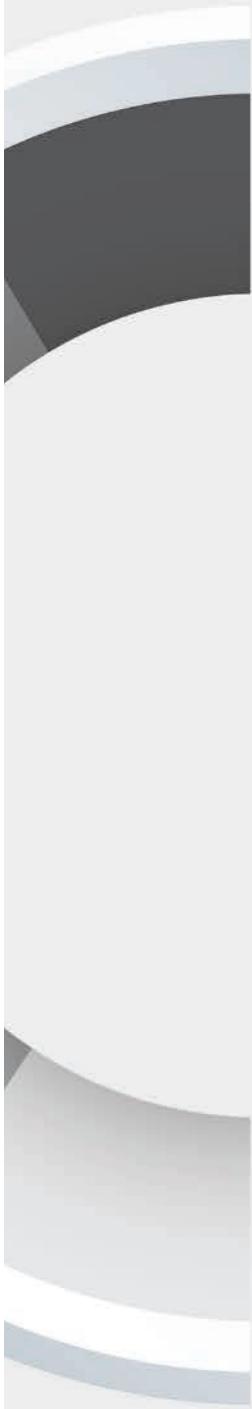


# JPMorgan American Investment Trust plc

Half Year Report & Financial Statements for the six months ended 30th June 2020



## KEY FEATURES

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### Your Company

#### Investment Objective

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

#### Investment Policies

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

#### Gearing Policy

• To use short and long term gearing to increase potential returns to shareholders. The Company's gearing policy is to operate within a range of 5% net cash to 20% geared in normal market conditions. Within this range, the Board reviews and sets a strategic gearing level, which is currently 10%. The Manager is accountable for managing the gearing around a tactical gearing level, taking account of shorter term potential market risks and returns. The current tactical level of gearing is 5% with a range of plus or minus 5%. This means over the short term gearing may vary between 0% and 10%.

#### Benchmark Index

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

#### Capital Structure

As at 30th June 2020, the Company's share capital comprised 281,663,910 ordinary shares of 5p each, including 76,339,875 shares held in Treasury.

The Company's available borrowings are currently made up of two elements: a £80 million floating rate debt facility expiring in July 2022, and a US\$ 65 million fixed-rate 11 year unsecured loan note at an annual coupon of 2.55% which will expire in February 2031. When utilised, all the facilities are drawn in US dollars.

#### Management Fee

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

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

With effect from 1st June 2019, for a period of nine months through to 29th February 2020, the management fee was waived.

#### Management Company

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

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

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

The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

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

The Company is a member of the AIC.

#### Website

More information about the Company can be found online at [www.jpmamerican.co.uk](http://www.jpmamerican.co.uk).

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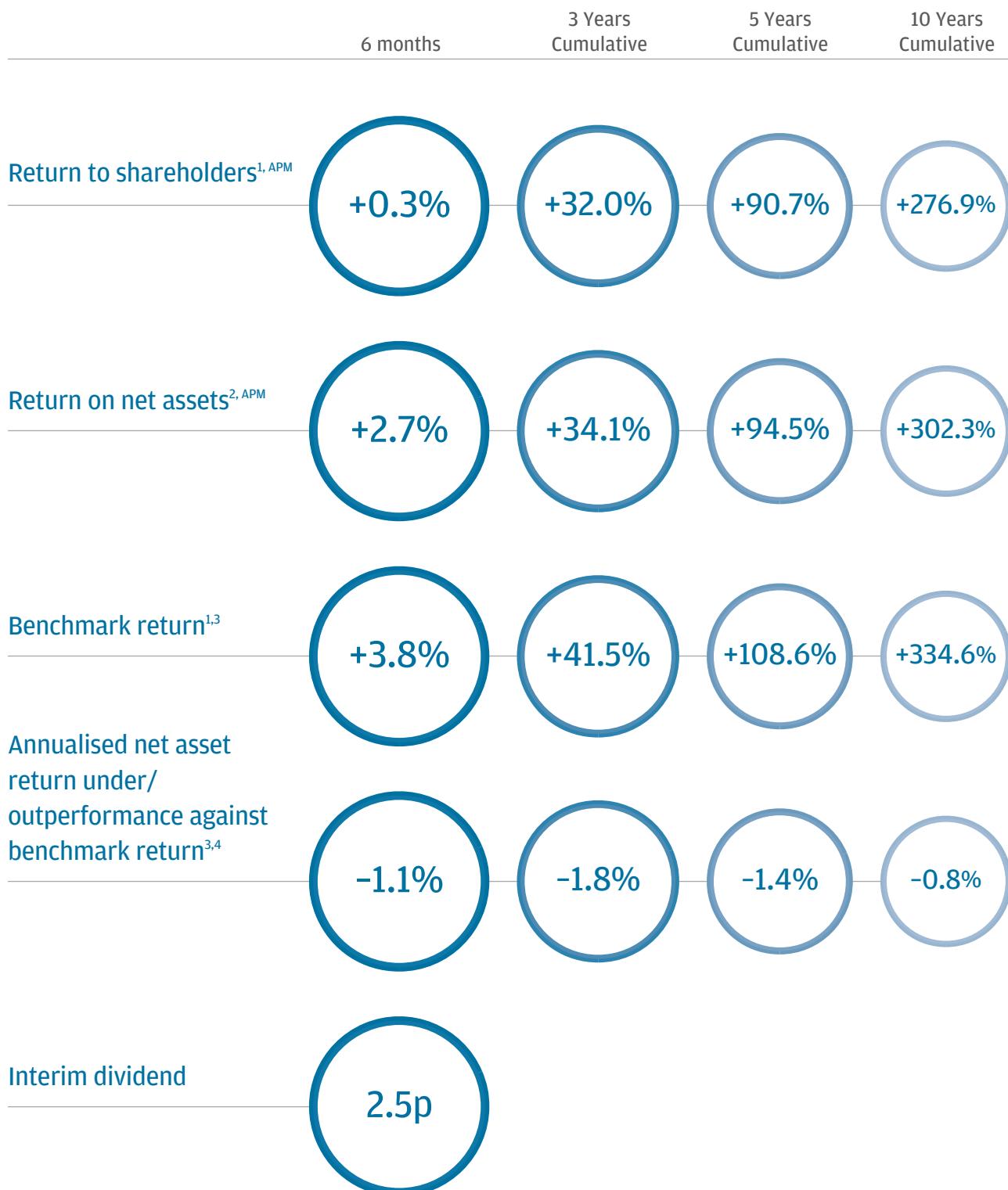
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## Half Year Performance

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## TOTAL RETURNS (INCLUDING DIVIDENDS REINVESTED)

TO 30TH JUNE 2020

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

APM Alternative Performance Measure ('APM').

