – SVB, First Republic and Signature Bank - in the early part of this year. Monetary tightening phases such as this one have a history of triggering high profile failures, from Long Term Capital Management in 1998, to Lehman Brothers, Bear Stearns and Washington Mutual in 2008. Banks are significantly better capitalised and regulated than 15 years ago during the 2008 global financial crisis, but periods like this clearly favour the largest players. Bank lending surveys highlight that corporate lending standards have tightened considerably and that small bank lending, particularly loans linked to potential losses on commercial real estate, needs to be monitored closely.

Within equity markets, the megacap tech stocks, which slipped out of favour last year, bounced back strongly this year, and have accounted for a significant share of the S&P 500's performance year-to-date. The resurgence was partly triggered by the launch of ChatGPT, which showcased recent breakthroughs in generative artificial intelligence (AI). For the first time, individuals have direct access to the underlying large language model that is capable of answering complex questions and solving problems. In our view, the widespread availability of this technology is likely to prove very significant, as it has the potential to deliver productivity improvements in many white collar roles, including the writing of software code itself, that have previously only been experienced in manufacturing. Companies are already investing aggressively in this area, both as an offensive weapon, and to try to defend their existing businesses.

The best performing sectors for the S&P 500 so far this year have been the tech-heavy ones, with information technology, communication services and consumer discretionary rallying between 33% to 43% over the review period. Energy, which was the best performing sector in 2022, was one of the worst performers year-to-date, registering a 6% decline due to the drop in oil prices and fears of an economic slowdown. Defensive stocks did not fare well either, with utilities (–6%) and healthcare (–1%) suffering declines. Surprisingly, given the turmoil in the banking sector, financials finished the period down by only 0.5%.

Large cap stocks, as represented by the S&P 500 Index, returned 17% (in US dollar terms), as mentioned above, outperforming the small cap Russell 2000 Index, which returned 8%. In contrast to

Investment Manager's Report

2022, growth dominated value, as the Russell 3000 Growth Index rallied 28%, while the Russell 3000 Value Index returned 5%.

Performance attribution

For the six months ended 30th June 2023

	%	%
Net asset value (fair value) total return (in sterling terms)[APM]		**14.8**
Benchmark total return (in sterling terms)		**10.5**
Excess return		**4.3**
Contributions to total returns		
Large cap Portfolio		**4.3**
Allocation effect	–0.4	
Selection effect	4.7	
Small cap Portfolio		**–0.2**
Allocation and selection effect	–0.2	
Gearing[1]		**0.8**
Share buybacks		**0.1**
Management fee and expenses		**–0.2**
Impact of fair value valuation[2]		**–0.2**
Technical differences[3]		**–0.3**
Total		**4.3**

[1] Cost of gearing plus the impact of holding cash and liquidity stocks compared to the benchmark. Includes impact of FX movement on debt.

[2] 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.

[3] 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.

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').

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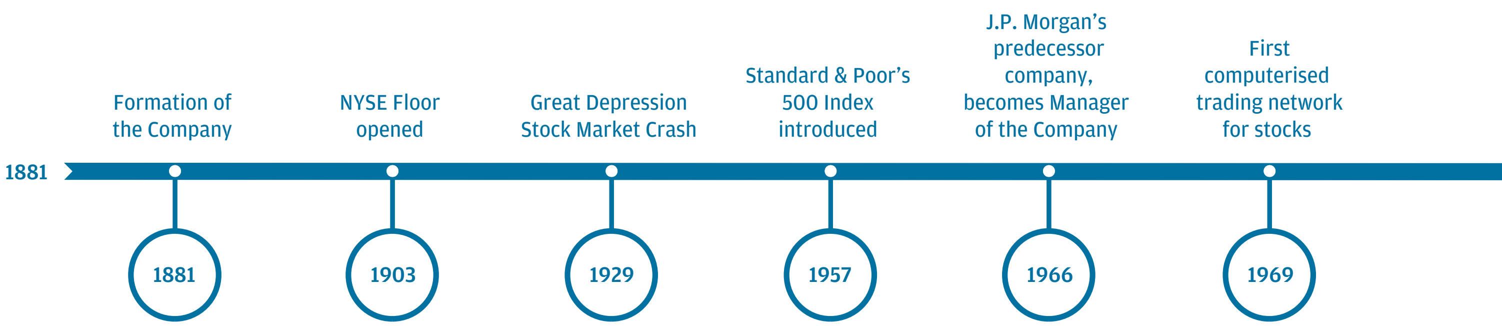


