JPMorgan US Smaller Companies Investment Trust plc

Invest in the Heart of America

Half Year Report & Financial Statements
for the six months ended 30th June 2024

aic
ISA Millionaire
investment trust 2024

J.P.Morgan
ASSET MANAGEMENT

Key Features

Investment Objective

Capital growth from investing in US smaller companies.

Investment Policy

The portfolio is a product of the investment team's bottom-up investment approach and disciplined portfolio construction. The investment philosophy is simple and straightforward: to invest in companies that have a sustainable competitive advantage, that are run by competent management teams who have a track record of success and are good stewards of capital, and to focus on owning equity stakes in businesses that trade at a discount to their intrinsic value.

Investment Team

The investment team is situated in New York. The lead portfolio manager, Don San Jose, has managed the portfolio since November 2008. The co-managers, Dan Percella and Jon Brachle, were appointed in 2014 and 2017 respectively. They are supported by additional investment professionals dedicated to researching US smaller companies, as well as the wider JPMAM investment management team.

Benchmark Index

The Russell 2000 Index total return with net dividends reinvested, expressed in sterling terms (the 'Benchmark'). This index is a smaller companies' index and is rebalanced annually to represent the smallest two thousand stocks by market capitalisation of all companies quoted in the Russell 3000 Index. Comparison of the JPMorgan US Smaller Companies Investment Trust plc's (the 'Company') performance is made with this Benchmark.

Capital Structure

At 30th June 2024, the Company's share capital comprised 65,406,275 ordinary shares of 2.5p each including 3,736,313 shares held in Treasury. Since the period end, a further 100,000 shares have been repurchased into Treasury.

Continuation Vote

In accordance with the Company's Articles of Association, shareholders approved a resolution that the Company continue as an investment trust at the Annual General Meeting on 26th May 2020. The next continuation vote will be in 2025.

Management Company and Company Secretary

The Company engages JPMorgan Funds Limited ('JPMF' or the 'Manager') as its Alternative Investment Fund Manager ('AIFM') and Company Secretary. JPMF delegates the management of the Company's portfolio to JPMorgan Asset Management (UK) Limited ('JPMAM' or the 'Investment Manager'). All of these entities are wholly owned subsidiaries of J.P. Morgan Chase & Co. The investment team, Don San Jose, Dan Percella and Jon Brachle (the 'Portfolio Managers') manage the Company's portfolio on behalf of the Investment Manager.

Association of Investment Companies (AIC)

The Company is a member of the AIC.

Website

The Company's website, which can be found at www.jpmussmallercompanies.co.uk or visit tinyurl.com/JUSC-Home, includes useful information on the Company, such as daily prices, factsheets and current and historic half year and annual reports.

Contact the Company

General enquiries about the Company should be directed to the Company Secretary at invtrusts.cosec@jpmorgan.com.

The Board and the Portfolio Managers are keen to increase dialogue with shareholders and other interested parties. If you wish to sign up to receive email updates from the Company, including news and views and latest performance statistics, please scan the QR Code to the right or visit tinyurl.com/JUSC-Sign-Up

Front Cover: Denver and the Flatirons, United States

> We believe that the analytical focus that we place on uncovering high quality companies which are trading at attractive valuations is a differentiating characteristic of our approach and one that serves to add value for our clients over the long term."

Jon Brachle, Portfolio Manager
JPMorgan US Smaller Companies Investment Trust plc

Our heritage and our team

The Company has a strong long-term track record through employing a disciplined approach to US small-cap investing. The portfolio is managed by a tight knit team with a focus on outperforming the benchmark. The lead manager of the portfolio is Don San Jose, who has over 25 years' experience and has been managing the portfolio since 2008. He is assisted by co-portfolio managers Dan Percella and Jonathon Brachle. They are also supported by Chris Carter and Jesse Huang, who are dedicated to researching US smaller companies. The investment team has an average of 18 years' experience. The experience and longevity of the investment team serve as a significant competitive advantage. In addition, the investment team can leverage the vast resources at JPMAM, which include over 40 US equity analysts and over 200 research analysts globally.

Our investment approach

The team's bottom-up approach to stock selection involves careful independent assessment of company fundamentals and a disciplined approach to valuation. The team's investment philosophy emphasises owning quality companies with durable business models, consistent earnings, high returns on invested capital, sustainable free cash flow and proven management teams. Through careful consideration of both company fundamentals and valuation, the team aims to add value for investors over the long term. The fundamental components of the investment philosophy have remained consistent over time, though the team has continued to utilise additional resources and research approaches, including the integration of financially material ESG issues and enhanced use of technology tools.

2,500+
Companies under coverage within the Global Equity Research team[1]

40+ professionals
The team leverages the insights of over 40 research analysts in the U.S. and over 200 globally[1]

20+ years
The 40+ U.S. equity analysts have an average of over 20 years of industry experience[1]

94% active share[1]
Fundamental approach, focusing on high quality companies with attractive valuations

Source: J.P. Morgan Asset Management.
[1] Data as of 30th June 2024.

FINANCIAL CALENDAR

Financial year end	31st December
Final results announced	March/April
Half year end	30th June
Half year results announced	August
Dividend (if any) on ordinary shares paid	May
Annual General Meeting	April/May

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Keeping in Touch

The Board appreciates the ongoing support of its shareholders. The Board and the Portfolio Managers are keen to increase dialogue with shareholders and other interested parties. If you wish to sign up to receive email updates from the Company, including news and views and latest performance statistics, please scan the QR Code to the right or visit tinyurl.com/JUSC-Sign-Up

Railroad Station, Chicago, United States

Financial Highlights

Total returns (including dividends reinvested) to 30th June 2024

	6 months	3 Years Cumulative	5 Years Cumulative	10 Years Cumulative
Return to shareholders[1,A]	–2.5%	–7.6%	+28.9%	+174.8%
Return on net assets[2,A]	+1.0%	+3.0%	+37.6%	+195.1%
Benchmark return[3]	+2.5%	+0.4%	+39.4%	+160.7%
Return on net assets relative to benchmark return[2,3,A]	–1.5%	+2.6%	–1.8%	+34.4%

[1] Source: Morningstar.
[2] Source: J.P. Morgan/Morningstar, using cum-income net asset value per share.
[3] Source: Russell Investments. The Company's benchmark is the Russell 2000 Index total return with net dividends reinvested, expressed in sterling terms.
[A] Alternative Performance Measure ('APM').