## FINANCIAL HIGHLIGHTS

### SUMMARY OF RESULTS

	30th June 2020	31st December 2019	% change
Shareholders' funds (£'000)	1,058,606	1,056,796	+0.2
Shares in issue (excluding shares held in Treasury) <sup>1</sup>	205,294,035	209,329,058	-1.9
Net asset value per share with debt at fair value <sup>APM</sup>	513.6p	504.8p	+1.7 <sup>2</sup>
Net asset value per share with debt at par value <sup>APM</sup>	515.7p	504.8p	+2.2 <sup>2</sup>
Share price	480.0p	483.0p	-0.6 <sup>3</sup>
Share price discount to net asset value per share with debt at fair value <sup>APM</sup>	6.5%	4.3%	
Gearing <sup>APM</sup>	6.5%	2.8%	
Ongoing Charges Ratio <sup>APM, 4</sup>	0.33%	0.18%	
Exchange rate	1 £ = \$ 1.2356	1 £ = \$ 1.3247	

<sup>1</sup> Excluding 76,339,875 (31st December 2019: 72,304,852) shares held in Treasury.

<sup>2</sup> % change, excluding dividends paid. Including dividends the returns would be +2.7% and +3.1% respectively.

<sup>3</sup> % change, excluding dividends paid. Including dividends the returns would be +0.3%.

<sup>4</sup> Ongoing Charges Ratio is reduced as a result of a nine month management fee waiver starting from 1st June 2019. Without the management fee waiver, the ongoing charges ratio would be 0.38% (year to 31st December 2019: 0.39%).

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

A glossary of terms and APMs is provided on pages 27 to 29.

## Chair's Statement

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**Dr Kevin Carter**  
Chair

Dear Shareholders,

During the six months ended 30th June 2020, the Covid-19 pandemic has spread across the world with the tragic loss of over half a million lives leading to widespread community hardship and deep recessionary conditions. Despite massive emergency economic responses by governments and monetary authorities, it is clear that there is still a considerable way to go before anything resembling previous normality is restored.

The reporting period saw financial markets, in the United States and worldwide, dramatically affected by the spread of the Covid-19 pandemic. As investors attempted to assess the implications of the pandemic, the US stock market fell by 30.4% to a low point on 23rd March 2020, before rebounding by 39.3% by 30th June 2020, finishing the period 3.1% below (in US dollar terms) the level pertaining at the beginning of the half year. This degree of volatility is rarely seen and reflected the extreme uncertainty the pandemic has produced.

### Performance

The total return on net assets per share in sterling terms over the period was +2.7%. The return to Ordinary shareholders per share in sterling terms was +0.3%, reflecting a small widening of the Company's discount to net asset value per share ('NAV') at which it traded at the end of the period. The total return from the Company's benchmark, the S&P 500 Index in sterling terms, was +3.8%. More information about the portfolio and individual stock performance can be found in the Managers' report on page 9.

### Share price and Discount Management

The Company's shares have traded at a discount to the NAV throughout the period under review and the Company has continued to buy back its shares in line with the Board's commitment to its shareholders to buy shares back when they stand at anything more than a small discount to NAV. The Company bought into Treasury a total of 4,035,023 shares or 1.9% of the Company's issued share capital at the beginning of 2020 (30th June 2019: 1.8%). These shares were purchased at an average discount to NAV of 5.4%, producing a modest accretion to the NAV for continuing shareholders.

### Dividend

Whilst capital growth is the primary aim of the Company, the Board is aware that dividend receipts can be an important element of shareholder returns. The Board continues to monitor the net income position of the Company, particularly given the potential threat to dividend payments arising from the effects of the Covid-19 pandemic. In the absence of unforeseen circumstances the Board is aiming to pay out a total dividend for the financial year of at least 6.5 pence per share, unchanged from that paid in respect of the 2019 financial year.

The Company is declaring a dividend of 2.5 pence per share (2019: 2.5 pence) for the first six months of this year, which will be payable on 2nd October 2020 to shareholders on the register on 28th August 2020.

### Gearing

The Board maintains strong oversight of the Company's gearing policy and the source and use of available leverage. The ability to borrow money for investment is a key differentiating feature of investment trusts.

The Company has a strategic gearing level of 10% and it has operated with a tactical gearing level of 10%, plus or minus 4%. As announced on 9th June 2020, following a review of the market conditions, the Board decided that while the strategic gearing level remained unchanged at 10%, the tactical level of gearing would be amended to 5% while the permitted range around this level will be widened from plus or minus 4% to plus or minus 5%. This meant that over the short term gearing would vary between 0% and 10% and currently stands at 7.2% at the time of writing. The purpose of the wide range around the central level of 5% is to give the Managers some additional flexibility in the current volatile market conditions.

The Company's gearing strategy is implemented through the use of bank borrowing facilities, with the Company currently having access to a £80 million floating rate debt facility with ING Bank expiring in July 2022. As announced earlier this year, the leverage available to the Company has been increased further through the issue of \$65 million of fixed-rate 11 year unsecured loan notes via a private placement with a UK based life assurance company at a fixed interest rate of 2.55% per annum. These notes, which are due for repayment in February 2031, provide the Company with long-dated, fixed-rate financing at an attractive rate of interest over the term of the notes, diversifying the source, tenor and rate of the leverage available to the Company. Together with the £80 million revolving credit facility, these loan notes provide the Company with sufficient debt to ensure that it can operate at the Board's expected strategic gearing level, including any shorter term tactical changes adopted from time to time.

### Annual General Meeting

At the AGM on 7th May all resolutions were duly passed by shareholders. Sadly, circumstances meant that only a purely functional meeting could be held and I am grateful to shareholders for their support and forbearance in light of the pandemic. I would encourage shareholders regularly to visit the Company's website ([www.jpmamerican.co.uk](http://www.jpmamerican.co.uk)) for updated information on the Company. The Board remains keen to arrange an in person meeting with shareholders when circumstances permit.

### Board

As announced on 7th April 2020, Ms Claire Binyon has joined the Board from 1st June 2020. She is currently a non-executive director of NHBS Ltd and Murray International Trust PLC, is a chartered accountant and brings to the Board a wealth of corporate and strategic experience gained at a number of large PLCs.

