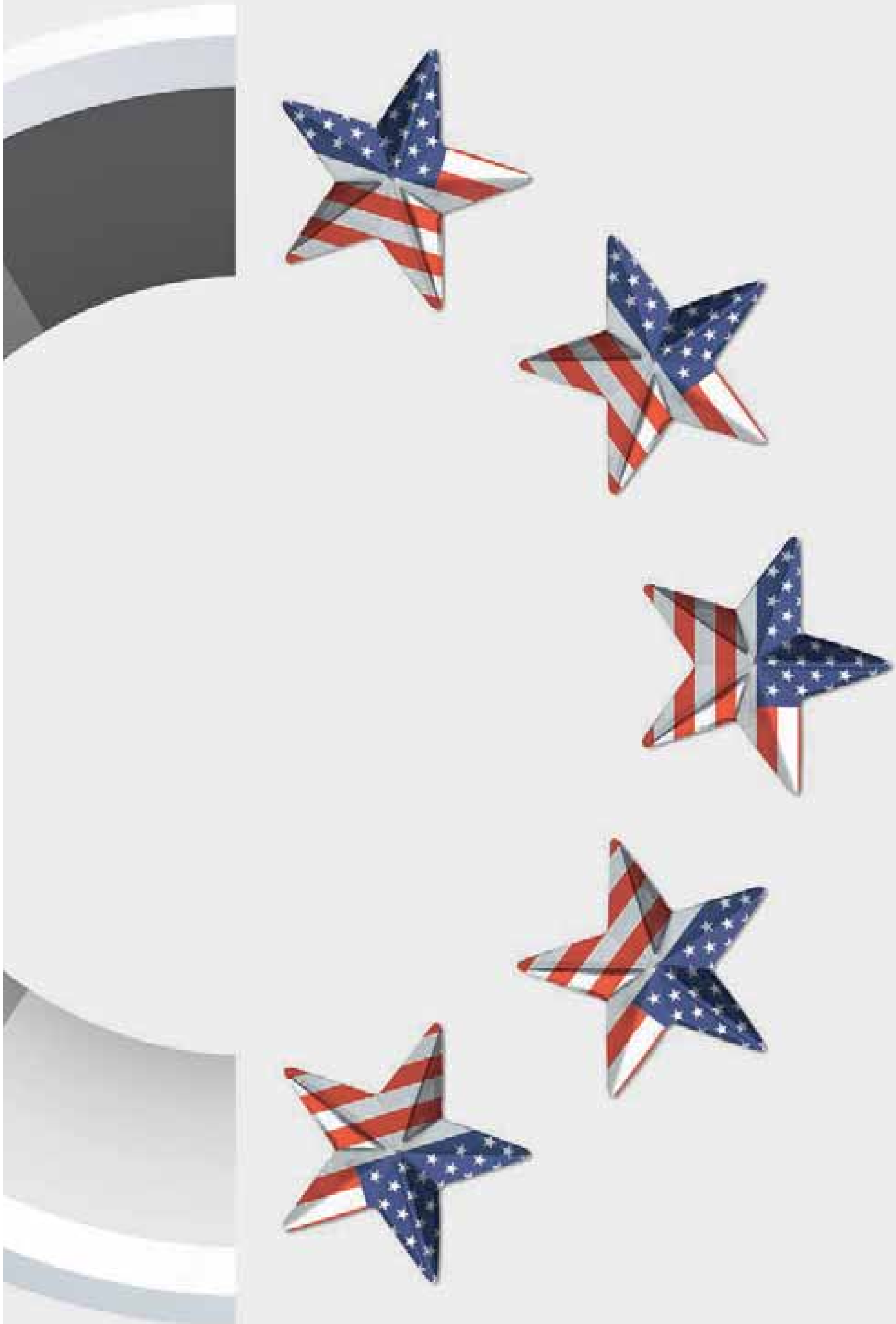
JPMorgan American Investment Trust plc

Annual Report & Financial Statements for the year ended 31st December 2020



J.P.Morgan
Asset Management

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.

Please refer to page 26 for full details of the Company's investment policies.

Gearing

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

Benchmark Index

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

Capital Structure

As at 31st December 2020, the Company's share capital comprised 281,633,910 ordinary shares of 5p each, including 83,059,055 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 August 2022, and a US$65 million fixed-rate 11 year unsecured loan note at an annual coupon of 2.55% which will mature in February 2031. Both the facilities are drawn in US dollars.

Management Fees

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

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

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

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

Association of Investment Companies ('AIC')

The Company is a member of the AIC.

Website

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

NOTE: THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains proposals relating to the Company on which you are being asked to vote. If you are in any doubt as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor or other financial adviser authorised under the Financial Services and Markets Act 2000. If you are in the United Kingdom or, if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all your ordinary shares in JPMorgan American Investment Trust plc, please forward this document, together with the accompanying documents, immediately to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Strategic Report

Image: Golden Gate Bridge and downtown San Francisco.

TOTAL RETURNS (INCLUDING DIVIDENDS REINVESTED)

	2020	2019	3 Year Cumulative	5 Year Cumulative
Return to shareholders[1,APM]	+21.2%	+22.8%	+48.5%	+122.8%
Return on net assets[2,APM]	+22.0%	+21.6%	+49.4%	+121.6%
Benchmark return[3]	+14.4%	+26.0%	+46.0%	+115.7%
Annualised net asset return performance against benchmark return[3,4]	+7.6%	-4.4%	+0.8%	+0.5%
Dividend	6.75p	6.5p		

[1] Source: Morningstar.

[2] Source: Morningstar/J.P. Morgan, using cum income net asset value per share, with debt at fair value.

[3] The Company's benchmark index is the S&P 500 Index, net of the appropriate withholding tax, expressed in sterling total return terms.