Performance and overall asset allocation

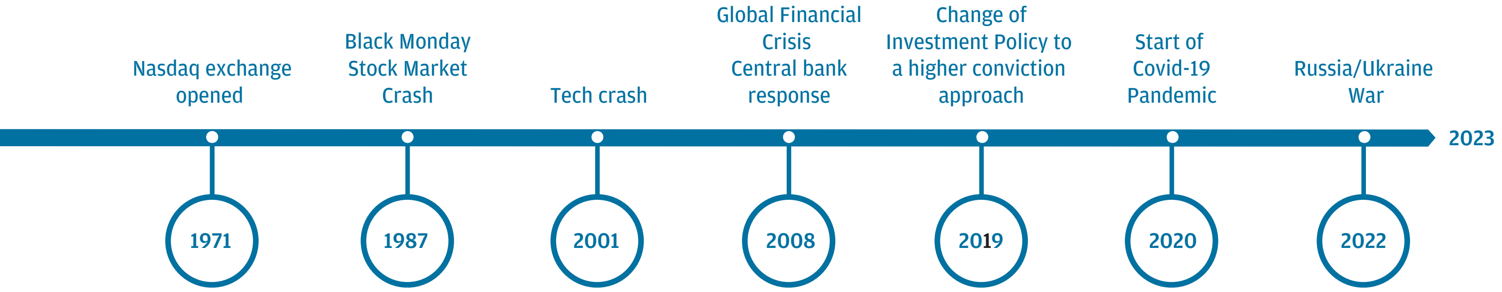
The Company's net asset value increased by 14.8% on a total return (in GBP) basis over the first six months of 2023, outperforming its benchmark, the S&P 500, which returned 10.5% (in GBP). The large cap portfolio was the main contributor to the Company's outperformance of its benchmark. Gearing also added some value. While the small cap growth allocation, which averaged 7% over the period, participated in the market rally, it failed to match the return of the S&P 500 and therefore detracted slightly from relative performance. The Company's longer term performance track record remains positive. It has delivered strong outright gains and outperformance over three, five and ten year periods, its average annualised return over the three years ended 30th June 2023 was 16.9% in NAV terms, versus a benchmark return of 13.3%.

Large Cap Portfolio

Over the past six months, the Company's large cap portfolio benefited from stock selection in the industrials and information technology sectors, as our holdings in these sectors outperformed their benchmark peer groups.

Overweight positions in **Quanta Services** and **Hubbell** proved beneficial in the industrials sector. Both companies offer exposure to the accelerating trend of electrification of the entire economy, which we see as inevitable and urgent. This will be a multi-decade process. **Quanta** is the largest engineering and construction company serving the utility sector, with electric utilities being its largest segment. The company benefits directly from the upgrading and strengthening of transmission lines, the interconnection of new solar and wind generation assets, and the construction of solar generation assets themselves. The massive (and confusingly named) Inflation Reduction Act allocates hundreds of billions of dollars of Federal support to the types of projects that Quanta undertakes. **Hubbell** is a long-established provider of electrical components deployed within the grid, especially those related to last-mile distribution. As more and more households purchase electric vehicles, the burden on the local grid will become extreme, requiring significant upgrades and a lot more built-in intelligence.

In information technology, our overweight positions in **NVIDIA**, **Palo Alto Networks** and **Advanced Micro Devices** were the largest contributors to relative performance over the period. The share price of **NVIDIA**, which provides graphics and network solutions for gaming companies, suppliers of virtual reality kit and other digital service providers, rallied significantly as the company posted strong quarterly results and issued guidance which was a long way ahead of consensus expectations. This surge reflected the broad-based demand for NVIDIA's graphic processing unit (GPU) chips which remain almost the only game in town for very large computing workloads, such as the training of AI models. Another producer of GPUs and microprocessors, **Advanced Micro Devices (AMD)**, continues to take market share from its struggling rival, Intel, in the key data centre central processing unit (CPU) area. Furthermore, AMD, along with NVIDIA's, are the only independent players of scale in the GPU space, although AMD's software ecosystem lacks the capabilities of NVIDIA in the high-performance computing and AI markets. Shares of **Palo Alto Networks**, a provider of cybersecurity software, rallied on the back of strong earnings results and upbeat guidance. Total billings maintained their strong growth as cybersecurity budgets remain very resilient, and Palo Alto continues to strengthen its position as a leading player in the space. We believe corporate spending on cyber security will remain strong in the face of increasingly sophisticated cybersecurity threats, and the continued transition to cloud computing.



Investment Manager's Report

At the sector level, relative performance was hindered most by our stock selection in communication services and our overweight position in financials. While the communication services sector did generate a positive return for the period, our holdings lagged their benchmark peers. In particular, an overweight position in **Charter Communications**, a broadband and cable operator, detracted from performance. While the shares appreciated over the six months, the gain was modest compared with the returns posted by Alphabet (parent of Google) and Meta Platforms (formerly Facebook), where we re-established a position in March. There have been concerns about slowing broadband subscriber growth, particularly at a time when existing home sales are depressed. However, we remain comfortable with our position as Charter Communications continues to pursue a strategy of leveraging mobile and rural builds to restore subscriber growth.