A glossary of terms and a list of APMs, with explanations and calculations, are provided on pages 29 and 30.

Financial Highlights

Summary of results

	30th June 2024	31st December 2023	% change
Shareholders' funds (£'000)	271,285	279,725	–3.0
Number of shares in issue (excluding shares held in Treasury)[1]	61,669,962	63,770,149	–3.3
Net asset value per share	439.9p	438.6p	0.3[2]
Share price	391.0p	404.0p	–3.2[3]
Share price discount to net asset value per share[A]	(11.1)%	(7.9)%	
Gearing[A]	**3.1%**	**1.5%**	
Ongoing charges[A]	**0.89%**	**0.93%**	

[1] 3,736,313 shares held in Treasury (31st December 2023: 1,736,116).

[2] Net asset value per share % change, excluding dividends reinvested. Including dividends reinvested the net asset value returns would be +1.0%.

[3] Share price % change, excluding dividends reinvested. Including dividends reinvested the share price returns would be –2.5%.

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

A glossary of terms and a list of APMs, with explanations and calculations, are provided on pages 29 and 30.

Steel workers adjusting position of brake press formed steel with crane, Washington, United States

Chair's Statement

Dominic Neary
Chair

Dear Shareholders,

I am delighted to present my first communication to you since taking over as Chair at the conclusion of the Company's Annual General Meeting ('AGM') in April. I would like to take this opportunity to thank my predecessor, David Ross, on behalf of the Board, for his strong contributions to the Company over the last nine years.

Performance

In the first half of 2024 US small caps struggled to make much progress in an environment of tight monetary policy. The Company's return on net assets for the reporting period was +1.0%, modestly underperforming the Company's benchmark, the Russell 2000 Index (the 'Benchmark'), which returned 2.5%. A full analysis of the performance of the Company's investment portfolio is set out in the Investment Manager's Report.

Discount management

The total return to shareholders was –2.5%. The discrepancy between the return on net assets and the share price total return was due to a widening of the share price discount to net asset value, from 7.9% at the end of 2023 to 11.1% on 30th June 2024. Over the six-month period to 30th June 2024, the discount averaged 10.5%.

For context, during the last 12 months discounts across the investment trust universe widened to levels not seen since the 2008 global financial crisis. The most extreme discounts of over 30% emerged for trusts focused on illiquid and interest rate sensitive assets such as private equity, infrastructure and property. The share prices of trusts focused on investment in small cap markets globally have suffered from similar concerns, albeit to a lesser extent.

Unsurprisingly, these valuation opportunities have provoked a notable response. Value-sensitive activist investors have become more prevalent on share registers, and wide discounts have, in part, contributed to the record number of investment trust mergers this year. Such developments are of course necessary for an efficient and well-functioning market. Against this backdrop your board remains proactive rather than reactive, ensuring that we fulfil our duty to protect your interests as shareholders. We therefore aim to minimise the share price discount whilst being aware that our ability to do so will depend on prevailing market conditions and the behaviour and risk appetite of investors. Such considerations are particularly important as we approach the Company's next continuation vote in 2025.

To this end, we have two key levers at our disposal to stimulate demand for your Company's shares: an active, value-enhancing share buyback programme, and effective ongoing marketing activities. We have taken action on both fronts.

On buybacks, the Company repurchased 2,000,197 of its own shares into Treasury at a weighted average discount of 11.4% during the review period. The Company has purchased an additional 100,000 shares into Treasury since the period end and at the time of writing, the Company's issued share capital consists of 65,406,275, including 3,836,313 shares in Treasury.

On marketing activities, we continue to improve the promotion of your Company to shareholders and the broader market. For example, the Board has recently engaged an adviser to support the Manager in promoting the attractive characteristics of the Company. Their primary focus is to maximise the impact of the compelling content generated by the investment team[1] under the evergreen tagline 'Invest in the Heart of America'. To improve access to this content the Company's website has been upgraded and we would strongly recommend it as the primary source of information on the Company. The Board continues actively to work on improving the Company's shareholder communications and PR programme.

I am pleased to report that these actions, alongside the emerging recognition of the appeal of attractively-valued, high-quality US small cap stocks in a falling rate environment, mean that your Company's discount has narrowed since the end of the reporting period. As I write, the discount is in the region of 6%.

[1] For example, the recent piece 'The Magnificent 2000.' To view the article, please scan the QR code to the right or visit tinyurl.com/magnificent-2000

Chair's Statement

Gearing

The Board believes that structural gearing is a key advantage of investment trusts and should be used to enhance long-term returns. To this end the Manager has been given the flexibility by the Board to manage gearing tactically and remain invested within a maximum gearing limit set by the Board of 15% (±2.5% if as a result of market movements). The Company closed the six-month period with a gearing level of 3.1%.

During the reporting period, the Company continued to utilise its US$30 million loan facility (with an option to draw a further US$10 million) to maintain a meaningful but modest level of gearing. The two-year facility matured on 27th October 2023 but was extended (on the same terms) whilst certain points of the new facility were discussed and agreed. On 15th March 2024 the Board renewed the loan with Scotiabank, as a secured 364-day facility for a reduced amount of US$20 million (with an option to draw a further US$10 million).

Board and Succession planning

All of the Directors were re-appointed at the AGM in April this year, with the exception of David Ross who retired as Chair and Director of the Company. Therefore, the Board now consists of four non-executive directors, two female and two male, with diverse skills and a range of tenures from two to eight years. The Board believes that this is an appropriate number of directors given the size and complexity of the Company. The Board has a detailed succession plan in place.

Note on receiving marketing communications from the Company

I would like to highlight that current regulations require that shareholders and other interested parties must opt in, in order to receive promotional communications from the Company including our regular newsletter. If you would like to receive such communications, we would encourage you to opt in if you have not done so already. This can be done via the QR code on page 2 of this report, via the Company's website, or by contacting J.P. Morgan Asset Management directly via email at invtrusts.cosec@jpmorgan.com.

Outlook

The Board continues to have high confidence in the investment team, and their investment philosophy and process which have been applied consistently to generate strong long-term returns for the Company. There is no doubt that the valuations of US small cap stocks currently look extremely appealing relative to large caps. While the market impact of political and economic developments may affect the exact timing, it seems inevitable that this discrepancy will be addressed. We therefore believe that the patient shareholder who chooses to Invest in the Heart of America through our Company will be handsomely rewarded.