[4] Annualised returns calculated on a geometric basis.

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

A glossary of terms and APMs is provided on pages 90 to 92.

SUMMARY OF RESULTS

	2020	2019	% change
Total returns for the year ended 31st December			
Return to shareholders[1,APM]	+21.2%	+22.8%	
Return on net assets with debt at fair value[2,APM]	+22.0%	+21.6%	
Return on net assets with debt at par value[2,APM]	+22.5%	+21.6%	
Benchmark return[1,3]	+14.4%	+26.0%	
Net asset value, share price, discount and market data at 31st December			
Net asset value per share with debt at fair value[4,APM]	607.6p	504.8p	+20.4
Net asset value per share with debt at par value[APM]	610.1p	504.8p	+20.9
S&P 500 Index expressed in sterling (capital only)[5]	2,747.8	2,438.8	+11.9
Share price	577.0p	483.0p	+19.5
Share price discount to net asset value per share with debt at fair value[APM]	5.0%	4.3%	
Share price discount to net asset value per share with debt at par value[APM]	5.4%	4.3%	
Shareholders' funds (£'000)	1,211,522	1,056,796	+14.6
Market capitalisation (£'000)	1,145,777	1,011,059	+13.3
Exchange rate	1 £ = $ 1.3669	1 £ = $ 1.3247	+3.2
Shares in issue (excluding shares held in Treasury)	198,574,855	209,329,058	–5.1
Revenue for the year ended 31st December			
Net revenue attributable to shareholders (£'000)	12,893	16,124	–20.0
Revenue return per share	6.31p	7.54p	–16.3
Dividend per share	6.75p	6.5p	3.8
Gearing/(net cash) at 31st December[APM]	4.7%	2.8%	
Ongoing Charges Ratio[6,APM]	0.34%	0.18%	
Management Fee:			
On the first £500 million of net assets	0.35%	0.35%	
On net assets above £500 million and up to £1 billion	0.30%	0.30%	
On any net assets above £1 billion	0.25%	0.25%	

[1] Source: Morningstar.

[2] Source: Morningstar/J.P. Morgan, using cum income net asset value per share.

[3] The Company's benchmark is the S&P 500 Index, net of the appropriate withholding tax, expressed in sterling total return terms.

[4] The fair value of the USD $65m private placement issued by the Company was calculated using discounted cash flow techniques, using the yield from a similarly dated treasury note plus a margin based on the US Broad Market AA 10-15 year spread.

[5] Source: Datastream.

[6] For the year ended 31st December 2019, the Ongoing Charges Ratio (OCR) includes the effect of seven months of a nine month management fee waiver starting from 1st June 2019. Without the fee waiver, the OCR would have been 0.39%. For the year ended 31st December 2020, the OCR includes the effect of the remaining two months of the fee waiver. Without this the OCR would have been 0.39%.

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

A glossary of terms and APMs is provided on pages 90 to 92.

Dr Kevin Carter
Chair

The last year has been dominated by the Covid-19 pandemic, which has tragically seen over 100 million people infected across the globe and over 2 million deaths. Despite its many advantages, the United States has been one of the worst affected countries with over 28 million cases and more than half a million fatalities. Alongside this, the United States saw a period of extreme political uncertainty both ahead of the November election, and perhaps more unusually, after the election, as the world waited to see if the resulting transfer of power would be peaceful or a catalyst for social and political unrest.

It was perhaps surprising therefore that investors in US equities enjoyed strong returns in the year to 31st December 2020 with the S&P 500 Index on a total return basis rising by 18.4% in dollar terms. This is a remarkable reversal of fortunes from earlier in the year when the sell-off triggered by the pandemic saw the index fall, at one point, by over 30% to a low point in March. Taking account of the effect of withholding taxes and a strengthening of sterling over the period, this translated into a benchmark return of +14.4% for UK investors.

Over the year, your Company's NAV rose by +22.0%, outperforming its benchmark by +7.6%. The discount of the share price to NAV widened slightly over the period from 4.3% to 5.0%, producing a total return to shareholders for the year of +21.2%. More information is provided in the attribution report detailed on page 12 in the Investment Manager's Report.

Since the Company changed the investment approach on 1st June 2019, it has outperformed its benchmark index by +6.7% through to the end of the financial year, providing a total return to shareholders of +35.7%, compared with a benchmark return of +29.0%. The S&P 500 Index is a notoriously difficult benchmark to beat, and an encouraging start has been made in the 19 months since the change in investment policy.

The Large Cap Portfolio

Over 90% of your Company's assets are invested into US large-cap stocks in a high conviction portfolio of some 40 stocks representing a curated selection of the Managers' best growth and value investment ideas. This portfolio has co-lead portfolio managers; Jonathan Simon who leads the selection of the value stocks in the portfolio and Tim Parton who is responsible for its growth stock element. The growth and value components of the portfolio are approximately equal, with a maximum tilt in either direction of 60:40. At the year-end, 52% of the portfolio was invested in growth stocks and 48% in value stocks. Performance, in both absolute and relative terms, was dominated by the growth component of the portfolio, with value as an investment style out of favour during the year. More details can be found in the Investment Manager's report on pages 11 to 16.

The Small Cap Portfolio

The Company also benefits from an exposure to small cap stocks, which is achieved through investment in the JPM US Small Cap Growth Strategy. The Company's flexibility to invest a component of its asset base in a portfolio of small cap equities managed by Eytan Shapiro has remained unchanged.

During the year the Board reviewed the allocation to the small cap portfolio and as a result increased the allocation to approximately 5% of the Company's assets from approximately 1% at the end of 2019. This proved beneficial to shareholders, as the small cap portfolio outperformed the large cap element, adding 1.0% to the Company's outperformance of its benchmark over the year. The Board will continue to keep the small cap allocation under review.