### Outlook

The remainder of this year presents investors with more than the usual level of uncertainty associated with predicting investment outturns. 2020 is a Presidential election year, and the United States remains gripped in the Covid-19 pandemic with little sign of it abating at present. The degrees of monetary stimulation already provided by the Federal Reserve, and fiscal support provided by Congress, are simply unprecedented. Their combined effect on the US economy and the stock market in which we are invested, is very difficult to assess, though they must be considered as a major positive for both.

More than is typically the case, successful investing through this period will depend on astute individual stock picking as the environment produces differentiated company outcomes. The Company's large cap portfolio of 40 best idea stocks, embracing both value and growth disciplines, would appear well suited to this situation, and I am hopeful our Managers will be able to capitalise on the opportunities the environment is presenting currently, as well as into the future.

**Dr Kevin Carter**

Chair

12th August 2020





Timothy Parton



Jonathan Simon

## Market Review

The S&P 500 Index fell by -3.1% (in US dollar terms) in a volatile first half of the year, after an initial rise followed by a sharp drawdown in March, and an eventual rebound over the remaining months.

After a strong close to 2019, solid US economic indicators continued to buoy the S&P 500 at the beginning of the year. With the initial outbreak of Covid-19 in January, an early indication that its effects would be relatively short-lived propelled the S&P 500 to new all-time highs in February. However, the outbreak continued to grow and ramp up globally.

Distinct read-throughs began to take place in global economic data, such as in jobless claims and global manufacturing and service PMIs, ultimately leading to a dramatic downturn for the markets in March. Moreover, the US economy contracted at an annualised pace of 5.0% in the first quarter of the year, ending more than a decade-long expansion. Corporate earnings also took a hit with first quarter earnings contracting by 14% compared to 1Q19.

While extraordinary fiscal and monetary policy responses helped the market recover from April through June, disappointing economic data along with renewed tensions between the US and China generated frequent bouts of market volatility. While markets have sustained their upward movement and investors remain optimistic about the progress in developing a medication to fight Covid-19, both the trading and political relationship with China and a resurgence of the viral outbreak remain as potential areas of concern.

With the majority of S&P 500 sectors in the red, the information technology and consumer discretionary sectors bucked the trend and posted returns of 15% and 7%, respectively. On the other hand, energy was the largest detractor, falling by -35%, followed by financials which returned -24%.

Large cap stocks as represented by the S&P 500 Index outperformed the small cap Russell 2000 Index, as they returned -3.1% (in US dollar terms) versus -13.0%, respectively. Value continued to underperform growth, and dramatically so in this period as a lot of growth companies were beneficiaries of the pandemic lockdown, while a lot of value companies suffered. The Russell 3000 Value Index fell by -16.8% while the Russell 3000 Growth Index increased by 9.0%.

## Performance and Overall Asset Allocation

The Company's net asset value rose by 2.7% in total return terms over the first six months of 2020. The return was below the benchmark, the S&P 500, which rose 3.8% in sterling terms. The large cap portion of the Company posted a positive return, in sterling terms, and delivered a small positive contribution to relative performance. The small cap growth allocation, which has been maintained at approximately 1% during this period, also added value as it outperformed the S&P 500 in sterling terms, with most of that outperformance coming during the second quarter rebound.

Conversely, gearing, and in particular movements in the sterling value of our US dollar debt, detracted somewhat from performance. The level of gearing was adjusted at regular intervals over the six month period within the gearing guidelines laid down by the Board. The Company increased its gearing from approximately 3% at the beginning of the year to 6% towards the end of February and subsequently increased it again to 10% in early March. As the market rally continued from March into April, the gearing was trimmed to keep it in line with guidelines. As a result of the sharp market rally as well as valuation concerns, the decision was taken to move to a tactical gearing level of 5% +/-5% in early June and the portfolio ended the period with 6.5% of gearing.

In general terms, stock selection added value and the portfolio benefitted from strong stock selection in the consumer discretionary, information technology and health care sectors, all of which outperformed their benchmark peer group. Within consumer discretionary, our exposure to Tesla was the top contributor. Tesla's share price rallied due to a faster than expected timeline for its Model Y production and efficient execution from their gigafactory in Shanghai. We continue to have conviction in the company driven by the ongoing secular shift to electric vehicles, positive free cash flow generation and improved operational efficiencies, as well as the company's significant competitive advantage in the development of self-driving software.

Within information technology, our overweight position in Synopsys was among the largest contributors. Synopsys is a software company that is at the forefront of new technologies with the world's most advanced tools for silicon chip design and application security testing. The company reported record orders in their electronic design automation software segment. Importantly, margins expanded, free cash flow generation remains robust, and management raised full year guidance - proof positive of resiliency in the business model that continues to impress. We believe the company remains well positioned to benefit from artificial intelligence, internet of things, wearables and autonomous vehicles as all these applications require sophisticated integrated circuits.

In contrast, our portfolio holdings in the financials and industrials sectors lagged their benchmark peer groups and detracted from performance. Within financials our sector allocation detracted during the period given our large overweight to the sector which was one of the worst performing sectors in the

### PERFORMANCE ATTRIBUTION

FOR THE SIX MONTHS ENDED 30TH JUNE 2020

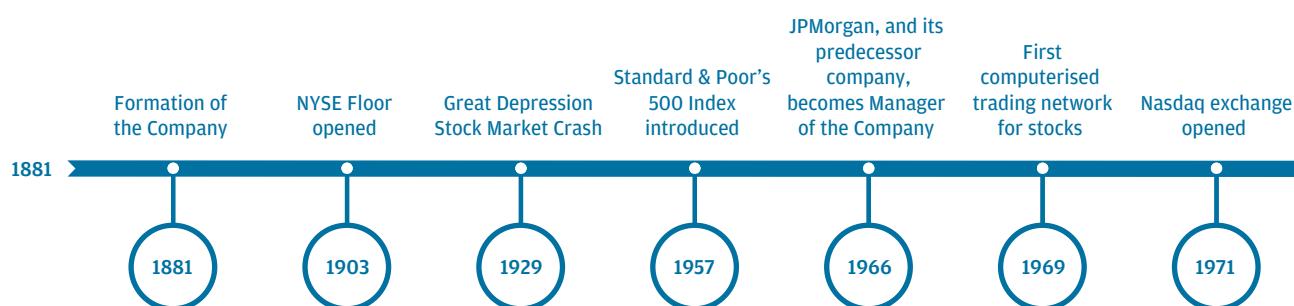
	%	%
<b>Contributions to total returns</b>		
Net asset value total return (in sterling terms) <sup>APM</sup>	2.7	
Benchmark total return (in sterling terms)	3.8	
Excess return	-1.1	
<b>Contributions to total returns</b>		
Value and Growth Portfolio	0.1	
Sector allocation effect	-4.5	
Stock selection effect	4.6	
Small-cap portfolio	0.2	
Sector allocation effect	0.2	
Stock selection effect	-	
Effect of foreign exchange and gearing	-0.9	
Cost of Debt	-0.1	
Effect of change in the fair value of fixed rate debt	-0.4	
Share buybacks	0.1	
Management fee and expenses	-0.1	
<b>Total</b>	<b>-1.1</b>	

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

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

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

A glossary of terms and APMs is provided on pages 27 to 29.



