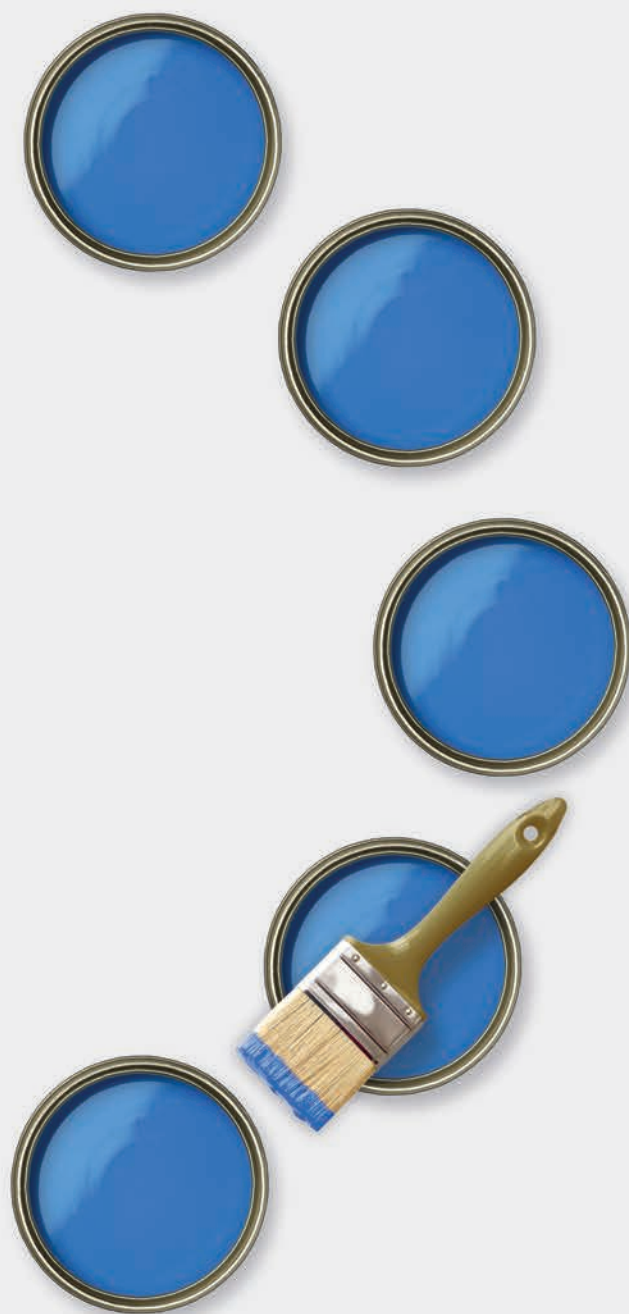


# JPMorgan Global Growth & Income plc

Half Year Report & Financial Statements for the six months ended 31st December 2021



## KEY FEATURES

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### Your Company

#### Objective

Superior total returns from world stock markets.

#### Investment Policy

To provide a diversified portfolio of approximately 50-90 stocks in which the investment manager has a high degree of conviction.

#### Investment Strategy

To provide superior total returns and outperform the MSCI All Countries World Index over the long-term by investing in companies based around the world. The manager is focused on building a high conviction portfolio of typically 50-90 stocks, drawing on an investment process underpinned by fundamental research. Portfolio construction is driven by bottom-up stock selection rather than geographical or sector allocation. Currency exposure is predominantly hedged back towards the benchmark. The Company uses borrowing to gear the portfolio within a range of 5% cash to 20% geared under normal market conditions.

#### Dividend Policy

The Company has a distribution policy whereby at the start of each financial year the Company will announce the distribution it intends to pay to shareholders in the forthcoming year in quarterly instalments. In aggregate, the current intention is to pay dividends totalling at least 4% of the net asset value of the Company as at the end of the preceding financial year. Where the target dividend is likely to result in a dividend yield that is materially out of line with the wider market, the Board may choose to set the target dividend at a different level that is more in-line with the wider market and other global income trusts and funds.

#### Gearing

The Company issued £30 million fixed rate 30 year unsecured notes at an annual coupon of 2.93% on 9th January 2018. On 12th March 2021, the Company issued a further £20 million fixed rate 15 year unsecured loan notes at an annual coupon of 2.36%. The notes are unsecured which gives the Company increased flexibility to manage its borrowings in the future.

#### Benchmark

The Company's benchmark is the MSCI All Countries World Index in sterling terms (total return with net dividends reinvested).

#### Capital Structure

At 31st December 2021, the Company's issued share capital comprised 157,974,285 Ordinary shares of 5p each including nil shares held in Treasury.

#### Share Issuance and Repurchase Policy

Shares held in Treasury and new shares will only be reissued/issued at a premium to net asset value. In order for the Company's shares to trade at a relatively narrow discount, the Company has a long-term policy of repurchasing its shares with the aim of maintaining an average discount of around 5% or less calculated with debt at par value. Any shares repurchased under this policy may be held in Treasury or cancelled.

#### Management Company and Company Secretary

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

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

The Company currently conducts its affairs so that the shares issued by JPMorgan Global Growth & Income plc can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future.

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

#### Association of Investment Companies ('AIC')

The Company is a member of the AIC.

#### Website

The Company's website, which can be found at [www.jpmmorglobalgrowthandincome.co.uk](http://www.jpmmorglobalgrowthandincome.co.uk), includes useful information on the Company, such as daily prices, factsheets and current and historic half year and annual reports.

## Why invest in the JPMorgan Global Growth & Income plc

JPMorgan Global Growth & Income plc is a distinctive strategy for today's market - aiming to provide the best of both worlds. The investment managers focus on investing in their best ideas from across the world's stock market, whilst the Company provides a quarterly dividend distribution - set at the beginning of its financial year.

## Our investment approach

JPMorgan Global Growth & Income plc investment managers have the freedom to invest anywhere in the world in search of the best ideas from across JPMorgan's team of over eighty in-house investment analysts. The investment managers look to build a portfolio of global stocks that offer the best total returns.

The Company introduced a new dividend policy in 2016 - and has paid out 4% of the net asset value as dividends set at the start of each financial year since then. This new dividend policy does not change the managers' investment approach, which is focused on continuing to generate total returns.

## Environment, Social and Governance ('ESG') Considerations

ESG considerations are fully integrated into the stock selection process. JPMAM research teams compile proprietary ESG analyses on each company as well as using external vendor research to rank them. Following in-depth strategic and financial analysis, these ESG rankings and factors are also taken into consideration as part of the investment case.



Europe  
Research Team

12 Analysts

US  
Research Team

25 Analysts

Asia  
Research Team

14 Analysts

Emerging Markets/  
Pacific Rim Research Team

37 Analysts

4%

Has paid out 4% of  
NAV per annum as  
distribution

88

investment analysts  
located globally

50-90

global best  
ideas stocks

### Investing Responsibly

An increasingly broad spectrum of investors now rightly focus not simply on return, risk and investment process issues but also on Environmental, Social and Governance ('ESG') considerations for their portfolios. They want to know that: their investment managers are aware of these concerns; they take them into account in building their portfolios; and they raise matters directly with investee companies.

For JPMorgan Global Growth & Income plc, ESG considerations are incorporated at the heart of our investment process by considering the potential impact to our analysts' long-term company forecasts, focusing on the sustainability and redeployment of cash flows. For example, if we believe a company's labour policies will not persist due to social pressure, then we will reflect higher costs and lower margins in our forecasts; directly impacting our long term value for the company. Or if environmental policies or regulatory risk may result in stranded assets, then we may write down the book value.