Gearing

The use of gearing to enhance returns is one of the key differentiating features of investment trusts. As gearing can introduce risk as well as enhance returns, the Board maintains strong oversight of the Company's gearing policy and the source and use of available leverage.

As announced on 9th June 2020, given the Covid-19 pandemic, the Board decided that the tactical level of gearing would be 5% with a permitted range around this level of plus or minus 5%, meaning that currently gearing can vary between 0% and 10%. The Company ended the year with gearing of 5%.

The Board believes it is prudent for its gearing capacity to be funded from a mix of sources; including short and longer term tenors and fixed and floating rate borrowings. The Company's gearing strategy is implemented through the use of an £80 million multi-currency revolving credit facility with ING Bank. This is drawn in US Dollars to match the currency of the Company's asset base.

Alongside this bank facility, the Company announced in February 2020 that it had issued $65 million of unsecured loan notes repayable in February 2031 via a private placement with a UK life assurance company. This long term, fixed rate debt bearing a fixed interest rate of 2.55% per annum complements the short term floating rate bank loan the Company already has in place.

The gearing level of the Company was 4.5% calculated in line with the Association of Investment Companies ('AIC') methodology as at the latest practical date. The Board continues to review the appropriate gearing level on a regular basis.

Board Review of the Manager and Company Broker

The Board was unable to visit the Manager's offices in New York as planned during the year due to travel restrictions caused by the pandemic, but has been able to hold virtual meetings with the portfolio managers, Jonathan Simon and Tim Parton, and also with the portfolio manager of the smaller companies' portfolio, Eytan Shapiro. The Board further met with JPMorgan's senior management team to discuss the performance of the portfolio, the Company's strategy and to review broader aspects of the Manager's service.

The Manager provides other services to the Company, including accounting, company secretarial and marketing services. These have been formally assessed through the annual manager evaluation process. I am pleased to report that, since the on-set of the pandemic, the Manager and the Company's other service providers have been able to adjust their business operations to accommodate the working from home environment with limited disruption. The Board has received assurances that the Company's operations, including the management of the portfolio, and the maintenance of a strong controls environment, have continued as normal. During the year, the Board conducted a review of the appointment of Company Broker. The result of this review was to appoint Stifel Nicolaus Europe Limited in place of Winterflood Investment Trusts (a division of Winterflood Securities Limited) who had been Company Broker since February 2014.

Ongoing Charges

The Board continues to monitor closely the Company's cost base. Following the change in investment approach for the large cap portfolio, approved by shareholders at the 2019 Annual General Meeting, the Company benefited from a negotiated fee waiver from 1st June 2019 through to 29th February 2020. This resulted in a saving to the Company of £0.56 million over the two months of the current year in which the waiver was in place. Over its life, the fee waiver has resulted in savings of £2.52 million to the Company and its shareholders.

The Company's Ongoing Charges Ratio ('OCR') for the year under review was 0.34%. Had the Company not benefitted from the remaining two months of the fee waiver, the OCR would have been 0.39%. While this may appear to be a material increase on the 0.18% figure for the previous year, it is important to note that in the absence of the fee waiver, this figure would have been 0.39%. On a like-for-like basis, therefore, your Board's rigorous cost controls are proving to be of benefit to shareholders.

These costs again mean the Company remains one of the most competitively priced US actively managed funds available to UK investors, in either closed-ended or open-ended form. However, the Board is aware that major competitors for investors' attention and funds remain passively invested exchange traded funds and open-ended funds which represent the largest pools of capital invested into US equity markets.

In line with recent years, we repeat the table below illustrating the movements in the capital base of the Company, showing the returns generated from our investing activities and the effect of costs, dividends and buy-backs. By combining items found in the revenue statement and items charged to capital, we believe this analysis provides a clear summary of your Company's affairs over the course of the year.

	2020 £'000s	2020 Percentage of opening net assets	2019 £'000s	2019 Percentage of opening net assets
Net assets at start of year	1,056,796	100.00	919,176	100.00
Increase in net assets during the year from investing	212,064	20.07	178,426	19.41
Brokerage fees/commissions and other dealing charges	(269)	(0.03)	(214)	(0.02)
Net investment performance	**1,268,591**	**120.04**	**1,097,388**	**119.39**
Income received from investing – net of withholding tax	14,303	1.35	16,787	1.83
Interest received	268	0.03	317	0.03
Dividends paid to shareholders	(13,348)	(1.26)	(13,954)	(1.52)
Interest paid on borrowings	(2,239)	(0.21)	(245)	(0.03)
Net foreign currency losses on cash and cash equivalents and foreign currency contracts	(3,827)	(0.36)	(660)	(0.07)
Currency gains on US$ loans	4,301	0.41	1,371	0.15
Management fee	(2,795)	(0.26)	(1,318)[1]	(0.14)
Directors' fees	(190)	(0.02)	(173)	(0.02)
Other costs of the Company	(481)	(0.05)	(546)	(0.06)
Repurchase of shares into Treasury	(53,061)	(5.02)	(42,171)	(4.59)
Net assets at end of year	**1,211,522**	**114.64**	**1,056,796**	**114.97**

[1] Includes transaction costs of £169,000 relating to the transition of the portfolio following the change in investment policy.

Share Price and Premium/Discount

Throughout the year, the Company's shares traded at a discount to the NAV. Consistent with our statements made in previous years and because share buy-backs at a discount to NAV are enhancing to the NAV for remaining shareholders, the Board is prepared to buy-back shares when they stand at anything more than a small discount. This undertaking has operated for several years and applies in normal market conditions. During the year 10,754,203 shares were purchased into Treasury, at a cost of £53.1 million, representing 5.1% of the Company's issued share capital at the beginning of 2020.