Dominic Neary
Chair

23rd August 2024

Route 66 Road, Amboy, California, United States

Investment Manager's Report

Don San Jose
Portfolio Manager

Jon Brachle
Portfolio Manager

Dan Percella
Portfolio Manager

Market Review

By the halfway mark of 2024, the S&P 500 Index had notched up returns of 15% (in US dollar terms) as US equity markets hit record highs. However, in this instance, the rising tide did not lift all boats. After showing signs of broadening out in the first quarter, market leadership reverted to the handful of large cap growth stocks that had propelled the market higher over much of 2023. The extreme polarisation of the market is evident in the outsized contribution the so-called 'Magnificent Seven' tech stocks made to total returns. More than 60% of index returns over the first six months of the year came from these seven names. Notably, Nvidia, a world leader in the production of the cutting-edge semiconductors required to power artificial intelligence (AI) tools, overtook Microsoft to become briefly the world's most valuable company, before relinquishing pole position at the end of June.

Meanwhile, much of the rest of the market declined in absolute terms, disappointed by developments on the monetary policy front. The US economy is still healthy overall but grew at an annualised rate of only 1.6% in the first quarter of 2024 – the slowest pace in two years. The labour market is also showing signs of weakness. The unemployment rate rose to 4.3% in July 2024, its highest level since January 2022. And importantly, inflation continued to trend downwards. However, despite these developments, the US Federal Reserve (the 'Fed') reiterated its position that rate decreases would remain on hold until it is confident that inflation is on a sustainable path towards 2%. US small caps were worst hit by the Fed's reluctance to cut rates, as this sector of the market tends to be relatively highly leveraged and is thus the most vulnerable to high rates.

In all, large cap stocks, as represented by the S&P 500 Index, returned 15% (in US dollar terms), outperforming the small cap Russell 2000 Index, which returned 2% on the same basis. Value stocks underperformed growth, as the Russell 3000 Value Index increased by 6%, while the Russell 3000 Growth Index increased by 20%.

Performance

Given this unconducive background, the portfolio's net asset value ('NAV') increased by 1.0% (in sterling terms) in the first half of 2024. The Company underperformed its benchmark, the Russell 2000 Index (Net) (the 'Benchmark'), which rose by 2.5% on the same basis. Stock selection was the primary driver of underperformance, with technology and industrial stocks being the largest detractors.

This near-term underperformance is disappointing. However, the longer-term investment case for US small caps remains compelling. This sector of the market is home to some of the world's most innovative, nimble businesses, and offers early access, at attractive valuations, to companies with the potential to grow very rapidly over the medium to longer term. Indeed, US small-caps have outperformed US large-caps by 2.85% per year on average since 1926 (the earliest date for which this dataset is available). They have also posted positive trailing 10-year returns for more than two-thirds of the same period.

It is clear from these statistics that investment in small cap companies does require some patience and a long-term perspective. Given this, it is more meaningful for investors to assess the Company's performance over longer timeframes. On this basis, the Company has delivered outright gains and outperformed the Benchmark in NAV terms over the three years ended 30th June 2024, almost matched the Benchmark over five years, and outpaced it over ten years (see page 6 for details).

During the six-month review period, our stock selection in the consumer staples and financial sectors contributed to performance. Within consumer staples, our overweight in **Primo Water** proved beneficial. This company is a leading provider of multi-gallon drinking water solutions for US businesses and consumers. The stock outperformed following strong results during the first quarter of 2024, with revenues and earnings beating estimates. Organic revenues grew by more than 8%, thanks to increases in both volumes and price. Cost controls also helped push up EBITDA margins. We believe Primo Water should continue to benefit from improving fundamentals, long-term secular trends towards water consumption (over sugary drinks) and an attractive valuation. As a result, while we reduced our position modestly on outperformance and to manage position sizes, we remain comfortable with our remaining holding.

Among our financial holdings, our overweight position in **StepStone Group**, a global private markets investment firm, enhanced returns. The company's shares rallied as the company reported strong fiscal results for the fourth quarter of 2024 with a fee-related earnings beat. The outperformance was driven by an improving fundraising and deployment environment, in addition to strengthening private markets sentiment. The company's undeployed fee-earning capital is at record levels, which management expects to be able to put to work at a good pace as capital markets loosen. We believe the company remains well positioned to capitalise on the secular growth in private markets, so we are happy to continue holding this name.

At the stock level, our exposure to **BJ's Wholesale Club ('BJ's')**, a warehouse club selling groceries, household items and gasoline, was the largest contributor, following strong results for the first quarter of 2024. Despite a challenged consumer environment, BJ's discount offering has attracted increasing online traffic, and sales slightly exceeded expectations. Our ongoing conviction in the stock is supported by the company's strong business model and the upward trend in its membership programme.

Within the tech sector, our decision not to own certain AI and cryptocurrency related names accounted for the bulk of the underperformance. Specifically, our lack of exposure to **Super Micro Computer** was the largest detractor. Super Micro Computer is a manufacturer of server solutions for data centres. Its shares outperformed as the company benefited from AI-related server purchases and overall investor optimism around the AI theme. Our decision to avoid this name is based on the company's failure to meet our quality threshold and the stock's extended valuation. As a result of elevated valuation levels, Super Micro Computer is no longer a small cap stock or member of the Russell 2000 Index.

In the industrials sector, our exposure to **WillScot Mobile Mini** proved lacklustre. The stock underperformed on macro concerns, given a weaker industrial backdrop. Additionally, delays around the McGrath RentCorp acquisition due to the US Federal Trade Commission deal scrutiny further weighted the stock. We continue to like the business and believe the company is a high-quality asset with favourable risk/reward, hence we maintain conviction in the stock.

At the security level, the two most significant detractors was our exposure to **QuidelOrtho**, and an overweight position in **Shoals Technologies**. QuidelOrtho is a medical devices company providing diagnostic testing solutions. The stock fell due to weak earnings and guidance for its 2024 financial year, including a significant reduction in expected COVID testing revenues that carry above-average margins. The company's longstanding CEO was removed as part of efforts to enhance operational efficiency and revenue growth and deliver shareholder value. We remain comfortable with our position in the stock, given its heavily discounted valuation, significant private equity ownership and the potential for better execution under the new leadership team.