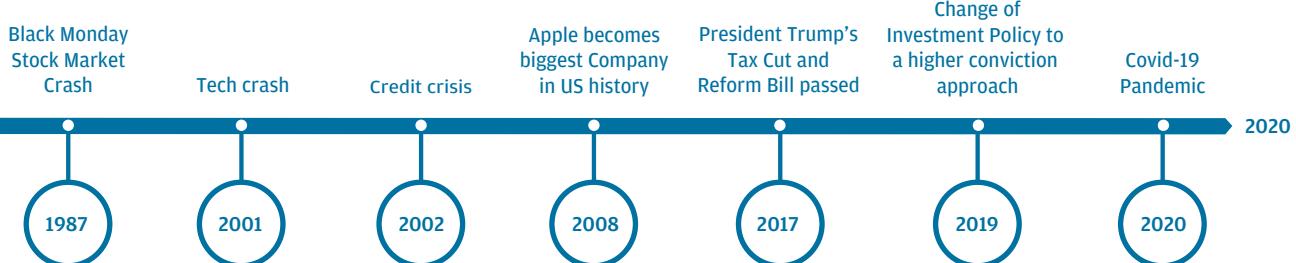
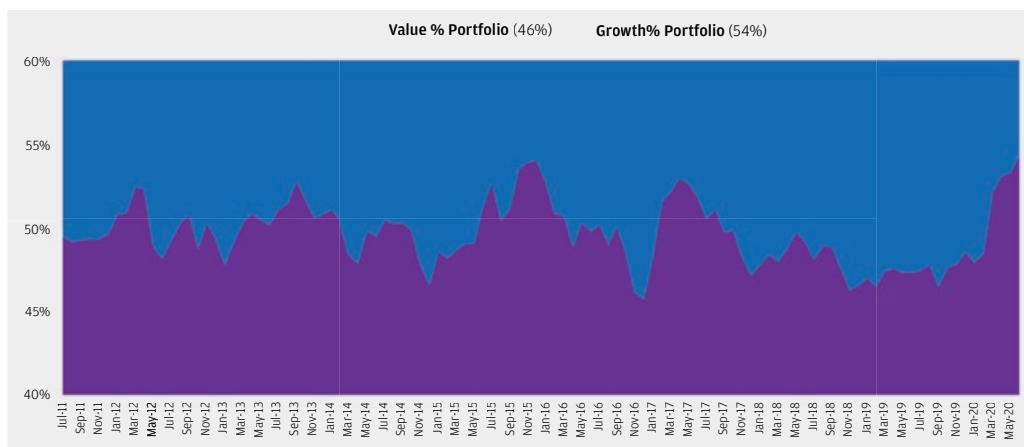
S&P 500. Within the sector, our overweight position in Loews was the largest detractor. The company reported its quarterly results that looked weak as the bankruptcy filing of Diamond Offshore led to a significant after-tax loss in the quarter. The main issue for Loews concerned its subsidiary CNA Financial, which missed expectations as a result of disruptions in the fixed income market. We continue to have conviction in the name and have added to the position during the period under review.

With regards to industrials, owning Delta Air Lines during some of the period negatively impacted results as airlines came under significant pressure after travel restrictions, due to Covid-19, were imposed. Delta was forced to cut their capacity by 70% and to ground more than 600 aircrafts. We exited the name in April and initiated a position in Southwest Airlines. We believe Southwest's balance sheet strength along with its strong brand, and diverse network will help it recover quicker as we start to emerge from the Covid-19 crisis.

In terms of portfolio positioning, our sector weights remain a by-product of our bottom-up investment analysis and our disciplined approach to portfolio construction. We remain focused on owning high quality businesses with durable competitive advantages, which we believe will provide stability should uncertainty persist and economic fundamentals deteriorate. Financials and information technology remain the largest allocations in the portfolio and represent 45% of the overall portfolio. However their representation relative to the S&P 500 diverge. Financials remains the largest overweight in the portfolio; however, we have tweaked the complexion of our exposure. Specifically, we have reduced those financials most at risk to deteriorating credit conditions, while adding to higher quality names. As the market has favoured technology names during this period, we have been mindful when it comes to risk management and have been trimming our positions selectively within the space particularly those names seen by the market as Covid-19 beneficiaries.

On the other hand, our largest underweights include the communication services, consumer staples and industrials sectors. As for consumer staples, we continue to find names with better risk/reward profiles in other sectors. In particular, we have found names with more defensive characteristics such as Ball in the materials space.

The construction of the large-cap portfolio allocates between value and growth stocks, with the allocation allowed to vary between 60:40 and 40:60. At the period end, value stocks comprised some 46% of the large-cap portfolio and growth stocks comprised the remaining 54%. Below is an overview of the split between value and growth in the strategy over the long term.



When we put our collection of names together in the large cap portfolio we always find it interesting to look at some key characteristics at the portfolio level. As you can see from the below table, the large cap portfolio is trading at about a 35% discount to the market on a free cash flow basis as we are clearly not paying a premium for good cash flow. Additionally, we continue to be confident that our names will deliver earnings growth of around 7%, which is higher than the market at almost a similar P/E multiple.

Characteristics	Large Cap Portfolio	S&P 500
Weighted Average Market Cap	USD 358.6bn	USD 388.2bn
Price/Earnings, 12-month forward <sup>1</sup>	20.1x	20.2x
Price/Free Cash Flow, last 12-months	11.3x	17.5x
EPS Growth, 12-month forward	6.9%	6.5%
Predicted Beta	1.08	—
Predicted Tracking Error	5.29	—
Number of holdings	40	500
Active Share	70%	—

Source: Factset, J.P. Morgan Asset Management. Data as of 30th June 2020.