This is an increase on the amount repurchased during the previous year when £42.2 million was spent repurchasing 4.25% of the issued share capital. The increase in the number of shares acquired is perhaps not surprising given the considerably higher volatility seen in markets during the year. The average discount over the year of 5.0% to NAV is nearly identical to the average discount over the preceding few financial years. Since the year end and at the time of writing the Company has repurchased a further 1,769,406 shares into Treasury, at a cost of £10.4 million.

The Company will again ask shareholders to approve the repurchase of up to 14.99% of its capital at a discount to estimated NAV of the Company's shares at the forthcoming Annual General Meeting. We will also be seeking shareholder permission to issue shares, where the Board is confident of sustainable market demand. The authority, if approved, will allow the Company to issue up to 10% of its issued share capital from Treasury. The Company will only issue shares at a price in excess of the estimated NAV, including income with the value of the debt deducted at fair value.

Dividends

The Company paid an interim dividend in respect of the 2020 financial year of 2.5p on 2nd October 2020. Subject to shareholder approval at the AGM, a final dividend of 4.25p will be paid on 28th May 2021 to shareholders on the register on 23rd April 2021, making a total of 6.75p per share, an increase to last year's total of 6.5p per share. After the payment of the proposed final dividend, the balance in the revenue reserves will be £23.0 million, equivalent to 11.6p per share (2019: 9.6p) or 1.7 times (2019: 1.5 times) the current dividend. This prudent approach in building up revenue reserves in prior years provides the Board with a means of supporting dividend levels in the future should earnings per share drop materially in any financial year.

Whilst capital growth is the primary aim of the Company, the Board is aware that dividend receipts can be an important element of shareholder returns. The Board continues to monitor the net income position of the Company and based on current estimated dividend receipts for the year ahead, the Board aims at least to maintain the aggregate 2020 dividend in the forthcoming year.

Corporate Governance

The Board is committed to maintaining and demonstrating high standards of corporate governance and has considered the principles and provisions of the 2019 Association of Investment Companies Code of Corporate Governance (the 'AIC Code'). The AIC Code addresses all the principles and provisions set out in the UK Corporate Governance Code which applies for the year ended 31st December 2020, as well as setting out additional principles and provisions on issues that are of specific relevance to investment companies.

The Board considers that reporting in accordance with the principles and provisions of the AIC Code provides more relevant and comprehensive information to shareholders. I am pleased to report that throughout the past year the Company complied with the recommendations of the AIC Code in all aspects as explained in the Directors' Report.

Amendment to the Articles of Association of the Company

In light of the circumstances created by the Covid-19 pandemic, the Board is proposing to make amendments to the Articles to enable the Company to hold general meetings (wholly or partially) by electronic means and to provide for additional powers in respect of postponing meetings in appropriate circumstances. The amendments are being proposed in response to restrictions on social interactions which made it impossible for shareholders to attend physical general meetings last year and possibly for a large part of this year. The Board's objective is to make it easier for shareholders to participate in general meetings by introducing electronic access for those not able to travel, and also to ensure appropriate security measures are in place for the protection and wellbeing of shareholders.

I would like to stress that wholly virtual meetings will only be proposed if the specific circumstances or applicable law and regulation mean it is the only way to hold a meeting of shareholders. The Board's intention is always to hold a physical AGM provided it is both safe and practical to do so. The safety of all of the Company's stakeholders must of course remain paramount. The principal changes proposed to be introduced in the Articles, and their effect, are set out in more detail in the Directors' report on page 35 and in the Appendix to the Notice of the AGM on page 88.

Environmental, Social and Governance ('ESG')

As I reported last year the Board has continued to engage with the Manager on the integration of ESG factors into its investment process, and to encourage further progress. I am pleased to report that material progress has been achieved and the Board is satisfied that ESG considerations are being assessed and evaluated by the Manager's research analysts and portfolio managers at individual stock level, and are taken into account in portfolio company decisions.

While neither the Manager nor the Company operates an exclusion policy, the Board believes that sustainable and durable businesses are generally those that will deliver long term outperformance. We expect that the evolving ESG reporting by the Manager on the Company's portfolio will demonstrate progressive exposure to such businesses. Further information on the Manager's ESG process and engagement is set out in the ESG section on pages 23 to 25.

The Board

As announced on 7th April 2020 and also reported in the half year report, Ms. Claire Binyon joined the Board on 1st June 2020. She is currently also a non-executive director of NHBS Ltd and of 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 quoted multinationals. There has been no other change to the composition of the Board during the year.

The results of this year's Board evaluation process confirmed that all Directors possess the experience and attributes to support a recommendation to shareholders that they seek re-appointment at the Company's forthcoming Annual General Meeting. In line with the AIC Code of Corporate Governance, additional statements to support the re-appointment of each Director are included on pages 38 and 39. The Board continues to manage succession so that it has an appropriate balance of skills and diverse approaches to its tasks. Mr. Simon Bragg, current Audit Committee Chair, has indicated his intention to retire from the Board later this year, after which Ms. Claire Binyon will become the new Audit Committee Chair. Shareholders will be kept informed about the timing of Mr. Bragg's retirement and any plans to recruit a new director. On behalf of the Board and all shareholders I would like to record our sincere thanks to Simon for his expert leading of the Audit Committee and his significant contribution to the Company's affairs.

Following a detailed review, the Remuneration Committee has recommended an increase in fees paid to the Directors and an increase to the aggregate fee cap to reflect the appointment of a new director, increasing workload of the Directors and the responsibilities involved. Board fees have been static since 2015 apart from a small increase three years ago. Further details can be found on page 46.