Shoals Technologies is a leading US provider of solar system components. Its shares lagged on weak guidance for its 2024 financial year, driven by project delays and customer sensitivity to higher interest rates, which resulted in slower top-line growth. Legal uncertainty relating to the quality of a supplier, and a separate intellectual property infringement, also weighed on the stock price. Despite the disappointing near-term outlook, we maintain conviction in the stock, as its valuation is compelling and the longer-term fundamentals for utility scale solar energy remain constructive and should support demand for Shoals' products.

Portfolio Positioning

We have maintained our focus on quality stocks, as we continue to believe that quality companies with durable franchises, good management teams and stable earnings, that trade at a discount to their intrinsic value can add more stability in investors' portfolios over the long term. We continue to believe that smaller companies are worth investing in for long term investors as they include innovative companies that serve market niches and thereby can provide early access to exciting and innovative technologies and solutions.

During the first half of 2024, we initiated new, high-quality cyclical positions in the industrials and consumer discretionary sectors. Among industrial names, we initiated a position in **AAON**, a leading manufacturer of heating, ventilation, and air conditioning (HVAC) systems that primarily serves commercial and industrial markets. The company sells equipment to property owners and contractors that are looking for a higher quality and more energy efficient solution. Favourable secular tailwinds including decarbonisation, electrification, and government regulations are helping to accelerate growth as AAON shifts from a niche manufacturer into a premium mainstream equipment provider. We like the company for their attractive valuation, which screens reasonably well versus history and particularly versus peers.

Within consumer discretionary, we added **Five Below** to the portfolio. Five Below is a value retailer with a focus on tween/teen customers. We like the differentiated concept in retail that has a niche customer focus and provides good value with price points typically around US$5. The business model has historically proven durable through cycles and we see potential for the company to continue to expand its stores, which come with industry-leading unit economics as they tend to deliver attractive returns on invested capital. We also like the name for its low double-digit operating margins and high return on capital.

These acquisitions were funded by profit-taking on some of the Company's best performers. For example, we trimmed positions in the consumer staples name Primo Water as well as the technology firm **Macom Technology Solutions**. Primo Water is a water delivery company that has had a sizeable divestiture of its international operations, which repositioned the company as a domestic pure-play. The company recently announced a transformative merger of equals transaction with the next largest player in the space, hence we used that announcement, as well as its strong performance year to date, to trim back our position modestly.

Macom Technology Solutions is a designer and manufacturer of semiconductors that facilitate rapid and accurate movement of data for applications in the Telecom, Industrial & Defense and Data Centre end markets. The company benefited from its data centre exposure as the AI theme continued to drive markets in the second quarter. While Macom expressed confidence for further data centre growth in 2025 and we continue to like the company's market exposure, we have taken some profits as valuations have expanded with a healthy earnings recovery embedded in estimates. We also exited positions in the portfolio due to merger and acquisition activities. Stericycle, a medical waste disposal company announced being acquired by Waste Management, a provider of comprehensive waste management services. AssetMark, key asset management platform for financial advisers, announced an acquisition by GTCY, a private equity firm.

Our largest absolute and relative overweight position remains in industrials, followed by our second largest overweight in technology. Industrials have historically been our largest overweight, as we tend to find high quality businesses with solid market share in niche markets that offer stable growth and strong profitability. The sector is also benefitting from a strong US economy, generating close to 70% of their revenues domestically. Our technology overweight is driven by semiconductors, where we have a diverse exposure to several attractive end markets including autos, industrials and data centres with competitively advantaged businesses that generate solid free cash flows. Our largest underweights remain in the health care and energy sectors. While we have struggled to find high quality, attractively priced assets within healthcare, and most segments of the energy sector, the transition to renewable energy sources is creating some interesting investment opportunities within the alternative energy and midstream areas. Our position in Shoals Technologies, mentioned above, is a case in point.

Market Outlook

The performance of the US economy is crucial for smaller companies, as they tend to generate more of their earnings domestically than larger cap companies. Small cap companies also tend to be more exposed to the economic cycle and high interest rates, relative to larger caps, which tend to have stronger balance sheets and lower gearing.

Despite some recent slowing in growth and a weakening in labour market conditions, we expect the economy to remain in good shape, supported by eventual rate cuts and ongoing strong consumer demand. Households, that make up 70% of US GDP, continue to be in good shape with solid earnings power, which benefits corporate America. This should benefit consumer and business spending and provide support for small cap earnings, which appear poised to grow faster than large cap earnings, after two consecutive years of declines. Furthermore, small cap valuations are currently at historic lows relative to large caps, and institutional investors remain under allocated, so any improvement in sentiment towards this sector may encourage institutional investors to increase their exposure. In all, we see several reasons to be optimistic about the outlook for US small caps.

However, there is some risk that the US economic backdrop will become more volatile, especially given the forthcoming US presidential election. While we do not construct our portfolios based on top-down forecasts of macro or geopolitical factors, as these are beyond our and the investee companies’ management teams’ control, we are evaluating the impact that certain political decisions could have on company fundamentals. We will also continue monitoring incremental risks, which may create headwinds for US equities. That said, we maintain a balanced approach between cyclical and defensive companies, with a focus on fundamental bottom-up stock picking in the portfolio. It is important to remember that volatility also creates opportunities, and we remain ready to take advantage of any market dislocations to acquire innovative, high-quality companies with attractive investment cases, with a view to maintaining the Company’s track record of capital growth and excess returns over the long term.