Through this process we also identify negative ESG outliers which can then be considered in the investment process as a risk-mitigation tool. This approach is a collaboration between research analysts, regional and global Directors of Research and our team of ESG equity specialists. We also supplement our internal analysis with independent, third-party research from providers such as MSCI.

Specifically, analysts consider areas such as:

- Accounting and tax policies: is management aggressive in applying accounting and tax rules?
- Disclosure and investor communication: does the management answer your questions?
- Shareholder rights: is there a controlling shareholder or voting structure that may adversely affect our ability to access cash flow?
- Remuneration: is executive compensation reasonable and aligned with shareholders?
- Social: are we concerned about their corporate governance and labour practices?
- Environmental: will changing environmental regulations impact the business model? What are the risks for environmental waste or accidents?

Engagement with companies around ESG considerations is a key aspect of our ESG policy. In addition to engaging in meaningful interaction with investee companies through dedicated meetings, we vote in a prudent and diligent manner, and in the financial interests of our clients.

It is important to note that in formulating our ESG policy, we have endeavoured not to discriminate against individual companies or sectors purely on the grounds of the particular business sector in which they are involved. Thus a tobacco company or a company in an extractive industry will not be automatically marked down because of the sector in which they operate. Similarly, a company in a low-impact industry, such as financial services, will still be expected to have in place detailed policies and rigorous oversight of its environmental impact.

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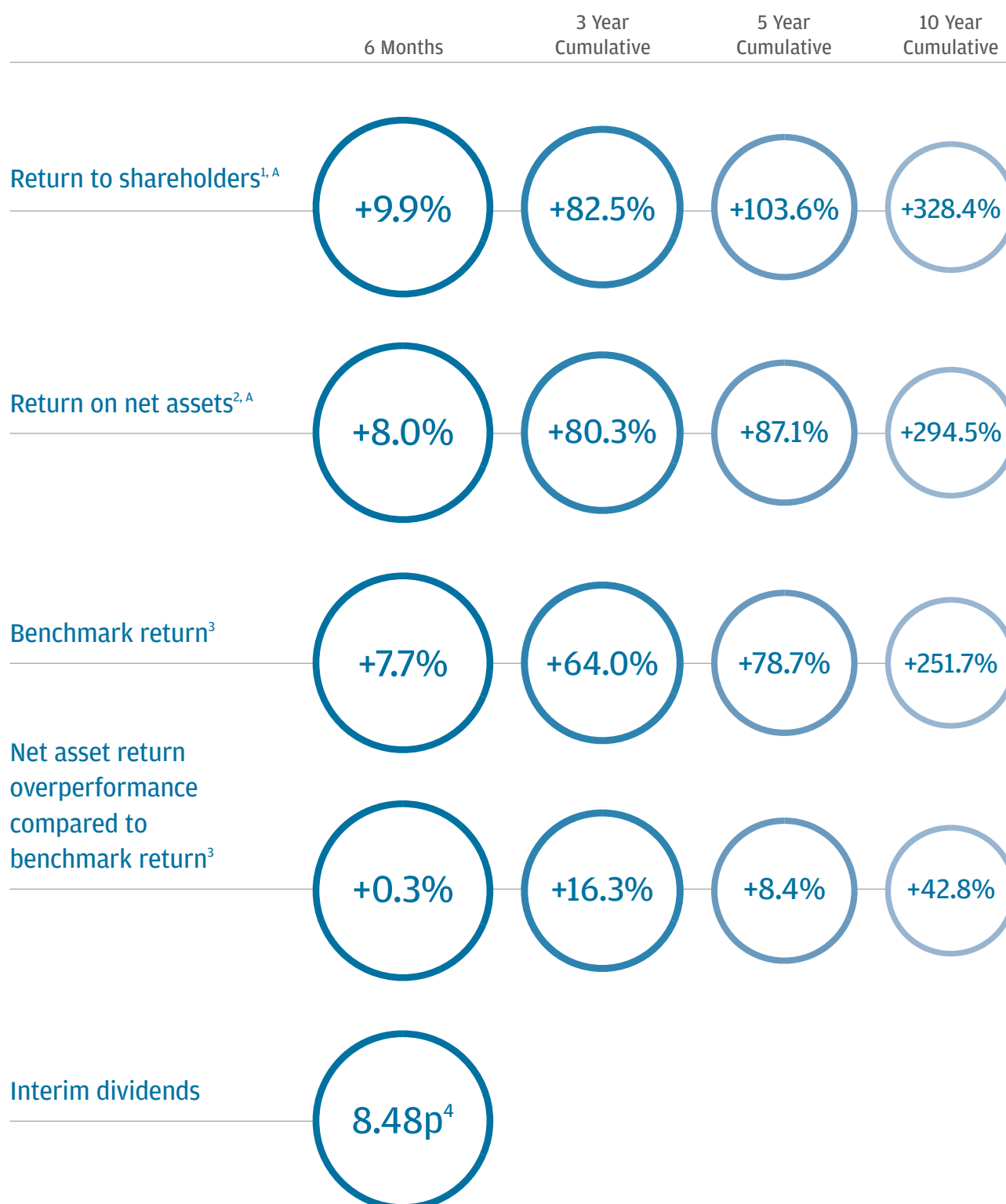
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## Half Year Performance

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## TOTAL RETURNS (INCLUDING DIVIDENDS REINVESTED) TO 31ST DECEMBER 2021

<sup>1</sup> Source: Morningstar.<sup>2</sup> Source: Morningstar/J.P. Morgan, using cum-income net asset value per share, with debt at par value.<sup>3</sup> Source: MSCI. The Company's benchmark is the MSCI All Countries World Index in sterling terms.<sup>4</sup> Comprising two quarterly dividend payments of 4.24p per share each paid on 8th October 2021 and 7th January 2022.<sup>A</sup> Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 29 to 31.

## FINANCIAL HIGHLIGHTS

### SUMMARY OF RESULTS

	31st December 2021	30th June 2021	% change
Total return to shareholders <sup>1, A</sup>	<b>+9.9%</b>	+33.0%	
Total return on net assets with debt at par value <sup>2, A</sup>	<b>+8.0%</b>	+32.3%	
Total return on net assets with debt at fair value <sup>2, A</sup>	<b>+8.2%</b>	+33.8%	
Benchmark total return <sup>3</sup>	<b>+7.7%</b>	+24.6%	
Shareholders' funds (£'000)	<b>725,245</b>	653,374	<b>+11.0</b>
Net asset value per share with debt at par value <sup>A</sup>	<b>459.1p</b>	432.3p	<b>+6.2<sup>4</sup></b>
Net asset value per share with debt at fair value <sup>A</sup>	<b>454.2p</b>	427.2p	<b>+6.3<sup>5</sup></b>
Share price	<b>466.0p</b>	432.0p	<b>+7.9<sup>6</sup></b>
Share price premium/(discount) to net asset value per share with debt at par value <sup>A</sup>	<b>1.50%</b>	(0.1)%	
Share price premium to net asset value per share with debt at fair value <sup>A</sup>	<b>2.60%</b>	1.1%	
Shares in issue (excluding shares held in Treasury)	<b>157,974,285</b>	151,129,285	<b>+4.5</b>
(Net cash)/Gearing <sup>A</sup>	<b>(1.0)%</b>	0.2%	
Ongoing charges excluding performance fee payable <sup>A</sup>	<b>0.51%</b>	0.53%	
Ongoing charges including performance fee payable <sup>A</sup>	<b>0.51%</b>	1.60%	

<sup>1</sup> Source: Morningstar.

<sup>2</sup> Source: Morningstar/J.P. Morgan, using cum income net asset value per share.

<sup>3</sup> Source: MSCI. The Company's benchmark is the MSCI All Countries World Index in sterling terms.

<sup>4</sup> This return excludes dividends reinvested. Including dividends reinvested, the return would be +8.2%.