In financials, while our names outperformed their benchmark peers, our overweight positioning detracted, as it was one of the worst performing sectors in the index over the past six months. Specifically, our holdings of **Bank of America**, **M&T Bank** and **Loews** were the largest detractors on a relative basis. **Bank of America** and **M&T Bank** came under pressure as investors reacted negatively to the collapse of Silicon Valley Bank, causing a ripple effect on banking stocks in general. We remain comfortable with our positions in both names given their diversified loan books, attractive core deposit franchises, and superior credit quality. While **Loews**, which operates insurance, energy and hotel businesses, posted strong earnings, its share price lagged in a market fuelled by stronger growth names.

Portfolio Activity

During the first six months of the year, we added four new names and exited the same number. One new acquisition was **Meta Platforms**, a name we have owned previously. We realised early in the first quarter of the year that the market was not recognising the positive changes the company has implemented. We also expect the company to benefit from many favourable shifts in market dynamics. It had pivoted very quickly to rein in capital expenditure and operating expenses in 2022. Meta also faced numerous headwinds including increasing competition from TikTok, the negative impact of privacy changes to Apple's Identifier for Advertisers (IDFA) user, a weaker than expected advertising backdrop, and concerns over its ambitions in virtual reality and the 'metaverse'.

However, we re-opened a position in Meta in early March on the view that the company, with over 2 billion users, is effectively addressing many of these challenges. We also believed that Meta's use of AI will improve monetisation in a more user-friendly way, as well as upgrade and streamline content monitoring and consumer protection. The company was trading at an attractive valuation of approximately 14 times our forward earnings estimates, generates a lot of free cash flow and has a balance sheet with net cash of over $30 billion. Since this acquisition, Meta has reported very strong results. As we anticipated, its investment in AI has boosted engagement and enhanced monetisation, thereby supporting revenue growth. The company has also seen an increase in daily active users, and the time spent per user. Our purchase of Meta was funded by an exit from **Zoom Video Communications**. The post-pandemic headwinds faced by its consumer business are by now very well understood, and the core enterprise side remains healthy, but the stock's valuation remains trapped by the threat of competition from Microsoft Teams, and now also perhaps by an AI-boosted alternative, thanks to Microsoft's large investment in OpenAI, the creator of ChatGPT.

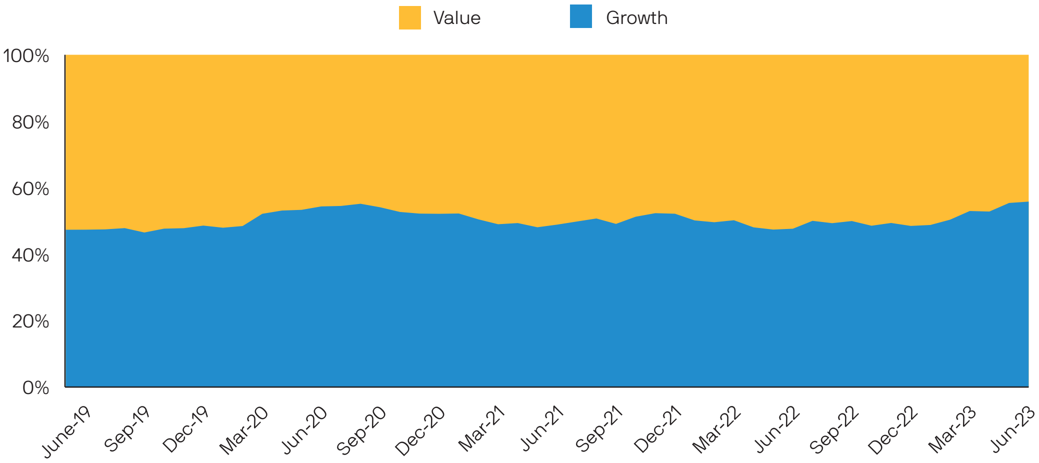
Another name added during this period was **Intuit**, a business and financial management solutions company. It owns dominant finance and accounting software brands like QuickBooks, TurboTax, Credit Karma and Mailchimp. The majority of Intuit's clients are small businesses with strong cash reserves, and we believe it has a significant opportunity to cross-sell to existing clients. Furthermore, in our view, the durability of QuickBooks's double digit revenue growth over the next few years is underestimated by the market, and the company is well-positioned to benefit from strong tailwinds driving small and medium-sized businesses, including the shift to software solutions, rising omni/online channel spend, and the rise in digital banking solutions. We view Intuit as a high-quality company with a relatively defensive business model, whose P/E valuation has corrected back to 2018 levels. Yet it offers largely idiosyncratic 10%+ revenue growth, and very healthy margins. We funded this name by exiting **Ingersoll Rand**. This company is a leader in a wide range of mainly compression-based industrial technologies, including products that offer much greater energy-efficiency. To date, the company has executed flawlessly, but we do worry that a weaker general economy could impact them adversely.