For and on behalf of the
Investment Manager

Don San Jose
Jon Brachle
Dan Percella
Portfolio Managers

23rd August 2024

List of Investments

List of Investments

As at 30th June 2024

Company	Valuation £'000	%
Industrials		
MSA Safety	5,513	2.0
WillScot Mobile Mini	5,456	1.9
WEX	4,324	1.5
Verra Mobility	4,309	1.5
Simpson Manufacturing	4,239	1.5
Aptar	4,198	1.5
First Advantage	4,061	1.5
Applied Industrial Technologies	3,976	1.4
Janus International	3,895	1.4
Landstar System	3,646	1.3
Hayward	3,607	1.3
Badger Meter	3,600	1.3
Toro	3,589	1.3
Hillman Solutions	3,474	1.2
AZEK	3,367	1.2
UniFirst	3,094	1.1
Knight-Swift Transportation	2,948	1.1
Brunswick	2,909	1.0
Douglas Dynamics	2,566	0.9
Lincoln Electric	2,492	0.9
AAON	588	0.2
Loar	562	0.2
	76,413	**27.2**
Financials		
Evercore	4,192	1.5
Wintrust Financial	3,834	1.4
First Interstate BancSystem	3,710	1.3
First Hawaiian	3,658	1.3
StepStone	3,598	1.3
ServisFirst Bancshares	3,535	1.3
First Financial Bancorp	3,531	1.3
BankUnited	3,465	1.2
RLI	3,443	1.2
Clearwater Analytics	3,130	1.1
City	3,116	1.1
Kinsale Capital	3,064	1.1
Moelis	2,633	0.9
	44,909	**16.0**

Company	Valuation £'000	%
Technology		
MACOM Technology Solutions	4,713	1.7
Novanta	4,567	1.6
Power Integrations	4,237	1.5
Allegro MicroSystems	3,125	1.1
Guidewire Software	3,008	1.1
Workiva	2,799	1.0
Fabrinet	2,742	1.0
Qualys	2,564	0.9
nCino	2,546	0.9
Envestnet	2,002	0.7
nLight	1,821	0.7
Blackbaud	1,474	0.5
Paycor HCM	1,255	0.4
	36,853	**13.1**
Consumer Discretionary		
Bright Horizons Family Solutions	4,180	1.5
BJ's Wholesale Club	4,051	1.4
Planet Fitness	3,803	1.4
Monarch Casino & Resort	3,070	1.1
Driven Brands	3,027	1.1
Wendy's	2,991	1.1
Acushnet	2,866	1.0
LCI Industries	2,466	0.9
Malibu Boats	2,161	0.8
Savers Value Village	1,968	0.7
Five Below	1,495	0.5
	32,078	**11.5**
Health Care		
Encompass Health	5,198	1.9
ICU Medical	3,963	1.4
HealthEquity	3,635	1.3
Envista	2,870	1.0
Neogen	2,691	1.0
Certara	2,416	0.9
Progyny	2,217	0.8
QuidelOrtho	1,850	0.7
Azenta	1,827	0.7
	26,667	**9.7**

List of Investments

List of Investments (continued)

As at 30th June 2024

Company	Valuation £'000	%
Basic Materials		
RBC Bearings	4,556	1.6
Quaker Chemical	3,465	1.2
Balchem	3,111	1.1
Perimeter Solutions	2,984	1.1
Ecovyst	2,401	0.9
	16,517	**5.9**
Real Estate		
NNN REIT	4,099	1.5
EastGroup Properties	3,970	1.4
Ryman Hospitality Properties	3,899	1.4
Cushman & Wakefield	3,882	1.4
	15,850	**5.7**
Energy		
DT Midstream	4,279	1.5
SM Energy	3,282	1.2
Cactus	2,903	1.0
Shoals Technologies	1,594	0.6
	12,058	**4.3**
Utilities		
Casella Waste Systems	4,997	1.8
Portland General Electric	4,342	1.6
	9,339	**3.4**
Consumer Staples		
Freshpet	3,150	1.1
Primo Water	3,124	1.1
Utz Brands	2,846	1.0
	9,120	**3.2**
Total Investments	**279,804**	**100.0**

Sector Analysis

	30th June 2024		31st December 2023	
	Portfolio %[1]	Benchmark %	Portfolio %[1]	Benchmark %
Industrials	27.2	18.9	28.0	18.4
Financials	16.0	15.0	16.4	16.0
Technology	13.1	14.0	12.8	12.6
Consumer Discretionary	11.5	12.7	11.4	13.3
Health Care	9.7	15.1	10.5	15.1
Basic Materials	5.9	3.9	5.4	3.8
Real Estate	5.7	5.8	5.1	6.4
Utilities	3.4	2.7	4.7	2.8
Energy	4.3	7.8	2.5	7.4
Consumer Staples	3.2	2.9	3.2	2.8
Telecommunications	—	1.2	—	1.4
Total	**100.0**	**100.0**	**100.0**	**100.0**

[1] Based on total investments of £279.8m (31st December 2023: £284.0m).

Hoover Dam taken from the Pedestrian Walkway, Arizona, United States

Condensed Statement of Comprehensive Income

For the six months ended 30th June 2024

	(Unaudited) Six months ended 30th June 2024			(Unaudited) Six months ended 30th June 2023			(Audited) Year ended 31st December 2023		
	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	—	1,454	1,454	—	(146)	(146)	—	10,889	10,889
Net foreign currency gains on cash and loans	—	3	3	—	1,020	1,020	—	825	825
Income from investments	1,736	—	1,736	2,135	—	2,135	3,865	381	4,246
Interest receivable	377	—	377	154	—	154	500	—	500
Gross return	**2,113**	**1,457**	**3,570**	**2,289**	**874**	**3,163**	**4,365**	**12,095**	**16,460**
Management fee	(195)	(779)	(974)	(207)	(828)	(1,035)	(401)	(1,602)	(2,003)
Other administrative expenses	(258)	—	(258)	(212)	—	(212)	(520)	—	(520)
Net return before finance costs and taxation	**1,660**	**678**	**2,338**	**1,870**	**46**	**1,916**	**3,444**	**10,493**	**13,937**
Finance costs	(150)	(599)	(749)	(145)	(579)	(724)	(304)	(1,218)	(1,522)
Net return/(loss) before taxation	**1,510**	**79**	**1,589**	**1,725**	**(533)**	**1,192**	**3,140**	**9,275**	**12,415**
Taxation	(229)	—	(229)	(314)	—	(314)	(573)	(57)	(630)
Net return/(loss) after taxation	**1,281**	**79**	**1,360**	**1,411**	**(533)**	**878**	**2,567**	**9,218**	**11,785**
Return/(loss) per share (note 3)	**2.03p**	**0.13p**	**2.16p**	**2.18p**	**(0.82)p**	**1.36p**	**3.98p**	**14.30p**	**18.28p**