<sup>1</sup> Includes negatives

## Market Outlook

While we believe the economy will recover, it will first need time to heal, and hence we remain balanced and continue to monitor incremental risks that could represent headwinds for U.S. stocks. Through the volatility, we continue to increase our exposure to quality, focus on high conviction stocks, and take advantage of market dislocations for compelling stock selection opportunities.

We continue to focus on the fundamentals of the economy and on company earnings. Starting with profits, our current research suggests that profit growth could be around -23% for 2020, however, this figure has been trending upwards in recent months. Moreover, we do expect to have a strong recovery in 2021, and our current estimates are for earnings growth of +30% in 2021. While subject to revision, this forecast reflects our expectations for a very weak year yet ultimate recovery in the underlying economy and includes our best analysis of earnings expectations. Unemployment and other uncertainties, such as trade, fiscal stimulus, and the US election, will be integral to investor sentiment moving forward.

**Timothy Parton**  
**Jonathan Simon**  
 Investment Managers

12th August 2020

## TEN LARGEST EQUITY INVESTMENTS

Company	Sub Sector	30th June 2020		31st December 2019	
		Valuation £'000	% <sup>1</sup>	Valuation £'000	% <sup>1</sup>
Microsoft	Information Technology	77,753	6.9	73,002	6.7
Amazon.com	Consumer Discretionary	67,030	5.9	34,466	3.2
Apple	Information Technology	54,337	4.8	43,768	4.0
Loews	Financials	44,524	4.0	44,627	4.1
Berkshire Hathaway <sup>2</sup>	Financials	41,137	3.7	27,977	2.6
UnitedHealth	Health Care	41,042	3.6	43,882	4.0
Home Depot <sup>2</sup>	Consumer Discretionary	40,404	3.6	23,287	2.1
Alphabet	Communication Services	40,013	3.5	42,540	3.9
Bank of America	Financials	38,579	3.4	36,450	3.4
Mastercard	Information Technology	33,309	3.0	37,429	3.4
<b>Total</b>		<b>478,128</b>	<b>42.4</b>		

<sup>1</sup> Based on total investments of £1,126.9m (2019: £1,086.6m).

<sup>2</sup> Not included in the ten largest equity investments at 31st December 2019.

At 31st December 2019 the value of the ten largest equity investments amounted to £434.3 million representing 39.9% of total investments.

## PORTFOLIO INFORMATION

### LIST OF INVESTMENTS AT 30TH JUNE 2020

Company	Valuation £'000	Company	Valuation £'000	Company	Valuation £'000		
<b>LARGE COMPANIES</b>							
These are generally defined as companies which have a market capitalisation of more than \$3 billion.							
Microsoft	77,753	Southwest Airlines	14,783	Trex	151		
Amazon.com	67,030	Zebra Technologies	13,645	iRhythm Technologies	147		
Apple	54,337	Regeneron Pharmaceuticals	13,554	Smartsheet	146		
Loews	44,524	DexCom	12,054	Pool	143		
Berkshire Hathaway	41,137	Ball	11,261	MSA Safety	137		
UnitedHealth	41,042		<b>1,114,489</b>	Ollie's Bargain Outlet	135		
Home Depot	40,404	<b>SMALL COMPANIES</b>					
Alphabet	40,013	These are generally defined as companies which, at the date of investment, have a market capitalisation of less than \$3 billion. The investments within the Small Companies portfolio are listed separately as they are managed as a discrete portfolio.					
Bank of America	38,579	Inphi	220	Helen of Troy	120		
Mastercard	33,309	Natera	209	Semtech	117		
Capital One Financial	32,100	Advanced Drainage Systems	202	Enphase Energy	117		
Martin Marietta Materials	31,464	National Vision	186	Coherus Biosciences	114		
Tesla	29,493	John Bean Technologies	184	Shockwave Medical	112		
Amgen	29,366	Halozyme Therapeutics	183	Ciena	112		
AbbVie	29,007	Lithia Motors	182	ADC Therapeutics	112		
Charles Schwab	28,477	Horizon Therapeutics	177	ITT	112		
T Rowe Price	24,617	MKS Instruments	176	Globant	111		
PayPal	24,512	Envestnet	175	Anaplan	108		
QUALCOMM	24,264	Freshpet	174	Planet Fitness	108		
Public Storage	24,175	Texas Roadhouse	174	Everbridge	106		
Xcel Energy	23,612	SiteOne Landscape Supply	171	Boyd Gaming	105		
Synopsys	22,028	New York Times	170	Bandwidth	105		
Federal Realty Investment Trust	21,751	Twist Bioscience	169	Rush Enterprises	105		
AutoZone	21,739	HubSpot	168	Blackline	104		
Packaging Corp. of America	20,861	Entegris	167	FibroGen	104		
Stanley Black & Decker	20,303	Simpson Manufacturing	167	Evercore	104		
Walgreens Boots Alliance	20,074	Saia	160	CyberArk Software	103		
Kinder Morgan	19,690	Nevro	159	Monolithic Power Systems	103		
Booking	19,498	Amedisys	155	Zendesk	100		
Advanced Micro Devices	18,949	Amicus Therapeutics	154	Applied Industrial Technologies	98		
DISH Network	17,966	Biohaven Pharmaceutical	154	Proofpoint	98		
S&P Global	17,693	Elastic	151	Littelfuse	98		
Intuitive Surgical	17,136	Winnebago Industries	151	Bill.com	97		
Global Payments	16,798	ManTech International	151	ACADIA Pharmaceuticals	94		
Marathon Petroleum	15,491						

Company	Valuation £'000	Company	Valuation £'000	Company	Valuation £'000
FTI Consulting	94	Medallia	69	Dynatrace	48
Cree	93	Tricida	69	Alector	46
Graco	93	AvroBio	68	Kirby	46
eHealth	92	Acadia Healthcare	68	REVOLUTION Medicines	45
EastGroup Properties	91	Fortune Brands Home & Security	67	10X Genomics	44
SolarEdge Technologies	89	REGENXBIO	65	Evolent Health	41
Terreno Realty	89	Bright Horizons Family Solutions	64	Aaron's	38
TRI Pointe	85	SelectQuote	63	Adaptive Biotechnologies	36
Atara Biotherapeutics	84	Sage Therapeutics	63	Personalis	35
First Financial Bankshares	83	CubeSmart	61	Hudson	34
Farfetch	82	Vroom	60	MyoKardia	34
Focus Financial Partners	82	BridgeBio Pharma	58	Arvinas	26
Floor & Decor	79	RealReal	58	Rubius Therapeutics	24
Heron Therapeutics	76	Intercept Pharmaceuticals	56	TherapeuticsMD	23
Global Blood Therapeutics	74	National Health Investors	55	Generation Bio	20
G1 Therapeutics	74	Immunomedics	53	Orchard Therapeutics	16
I3 Verticals	73	Allogene Therapeutics	53	OneSpaWorld	13
Viela Bio	73	Homology Medicines	52		<b>12,428</b>
Carlisle	70	AZEK	50		<b>TOTAL INVESTMENTS</b>
Brink's	69	Signature Bank	50		<b>1,126,917</b>