Annual General Meeting

This year's Annual General Meeting is the Company's 105th and it will be held on Friday, 14th May 2021 at 2.30 p.m. at 60 Victoria Embankment, London EC4Y 0JP. Our preference had been to welcome shareholders in person to our 2021 Annual General Meeting, particularly given the constraints we faced in 2020 due to the Covid-19 pandemic. However, due to the prevailing government restrictions in place at the time of writing this report and ongoing public health concerns, the Board has reluctantly decided to limit in person attendance at the Annual General Meeting to Directors, their proxies and representatives from JPMorgan. This will ensure a quorum is in place and that the formal business of the Company will be able to proceed. Shareholders will not be permitted to attend the Annual General Meeting in person but can be represented by the Chair of the meeting acting as their proxy.

The Board is aware that many shareholders look forward to hearing the views of the Portfolio Managers and may have questions for them and the Board. Accordingly, the Company will be holding a webinar on Wednesday, 28th April 2021 at 3.00 p.m. This will include a presentation from our two Portfolio Managers, Timothy Parton and Jonathan Simon, followed by a live question and answer session. Shareholders are invited to join the webinar and raise any questions they have, either by submitting questions during the webinar, or in advance by writing to the Company Secretary at the address on page 95, or via email to invtrusts.cosec@jpmorgan.com. Details on how to register for this event can be found on the Company's website, or by writing to the Company Secretary.

The Board strongly encourages all shareholders to exercise their votes by completing and returning their proxy forms in accordance with the notes to the Notice of Meeting on pages 85 to 87. If there are any changes to the arrangements for the Annual General Meeting, the Company will update shareholders through the Company's website and, if appropriate, through an announcement to the London Stock Exchange. The Board would like to thank shareholders for their understanding and co-operation at this difficult time. I sincerely hope that you and your families remain safe and well and along with the rest of the Board look forward to meeting you at a future Annual General Meeting.

Outlook

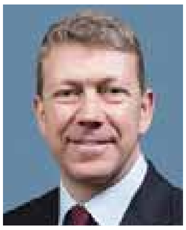
The year has begun with a continuation of the stock market rises we saw in 2020. At the time of writing the Company's benchmark has already returned 5.0% this year as investors are evaluating the latest news on the virus, vaccine deployment, policy decisions in the US Congress and every utterance of Federal Reserve Chairman Powell. The behaviour of the US 10 Year Treasury Bond, where yields have sharply risen by around 50 basis points, would seem to confirm the growing consensus that the reopening of the economy is going to lead to surprisingly strong economic growth. Indeed, at its recently concluded meeting the Federal Reserve forecast growth of 6.5% in 2021, the fastest since 1984, and indicated no rise in short term interest rates until 2024 at the earliest. This is positive news for the stock market, especially in combination with the outsized $1.9 trillion fiscal package just passed by Congress.

Market participants are having to reassess the outlook for company profits in this unexpectedly buoyant environment and this is surely a significant factor in continuing market strength. Within the overall market an important rotation from growth stocks to value stocks has been underway for several months, beginning in Q4 last year. 2020 was an outstanding year for growth stocks with value stocks lagging significantly. This is now reversing as confidence in the economic reopening thesis gains increasing strength.

The construction of the large cap portfolio, comprising the vast majority of the Company's assets, has approximately equal exposure to growth and value stocks, meaning that in aggregate the portfolio is largely protected against rotations between these styles. Added to this the portfolio managers are investing in their best ideas in the 40 stocks comprising the large cap portfolio.

Stock markets discount future earnings and growth prospects. The surprising strength in 2020 anticipated much of what we now expect 2021 to deliver in growth terms. At some point the market will have discounted, at least temporarily, the best outlook it can see ahead. This suggests that the year ahead could be punctuated by periods of market volatility. The managers will be aware of these risks as they continue to manage the portfolio through a bottom up stock picking approach to identifying attractive investments.

Dr Kevin Carter
Chair 1st April 2021



Timothy Parton

Jonathan Simon

Market Review

With incredibly resilient performance, the S&P 500 Index ended a tumultuous 2020 up 18% in US dollar terms and over 14% higher in sterling terms.

After a strong end to 2019, solid US economic indicators continued to buoy the S&P 500 at the beginning of the year. However, as the Covid-19 outbreak spread globally, governments responded with economy-wide shutdowns, ultimately leading to a dramatic downturn for markets in the first quarter. Amid the pandemic, GDP contracted world-wide and the US officially entered a recession in March, ending the more than a decade-long expansion. The impact of the virus was also evident in the unemployment data, as the US moved from a 50-year low in the unemployment rate to a level not seen since the Great Depression, and all in the space of a few months.

The market seemed to cast aside virus concerns as the US government very quickly provided an unprecedented level of fiscal stimulus. While the extraordinary fiscal and monetary policy responses invigorated the market, it was not all smooth sailing as disappointing economic data along with increased tensions between the US and China generated frequent bouts of market volatility. Corporate earnings also started to recover in the second half of the year, after taking a hit in the first and second quarters. Meanwhile, investor optimism surrounding a potential vaccine continued to lift the markets throughout the summer.

After lacklustre market performance in September and October, the equity markets rallied strongly in November, driven by major developments on the political and pandemic fronts. Joe Biden won the race to be the 46th President of the United States and the Democrats retained control of the House of Representatives. However, the balance of power in the Senate was not finalised until January 2021, when Georgia held run-off elections for both of its seats. Investors largely cheered the election results as they anticipated a return to a more predictable political climate. In addition, investors cheered the Federal Reserve's stance that it would be more accommodative for longer.