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

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

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

Condensed Statement of Changes in Equity

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves[1] £'000	Revenue reserve[1] £'000	Total £'000
Six months ended 30th June 2024 (Unaudited)						
At 31st December 2023	**1,638**	**45,758**	**1,851**	**226,987**	**3,491**	**279,725**
Repurchase of shares into Treasury	—	—	—	(7,885)	—	(7,885)
Repurchase of share for cancellation	(3)	—	—	(397)	—	(400)
Proceeds from share forfeitures[2]	—	—	—	358	—	358
Net return for the period	—	—	—	79	1,281	1,360
Dividends paid in the period (note 4)	—	—	—	—	(1,890)	(1,890)
Forfeiture of unclaimed dividends (note 4)[2]	—	—	—	—	17	17
At 30th June 2024	**1,635**	**45,758**	**1,851**	**219,142**	**2,899**	**271,285**
Six months ended 30th June 2023 (Unaudited)						
At 31st December 2022	**1,638**	**45,758**	**1,851**	**221,271**	**2,539**	**273,057**
Repurchase of shares into Treasury	—	—	—	(734)	—	(734)
Net (loss)/return for the period	—	—	—	(533)	1,411	878
Dividends paid in the period (note 4)	—	—	—	—	(1,615)	(1,615)
At 30th June 2023	**1,638**	**45,758**	**1,851**	**220,004**	**2,335**	**271,586**
Year ended 31st December 2023 (Audited)						
At 31st December 2022	**1,638**	**45,758**	**1,851**	**221,271**	**2,539**	**273,057**
Repurchase of shares into Treasury	—	—	—	(3,502)	—	(3,502)
Net return for the year	—	—	—	9,218	2,567	11,785
Dividends paid in the year (note 4)	—	—	—	—	(1,615)	(1,615)
At 31st December 2023	**1,638**	**45,758**	**1,851**	**226,987**	**3,491**	**279,725**

[1] These reserves form the distributable reserves of the Company and may be used to fund distributions to shareholders.

[2] During the period, the Company undertook an Asset Reunification Programme to reunite inactive shareholders with their shares and unclaimed dividends. In accordance with the Company's Articles of Association, the Company exercised its right to forfeit the shares belonging to untraced shareholders for a period of 12 years or more. These shares were bought back by the Company and cancelled. The proceeds, net of costs, were returned to the Company. In addition, any unclaimed dividend for 12 years from the date of payment of such dividend were forfeited and returned to the Company.

Condensed Statement of Financial Position

At 30th June 2024

	(Unaudited) At 30th June 2024 £'000	(Unaudited) At 30th June 2023 £'000	(Audited) At 31st December 2023 £'000
Fixed assets			
Investments held at fair value through profit or loss	279,804	288,233	283,986
Current assets			
Debtors	561	1,615	308
Cash and cash equivalents	7,334	6,810	19,237
	7,895	8,425	19,545
Current liabilities			
Creditors: amounts falling due within one year	(16,414)	(25,072)	(23,806)
Net current liabilities	**(8,519)**	**(16,647)**	**(4,261)**
Total assets less current liabilities	**271,285**	**271,586**	**279,725**
Net assets	**271,285**	**271,586**	**279,725**
Capital and reserves			
Called up share capital	1,635	1,638	1,638
Share premium	45,758	45,758	45,758
Capital redemption reserve	1,851	1,851	1,851
Capital reserves	219,142	220,004	226,987
Revenue reserve	2,899	2,335	3,491
Total shareholders' funds	**271,285**	**271,586**	**279,725**
Net asset value per share (note 5)	**439.9p**	**420.7p**	**438.6p**

Condensed Statement of Cash Flows

For the six months ended 30th June 2024

	(Unaudited) Six months ended 30th June 2024 £'000	(Unaudited) Six months ended 30th June 2023 £'000	(Audited) Year ended 31st December 2023 £'000
Cash flows from operating activities			
Net return before finance costs and taxation	2,338	1,916	13,937
Adjustment for:			
Net (gains)/losses on investments held at fair value through profit or loss	(1,454)	146	(10,889)
Net foreign currency exchange gains	(3)	(1,020)	(825)
Dividend income	(1,736)	(2,135)	(4,246)
Interest income	(377)	(154)	(500)
Realised foreign currency exchange losses/(gains) on transactions	45	—	(1)
Realised foreign currency exchange losses on JPMorgan USD Liquidity Fund	(291)	(297)	(344)
Decrease in accrued income and other debtors	6	1	10
(Decrease)/increase in accrued expenses	(88)	(6)	77
Net cash outflow from operations before dividends, interest and taxation	**(1,560)**	**(1,549)**	**(2,781)**
Dividends received	1,452	1,637	3,469
Interest received	455	179	447
Overseas withholding tax recovered	29	173	116
Net cash inflow from operating activities	**376**	**440**	**1,251**
Purchases of investments	(39,427)	(37,763)	(70,750)
Sales of investments	44,988	40,521	89,062
Net cash inflow from investing activities	**5,561**	**2,758**	**18,312**
Dividends paid	(1,890)	(1,615)	(1,615)
Forfeiture of unclaimed dividends	17	—	—
Repurchase of shares into Treasury	(7,669)	(734)	(3,502)
Repurchase of share for cancellation	(400)	—	—
Proceeds from share forfeitures	358	—	—
Repayment of bank loan	(7,850)	—	—
Loan interest paid	(794)	(665)	(1,625)
Net cash outflow from financing activities	**(18,228)**	**(3,014)**	**(6,742)**
(Decrease)/increase in cash and cash equivalents	**(12,291)**	**184**	**12,821**
Cash and cash equivalents at start of period/year	19,237	6,652	6,652
Foreign currency exchange movements	388	(26)	(236)
Cash and cash equivalents at end of period/year	**7,334**	**6,810**	**19,237**
Cash and cash equivalents consist of:			
Cash and short term deposits	—	61	42
Cash held in JPMorgan USD Liquidity Fund	7,334	6,749	19,195
Total	**7,334**	**6,810**	**19,237**

Notes to the Condensed Financial Statements

For the six months ended 30th June 2024.

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 Auditor.

The figures and financial information for the year ended 31st December 2023 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 Auditor 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 2024.

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 2023.