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 42% of the overall large cap allocation, an increase of 4% compared with the start of the year. Financials remain the largest overweight in the portfolio relative to the benchmark, although the allocation is slightly lower than at the start of the year, as we have been trimming modestly to manage position sizes given increased risks. Conversely, we remain underweight information technology, but have been adding to our allocation based on our view that this sector is still attractive. The portfolio also remains underweight consumer staples, industrials and healthcare, 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 44% of the large cap portfolio, much lower than the 51% value allocation at the start of the year. The allocation to growth stocks has increased accordingly.

Value and growth exposure

As of 30th June 2023



The table below shows that the large cap portfolio is trading at a 20% 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 11% for the next 12 months, which is similar to the market. 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 621.9bn	USD 643.6bn
Price/Earnings, 12-month forward[1]	18.9x	18.2x
Price/Free Cash Flow, last 12-months	15.2x	19.0x
EPS Growth, 12-month forward	10.60%	10.30%
Return on Equity, last 12-months	19.60%	23.40%
Predicted Beta	1.08	—
Predicted Tracking Error	3.03	—
Active Share	64%	—
Number of holdings	40	501

Source: FactSet, Barra, J.P. Morgan Asset Management. Data as of 30th June 2023.

[1] Including negatives.

Investment Manager's Report

Small cap portfolio

The small cap portfolio is allocated solely to growth stocks. It returned 7.3% over the period, supported by the updraft from the rally in larger cap growth stocks, but underperformed the S&P 500, which meant it had a slight negative impact on relative returns over this period. The overall allocation to the small cap portfolio was maintained at approximately 7% during the first six months of the year, broadly unchanged from the start of the year.

Outlook

While the US economy has so far held up, perhaps better than expected, the outlook is for slower growth across demand, profits, jobs and inflation. The tightening in credit conditions has so far been modest, but we would expect it to drag on economic activity, hiring and inflation in coming quarters. Meanwhile, the Fed has remained steadfast in its determination to keep monetary policy restrictive for longer than previously anticipated, and it has kept the door open for additional tightening if necessary. However, while the risks for the economy are mainly focused on slower demand, slower job gains and slower profit growth, recession is still not a foregone conclusion.

It is worth bearing in mind that, similar to the situation in the late 1980s/early 1990s, the economy has been experiencing something of a rolling recession: existing home sales have been extremely weak, due to the adverse impact of higher mortgage rates, and the pull-forward of demand during the pandemic; auto production is still recovering from the intense supply chain challenges and the car fleet has aged significantly, which should support demand over the next couple of years at least; while transportation companies have been through a harsh recession as inventories have corrected across multiple industries.

Meanwhile, much of the speculative excess experienced in the stock market during the period of extremely cheap money and massive government largesse during Covid-19 has been flushed out. Unprofitable growth stocks, cryptocurrency, the SPAC phenomenon, and Cathie Wood's ARK fund have all come back down to earth. So now the market is back to climbing its 'wall of worry' as caution prevails, and heavy cash balances wait for the 'All Clear'.

In our view, the best strategy is to look through these short-term fears and uncertainties and take the long view. We believe it is equally important to remain focused on the highest quality companies; be mindful of valuations but be willing to pay for truly sustainable growth. This approach has served the Company and its shareholders well in the past, ensuring it has delivered strong outright gains and outperformance over the short and long term, and we are confident it will continue to do so going forward.

Timothy Parton
Jonathan Simon
Felise Agranoff
Portfolio Managers

9th August 2023

Portfolio Information

Ten largest equity investments

Company	Sector	30th June 2023 Valuation £'000	%[1]	31st December 2022 Valuation £'000	%[1]
Microsoft	Information Technology	99,941	6.6	78,344	5.7
Apple	Information Technology	82,040	5.4	66,808	4.8
NVIDIA[2]	Information Technology	66,914	4.4	17,916	1.3
Amazon.com	Consumer Discretionary	60,209	4.0	42,841	3.1
Berkshire Hathaway	Financials	51,159	3.4	48,313	3.5
Loews	Financials	46,851	3.1	50,641	3.7
Mastercard	Financials	44,585	2.9	44,846	3.2
Martin Marietta Materials	Materials	44,218	2.9	42,790	3.1
Meta Platforms[3]	Communication Services	43,244	2.9	—	—
Weyerhaeuser[2]	Real Estate	42,635	2.8	41,789	3.0
Total		**581,796**	**38.4**		

[1] Based on total investments of £1,515.9m (2022: £1,381.1m).

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

[3] Not held in the total investments at 31st December 2022.