## Financial Statements

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# STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30TH JUNE 2020

	(Unaudited) Six months ended 30th June 2020			(Unaudited) Six months ended 30th June 2019			(Audited) Year ended 31st December 2019		
	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	–	29,801	29,801	–	130,077	130,077	–	178,043	178,043
Net foreign currency (losses)/gains	–	(6,369)	(6,369)	–	(162)	(162)	–	711	711
Income from investments	8,930	–	8,930	11,458	–	11,458	19,648	–	19,648
Interest receivable	214	–	214	142	–	142	317	–	317
<b>Gross return</b>	<b>9,144</b>	<b>23,432</b>	<b>32,576</b>	<b>11,600</b>	<b>129,915</b>	<b>141,515</b>	<b>19,965</b>	<b>178,754</b>	<b>198,719</b>
Management fee <sup>1</sup>	(210)	(839)	(1,049)	(230)	(919)	(1,149)	(230)	(919)	(1,149)
Other administrative expenses	(342)	–	(342)	(328)	–	(328)	(697)	–	(697)
<b>Net return before finance costs and taxation</b>	<b>8,592</b>	<b>22,593</b>	<b>31,185</b>	<b>11,042</b>	<b>128,996</b>	<b>140,038</b>	<b>19,038</b>	<b>177,835</b>	<b>196,873</b>
Finance costs	(265)	(1,061)	(1,326)	(9)	(36)	(45)	(53)	(214)	(267)
<b>Net return before taxation</b>	<b>8,327</b>	<b>21,532</b>	<b>29,859</b>	<b>11,033</b>	<b>128,960</b>	<b>139,993</b>	<b>18,985</b>	<b>177,621</b>	<b>196,606</b>
Taxation	(1,275)	–	(1,275)	(1,630)	–	(1,630)	(2,861)	–	(2,861)
<b>Net return after taxation</b>	<b>7,052</b>	<b>21,532</b>	<b>28,584</b>	<b>9,403</b>	<b>128,960</b>	<b>138,363</b>	<b>16,124</b>	<b>177,621</b>	<b>193,745</b>
<b>Return per share (note 3)</b>	<b>3.40p</b>	<b>10.38p</b>	<b>13.78p</b>	<b>4.34p</b>	<b>59.56p</b>	<b>63.90p</b>	<b>7.54p</b>	<b>83.03p</b>	<b>90.57p</b>

<sup>1</sup> Management fee for the year ended 31st December 2019 was reduced by £169,000 (£34,000 allocated to revenue, £135,000 allocated to capital) due to the reimbursement of transaction costs. This was in relation to the transition of the portfolio following the change in investment policy.

The interim dividend declared in respect of the six months ended 30th June 2020 amounts to 2.5p (2019: 2.5p) per share, costing £5,132,351 (2019: £5,308,000).

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

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

## STATEMENT OF CHANGES IN EQUITY

### FOR THE SIX MONTHS ENDED 30TH JUNE 2020

	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 30th June 2020</b>						
(Unaudited)						
At 31st December 2019	14,082	151,850	8,151	850,826	31,887	1,056,796
Repurchase of shares into Treasury	—	—	—	(18,480)	—	(18,480)
Net return	—	—	—	21,532	7,052	28,584
Dividends paid in the period (note 4)	—	—	—	—	(8,294)	(8,294)
<b>At 30th June 2020</b>	<b>14,082</b>	<b>151,850</b>	<b>8,151</b>	<b>853,878</b>	<b>30,645</b>	<b>1,058,606</b>
<b>Six months ended 30th June 2019</b>						
(Unaudited)						
At 31st December 2018	14,082	151,850	8,151	715,376	29,717	919,176
Repurchase of shares into Treasury	—	—	—	(17,740)	—	(17,740)
Net return	—	—	—	128,960	9,403	138,363
Dividends paid in the period (note 4)	—	—	—	—	(8,657)	(8,657)
<b>At 30th June 2019</b>	<b>14,082</b>	<b>151,850</b>	<b>8,151</b>	<b>826,596</b>	<b>30,463</b>	<b>1,031,142</b>
<b>Year ended 31st December 2019</b>						
(Audited)						
At 31st December 2018	14,082	151,850	8,151	715,376	29,717	919,176
Repurchase of shares into Treasury	—	—	—	(42,171)	—	(42,171)
Net return	—	—	—	177,621	16,124	193,745
Dividends paid in the year (note 4)	—	—	—	—	(13,954)	(13,954)
<b>At 31st December 2019</b>	<b>14,082</b>	<b>151,850</b>	<b>8,151</b>	<b>850,826</b>	<b>31,887</b>	<b>1,056,796</b>

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

## STATEMENT OF FINANCIAL POSITION

**AT 30TH JUNE 2020**

	(Unaudited) 30th June 2020 £'000	(Unaudited) 30th June 2019 £'000	(Audited) 31st December 2019 £'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss	1,126,917	1,015,304	1,086,584
<b>Current assets</b>			
Derivative financial assets	—	—	8
Debtors	629	5,974	578
Cash and cash equivalents	42,370	18,209	8,601
	42,999	24,183	9,187
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	(732)	(8,345)	(290)
<b>Net current assets</b>	42,267	15,838	8,897
<b>Total assets less current liabilities</b>	1,169,184	1,031,142	1,095,481
Creditors: Amounts falling due after more than one year	(110,578)	—	(38,685)
<b>Net assets</b>	1,058,606	1,031,142	1,056,796
<b>Capital and reserves</b>			
Called up share capital	14,082	14,082	14,082
Share premium	151,850	151,850	151,850
Capital redemption reserve	8,151	8,151	8,151
Capital reserves	853,878	826,596	850,826
Revenue reserve	30,645	30,463	31,887
<b>Shareholders' funds</b>	1,058,606	1,031,142	1,056,796
<b>Net asset value per share (note 5)</b>	515.7p	480.8p	504.8p

The financial statements on pages 17 to 23 were approved and authorised for issue by the Directors on 12th August 2020 and signed on their behalf by:

Simon Bragg  
*Director*

The notes on pages 21 to 23 form an integral part of these financial statements.