While political news was supportive, it was news of a promising vaccine with a much higher-than-expected efficacy rate that really spurred the market higher in November. There was also a sharp market rotation into the value names that had lagged for most of 2020 as investors sought out vaccine beneficiaries. Economic data pointed to a steady recovery and oil prices moved higher, aided by improved sentiment regarding a stronger economy in the months ahead. However, as the year closed out, infection rates continued to rise in the US and the weekly jobless claims data was higher than expected as the labour market took a hit from rising Covid-19 cases.

Although enormous stimulus support and the progress on the vaccine front have lifted consumer and business confidence, news of the emergence of new, potentially more contagious mutations of Covid-19 remains an important development to watch in the near term.

Throughout the year, much has been written about the narrowness of the market as well as concentration risk. At year end, the top five holdings in the S&P 500 represented over 20% of the index and contributed nearly half of its return for the year. We would expect the market to be more broad based as the economy starts to recover and businesses continue to reopen.

Not surprisingly, the technology sector led the S&P 500 higher in 2020 and finished the year with a return that was more than double that of the index. This is the second year that technology has been the best performing sector in the S&P 500 and it's also the second year that energy was the worst performing sector. However, in 2020 the magnitude of the spread between the best and worst performing sectors was over 75 percentage points.

Given the types of businesses that benefited and those that really suffered during the pandemic lockdown, it is no surprise that value lagged growth for the year. However, the dominance of growth was significant, with the Russell 1000 Growth index outperforming the Russell 1000 Value index by over 35 percentage points, far wider than during the 1999 tech boom.

In terms of market capitalisation, large-cap stocks marginally underperformed small caps as the S&P 500 Index returned 18% compared to a return of 20% for the small cap Russell 2000 Index. The small cap index's performance was entirely driven by its growth component.

Performance and Overall Asset Allocation

The Company's net asset value rose by 22.0% in total return terms for the year ending 31st December 2020. The return was above that of the S&P 500, which rose 14.4% in sterling terms. The main driver of the Company's outperformance was strong stock selection particularly from Tesla which contributed significantly to this performance (further details of which are set out in the 'large cap portfolio' section below).

Gearing, which had detracted from performance in the first six months of the year, ended the 2020 with a positive contribution to the Trust's overall performance. 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% and the portfolio ended the first half of the year with gearing at 7%. As the market rallied, we decreased our gearing in the second half of the year and the Company was 5% geared at year end.

The large cap portion of the portfolio posted a positive return and outperformed the S&P 500 in the period. The small cap allocation also added value as it significantly outperformed the S&P 500 with most of that outperformance coming in the second half of the year. We started 2020 with an allocation of 1% to our small cap portfolio, which is at the lower end of our historical range. The small cap exposure was increased to 5% in September, which we believe is a more meaningful long-term allocation, and ended the year at 5.6%.

PERFORMANCE ATTRIBUTION

FOR THE YEAR ENDED 31ST DECEMBER 2020

	%	%
Contributions to total returns		
Net asset value (fair value) total return (in sterling terms)[APM]		22.0
Benchmark total return (in sterling terms)		14.4
Excess return		7.6
Contributions to total returns		
Large cap portfolio		6.9
Allocation effect	-1.7	
Selection effect	8.6	
Small cap portfolio		1.0
Allocation and selection effect	1.0	
Gearing		0.2
Share issuance/buyback		0.3
Management fee/expenses		-0.3
Impact of fair value valuation[1]		-0.5
Total		7.6

[1] The impact of fair valuation includes the effect of valuing the $65 million private placement at fair value. It is the sum of the impact on the closing NAV of the fair value adjustment and its impact on the calculation of total returns arising from the reinvestment of dividends paid in the year into the Company's NAV.

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

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

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

A glossary of terms and APMs is provided on pages 90 to 92.

Large Cap Portfolio

The Company's large-cap portfolio posted a positive return and outperformed the S&P 500 for the calendar year 2020. The portfolio benefited from strong stock selection across a number of sectors; however, the largest contribution came from our stock picking in the consumer discretionary, information technology and healthcare sectors, all of which outperformed their benchmark peer group.

Within consumer discretionary our names produced a return that was more than double that of the benchmark peer group. A significant part of that performance was due to our overweight position in **Tesla**, a name we have owned in this portfolio since 2019 and in our US growth portfolios since its initial public offering in 2010. The stock rallied throughout the year, as the market finally came to believe that electric vehicles will be ubiquitous and that Tesla has massive technological, infrastructure, and brand leadership. We took some profits from the name during the year as the stock rallied over 700% and at year end the stock was approximately a 2% position. 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 autonomous driving software.

In the information technology sector, our overweight position in semiconductor concern **Advanced Micro Devices** proved beneficial. Advanced Micro Devices has emerged as a strong competitor in the central processing unit and graphic processing unit areas just as its long dominant rival Intel has confronted significant architectural challenges with its latest generation chips. We expect the company can continue to increase market share and drive higher profit margins.

At the individual stock level, our overweight in the healthcare name **DexCom** was among the largest contributors. DexCom is a medical device company that produces continuous glucose monitoring (CGM) systems for diabetes sufferers, a huge and growing global population. The stock has rallied throughout the year on the back of strong quarterly results with rising volumes across most channels and strong new patient additions. Moreover, its diabetes management devices continue to drive disruption in the traditional diabetes care model. We have trimmed the name on its outperformance and remain comfortable with our current position.

In contrast, our stock selection in the industrials and real estate sectors detracted during the period. Within industrials, owning **Delta Air Lines** for some of the period was the largest detractor and accounted for most of our underperformance in the sector. Airlines came under significant pressure after travel restrictions due to Covid-19 came into place globally. Delta was forced to cut its system-wide capacity, grounding the majority of its over 800 strong aircraft fleet. While we initially held onto our position in Delta after the government announced a bailout for airlines in the US, we decided to exit our position in April as travel remained low, which continued to hurt the company.