3. Return/(loss) per share

	(Unaudited) Six months ended 30th June 2024 £'000	(Unaudited) Six months ended 30th June 2023 £'000	(Audited) Year ended 31st December 2023 £'000
Return/(loss) per share is based on the following:			
Revenue return	1,281	1,411	2,567
Capital return/(loss)	79	(533)	9,218
Total return	**1,360**	**878**	**11,785**
Weighted average number of shares in issue	63,000,907	64,621,432	64,460,117
Revenue return per share	2.03p	2.18p	3.98p
Capital return/(loss) per share	0.13p	(0.82)p	14.30p
Total return per share	**2.16p**	**1.36p**	**18.28p**

Notes to the Condensed Financial Statements

4. Dividends paid

	(Unaudited) Six months ended 30th June 2024		(Unaudited) Six months ended 30th June 2023		(Audited) Year ended 31st December 2023	
	Pence	£'000	Pence	£'000	Pence	£'000
Dividend paid						
Final dividend in respect of prior year	3.00	1,890	2.50	1,615	2.50	1,615
Total dividends paid in the period/year	**3.00**	**1,890**	**2.50**	**1,615**	**2.50**	**1,615**
Forfeiture of unclaimed dividends over 12 years	—	(17)	—	—	—	—
Net dividends paid in the period/year	**—**	**1,873**	**—**	**1,615**	**—**	**1,615**

The dividend paid in the period/year has been funded from the revenue earnings.

No interim dividend has been declared in respect of the six months ended 30th June 2024 (2023: nil)

5. Net asset value per share

	(Unaudited) Six months ended 30th June 2024 £'000	(Unaudited) Six months ended 30th June 2023 £'000	(Audited) Year ended 31st December 2023 £'000
Net assets (£'000)	271,285	271,586	279,725
Number of shares in issue at period/year end	61,669,962	64,558,532	63,770,149
Net asset value per share	**439.9p**	**420.7p**	**438.6p**

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 2024		(Unaudited) Six months ended 30th June 2023		(Audited) Year ended 31st December 2023	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	279,804	—	288,233	—	283,986	—
Total value of investments	**279,804**	**—**	**288,233**	**—**	**283,986**	**—**

7. Analysis of changes in net debt

	As at 31st December 2023 £'000	Cash flows £'000	Other non-cash charges £'000	As at 30th June 2024 £'000
Cash and cash equivalents				
Cash and short term deposits	42	(42)	—	—
Cash held in JPMorgan USD Liquidity Fund	19,195	(12,249)	388	7,334
	19,237	**(12,291)**	**388**	**7,334**
Borrowings				
Debt due within one year	**(23,533)**	**7,850**	**(139)**	**(15,822)**
Net debt	**(4,296)**	**(4,441)**	**249**	**(8,488)**

Other non-cash charges relate to foreign currency exchange gains/(losses).

Central Park, New York, United States

Interim Management Report

The Company is required to make the following disclosures in its Half Year Report:

Principal and Emerging Risks and Uncertainties

The principal risks and uncertainties faced by the Company fall into the following broad categories: underperformance; market and economic; discount control; shareholder demand; loss of investment team or portfolio manager; outsourcing; cyber crime; statutory and regulatory compliance; and climate change. In addition, the following were identified as emerging risks: political and economic; global pandemics; market risk; and ongoing shareholder demand. The Board continues to closely consider and monitor these risks. Information on each of these areas is given in the Strategic Report within the Annual Report and Financial Statements for the year ended 31st December 2023. In the view of the Board, these principal risks and uncertainties are as much applicable to the remaining six months of the financial year as they were to the six months under review.

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 heightened market volatility since the Russian invasion of Ukraine and the unrest in the Middle East, the inflationary environment and other geopolitical and financial risks. However, it does not believe the Company's going concern status is affected. The Company's assets, the vast majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly under all stress test scenarios reviewed by the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. Furthermore, the Directors are satisfied that the Company and its key third party service providers have in place appropriate business continuity plans. Accordingly, having assessed the principal and emerging risks and other matters, the Directors believe that there are no material uncertainties pertaining to the Company that would prevent its ability to continue in such operational existence for at least 12 months from the date of the approval of this half yearly financial report.

Directors' Responsibilities

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

(i) the condensed set of financial statements contained within the half year financial report has been prepared in accordance with FRS 104 'Interim Financial Reporting' and gives a true and fair view of the state of affairs of the Company, and of the assets, liabilities, financial position and net return of the Company as at 30th June 2024 as required by the Disclosure Guidance and Transparency Rules 4.2.4R; and

(ii) the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the 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

Dominic Neary
Chair

23rd August 2024

Wind River Range Wyoming, United States

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

Alternative Performance Measure

Alternative Performance Measures ('APM') 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. These APMs are unaudited.

Return to Shareholders (APM)

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

Total return calculation	Page	Six months ended 30th June 2024	
Opening share price as at 31st December 2023 (p)	7	404.0	(a)
Closing share price as at 30th June 2024 (p)	7	391.0	(b)
Total dividend adjustment factor[1]		1.007853	(c)
Adjusted closing share price (p) d = b x c		394.1	(d)
Total return to shareholders e = (d/a) – 1		**–2.5%**	(e)

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

Return on Net Assets (APM)

Total return on net asset value (NAV) per share, on a bid value to bid value basis, assuming that all dividends paid out by the Company were reinvested, 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 2024	
Opening cum-income NAV per share as at 31st December 2023 (p)	7	438.6	(a)
Closing cum-income NAV per share as at 30th June 2024 (p)	7	439.9	(b)
Total dividend adjustment factor[1]		1.006979	(c)
Adjusted closing cum-income NAV per share d = b x c		443.0	(d)
Total return on net assets e = (d/a) – 1		**+1.0%**	(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.

Benchmark Return

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

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

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

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.

Gearing calculation (excluding effect of futures)	Page	Six months ended 30th June 2024 £'000	Year ended 31st December 2023 £'000	
Investments held at fair value through profit or loss	22	279,804	283,986	(a)
Net assets	22	271,285	279,725	(b)
Gearing c = (a/b) – 1	**7**	**3.1%**	**1.5%**	(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 2024 is an estimated annualised figure based on the numbers for the six months ended 30th June 2024.

	Page	Six months ended 30th June 2024 £'000	Year ended 31st December 2023 £'000	
Management Fee	20	974	2,003	
Other administrative expenses	20	258	520	
Total management fee and other administrative expenses		1,232	2,523	(a)
Average daily cum-income net assets		277,884	270,757	(b)
Ongoing charges c = (a/b) x 2	**7**	**0.89%**		(c)
Ongoing charges d = a/b			**0.93%**	(d)

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

If the share price of an investment trust is lower than the NAV per share, the shares are said to be trading at a discount. The discount is shown as a percentage of the NAV per share. The opposite of a discount is a premium. It is more common for an investment trusts' shares to trade at a discount than at a premium (see page 7).