The Company's registration number is 15543.

# STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30TH JUNE 2020

	(Unaudited) 30th June 2020 £'000	(Unaudited) 30th June 2019 £'000	(Audited) 31st December 2019 £'000
Net cash outflow from operations before dividends and interest (note 6)	(1,917)	(918)	(1,999)
Dividends received	7,586	10,334	17,302
Interest received	214	91	317
Overseas tax recovered	63	9	9
Interest paid	(955)	(30)	(96)
Loan facility agreement fees paid	—	—	(22)
<b>Net cash inflow from operating activities</b>	<b>4,991</b>	<b>9,486</b>	<b>15,511</b>
Purchases of investments	(403,301)	(803,459)	(1,077,761)
Sales of investments	392,813	830,770	1,079,659
Settlement of forward currency contracts	14	(42)	(2)
<b>Net cash (outflow)/inflow from investing activities</b>	<b>(10,474)</b>	<b>27,269</b>	<b>1,896</b>
Dividends paid	(8,294)	(8,657)	(13,954)
Repayment of bank loans	(24,798)	—	—
Draw down of bank loans	90,360	—	40,056
Repurchase of shares into Treasury	(18,418)	(17,684)	(42,571)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>38,850</b>	<b>(26,341)</b>	<b>(16,469)</b>
<b>Increase in cash and cash equivalents</b>	<b>33,367</b>	<b>10,414</b>	<b>938</b>
Cash and cash equivalents at start of period	8,601	7,919	7,919
Unrealised gain/(loss) on foreign currency cash and cash equivalents <sup>1</sup>	402	(124)	(256)
Cash and cash equivalents at end of period	42,370	18,209	8,601
<b>Increase in cash and cash equivalents</b>	<b>33,367</b>	<b>10,414</b>	<b>938</b>
<b>Cash and cash equivalents consist of:</b>			
Cash and short term deposits	64	232	24
Cash held in JPMorgan US Dollar Liquidity Fund	42,306	17,977	8,577
<b>Total</b>	<b>42,370</b>	<b>18,209</b>	<b>8,601</b>

<sup>1</sup> The unrealised exchange gain/(loss) on the JPMorgan US Dollar Liquidity Fund in the comparative column has been moved from the initial 'Net cash outflow from operations' total to be disclosed separately as the 'unrealised gain/(loss) on foreign currency cash and cash equivalents'.

## RECONCILIATION OF NET DEBT

	As at 31st December 2019 £'000	Cash flows £'000	Other non-cash charges £'000	As at 30th June 2020 £'000
<b>Cash and cash equivalents</b>				
Cash	24	40	—	64
Cash equivalents	8,577	33,327	402	42,306
	8,601	33,367	402	42,370
<b>Borrowings</b>				
Debt due after one year	(38,685)	(65,562)	(6,331)	(110,578)
	(38,685)	(65,562)	(6,331)	(110,578)
<b>Total</b>	<b>(30,084)</b>	<b>(32,195)</b>	<b>(5,929)</b>	<b>(68,208)</b>

## FOR THE SIX MONTHS ENDED 30TH JUNE 2020

**1. Financial statements**

The information contained within the financial statements in this half year report has not been audited or reviewed by the Company's auditors.

The figures and financial information for the year ended 31st December 2019 are extracted from the latest published financial statements of the Company and do not constitute statutory accounts for that year. Those financial statements have been delivered to the Registrar of Companies, including the report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

**2. Accounting policies**

The financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' of the United Kingdom Generally Accepted Accounting Practice ('UK GAAP') and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the revised 'SORP') issued by the Association of Investment Companies in October 2019.

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 2020.

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 2019.

**3. Return per share**

	(Unaudited) Six months ended 30th June 2020 £'000	(Unaudited) Six months ended 30th June 2019 £'000	(Audited) Year ended 31st December 2019 £'000
Return per share is based on the following:			
Revenue return	7,052	9,403	16,124
Capital return	21,532	128,960	177,621
<b>Total return</b>	<b>28,584</b>	<b>138,363</b>	<b>193,745</b>
Weighted average number of shares in issue	207,468,884	216,521,491	213,915,030
Revenue return per share	3.40p	4.34p	7.54p
Capital return per share	10.38p	59.56p	83.03p
<b>Total return per share</b>	<b>13.78p</b>	<b>63.90p</b>	<b>90.57p</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Dividends paid

	(Unaudited) Six months ended 30th June 2020 £'000	(Unaudited) Six months ended 30th June 2019 £'000	(Audited) Year ended 31st December 2019 £'000
Unclaimed dividends refunded to the Company	—	—	(11)
Final dividend in respect of the year ended 31st December 2019 of 4.0p (2018: 4.0p)	8,294	8,657	8,657
Interim dividend paid in respect of the six months ended 30th June 2019 of 2.5p	—	—	5,308
<b>Total dividends paid in the period/year</b>	<b>8,294</b>	<b>8,657</b>	<b>13,954</b>

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

### 5. Net asset value per share

	(Unaudited) Six months ended 30th June 2020	(Unaudited) Six months ended 30th June 2019	(Audited) Year ended 31st December 2019
Net assets (£'000)	1,058,606	1,031,142	1,056,796
Number of shares in issue	205,294,035	214,458,436	209,329,058
<b>Net asset value per share</b>	<b>515.7p</b>	<b>480.8p</b>	<b>504.8p</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 30th June 2020 £'000	(Unaudited) Six months ended 30th June 2019 £'000	(Audited) Year ended 31st December 2019 £'000
Net return before finance costs and taxation	31,185	140,038	196,873
Less capital return before finance costs and taxation	(22,593)	(128,996)	(177,835)
(Increase)/decrease in accrued income and other debtors	(44)	672	748
(Decrease)/increase in accrued expenses	(40)	340	25
Management fee charged to capital <sup>1</sup>	(839)	(919)	(919)
Overseas withholding tax	(1,340)	(1,632)	(2,862)
Dividends received	(7,586)	(10,334)	(17,302)
Interest received	(214)	(91)	(317)
Realised (losses)/gains on foreign currency transactions	(1,000)	(29)	40
Realised gain/(loss) on liquidity fund	554	33	(450)
<b>Net cash outflow from operations before dividends and interest<sup>2</sup></b>	<b>(1,917)</b>	<b>(918)</b>	<b>(1,999)</b>

<sup>1</sup> For the year ended 31st December 2019, Includes the reimbursement of transaction costs of £169,000 (of which £135,000 was allocated to capital). This was in relation to the change in the portfolio following the change in investment policy.