<sup>5</sup> This return excludes dividends reinvested. Including dividends reinvested, the return would be +8.3%.

<sup>6</sup> This return excludes dividends reinvested. Including dividends reinvested, the return would be +9.8%.

<sup>A</sup> Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 29 to 31.





**Tristan Hillgarth**  
Chairman

This is my first report to you as Chairman following the retirement of Nigel Wightman after our Annual General Meeting held in October last year.

Investor optimism around ongoing vaccine rollouts and a strong corporate earnings season drove equities higher during the first half of this financial year. Global equities rallied strongly over the final quarter of 2021. While the emergence of the highly infectious Omicron variant led to a spike in equity market volatility at the end of November, markets quickly recovered as data from South Africa and the UK indicated a lower risk of severe symptoms.

Against this background I am pleased to report that equity markets rose materially during the six months to 31st December 2021. The total return on the Company's net assets (with debt at fair value) was +8.2% and the return to shareholders was +9.9% compared with the return on our benchmark, the MSCI AC World Index (in sterling terms) of +7.7%.

The table below sets out these figures in more detail and highlights the modest success of stock selection over the period. The Investment Managers' Report provides a detailed commentary on market developments, portfolio activity and the outlook.

#### PERFORMANCE ATTRIBUTION

##### SIX MONTHS ENDED 31ST DECEMBER 2021

	%	%
Contributions to total returns		
Benchmark return		7.7
Asset allocation	–	
Stock selection	0.6	
Currency effect	–0.1	
Gearing/cash	–0.2	
Investment Managers' contribution		0.3
Portfolio return		8.0
Management fee/other expenses	–0.3	
Performance fee	0.2	
Net asset value return – prior to structural effects		7.9
Structural effects		
Share buy-backs/issuance	0.1	
Net asset value return – Debt at par value		8.0
Impact of fair value valuation of debt		0.2
Net asset value return – Debt at fair value		8.2
Return to shareholders		9.9

Source: JPMAM and Morningstar.

All figures are on a total return basis.

The Company's shares continued to trade close to, or at a small premium to net asset value during the half year and we were able to reissue from Treasury the remaining 3,776,000 shares for a total consideration of £16,694,000. A block listing on the main market of 15 million Ordinary shares of the Company was secured in August last year. The Company further issued 3,069,000 new shares for a total consideration of £13,792,000 up to 31st December 2021. Since then, the shares have continued to trade at a premium to NAV in 2022, allowing us to continue issuing new shares; up to the time of writing, a further 1,855,000 new shares have been issued for a total consideration of £8,443,000.

As a result of the rise in net asset value and issuance of new shares, shareholders' funds rose over the period from £653.4 million to £725.3 million.

As announced in October last year, the Board signed Heads of Terms with the Board of The Scottish Investment Trust PLC ('SCIN') in respect of a proposed combination with SCIN to be effected by way of a section 110 scheme of reconstruction by SCIN and a transfer of assets to the Company. This was following a strategic review undertaken by the Board of SCIN and will bring together two of the oldest investment trusts in the sector, having both been incorporated in 1887, creating a combined enlarged entity that is expected to have net assets in excess of circa. £1.2 billion. This is subject to shareholder approval, in addition to regulatory and tax approvals. Further details of the proposed transaction will be announced in due course. JPMorgan was appointed as SCIN's alternative investment fund manager as agreed and has realigned and started to manage its investment portfolio substantially in line with the investment policy and strategy of the Company in advance of SCIN's reconstruction. Upon completion of the transaction, as already announced, the Board looks forward to welcoming representatives of SCIN's board on ours. The Board is pleased that this proposed merger will bring with it benefits for both sets of shareholders.

In addition to the above, the Board agreed revised management fee arrangements with JPMorgan, replacing the existing management fee and performance fee structure with a tiered management fee on the following basis:

- 0.55% on net assets up to £750 million;
- 0.40% on net assets between £750 million and £1.5 billion; and
- 0.30% on net assets in excess of £1.5 billion.

The revised fee structure was implemented with effect from 1st January 2022 and any performance fees accrued to that date shall be paid in full. No further performance fee is being accrued since 1st January 2022.

After a strong 2021, it has been a difficult start to this year for equity markets with rising concerns about inflation, central bank tightening and tensions in Eastern Europe followed in the last week by the full-scale invasion of Ukraine, causing significant volatility. Although at this stage it is impossible to predict the outcome of this tragic event, the Board is confident that the Investment Managers are well positioned to identify appropriate investment opportunities around the world and that the Company's portfolio is well placed to deliver good performance over the longer term.

**Tristan Hillgarth**  
*Chairman*

2nd March 2022





**Helge Skibeli**  
Investment Manager

We are pleased to report that in the six month period ended 31st December 2021, the trust returned +8.2% on an NAV (with debt at fair value) basis and +9.9% in share price terms. This compared to a return of +7.7% on our benchmark, the MSCI AC World Index. The trust has also delivered strongly positive absolute and relative returns over the longer term. It has outperformed its benchmark over one, three, five and ten years, delivering an annualised return of +14.6% in NAV terms and +15.7% in share price terms over the ten years to end December 2021, compared to an annualised benchmark return of +13.4%.

In this report we discuss the drivers of recent outperformance, and how we have positioned the portfolio to continue benefiting from the post-pandemic recovery, and long term structural trends, while also withstanding the risks posed by inflation.

## An exciting new future



**Rajesh Tanna**  
Investment Manager

2021 was another remarkable period for equity markets. Despite mounting concerns about inflation, and the emergence of the highly contagious Omicron variant of COVID-19 late in the year, equity markets made strong gains, reaching fresh, all-time highs. The MSCI AC World index rose almost 20% over the year.

Markets drew support from the improving economic outlook. The pandemic, while clearly not over, has evolved. Vaccine penetration has helped reduce the impact of new variants, and we are hopeful that the world is transitioning to a less deadly phase of the virus, that will allow economic activity, and life in general, to return to something resembling normality.

For us, the most exciting development of the past six months was the announcement in October that The Scottish Investment Trust (SCIN) will merge into JPMorgan Global Growth & Income, significantly increasing the size of your Company. We have been preparing for the merger since the announcement. We have assumed responsibility for the management of SCIN's assets, re-aligning the portfolio to be consistent with our investment strategy.

It is important to stress to our shareholders that this merger will not change the way we run your company. Our focus will remain on key long-term structural trends, and good quality, attractively-priced companies. This approach has served us well, as our performance track record attests, and we will maintain our search for the most compelling investment opportunities around the world.



**Tim Woodhouse**  
Investment Manager

## Performance Review and Spotlight on Stocks

In the six months to end December 2021, we continued trimming our exposure to tech companies. We took profits on those that benefited meaningfully during the pandemic, and, as a result, were trading at valuations we considered well above their intrinsic value. However, while the portfolio is now underweight technology - both hardware and software - it is important to note that these trims did not amount to a wholesale abandoning of the entire technology sector. Indeed, Alphabet - the parent of Google, a US internet content, information and advertising giant - remains a core position, as does Amazon, the US online retailer. Rather, we reduced exposure to the software sector, reducing our holdings in companies such as Microsoft, having exited Salesforce earlier in the year.

At the same time, we took advantage of the opportunities we saw in names that were geared to the reopening of global economies, but had not yet experienced a recovery in demand. Many such companies remained undervalued by the market, allowing us to gain exposure to names such as Lyft at attractive levels.

This reorientation of the portfolio was an extension of the work we began in late 2020, and it continued to deliver for our shareholders, as evidenced by our outperformance of the benchmark over the past six months. Our stock selection skills once again made the largest contributor to relative returns, thanks to the outperformance of a diverse range of stocks, spread across most sectors.