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

List of Investments

List of investments

As at 30th June 2023

Company	Valuation £'000
Large Companies (representing approximately 93% of total investments)	
These are generally defined as companies which have a market capitalisation of more than US$3 billion.	
Microsoft	99,941
Apple	82,040
NVIDIA	66,914
Amazon.com	60,209
Berkshire Hathaway	51,159
Loews	46,851
Mastercard	44,585
Martin Marietta Materials	44,218
Meta Platforms	43,244
Weyerhaeuser	42,635
Tesla	41,368
Alphabet	40,535
Intuitive Surgical	38,477
Procter & Gamble	38,354
Capital One Financial	37,157
Kinder Morgan	34,875
Bank of America	34,619
Regeneron Pharmaceuticals	34,031
Public Storage	30,761
Quanta Services	30,557
Charter Communications	30,359
Palo Alto Networks	29,995
Advanced Micro Devices	27,801
Packaging Corp. of America	27,173
ConocoPhillips	25,026
Hubbell	24,357
Trane Technologies	24,322
Xcel Energy	23,915
Bristol-Myers Squibb	23,843
Home Depot	23,758
Intuit	23,141
AutoZone	22,966
M&T Bank	22,756
AbbVie	22,244
Booking Holdings	21,767
UnitedHealth	20,889
Dexcom	20,428
Oracle	19,435
Regency Centers	16,399
SolarEdge Technologies	14,304
	1,407,408

Company	Valuation £'000
Small Companies (representing approximately 7% 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.	
Super Micro Computer	2,126
Applied Industrial Technologies	2,016
MSA Safety	1,904
CONMED	1,769
KBR	1,669
Casella Waste Systems	1,605
Evolent Health	1,604
Simpson Manufacturing	1,541
Cactus	1,425
Hexcel	1,410
CyberArk Software	1,362
Terreno Realty	1,355
Valmont Industries	1,348
Saia	1,343
Texas Roadhouse	1,342
Amicus Therapeutics	1,336
Boyd Gaming	1,326
Halozyme Therapeutics	1,321
WESCO International	1,317
Rambus	1,297
ITT	1,295
iRhythm Technologies	1,291
Shoals Technologies	1,282
Intra-Cellular Therapies	1,231
Envestnet	1,196
Matador Resources	1,190
TechnipFMC	1,181
Confluent	1,163
Box	1,114
John Bean Technologies	1,112
AAON	1,111
New Relic	1,103
Freshpet	1,093
EMCOR	1,092
Remitly Global	1,085
elf Beauty	1,070
ExlService Holdings	1,069
Natera	1,063

List of Investments

Company	Valuation £'000
NEXTracker	1,063
Five9	1,039
Acadia Healthcare	1,036
Outset Medical	1,033
Chart Industries	987
REVOLUTION Medicines	984
ACV Auctions	968
Revance Therapeutics	963
HashiCorp	961
Blueprint Medicines	957
Rush Enterprises	942
Arrowhead Pharmaceuticals	934
Lithia Motors	934
Evercore	926
Global-e Online	917
Allegro MicroSystems	914
Life Time	914
Smartsheet	909
Advanced Drainage Systems	893
Bloom Energy	892
Accolade	890
Grocery Outlet Holding	884
Bright Horizons Family Solutions	873
Air Lease	865
MasTec	844
SiteOne Landscape Supply	843
Floor & Decor Holdings	841
Planet Fitness	822
ACELYRIN	812
Sage Therapeutics	809
Twist Bioscience	804
CubeSmart	790
Power Integrations	758
BlackLine	754
Shockwave Medical	747
National Vision Holdings	744
Sonos	741
SentinelOne	733
Vertex	732
Papa John's International	718
Littelfuse	714
Performance Food	699
Apellis Pharmaceuticals	695
Six Flags Entertainment	690
MKS Instruments	665
DigitalOcean Holdings	661

Company	Valuation £'000
Petco Health & Wellness	653
Fox Factory Holding	653
Flywire	646
REGENXBIO	638
Elastic	636
JFrog	625
LCI Industries	619
Marriott Vacations Worldwide	612
Establishment Labs Holdings	606
Credo Technology	597
Inari Medical	590
Amedisys	584
Clear Secure	558
Agios Pharmaceuticals	548
Helen of Troy	544
Chord Energy	527
Winnebago Industries	515
Burlington Stores	505
Globant	498
Arvinas	476
Kinsale Capital	473
SM Energy	429
Paycor HCM	428
Cava	425
Relay Therapeutics	404
Everbridge	397
Gitlab	381
Ciena	380
First Financial Bankshares	360
Pinnacle Financial Partners	360
Chefs' Warehouse	357
Verve Therapeutics	327
Coherus Biosciences	283
Cano Health	221
Hamilton Lane	195
Allogene Therapeutics	190
Alector	176
PMV Pharmaceuticals	146
Heron Therapeutics	124
Atara Biotherapeutics	108
G1 Therapeutics	84
Personalis	80
ADC Therapeutics	73
	108,482
Total investments	**1,515,890**

Image: Orange groves surrounding country intersection with a semi trailer truck, Yuba City, California.