<sup>2</sup> The Unrealised exchange gain/(loss) on liquidity fund (30th June 2019: loss of £124,000 and 31st December 2019: loss of £256,000) in the comparative column has been removed from this note to be disclosed separately on the face of the Statement of Cash Flows within the 'Unrealised gain/(loss) on foreign currency cash and cash equivalents'.

## 7. Fair valuation of financial instruments

The fair value hierarchy analysis for financial instruments held at fair value at the period end is as follows:

	(Unaudited)		(Unaudited)		(Audited)	
	Six months ended		Six months ended		Year ended	
	30th June 2020	Assets £'000	30th June 2019	Liabilities £'000	31st December 2019	Assets £'000
Level 1	1,126,917	—	1,015,304	—	1,086,584	—
Level 2 <sup>1</sup>	—	—	—	—	8	—
<b>Total value of investments</b>	<b>1,126,917</b>	<b>—</b>	<b>1,015,304</b>	<b>—</b>	<b>1,086,592</b>	<b>—</b>

<sup>1</sup> Consisting of 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 and Emerging Risks and Uncertainties

The principal and emerging risks and uncertainties faced by the Company fall into the following broad categories: investment and strategy; market; accounting, legal and regulatory; loss of investment team or Investment Managers; operational, including cyber crime; financial; political and economic; share price relative to Net Asset Value ('NAV') per share; Climate Change and Global Pandemic. Information on each of these areas is given in the Business Review within the Annual Report and Financial Statements for the year ended 31st December 2019.

## 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 twelve months from the date of the approval of this half yearly financial report. In reaching that view, the Directors have considered the impact of the current Covid-19 pandemic on the Company's financial and operational position. For these reasons, they consider there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

## 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 2020 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

**Dr Kevin Carter**

Chair

12th August 2020



## Return to Shareholders (APM)

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

Total return calculation	Six months ended	
	Page	30th June 2020
Opening share price (p)	4	483.0 (a)
Closing share price (p)	4	480.0 (b)
Total dividend adjustment factor <sup>1</sup>		1.009558 (c)
Adjusted closing share price (d = b x c)		484.6 (d)
<b>Total return to shareholders (e = d / a - 1)</b>		<b>0.3% (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 Fair Value (APM)

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

Total return calculation	Six months ended	
	Page	30th June 2020
Opening cum-income NAV per share (p)	4	504.8 (a)
Closing cum-income NAV per share (p)	4	513.6 (b)
Total dividend adjustment factor <sup>1</sup>		1.009112 (c)
Adjusted closing share price (d = b x c)		518.3 (d)
<b>Total return on net assets (e = d / a - 1)</b>		<b>2.7% (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 cum-income NAV at the ex-dividend date.

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

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

Total return calculation	Six months ended	
	Page	30th June 2020
Opening cum-income NAV per share (p)	4	504.8 (a)
Closing cum-income NAV per share (p)	4	515.7 (b)
Total dividend adjustment factor <sup>1</sup>		1.009112 (c)
Adjusted closing share price (d = b x c)		520.4 (d)
<b>Total return on net assets (e = d / a - 1)</b>		<b>3.1% (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 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.

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

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

Gearing calculation	Page	30th June 2020		31st December 2019	
		£'000	£'000		
Investments held at fair value through profit or loss	19	1,126,917	1,086,584		(a)
Net assets	19	1,058,606	1,056,796		(b)
<b>Gearing (c = a / b - 1)</b>	<b>4</b>	<b>6.5%</b>	<b>2.8%</b>		<b>(c)</b>

### **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 2020 is an estimated annualised figure based on the numbers for the six months ended 30th June 2020.

Ongoing charges calculation	Page	30th June		31st December	
		2020	£'000	2019	£'000
Management Fee <sup>1</sup>	17	2,587 <sup>2</sup>		1,149 <sup>3</sup>	
Other administrative expenses	17		684		697
Total management fee and other administrative expenses			3,271		1,846
Average daily cum-income net assets			1,002,957		1,023,314
<b>Ongoing charges ratio (c = a / b)</b>	<b>4</b>	<b>0.33%</b>		<b>0.18%</b>	<b>(c)</b>

<sup>1</sup> With effect from 1st June 2019, for a period of nine months, the management fee was waived.

<sup>2</sup> Consists of the management fee paid for the four months from March to June 2020 (following the expiration of the management fee waiver), plus an estimate for the remainder of 2020 based upon the June 2020 fee.

<sup>3</sup> Consists of the management fee paid for the period January to May 2019.

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

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

The discount is shown as a percentage of the NAV per share. The opposite of a discount is a premium. It is more common for an investment trusts' shares to trade at a discount than at a premium (see page 4).

### **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:**

#### **Sector 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.

#### **Effect of foreign exchange and gearing**

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

#### **Change in fair value of fixed rate debt**

Change in fair value of debt reflects the effect of changes in market interest rates on the fair value of the company's fixed rate borrowings. The fair value of long term debt is used in calculating the Company's daily published net asset value in accordance with the recommendations of the Association of Investment Companies and does not reflect the value at which the company's borrowings are recorded in the balance sheet.

#### **Share buyback**

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

#### **Management fee and expenses**

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

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

### 1. Via a third party provider

Third party providers include:

- AJ Bell You Invest
- Barclays Smart Investor
- Charles Stanley Direct
- EQi
- Fidelity Personal Investing
- Halifax Share Dealing
- Hargreaves Lansdown
- Interactive Investor
- The Share Centre

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

## History

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

## Directors

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

## Company Numbers

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

## Market Information

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

## Website

[www.jpamerican.co.uk](http://www.jpamerican.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  
 Priyanka Vijay Anand.

## Depository

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

## Custodian

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

## Registrar

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

Lines open 8.30 a.m. to 5.30 p.m. Monday to Friday. Calls to the helpline will cost no more than a national rate call to a 01 or 02 number. Callers from overseas should dial +44 121 415 0225

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1077.

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

## Independent Auditor

Deloitte LLP  
 Statutory Auditor  
 2 New Street Square  
 London EC4A 3ZB

## Broker

Winterflood Securities Limited  
 The Atrium Building  
 Cannon Bridge  
 25 Dowgate Hill  
 London EC4R 2GA



The Association of  
 Investment Companies

A member of the AIC

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## CONTACT

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Website [www.jpmamerican.co.uk](http://www.jpmamerican.co.uk)