The largest single contributor to returns over the review period was Prologis, a US industrial REIT whose business focuses on distribution warehouses for ecommerce companies. The long-term trend towards online retailing was well-established before the onset of the pandemic, but the crisis accelerated demand

for such services, prompting increased investment in the logistics needed to meet rising demand for goods purchased online. Prologis is particularly well-positioned to help online retailers meet their logistical challenges. Its sites are situated in prime real estate close to major cities, and this gives the company a significant advantage in negotiations with potential tenants. Indeed, Prologis saw its rents rise by over 20% in the past year – a truly impressive number which drove the strong performance in the REIT's share price. We have since trimmed our large position, but still own the name, as the company's recent development activity is setting it up for further robust growth in 2022 and beyond.

Alphabet, another major beneficiary of long term trends accelerated by the pandemic, continued to contribute to performance. The company's results in both its core Google business, and Google Cloud, which provides infrastructure for cloud computing and data storage, were very strong. Revenues grew significantly, as expected, with the search business alone growing more than 20%. In addition, Alphabet saw significant improvement in its margins, and bottom line profits, due to an increased focus on cost control.

We retain our view that Alphabet is well-placed for further, long-term structural growth, driven by two inexorable trends. Advertising will continue to move online, and Google will capture a large share of the associated revenues, while the cloud business will grow thanks to the vast and increasing demand for data processing and storage. Both these trends will run far beyond our investable horizon.

Innovative healthcare solutions is another of the portfolio's investment themes. In this area, we favour businesses producing new and creative solutions to major health issues. Two of the western world's biggest healthcare challenges are diabetes and obesity, and Novo Nordisk, a Danish pharmaceutical company, has developed new treatments for both these diseases. This name was another notable contributor to returns over the review period and its outlook is very positive. The company estimates that its recently approved diabetes treatment, Semaglutide, has the potential to generate \$20 billion of revenue per year. Novo Nordisk offers diabetes treatments in both injectable and tablet forms, which gives physicians broader options when considering the most effective treatment for individual patients. The company's anti-obesity drug, Wegovy, was also approved in recent months. Novo Nordisk believes that there are 20 million people in the US alone who will be eligible for this treatment in 2022, and we believe the high expectations for this treatment will be met, once it is launched. In anticipation of its ongoing success, this stock is currently one of the portfolio's top 10 holdings.

At the sectoral level, our overweight exposure to Banks contributed to performance during the period, thanks to our investments in a number of banks around the world. Valuations are still very attractive, particularly in Europe – Societe Generale and Erste Bank are two European names that were not only very attractively valued, but also represent two of the best banking franchises in their respective countries. However, valuations are beginning to rise, due to the fact that central banks have begun raising interest rates, or are at least considering such a move. Rising rates will provide a meaningful tailwind for bank earnings, and investors are beginning to factor this into bank share prices.

We were pleased with the performance of these and many other names that contributed to returns during the review period, but of course, there were also some names that detracted from performance, and thus also merit comment. One notable detractor was Adidas, the sportswear retailer, which has faced a number of challenges in recent months. The company has greater exposure to China than its peers, which we view as a long-term positive, but the stock was hit by the recent downturn in the Chinese market. In addition, Adidas has recently refocused its efforts on more locally inspired innovation, to better respond to changing Chinese consumer demands. Long term this will be positive, but it takes some time to see the impact of this innovation come through. The business has also struggled with supply chain constraints in the last few months, as new variants of the virus led to factory shutdowns. However, we believe these issues are transitory, and maintain our exposure to the name.

Apple was another notable detractor from relative returns due to our underweight position at a time when the stock outperformed the broader market. Apple has benefited from ongoing strong demand for its iPhone, and also from a shift in favour of larger, more expensive phones. We have believed for some years that there are better opportunities elsewhere in the technology sector, but there can be periods, such as the past six months, where this view hurts performance. Nonetheless, we maintain our underweight, as we

see risks to Apple's near-term growth prospects. The pandemic may have boosted demand for Apple products as consumers upgraded their devices, but this is a one-off phenomenon which will fade over time. Semiconductor producers have been a consistent contributor to outperformance in recent years, but the past six months were more challenging for the sector, due to supply chain disruptions, and our exposure to names such as Analog Devices and NXP Semiconductor detracted from performance accordingly.

The emergence of the Omicron variant towards the end of our reporting period caused some consternation for our holdings in companies most exposed to the re-opening of major economies. Companies like Lyft, a US rideshare operator, and Zimmer Biomet, a US med-tech company, both struggled as demand for their products faltered. However, our ownership of these and similar names is not predicated on a belief that we can forecast the precise point at which the world will revert to normality, but rather on the view that these companies are well-positioned for longer-term growth, once normality returns.

As we have mentioned before, we have a very favourable view of Lyft's long term growth prospects, as we expect it to be a leading player in the autonomous vehicle (driverless) rideshare market, so we took the opportunity provided by the recent dip in its share price to add to our holding. Lyft has since seen renewed growth in riders, now that Omicron has proved less dangerous than initially feared. We were similarly opportunistic in adding to our position in Zimmer. This business provides implants for knee and hip replacements, and while demand may have stalled as patients avoid hospitals, necessity will eventually compel those in need to seek treatment – a classic example of demand being delayed, not destroyed.

### Portfolio Positioning and outlook

Lyft and Zimmer are just two examples of the many opportunities we see amongst high quality names with attractive long term prospects, whose valuations still reflect short-term uncertainty. We also increased our position in Boston Scientific, a US medical devices producer, in December 2021 and January 2022, as it is trading at a sharp discount to what we believe is its intrinsic value. These enhanced positions sit alongside others we acquired in 2021 in anticipation of recovery. One such acquisition was Booking.com, a Dutch online travel agency and hotel accommodation provider, which we see as a structural winner in the global online travel market, once conditions in this sector return to normal. American Express was another such acquisition, discussed further below.

The improvement in the economic outlook has been accompanied by increasing concerns about inflation, which is now a much discussed topic within our team. Our investment process seeks to identify high quality companies that operate in good industries, and part of that analysis is a laser focus on pricing power. We seek to avoid companies most vulnerable to the current inflation risks, such as those whose cost base is heavily exposed to raw materials and labour, as price rises in these inputs can very quickly lead to margin pressure.

We have recently purchased some names which are well-positioned to cope with mounting price pressures. For example, we added an exposure to Marriott, a US hotelier. We like this name because it is not only well insulated from inflation, but may actually benefit from rising prices. Marriott is largely a franchise business, so it does not own or operate the hotels which carry its name and is thus not as exposed to wage pressures as its competitors with more traditional business models. At the same time, the franchise fee will actually benefit from inflation.

Our position in American Express, currently one of our top ten holdings, is another great example of our efforts to hedge inflation risks. This high quality business takes a percentage of every transaction conducted through its payments network, so as the global recovery gathers momentum, revenues will benefit. The stock has performed very strongly since we opened the position last year and its revenues will rise further if inflation takes hold. We recently added more to this position.

Our focus on companies with good prospects for long term growth has led us to increase our already-large position in Amazon, making it the largest active position in the portfolio. The stock did very well through the first four months of the pandemic, but since then it has underperformed quite meaningfully. However, we believe the company still has a long growth runway, underpinned by several factors. Firstly, revenue

growth is once again poised to accelerate, due to Amazon's efforts to reduce delivery times. One-day delivery is now the norm in much of the US, but Amazon is reducing order fulfilment times even further, and faster delivery has invariably led to increased demand. We view Amazon's plans to press on with the expansion of its global network as another compelling driver of future growth. Furthermore, its public cloud business leads its peers, and the sheer volume of data that will be created in coming years will ensure the growth of this business for many years into the future.