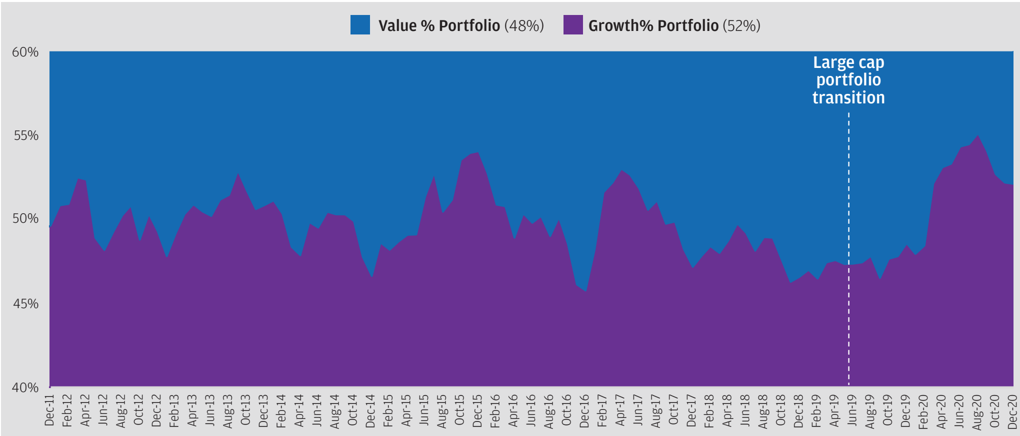
In the real estate space, our exposure to **Federal Realty Investment Trust** weighed on performance. The REIT (real estate investment trust), which owns and operates shopping malls, has been negatively impacted by the shutdown. We believe shopping centre fundamentals will gradually improve and we view Federal Realty as a high quality REIT.

Our overweight position in Loews proved lacklustre. **Loews** is a diversified company, with businesses in the insurance, energy, hospitality and packaging industries. The company's earnings were negatively impacted by its majority stake in insurance company CNA Financial. Loews reported a decline in net investment income as well as net investment losses from CNA. In addition, the company was also negatively impacted, although to a lesser extent, from its exposure to Diamond Offshore Drilling and Loews Hotels & Co. Despite these issues, we believe Loews is well positioned as the economy recovers and we remain comfortable with our position as the company trades at a discount to its valuation on a sum of the parts basis, including its stake in CNA, which is also undervalued.

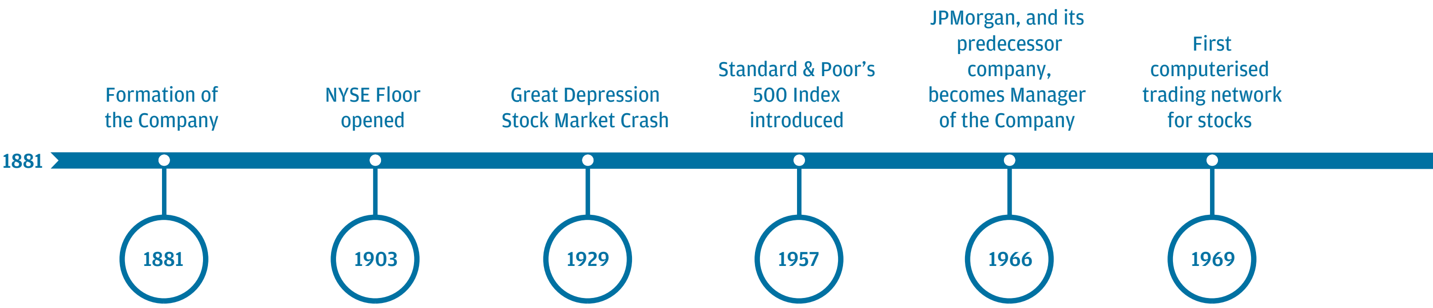
In terms of portfolio positioning, our sector weights remain a by-product of our bottom-up investment analysis and our disciplined approach to portfolio construction. We remain focused on owning stakes in high quality businesses with durable competitive advantages, which we believe will provide stability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

On the other hand, our largest underweights include the communication services, consumer staples and industrials sectors. For consumer staples, we continue to find names with better risk/reward profiles in other sectors.

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 year end, value stocks comprised some 48% of the large-cap portfolio and growth stocks comprised the remaining 52%. Below is an overview of the split between value and growth in the strategy over the long term, prior to adoption of the Company's new investment policy in mid 2019.



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 22% 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 that is higher than the market at almost a similar price-to-earnings (P/E) multiple.



Characteristics	Large-Cap Portfolio	S&P 500
Weighted Average Market Cap	USD 471.9bn	USD 489.6bn
Price/Earnings, 12-month forward[1]	21.9x	21.8x
Price/Free Cash Flow, last 12-months	15.7x	20.2x
EPS Growth, 12-month forward	18.2%	17.6%
Predicted Beta	1.03	–
Predicted Tracking Error	4.01	–
Number of holdings	40	500
Active Share	68%	–

Source: Factset, J.P. Morgan Asset Management. Data as of 31st December 2020.[1] Includes negatives.

Small Cap Portfolio

Our small cap portfolio outperformed our large-cap portfolio in 2020, and was a positive contributor to the Company's overall results.