	Page	Six months ended 30th June 2024 £'000	Year ended 31st December 2023 £'000	
Share price (p)	7	391.0	404.0	(a)
Net assets value per share (p)	7	439.9	438.6	(b)
Discount to net asset value c = (a–b)/b	**7**	**(11.1)%**	**(7.9)%**	(c)

Investing in the Company

You can invest in the Company and other J.P. Morgan managed investment trusts through the following:

1. Via a third party provider

Third party providers include:

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

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

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

2. Through a professional adviser

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

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

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

Share Fraud Warning

Investment and pension scams are often sophisticated and difficult to spot

FINANCIAL CONDUCT AUTHORITY

Be a **ScamSmart** Investor

Be a ScamSmart investor and spot the warning signs

Fraudsters will often:

- contact you out of the blue
- apply pressure to invest quickly
- downplay the risks to your money
- promise tempting returns that sound too good to be true
- say that they're only making the offer available to you or even ask you to not tell anyone else about it

How to avoid investment and pension scams

1. **Reject unexpected offers**
   Scammers usually cold call, but contact can also come by email, post, word of mouth or at a seminar. If you've been offered an investment out of the blue, chances are it's a high risk investment or a scam.
2. **Check the FCA Warning List**
   Use the FCA Warning List to check the risks of a potential investment – you can also search to see if the firm is known to be operating without our authorisation.
3. **Get impartial advice**
   Get impartial advice before investing – don't use an adviser from the firm that contacted you.

If you're suspicious, report it

You can report the firm or scam to us by contacting our **Consumer Helpline** on **0800 111 6768** or using our reporting form using the link below.

If you've lost money in a scam, contact Action Fraud on 0300 123 2040 or www.actionfraud.police.uk

Be ScamSmart and visit www.fca.org.uk/scamsmart

Information About the Company

Financial Conduct Authority ('FCA') Regulation of 'non-mainstream pooled investments', MiFID II 'complex investments'

The Company currently conducts its affairs so that the shares issued by the Company can be recommended by independent financial advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust. The Company's ordinary shares are not considered to be 'complex instruments' under the FCA's 'Appropriateness' rules and guidance in the COB sourcebook.

Consumer Duty Value Assessment

The Manager conducted an annual value assessment on the Company in line with 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 Company (against both benchmark and peers), total fees (including management fees and entry and exit fees as applicable to the Company), and also considers whether all consumers, including vulnerable consumers, are able to receive fair value from the product. The Manager has concluded that the Company is providing value based on the above assessment.

Task Force on Climate-related Financial Disclosures

As a listed Investment Trust, the Company is exempt from reporting against the Task Force on Climate-related Financial Disclosures ('TCFD'). However, in accordance with the requirements of the TCFD, in June 2024, the Investment Manager published its second UK TCFD Report for the Company in respect of the year ended 31st December 2023. The report discloses estimates of the portfolio's climate-related risks and opportunities according to the FCA Environmental, Social and Governance Sourcebook and the TCFD Recommendations. The report is available on the Company's website: www.jpmussmallercompanies.co.uk or visit tinyurl.com/JUSC-Home

Gearing

The Company has a secured US$20 million borrowing facility in place, which is available for the Portfolio Managers to utilise within guidelines set by the Board. At 30th June 2024, US$20 million (£15.8 million) was drawn down on the facility with the gearing level being 3.1% at that date.

Environmental, Social and Governance

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

Information About the Company

History

The Company was incorporated in 1955 as Atomic Securities Trust Limited. It was dormant until 1962 when it changed its name to Fledgeling Investments Limited and began operations as an unquoted investment company.

The Company was wholly owned by a number of Fleming investment trusts and invested in listed and unlisted companies in the UK and US which for reasons of small size, illiquidity or risk, were unsuitable for direct investment. In 1982, with assets of £9.2 million, it obtained a listing on the London Stock Exchange and gained investment trust status, at which time it changed its name to The Fleming Fledgeling Investment Trust plc. In April 1998, the Company changed its mandate and also its name to The Fleming US Discovery Investment Trust plc, then again to JPMorgan Fleming US Discovery Investment Trust plc in May 2002 and to JPMorgan US Discovery Investment Trust plc in April 2006. The Company adopted its present name in April 2010.

Directors

Dominic Neary (Chair)
Mandy Donald (Audit Committee Chair)
Christopher Metcalfe (Senior Independent Director)
Shefaly Yogendra (Remuneration Committee Chair)

Company Numbers

Company registration number: 552775
London Stock Exchange Code: JUSC LN
ISIN: GB00BJL5F346
Bloomberg: JUSC LN
LEI: 549300MDD7SOXDMBN667
Reuters: JUSC.L

Market Information

The Company's unaudited net asset value 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 and on the Company's website at www.jpmussmallercompanies.co.uk or visit tinyurl.com/JUSC-Home, where the share price is updated every 15 minutes during trading hours.

Website

www.jpmussmallercompanies.co.uk or visit tinyurl.com/JUSC-Home

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: 0800 20 40 20 or +44 (0) 1268 44 44 70
email: invtrusts.cosec@jpmorgan.com

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

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.

Custodian

JPMorgan Chase Bank, N.A.
25 Bank Street
Canary Wharf
London E14 5JP

Registrar (with effect from 15th July 2024)

Computershare Investor Services PLC
The Pavilions
Bridgwater Rd
Bristol
BS99 6ZZ
United Kingdom
Telephone + 44 (0) 370 707 1423

Lines open 8.30 a.m. to 5.30 p.m. Monday to Friday
Shareholders can manage their shareholding online by visiting the Investor Centre at www.investorcentre.co.uk, Shareholders just require their Shareholder Reference Number, which can be found on any communications previously received from Computershare.

Independent Auditor

BDO LLP
Statutory Auditor
55 Baker Street
London W1U 7EU

Broker

Deutsche Numis
45 Gresham Street
London EC2V 7BF

aic
The Association of Investment Companies

A member of the AIC

CONTACT

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J.P.Morgan
ASSET MANAGEMENT