Condensed Statement of Comprehensive Income

For the six months ended 30th June 2023

	(Unaudited) Six months ended 30th June 2023			(Unaudited) Six months ended 30th June 2022			(Audited) Year ended 31st December 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss	—	181,081	181,081	—	(133,134)	(133,134)	—	(144,183)	(144,183)
Net foreign currency gains/(losses)	—	3,908	3,908	—	(9,126)	(9,126)	—	(8,319)	(8,319)
Income from investments	7,867	2,516	10,383	10,000	—	10,000	18,883	1,063	19,946
Interest receivable	672	—	672	86	—	86	612	—	612
Gross return/(loss)	**8,539**	**187,505**	**196,044**	**10,086**	**(142,260)**	**(132,174)**	**19,495**	**(151,439)**	**(131,944)**
Management fee	(412)	(1,649)	(2,061)	(439)	(1,755)	(2,194)	(866)	(3,463)	(4,329)
Other administrative expenses	(554)	—	(554)	(365)	48	(317)	(835)	48	(787)
Net return/(loss) before finance costs and taxation	**7,573**	**185,856**	**193,429**	**9,282**	**(143,967)**	**(134,685)**	**17,794**	**(154,854)**	**(137,060)**
Finance costs	(371)	(1,482)	(1,853)	(300)	(1,201)	(1,501)	(651)	(2,607)	(3,258)
Net return/(loss) before taxation	**7,202**	**184,374**	**191,576**	**8,982**	**(145,168)**	**(136,186)**	**17,143**	**(157,461)**	**(140,318)**
Taxation	(468)	(528)	(996)	(1,553)	—	(1,553)	(2,943)	(326)	(3,269)
Net return/(loss) after taxation	**6,734**	**183,846**	**190,580**	**7,429**	**(145,168)**	**(137,739)**	**14,200**	**(157,787)**	**(143,587)**
Return/(loss) per share (note 3)	**3.64p**	**99.31p**	**102.95p**	**3.85p**	**(75.32)p**	**(71.47)p**	**7.42p**	**(82.45)p**	**(75.03)p**

The interim dividend declared in respect of the six months ended 30th June 2023 amounts to 2.5p (2022: 2.5p) per share, costing £4,565,000 (2022: £4,772,000).

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.

Condensed Statement of Changes in Equity

For the six months ended 30th June 2023

	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 2023 (Unaudited)						
At 31st December 2022	**14,082**	**151,850**	**8,151**	**1,099,333**	**30,667**	**1,304,083**
Repurchase of shares into Treasury	—	—	—	(44,079)	—	(44,079)
Net return	—	—	—	183,846	6,734	190,580
Dividends paid in the period (note 4)	—	—	—	—	(8,727)	(8,727)
At 30th June 2023	**14,082**	**151,850**	**8,151**	**1,239,100**	**28,674**	**1,441,857**
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**
Year ended 31st December 2022 (Audited)						
At 31st December 2021	**14,082**	**151,850**	**8,151**	**1,292,152**	**29,885**	**1,496,120**
Repurchase of shares into Treasury	—	—	—	(35,032)	—	(35,032)
Net (loss)/return	—	—	—	(157,787)	14,200	(143,587)
Dividends paid in the year (note 4)	—	—	—	—	(13,418)	(13,418)
At 31st December 2022	**14,082**	**151,850**	**8,151**	**1,099,333**	**30,667**	**1,304,083**

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

Condensed Statement of Financial Position

At 30th June 2023

	(Unaudited) At 30th June 2023 £'000	(Unaudited) At 30th June 2022 £'000	(Audited) At 31st December 2022 £'000
Fixed assets			
Investments held at fair value through profit or loss	**1,515,890**	**1,403,898**	**1,381,109**
Current assets			
Debtors	729	1,369	938
Cash and cash equivalents	34,025	37,982	34,884
	34,754	39,351	35,822
Current liabilities			
Creditors: Amounts falling due within one year	(30,458)	(27,147)	(30,083)
Net current assets	**4,296**	**12,204**	**5,739**
Total assets less current liabilities	**1,520,186**	**1,416,102**	**1,386,848**
Creditors: amounts falling due after more than one year	(78,329)	(81,960)	(82,765)
Net assets	**1,441,857**	**1,334,142**	**1,304,083**
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	1,239,100	1,131,391	1,099,333
Revenue reserve	28,674	28,668	30,667
Total shareholders' funds	**1,441,857**	**1,334,142**	**1,304,083**
Net asset value per share (note 5)	**789.0p**	**696.3p**	**690.3p**

The financial statements on pages 21 to 25 were approved and authorised for issue by the Directors on 9th August 2023 and were signed on their behalf by:

Claire Binyon
Director

The notes on pages 26 to 27 form an integral part of these financial statements.

Company registration number: 15543.