This position in Amazon is the exception to our general underweight position in the technology and media sectors as a whole. We spoke in our last report about the risks to highly-valued technology companies as interest rates rise, and in the first weeks of the new year, those risks have begun to manifest themselves. Valuations in parts of the software sector, in particular, are unsustainable, and we believe that the volatility seen so far this year is only the beginning of a broader market reassessment of this sector, so we are comfortable with our underweight to this sector, and to tech and media names more generally.

In terms of gearing, we reduced portfolio leverage in the middle of 2021, as we became increasingly uncomfortable with valuations, and felt that a cautious approach would best serve our shareholders. At end December 2021, the portfolio held a small cash position, down from a peak gearing level of 6% in the summer. We believe concerns around inflation, tech valuations, and other potential volatility-inducing events will provide opportunities to add to gearing this year, and we are prepared to be patient.

Despite these risks, we are now firmly in the 'mid-cycle' phase of the economic recovery, which tends to support stock markets, and we expect further market gains over the coming year as the cycle progresses. This part of the cycle typically provides an opportunity for skilled stock pickers to prove their worth, and we feel we are well-placed to meet this challenge. Our fantastic team of analysts will assist us to take advantage of this environment and support our global search for great businesses generating superior returns and outperformance over the long term.

Our portfolio is well balanced across a variety of stocks, sectors and regions, and we feel strongly that the stability delivered by our 'core' approach offers significant benefits for our shareholders, which should not be overlooked. Whilst other trusts may see sizeable swings in their share prices, we are able to navigate global markets and generate less volatile returns. The practical implications of this are twofold. New investors do not have to worry that their investments will experience sizable losses in the months after investing. In addition, the income that our shareholders value is much more predictable.

The current situation in Ukraine is particularly volatile, and is a good example of where we work hard to ensure that macroeconomic events do not drive the portfolio. We believe the portfolio is well positioned to weather any conflict, and as such we have not made any material changes to our holdings. We would like to thank the existing shareholders of this trust for your continued support. We look forward to continuing this partnership, and to building on the short and longer term success of our investment approach, as we look forward to welcoming the shareholders of SCIN upon completion of the proposed combination.

**Helge Skibeli**

**Rajesh Tanna**

**Tim Woodhouse**

*Investment Managers*

2nd March 2022

## LIST OF INVESTMENTS

AT 31ST DECEMBER 2021

Company	Valuation £'000
<b>UNITED STATES</b>	
Amazon.com	42,870
Microsoft	39,090
Alphabet	24,772
McDonald's	19,734
Mastercard	19,668
NXP Semiconductors	18,585
Norfolk Southern	16,535
American Express	15,851
Coca-Cola	15,849
Wells Fargo	15,306
Booking	14,362
Boston Scientific	14,164
Chevron	13,700
Truist Financial	13,680
Lyft	13,616
Procter & Gamble	13,301
Progressive	12,122
Zimmer Biomet	11,856
Analog Devices	11,337
Ingersoll Rand	11,292
Comcast	10,885
UnitedHealth	10,616
AbbVie	10,458
Regeneron Pharmaceuticals	10,273
Bristol-Myers Squibb	9,761
Eastman Chemical	9,017
Texas Instruments	8,924
Trane Technologies	8,609
Prologis	7,907
Charter Communications	7,363
ConocoPhillips	6,713
O'Reilly Automotive	6,472
Southwest Airlines	5,851
NextEra Energy	5,257
Vertex Pharmaceuticals	4,836
	<b>480,632</b>

Company	Valuation £'000
<b>FRANCE</b>	
Vinci	16,451
Societe Generale	13,560
Safran	13,105
Airbus	12,898
LVMH Moet Hennessy Louis Vuitton	12,395
	<b>68,409</b>
<b>GERMANY</b>	
Muenchener Rueckversicherungs-	
Gesellschaft	14,608
adidas	14,239
Volkswagen Preference	11,482
RWE	8,786
Deutsche Post	8,415
	<b>57,530</b>
<b>SWEDEN</b>	
Volvo	14,809
Nordea Bank Abp	4,259
	<b>19,068</b>
<b>DENMARK</b>	
Novo Nordisk	17,796
	<b>17,796</b>
<b>KOREA</b>	
Samsung Electronics	15,071
	<b>15,071</b>
<b>TAIWAN</b>	
Taiwan Semiconductor Manufacturing <sup>1</sup>	11,785
	<b>11,785</b>
<b>MEXICO</b>	
Wal-Mart de Mexico	10,655
	<b>10,655</b>

Company	Valuation £'000
<b>IRELAND</b>	
Ryanair	10,622
	<b>10,622</b>
<b>BELGIUM</b>	
KBC	8,445
	<b>8,445</b>
<b>JAPAN</b>	
Honda Motar	7,739
	<b>7,739</b>
<b>UNITED KINGDOM</b>	
BHP	5,180
	<b>5,180</b>
<b>ITALY</b>	
UniCredit	5,081
	<b>5,081</b>
<b>TOTAL INVESTMENTS</b>	<b>718,013</b>

<sup>1</sup> ADRs (American Depositary Receipts).

## PORTFOLIO ANALYSES

### GEOGRAPHICAL ANALYSIS

	31st December 2021		30th June 2021	
	Portfolio % <sup>1</sup>	Benchmark %	Portfolio % <sup>1</sup>	Benchmark %
United States	66.9	61.3	64.9	58.7
France	9.5	2.9	9.7	2.9
Germany	8.0	2.2	7.9	2.4
Sweden	2.7	1.0	3.0	1.0
Denmark	2.5	0.7	3.2	0.7
Korea	2.1	1.4	2.4	1.7
Taiwan	1.6	1.8	1.6	1.8
Ireland	1.5	0.2	1.5	0.2
Mexico	1.5	0.2	1.0	0.2
Belgium	1.2	0.2	–	0.2
Japan	1.1	5.5	1.9	5.9
United Kingdom	0.7	3.6	1.1	3.7
Italy	0.7	0.6	–	0.6
China and Hong Kong	–	4.3	–	5.7
Canada	–	2.9	–	2.9
Switzerland	–	2.6	–	2.5
Australia	–	1.7	–	1.8
India	–	1.4	–	1.3
Netherlands	–	1.2	0.5	1.1
Spain	–	0.6	–	0.6
Brazil	–	0.4	–	0.7
South Africa	–	0.4	–	0.5
Russia	–	0.4	–	0.4
Finland	–	0.3	–	0.3
Singapore	–	0.3	–	0.3
Norway	–	0.2	–	0.2
Indonesia	–	0.1	–	0.1
Austria	–	0.1	1.3	–
Other	–	1.5	–	1.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup> Based on total investments of £718.0m (30th June 2021: £654.7m).

## SECTOR ANALYSIS

	31st December 2021		30th June 2021	
	Portfolio % <sup>1</sup>	Benchmark %	Portfolio % <sup>1</sup>	Benchmark %
Media	11.3	9.8	11.1	10.8
Pharm/Medtech	11.0	9.7	11.1	9.7
Banks	10.6	8.2	10.7	8.5
Technology - Semi & Hardware	9.2	12.8	12.1	11.4
Retail	8.8	5.7	7.8	5.7
Industrial Cyclical	8.7	6.9	9.6	7.0
Technology - Software	5.5	8.6	4.9	7.9
Automobiles & Auto Part	4.7	3.3	5.4	2.9
Consumer Cyclical & Services	4.3	2.3	4.4	2.4
Consumer Staples	4.1	5.3	3.3	5.5
Insurance	3.7	2.8	2.7	3.0
Transportation	3.5	1.9	1.1	2.0
Energy	2.8	3.5	3.2	3.5
Financial Services	2.7	4.6	2.9	4.9
Telecommunications	2.5	2.4	3.2	3.1
Basic Industries	2.0	4.9	1.5	5.1
Utilities	2.0	2.7	1.4	2.6
Health Services & Systems	1.5	2.0	1.4	1.8
Property	1.1	2.6	2.2	2.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup> Based on total investments of £718.0m (30th June 2021: £654.7m).



# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE SIX MONTHS ENDED 31ST DECEMBER 2021

	(Unaudited) Six months ended 31st December 2021			(Unaudited) Six months ended 31st December 2020			(Audited) Year ended 30th June 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss	–	47,699	47,699	–	75,202	75,202	–	153,997	153,997
Net foreign currency gains	–	3,097	3,097	–	396	396	–	1,764	1,764
Income from investments	5,228	–	5,228	3,942	–	3,942	10,633	–	10,633
Interest receivable and similar income	20	–	20	29	–	29	49	–	49
<b>Gross return</b>	<b>5,248</b>	<b>50,796</b>	<b>56,044</b>	<b>3,971</b>	<b>75,598</b>	<b>79,569</b>	<b>10,682</b>	<b>155,761</b>	<b>166,443</b>
Management fee	(366)	(1,098)	(1,464)	(261)	(782)	(1,043)	(577)	(1,731)	(2,308)
Performance fee charge	–	–	–	–	(3,689)	(3,689)	–	(5,967)	(5,967)
Other administrative expenses	(279)	–	(279)	(308)	–	(308)	(612)	–	(612)
<b>Net return before finance costs and taxation</b>	<b>4,603</b>	<b>49,698</b>	<b>54,301</b>	<b>3,402</b>	<b>71,127</b>	<b>74,529</b>	<b>9,493</b>	<b>148,063</b>	<b>157,556</b>
Finance costs	(174)	(522)	(696)	(113)	(338)	(451)	(259)	(779)	(1,038)
<b>Net return before taxation</b>	<b>4,429</b>	<b>49,176</b>	<b>53,605</b>	<b>3,289</b>	<b>70,789</b>	<b>74,078</b>	<b>9,234</b>	<b>147,284</b>	<b>156,518</b>
Taxation	(621)	–	(621)	(324)	–	(324)	(1,276)	–	(1,276)
<b>Net return after taxation</b>	<b>3,808</b>	<b>49,176</b>	<b>52,984</b>	<b>2,965</b>	<b>70,789</b>	<b>73,754</b>	<b>7,958</b>	<b>147,284</b>	<b>155,242</b>
<b>Return per share (note 3)</b>	<b>2.46p</b>	<b>31.71p</b>	<b>34.17p</b>	<b>2.07p</b>	<b>49.41p</b>	<b>51.48p</b>	<b>5.46p</b>	<b>101.00p</b>	<b>106.46p</b>

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

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

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

## STATEMENT OF CHANGES IN EQUITY

### FOR THE SIX MONTHS ENDED 31ST DECEMBER 2021

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves <sup>1</sup> £'000	Revenue reserve <sup>1</sup> £'000	Total £'000
<b>Six months ended 31st December 2020 (Unaudited)</b>						
<b>At 30th June 2021</b>	<b>7,746</b>	<b>92,019</b>	<b>27,401</b>	<b>526,208</b>	<b>—</b>	<b>653,374</b>
Ordinary shares issued	153	13,640	—	—	—	13,793
Issue of shares from Treasury	—	9,836	—	6,858	—	16,694
Blocklisting fees paid	—	—	—	(102)	—	(102)
Net return	—	—	—	49,176	3,808	52,984
Dividends paid in the period (note 4)	—	—	—	(7,690)	(3,808)	(11,498)
<b>At 31st December 2021</b>	<b>7,899</b>	<b>115,495</b>	<b>27,401</b>	<b>574,450</b>	<b>—</b>	<b>725,245</b>
<b>Six months ended 31st December 2020 (Unaudited)</b>						
<b>At 30th June 2020</b>	<b>7,746</b>	<b>71,672</b>	<b>27,401</b>	<b>372,018</b>	<b>—</b>	<b>478,837</b>
Issue of shares from Treasury	—	8,292	—	8,415	—	16,707
Net return	—	—	—	70,789	2,965	73,754
Dividends paid in the period (note 4)	—	—	—	(6,307)	(2,965)	(9,272)
<b>At 31st December 2020</b>	<b>7,746</b>	<b>79,964</b>	<b>27,401</b>	<b>444,915</b>	<b>—</b>	<b>560,026</b>
<b>Year ended 30th June 2021 (Audited)</b>						
<b>At 30th June 2020</b>	<b>7,746</b>	<b>71,672</b>	<b>27,401</b>	<b>372,018</b>	<b>—</b>	<b>478,837</b>
Issue of shares from Treasury	—	20,347	—	17,832	—	38,179
Net return	—	—	—	147,284	7,958	155,242
Dividends paid in the year (note 4)	—	—	—	(10,926)	(7,958)	(18,884)
<b>At 30th June 2021</b>	<b>7,746</b>	<b>92,019</b>	<b>27,401</b>	<b>526,208</b>	<b>—</b>	<b>653,374</b>

<sup>1</sup> These reserves form the distributable reserves of the Company and may be used to fund distributions to investors via dividend payments.

# STATEMENT OF FINANCIAL POSITION

## AT 31ST DECEMBER 2021

	(Unaudited) 31st December 2021 £'000	(Unaudited) 31st December 2020 £'000	(Audited) 30th June 2021 £'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss	718,013	585,155	654,694
<b>Current assets</b>			
Derivative financial assets	2,671	3,195	2,567
Debtors	2,535	869	7,153
Cash and cash equivalents	62,745	8,537	55,933
	67,951	12,601	65,653
<b>Current liabilities</b>			
<b>Creditors:</b> amounts falling due within one year	(9,589) <sup>i</sup>	(1,895)	(11,041)
Derivative financial liabilities	(1,212)	(2,780)	(1,271)
<b>Net current assets</b>	<b>57,150</b>	<b>7,926</b>	<b>53,341</b>
<b>Total assets less current liabilities</b>	<b>775,163</b>	<b>593,081</b>	<b>708,035</b>
<b>Creditors:</b> amounts falling due after more than one year	(49,918)	(30,035)	(49,932)
<b>Provisions for liabilities and charges</b>			
Performance fee payable	–	(3,020)	(4,729)
<b>Net assets</b>	<b>725,245</b>	<b>560,026</b>	<b>653,374</b>
<b>Capital and reserves</b>			
Called up share capital	7,899	7,746	7,746
Share premium	115,495	79,964	92,019
Capital redemption reserve	27,401	27,401	27,401
Capital reserves	574,450	444,915	526,208
<b>Total shareholders' funds</b>	<b>725,245</b>	<b>560,026</b>	<b>653,374</b>
<b>Net asset value per share (note 5)</b>	<b>459.1p</b>	<b>383.7p</b>	<b>432.3p</b>

<sup>i</sup>Includes £4,729,000 performance fee payable in respect of accruals to 31st December 2021. No further performance fee is being accrued since 1st January 2022 under the revised management fee arrangements.