Condensed Statement of Cash Flows

For the six months ended 30th June 2023

	(Unaudited) Six months ended 30th June 2023 £'000	(Unaudited) Six months ended 30th June 2022[1] £'000	(Audited) Year ended 31st December 2022[1] £'000
Cash flows from operating activities			
Net return/(loss) before finance costs and taxation	193,429	(134,685)	(137,060)
Adjustment for:			
Net (gains)/losses on investments held at fair value through profit or loss	(181,081)	133,134	144,183
Net foreign currency (gains)/losses	(3,908)	9,126	8,319
Dividend income	(10,383)	(10,000)	(19,946)
Interest income	(672)	(86)	(612)
Amortisation of private placement issue costs	21	19	40
Realised gains on foreign exchange transactions	(915)	(14)	(1,022)
Realised exchange (gains)/losses on liquidity fund	(718)	1,702	3,739
Increase in accrued income and other debtors	(5)	(15)	(29)
Increase/(decrease) in accrued expenses	170	(71)	(56)
Net cash used in operating activities	**(4,062)**	**(890)**	**(2,444)**
Dividends received	8,288	7,708	16,413
Interest received	803	86	481
Overseas tax recovered	1,183	143	167
Net cash inflow from operating activities	**6,212**	**7,047**	**14,617**
Purchases of investments	(244,076)	(221,315)	(496,876)
Sales of investments	290,856	253,475	540,264
Settlement of foreign currency contracts	4	(32)	—
Net cash inflow from investing activities	**46,784**	**32,128**	**43,388**
Dividends paid	(8,727)	(8,646)	(13,418)
Repurchase of shares into Treasury	(42,788)	(14,715)	(35,036)
Repayment of bank loan	—	(28,478)	(78,558)
Draw down of bank loan	—	22,181	78,596
Loan interest paid	(753)	(284)	(906)
Private placement interest paid	(1,100)	(950)	(2,035)
Net cash outflow from financing activities	**(53,368)**	**(30,892)**	**(51,357)**
(Decrease)/increase in cash and cash equivalents	**(372)**	**8,283**	**6,648**
Cash and cash equivalents at start of period/year	34,884	28,355	28,355
Unrealised (loss)/gain on foreign currency cash and cash equivalents	(487)	1,344	(119)
Cash and cash equivalents at end of period/year	**34,025**	**37,982**	**34,884**
Cash and cash equivalents consist of:			
Cash and short term deposits	168	46	1,079
Cash held in JPMorgan US Dollar Liquidity Fund	33,857	37,936	33,805
Total	**34,025**	**37,982**	**34,884**

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

Condensed Statement of Cash Flows

Reconciliation of net debt

	As at 31st December 2022 £'000	Cash flows £'000	Other non-cash charges £'000	As at 30th June 2023 £'000
Cash and cash equivalents				
Cash	1,079	(911)	—	168
Cash equivalents	33,805	539	(487)	33,857
	34,884	**(372)**	**(487)**	**34,025**
Borrowings				
Debt due within one year	(29,096)	—	1,566	(27,530)
Debt due after one year	(82,765)	—	4,436	(78,329)
	(111,861)	**—**	**6,002**	**(105,859)**
Net debt	**(76,977)**	**(372)**	**5,515**	**(71,834)**

Notes to the Condensed Financial Statements

For the six months ended 30th June 2023

1. Financial statements

The information contained within the condensed 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 2022 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 condensed 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 July 2022.

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 2023.

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 2022.

3. (Loss)/return per share

	(Unaudited) Six months ended 30th June 2023 £'000	(Unaudited) Six months ended 30th June 2022 £'000	(Audited) Year ended 31st December 2022 £'000
Return/(loss) per share is based on the following:			
Revenue return	6,734	7,429	14,200
Capital return/(loss)	183,846	(145,168)	(157,787)
Total return/(loss)	**190,580**	**(137,739)**	**(143,587)**
Weighted average number of shares in issue	185,119,371	192,725,229	191,374,674
Revenue return per share	3.64p	3.85p	7.42p
Capital return/(loss) per share	99.31p	(75.32)p	(82.45)p
Total return/(loss) per share	**102.95p**	**(71.47)p**	**(75.03)p**

4. Dividends paid

	(Unaudited) Six months ended 30th June 2023 £'000	(Unaudited) Six months ended 30th June 2022 £'000	(Audited) Year ended 31st December 2022 £'000
Final dividend in respect of the year ended 31st December 2022 of 4.75p (2021: 4.50p)	8,727	8,646	8,646
Interim dividend in respect of the six months ended 30th June 2022 of 2.5p	—	—	4,772
Total dividends paid in the period/year	**8,727**	**8,646**	**13,418**

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

Notes to the Condensed Financial Statements

5. Net asset value per share

The net asset value per Ordinary share and the net asset value attributable to the Ordinary shares at the year end are shown below. These were calculated using 182,736,008 (June 2022: 191,600,405, December 2022: 188,917,810) Ordinary shares in issue at the period/year end (excluding Treasury shares).

	(Unaudited) Six months ended 30th June 2023 Net asset value attributable		(Unaudited) Six months ended 30th June 2022 Net asset value attributable		(Audited) Year ended 31st December 2022 Net asset value attributable	
	£'000	pence	£'000	pence	£'000	pence
Net asset value – debt at par	1,441,857	789.0	1,334,142	696.3	1,304,083	690.3
Add: amortised cost of US$65 million 2.55% Private Placement February 2031	50,848	27.8	53,194	27.8	53,723	28.4
Less: Fair value of US$65 million 2.55% Private Placement February 2031	(43,844)	(24.0)	(46,764)	(24.4)	(45,913)	(24.3)
Add: amortised cost of US$35 million 2.32% Private Placement October 2032	27,481	15.0	28,766	15.0	29,042	15.4
Less: Fair value of US$35 million 2.32% Private Placement October 2032	(22,466)	(12.3)	(23,934)	(12.5)	(23,522)	(12.5)
Net asset value – debt at fair value	**1,453,876**	**795.5**	**1,345,404**	**702.2**	**1,317,413**	**697.3**

6. 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 2023		(Unaudited) Six months ended 30th June 2022		(Audited) Year ended 31st December 2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	1,515,890	—	1,403,898	—	1,381,109	—
Total value of investments	**1,515,890**	**—**	**1,403,898**	**—**	**1,381,109**	**—**

Image: Brooklyn Bridge, New York City.

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 Investment 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, Geopolitical and Artificial Intelligence 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 2022.

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, the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern. The Board has, in particular, considered the impact of market volatility since the Covid-19 outbreak, the ongoing conflict between Ukraine and Russia, and does not believe the Company's going concern status is affected. The Company's assets, the vast majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly under all stress test scenarios reviewed by the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. Furthermore, the Directors are satisfied that the Company's 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 2023 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 Rules 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

9th August 2023

Image: Hardwood trees in the Appalachian Mountains near Asheville, North Carolina.

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

Alternative Performance Measure (APM)

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

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

Return to Shareholders (APM)

Total return to 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	685.0	(a)
Closing share price (p)	6	763.0	(b)
Total dividend adjustment factor[1]		1.006700	(c)
Adjusted closing share price (d = b x c)		768.1	(d)
Total return to shareholders (e = d / a – 1)		**12.1%**	(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 2023	
Opening cum-income NAV per share (p)	6	697.3	(a)
Closing cum-income NAV per share (p)	6	795.5	(b)
Total dividend adjustment factor[1]		1.006489	(c)
Adjusted closing share price (d = b x c)		800.7	(d)
Total return on net assets (e = d / a – 1)		**14.8%**	(e)

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

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

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 2023	
Opening cum-income NAV per share (p)	6	690.3	(a)
Closing cum-income NAV per share (p)	6	789.0	(b)
Total dividend adjustment factor[1]		1.006544	(c)
Adjusted closing share price (d = b x c)		794.2	(d)
Total return on net assets (e = d / a – 1)		**15.0%**	(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 27 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 '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 2023	Year ended 31st December 2022	
Investments held at fair value through profit or loss	23	1,515,890	1,381,109	(a)
Net assets	23	1,441,857	1,304,083	(b)
Gearing (c = a / b – 1)	6	**5.1%**	**5.9%**	(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 2023 is an estimated annualised figure based on the numbers for the six months ended 30th June 2023.

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

Ongoing charges ratio calculation	Page	Six months ended 30th June 2023	Year ended 31st December 2022	
Management Fee	21	4,122	4,329	
Other administrative expenses	21	1,108	787	
Total management fee and other administrative expenses		5,230	5,116	(a)
Average daily cum-income net assets		1,369,962	1,420,205	(b)
Ongoing charges (c = a / b)	6	**0.38%**	**0.36%**	(c)

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

If the share price of an investment trust is lower than the NAV per share, the shares are said to be trading at a discount, 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).

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.

Investing in JPMorgan American Investment Trust plc

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

1. Via a third party provider

Third party providers include:

AJ Bell Youinvest
Barclays Smart investor
Bestinvest
Charles Stanley Direct
Close brothers A.M. Self Directed Service
Fidelity Personal Investing
Freetrade
Halifax Share Dealing
Hargreaves Lansdown
iDealing
IG
interactive investor
iWeb
shareDeal active
Willis Owen
X-O.co.uk

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

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

2. Through a professional adviser

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

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

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

Be ScamSmart

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

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

If so, you might have been contacted by fraudsters.

Avoid investment fraud

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

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

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

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

Report a Scam

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

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

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

FCA
FINANCIAL CONDUCT AUTHORITY

FINANCIAL CALENDAR

Financial year end	**31st December**
Final results announced	**March/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)
Claire Binyon (Chair of Audit Committee)
Nadia Manzoor (Senior Independent Director and Chair of Remuneration Committee)
Robert Talbut (Chair of Risk Committee)
Pui Kei Yuen

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 website 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
160 Queen Victoria Street
London EC4V 4LA
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: +44 (0)371 384 2945

Lines open 8.30 a.m. to 5.30 p.m. Monday to Friday. Calls to the helpline will cost no more than a national rate call to a 01 or 02 number. If calling from outside of the UK, please ensure the country code is used.
Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1077.
Registered shareholders can obtain further details on their holdings on the internet by visiting www.shareview.co.uk

Independent Auditor

BDO LLP (Statutory Auditor)
55 Baker Street
London W1U 7EU

Brokers

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ASSET MANAGEMENT