## STATEMENT OF CASH FLOWS

### FOR THE SIX MONTHS ENDED 31ST DECEMBER 2021

	(Unaudited) Six months ended 31st December 2021 £'000	(Unaudited) Six months ended 31st December 2020 £'000	(Audited) Year ended 30th June 2021 £'000
Net cash outflow from operations before dividend and interest (note 6)	(3,399)	(1,419)	(3,212)
Dividends received	4,857	3,567	8,535
Interest received	15	16	21
Overseas tax recovered	15	143	162
Interest paid	(691)	(439)	(893)
<b>Net cash inflow from operating activities</b>	<b>797</b>	<b>1,868</b>	<b>4,613</b>
Purchases of investments	(259,876)	(250,848)	(460,877)
Sales of investments	244,354	212,948	435,206
Settlement of forward currency contracts	2,931	405	811
<b>Net cash outflow from investing activities</b>	<b>(12,591)</b>	<b>(37,495)</b>	<b>(24,860)</b>
Dividends paid	(11,498)	(9,272)	(18,884)
Issue of shares from Treasury	16,694	16,457	38,179
Issue of Ordinary shares	13,516	–	–
Blocklisting fees	(102)	–	–
Utilisation of bank overdraft	–	8	19,894
<b>Net cash inflow from financing activities</b>	<b>18,610</b>	<b>7,193</b>	<b>39,189</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>6,816</b>	<b>(28,434)</b>	<b>18,942</b>
Cash and cash equivalents at start of period	55,933	36,972	36,972
Exchange movements	(4)	(1)	19
Cash and cash equivalents at end of period	62,745	8,537	55,933
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>6,816</b>	<b>(28,434)</b>	<b>18,942</b>
Cash and cash equivalents consist of:			
Cash and short term deposits	9,454	413	8,350
Cash held in JPMorgan Sterling Liquidity Fund	53,291	8,124	47,583
<b>Total</b>	<b>62,745</b>	<b>8,537</b>	<b>55,933</b>

### RECONCILIATION OF NET DEBT

	As at 30th June 2021 £'000	Cash flows £'000	Other non-cash charges £'000	As at 31st December 2021 £'000
<b>Cash and cash equivalents</b>				
Cash	8,350	1,108	(4)	9,454
Cash equivalents	47,583	5,708	–	53,291
	55,933	6,816	(4)	62,745
<b>Borrowings</b>				
Debt due within one year	(49,932)	–	–	(49,932)
<b>Total</b>	<b>6,001</b>	<b>6,816</b>	<b>(4)</b>	<b>12,813</b>

## FOR THE SIX MONTHS ENDED 31ST DECEMBER 2021

**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 30th June 2021 are extracted from the latest published financial statements of the Company and do not constitute statutory accounts for that year. Those financial statements have been delivered to the Registrar of Companies and included the report of the auditors which are unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

**2. Accounting policies**

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

FRS 104, 'Interim Financial Reporting', issued by the Financial Reporting Council ('FRC') in March 2015, and updated in March 2018 has been applied in preparing this condensed set of financial statements for the six months ended 31st December 2021.

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 30th June 2021.

**3. Return per share**

	(Unaudited) Six months ended 31st December 2021 £'000	(Unaudited) Six months ended 31st December 2020 £'000	(Audited) Year ended 30th June 2021 £'000
Return per share is based on the following:			
Revenue return	3,808	2,965	7,958
Capital return	49,176	70,789	147,284
<b>Total return</b>	<b>52,984</b>	<b>73,754</b>	<b>155,242</b>
Weighted average number of shares in issue	155,078,171	143,271,068	145,827,704
Revenue return per share	2.46p	2.07p	5.46p
Capital return per share	31.71p	49.41p	101.00p
<b>Total return per share</b>	<b>34.17p</b>	<b>51.48p</b>	<b>106.46p</b>

#### 4. Dividends paid

	(Unaudited) Six months ended 31st December 2021 £'000	(Unaudited) Six months ended 31st December 2020 £'000	(Audited) Year ended 30th June 2021 £'000
2021 fourth interim dividend of 3.29p (2020: 3.26p)	4,963	4,599	4,599
2022 first interim dividend of 4.24p (2021: 3.29p)	6,535	4,673	4,673
2021 second interim dividend of 3.29p	—	—	4,768
2021 third interim dividend of 3.29p	—	—	4,844
<b>Total dividends paid in the period/year</b>	<b>11,498</b>	<b>9,272</b>	<b>18,884</b>

A second interim dividend of 4.24p has been paid on 7th January 2022 for the financial year ending 30th June 2022, costing £6,696,000.

A third interim dividend of 4.24p per share has been declared for payment on 8th April 2022 for the financial year ending 30th June 2022.

#### 5. Net asset value per share

	(Unaudited) Six months ended 31st December 2021	(Unaudited) Six months ended 31st December 2020	(Audited) Year ended 30th June 2021
Net assets (£'000)	725,245	560,026	653,374
Number of shares in issue	157,974,285	145,944,285	151,129,285
<b>Net asset value per share</b>	<b>459.1p</b>	<b>383.7p</b>	<b>432.3p</b>

#### 6. Reconciliation of net return before finance costs and taxation to net cash outflow from operations before dividends and interest

	(Unaudited) Six months ended 31st December 2021 £'000	(Unaudited) Six months ended 31st December 2020 £'000	(Audited) Year ended 30th June 2021 £'000
Net return before finance costs and taxation	54,301	74,529	157,556
Less: capital return before finance costs and taxation	(49,698)	(71,127)	(148,063)
Decrease/(increase) in accrued income and other debtors	625	119	(453)
Decrease in accrued expenses	(44)	(44)	—
Management fee charged to capital	(1,098)	(782)	(1,731)
Performance fees paid	(1,619)	—	(333)
Overseas withholding tax	(994)	(498)	(1,658)
Dividends received	(4,857)	(3,567)	(8,535)
Interest received	(15)	(16)	(21)
Realised (losses)/gains on foreign exchange transactions	—	(33)	26
<b>Net cash outflow from operations before dividends and interest</b>	<b>(3,399)</b>	<b>(1,419)</b>	<b>(3,212)</b>

## 7. Fair valuation of investments

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

	(Unaudited) Six months ended 31st December 2021		(Unaudited) Six months ended 31st December 2020		(Audited) Year ended 30th June 2021	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	718,013	–	585,155	–	654,694	–
Level 2 <sup>1</sup>	2,671	(1,212)	3,195	(2,780)	2,567	(1,271)
<b>Total</b>	<b>720,684</b>	<b>(1,212)</b>	<b>588,350</b>	<b>(2,780)</b>	<b>657,261</b>	<b>(1,271)</b>

<sup>1</sup> Forward foreign currency contracts.

# Interim Management Report

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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 have not changed and fall into the following broad categories: investment and strategy; market; accounting, legal and regulatory; operational and cyber crime; going concern; financial; pandemics; climate change; and, geopolitical risk. Information on principal and emerging risks faced by the Company is given in the Business Review section within the 2021 Annual Report and Financial Statements.

### Related Parties Transactions

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

### Going Concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future and, more specifically, that there are no material uncertainties pertaining to the Company that would prevent its ability to continue in such operation existence for at least 12 months from the date of the approval of this half yearly financial report. For these reasons, they consider there is reasonable evidence to continue to adopt the going concern basis in preparing the financial statements.

### Directors' Responsibilities

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

- (i) the condensed set of financial statements contained within the half yearly financial report has been prepared in accordance with FRS 104 'Interim Financial Reporting' gives a true and fair view of the state of affairs of the Company and of the assets, liabilities, financial position and net return of the Company, as at 31st December 2021, as required by the UK Listing Authority Disclosure and Transparency Rules 4.2.4R; and
- (ii) the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure and Transparency Rules.

In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;

and the Directors confirm that they have done so.

For and on behalf of the Board

**Tristan Hillgarth**

*Chairman*

2nd March 2022



**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.

		Period ended 31st December 2021	Period ended 31st December 2020	
<b>Total return calculation</b>	<b>Page</b>			
Opening share price (p)	6	432.0	336.0	(a)
Closing share price (p)	6	466.0	386.5	(b)
Total dividend adjustment factor <sup>1</sup>		1.018790	1.018121	(c)
Adjusted closing share price (d = b x c)		474.8	393.5	(d)
<b>Total return to shareholder (e = d / a - 1)</b>		<b>9.9%</b>	<b>17.1%</b>	<b>(e)</b>

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

**Return on Net Assets with debt at par value (APM)**

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

		Period ended 31st December 2021	Period ended 31st December 2020	
<b>Total return calculation</b>	<b>Page</b>			
Opening cum-income NAV per share (p)	6	432.3	338.9	
(-) the 4th interim dividend declared but not paid pre year-end date		(3.29)	(3.26)	
Adjusted opening cum-income NAV per share (p)		429	335.6	(a)
Closing cum-income NAV per share (p)	6	459.1	383.7	
(-) the 4th interim dividend declared but not paid pre year-end date		(4.24)	(3.29)	
Adjusted closing cum-income NAV per share (p)		454.9	380.4	(b)
Total dividend adjustment factor <sup>2</sup>		1.019029	1.018246	(c)
Adjusted closing cum-income NAV per share (d = b x c)		463.5	387.4	(d)
<b>Total return on net assets with debt at par value (e = d / a - 1)</b>		<b>8.0%</b>	<b>15.4%</b>	<b>(e)</b>

<sup>2</sup> The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the cum-income NAV at the ex-dividend date.

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

The Company's debt (debenture) is valued in the Statement of Financial Position (on page 21) at amortised cost, £49,932,000 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 £200,000 debenture and the fair value of the £50 million loan notes issued by the Company has been calculated using discounted cash flow techniques, using the yield from similar dated gilt plus a margin based on the five year average for the AA Barclays Sterling Corporate Bond spread.

As at 31st December 2021, the cum-income NAV with debt at fair value was £717,519,000 (June 2021: £645,624,000) or 454.2p (June 2021: 427.2p) per share.

		Period ended 31st December 2021	Period ended 31st December 2020	
<b>Total return calculation</b>	<b>Page</b>			
Opening cum-income NAV per share (p)	6	427.2	331.4	
(-) the 4th interim dividend declared but not paid pre year-end date		(3.29)	(3.26)	
Adjusted opening cum-income NAV per share (p)		423.9	328.1	(a)
Closing cum-income NAV per share debt at fair value (p)	6	454.2	377.2	
(-) the 4th interim dividend declared but not paid pre year-end date		(4.24)	(3.29)	
Adjusted closing cum-income NAV per share (p)		450.0	373.9	(b)
Total dividend adjustment factor <sup>2</sup>		1.019292	1.018605	(c)
Adjusted closing cum-income NAV per share (d = b x c)		458.6	380.9	(d)
<b>Total return on net assets with debt at fair value (e = d / a - 1)</b>		<b>8.2%</b>	<b>16.1%</b>	<b>(e)</b>

<sup>2</sup> 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 24 for detailed calculations.

### Benchmark total return

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

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

### Gearing/(Net Cash) (APM)

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

		Period ended 31st December 2021 £'000	Year ended 30th June 2021 £'000	
<b>Gearing calculation</b>	<b>Page</b>			
Investments held at fair value through profit or loss	21	718,013	654,694	(a)
Net assets	21	725,245	653,455	(b)
<b>Gearing/(net cash) (c = a / b - 1)</b>		<b>(1.0)%</b>	<b>0.2%</b>	<b>(c)</b>

### Ongoing Charges (APM)

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

The figure for Management fee and Other administrative expenses, in the calculation for the period ended 31st December 2021, is an estimated annualised figure based on the actual figure for the six months to 31st December 2021.

## GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES ('APMS')

		Period ended 31st December 2021 £'000	Year ended 30th June 2021 £'000	
Ongoing charges calculation	Page			
Management Fee	19	2,928	2,308	
Other administrative expenses	19	558	612	
Total management fee and other administrative expenses		3,486	2,920	(a)
Performance fee chargeable <sup>1</sup>		–	5,967	
Total management fee, other administrative expenses and performance fee chargeable		3,486	8,887	(b)
Average daily cum-income net assets		687,480	554,397	(c)
Ongoing charges excluding performance fee chargeable (d = a / c)		0.51%	0.53%	(d)
Ongoing charges including performance fee chargeable (e = b / c)		0.51%	1.60%	(e)

<sup>1</sup> With effect from 01/01/2022 there will be no performance fee chargeable.

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

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

### 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:

#### Asset allocation

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

#### Stock selection

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.

#### Currency effect

Measures the impact of currency exposure differences between the Company's portfolio and its benchmark.

#### Gearing/(net cash)

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

#### Management fee/Other expenses

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

### American Depositary Receipts (ADRs)

Certificates that are traded on US stock exchanges representing a specific number of shares in a non-US company. ADRs are denominated and pay dividends in US dollars and may be treated like regular shares of stock.

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

### 1. Via a third party provider

Third party providers include:

AJ Bell	Fidelity Personal Investing
Barclays Smart Investor	Halifax
Charles Stanley Direct	Hargreaves Lansdown
EQI	Interactive Investor

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

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

**Find out more at**  
[www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)



## FINANCIAL CALENDAR

Financial year end	30th June
Half year results announced	March
Final results announced	September
Interim dividends paid (quarterly)	January, April, July, October
Interest payment on 4.5% perpetual debenture stock	1st January, 1st July
Interest payment on 30 yr unsecured 2.93% loan notes	9th January and 9th July
Annual General Meeting	November

## History

The Company was formed in 1887. The Company was a general investment trust until 1982, when it adopted its current objective. The current name was adopted on 8th July 2016 from JPMorgan Overseas Investment Trust plc.

## Directors

Tristan Hillgarth (Chairman)  
Sarah Whitney  
Gay Collins  
James Macpherson

## Company Numbers

Company registration number: 24299  
Stock Exchange SEDOL BYMKY69  
Bloomberg Code: JGGI LN  
ISIN: GB00BYMKY695  
LEI: 5493007C3I005PJKR078

## Market Information

The Company's unaudited net asset value ('NAV') is published daily, via the London Stock Exchange.

The Company's shares are listed on the London Stock Exchange. The market price is shown daily in the Financial Times, The Times, The Daily Telegraph, The Scotsman and on the JPMorgan website at [www.jpmmorglobalgrowthandincome.co.uk](http://www.jpmmorglobalgrowthandincome.co.uk), where the share price is updated every fifteen minutes during trading hours.

## Website

[www.jpmmorglobalgrowthandincome.co.uk](http://www.jpmmorglobalgrowthandincome.co.uk)

## Share Transactions

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

## Manager and Company Secretary

JPMorgan Funds Limited

## Company's Registered Office

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

For company secretarial and administrative matters please contact Divya Amin at the above address.

## Depository

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

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

## Registrars

Equiniti Limited  
Reference 1103  
Aspect House  
Spencer Road  
Lancing  
West Sussex BN99 6DA  
Telephone number: 0371 384 2330

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 1103. Registered shareholders can obtain further details on their holdings on the internet by visiting [www.shareview.co.uk](http://www.shareview.co.uk).

## New Zealand Registrars

Computershare Investor Services Limited  
Private Bag 92119, Victoria Street West,  
Auckland 1142  
Level 2  
159 Hurstmere Road  
Takapuna  
Auckland  
New Zealand.  
Telephone: 09 488 8777

Notifications of changes of address and enquiries regarding certificates or dividend cheques should be made in writing to the Registrars.

## Independent Auditors

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

## UK Brokers

Winterflood Securities Limited  
The Atrium Building  
Cannon Bridge  
25 Dowgate Hill  
London EC4R 2GA  
Telephone: 020 3100 0000

## New Zealand Brokers

First NZ Capital Securities  
P.O. Box 396  
Wellington  
New Zealand  
Telephone: 0800 800 968 (NZ Toll Free)  
Please contact Peter Irwin



The Association of  
Investment Companies

A member of the AIC

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