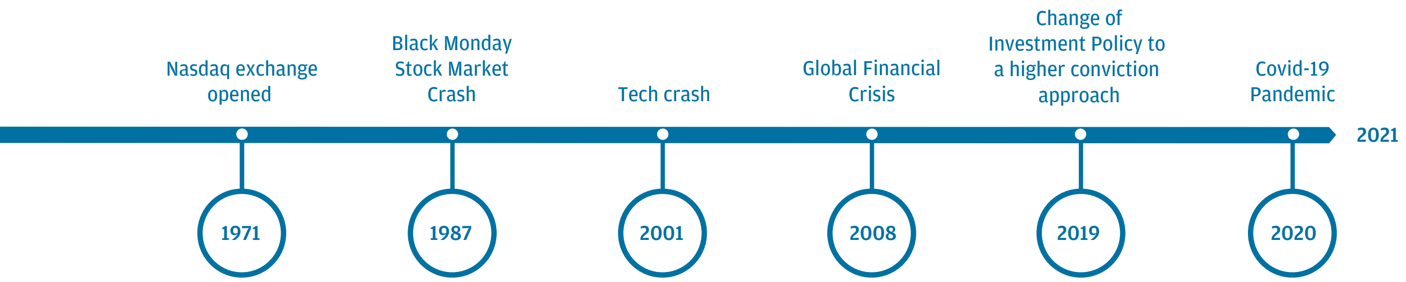
The primary driver of the strong performance was our stock selection, with the majority of sectors proving beneficial. Stock specific contributors included healthcare concern **Teladoc** and renewable energy holding **Enphase Energy**. Shares of Teladoc rallied as the company benefitted from increased demand for telehealth services amid the Covid-19 pandemic. Management also reported earnings and revenue that beat expectations, as well as upgraded guidance. We exited our position during the period as the market cap exceeded our parameters. Our exposure to Enphase Energy added value as the company reported strong earnings results and guidance, which supported bullish views on battery momentum over the next few years. The shares jumped further as the political outcome of Democrat control in the Senate allowed for belief in a stronger stance on climate change from the new administration. The company has emerged as a key components and software provider for the fast growing solar and battery storage industries.

Among the individual names, our exposure to **Intercept Pharmaceuticals** and **Hudson** were among the largest detractors. Intercept Pharmaceuticals is a biopharmaceutical company focused on developing therapeutics for the treatment of chronic liver diseases. Its stock price came under pressure as the Food and Drug Administration failed to approve its drug Ocaliva as a treatment for non-alcoholic steatohepatitis. At the security level, owning Hudson, an operator of airport convenience stores, detracted as Covid-19 dramatically impacted passenger traffic. We exited the name during the period under review.

Market Outlook

During this period of considerable uncertainty and volatility we have continued to focus on high quality, high conviction names and to take advantage of market dislocations for compelling long-term stock selection opportunities.

We continue to focus on the economic fundamentals and on company earnings. Starting with profits, our current research suggests that profit growth could be around -16% 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 +23%. While the economic recovery is underway, the path of the virus and the effectiveness of the new vaccines remains uncertain. Meanwhile, the market has rallied quite strongly in anticipation of progress on the vaccine front, which somewhat tempers our appetite for too much risk in the shorter term.

Timothy Parton
Jonathan Simon
Portfolio Managers

1st April 2021

TEN LARGEST EQUITY INVESTMENTS

AT 31ST DECEMBER

			2020		2019	
Company	Sector	Description	£'000	%[1]	£'000	%[1]
Apple	Information Technology	Apple designs, manufactures and sells personal computers, and related personal computing and mobile communication devices alongside related software and services.	70,807	5.6	43,768	4.0
Microsoft	Technology - Software	Microsoft develops, manufactures, sells and supports software products. The Company offers operating systems and software and business and consumer applications. The Company also develops gaming consoles and digital music devices.	69,254	5.5	73,002	6.7
Amazon.com	Media	Amazon is an online retailer operating across a wide range of sectors. It offers personalised shopping services, credit card payment systems and shipping to customers. It also operates a cloud computing platform to public and private sector clients globally.	62,298	4.9	34,466	3.2
Loews	Financials	Loews is a diversified holding company engaged in a variety of sectors including insurance, offshore drilling and natural gas exploration and production, pipeline operations and the operation of hotels and resorts.	53,458	4.2	44,629	4.1
Berkshire Hathaway[2]	Financials	Berkshire Hathaway is a holding company owning a diversified range of business in sectors including insurance, transport and speciality chemicals.	44,713	3.5	27,977	2.61
Capital One Financial	Financials	Capital One provides commercial banking services. The bank accepts deposits and offers personal credit cards, investment products and loans with a focus on customers in the state of Virginia.	43,754	3.5	42,427	3.9
Bank of America	Financials	Bank of America is a bank offering savings accounts, deposits, loans, wealth management and credit cards. It also operates an investment bank under the Merrill Lynch brand.	42,840	3.4	36,450	3.4
Abbvie[3]	Pharmaceutical/Medical Technology	Abbvie researches and develops pharmaceuticals in areas such as immunotherapy, kidney disease, hepatitis, oncology and neuroscience.	41,533	3.3	–	–
Charles Schwab[2]	Financials	Charles Schwab provides financial services to individual investors, pension plans and institutions. The Company provides brokerage, banking and related financial services.	41,354	3.3	26,565	2.5
UnitedHealth	Health Services & Systems	UnitedHealth owns and operates health systems and provides employers with the resources to manage employee benefit programmes.	37,552	3.0	43,882	4.0
Total			**507,563**	**40.2**		

[1] Based on total investments of £1,268.3m (2019: £1,086.6m).

[2] Not included in the ten largest equity investments at 31st December 2019.

[3] Not included in the total 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.

INVESTMENT ACTIVITY

DURING THE YEAR ENDED 31ST DECEMBER 2020

	Value at 31st December 2019 £'000	Value at 31st December 2019 % of total assets less current liabilities	Purchases £'000	Sales £'000	Changes in value £'000	Value at 31st December 2020 £'000	Value at 31st December 2020 % of total assets less current liabilities
Large Cap Portfolio	1,075,682	98.2%	580,747	(656,715)	194,817	1,194,531	91.1%
Small Cap Portfolio	10,902	0.9%	60,179	(14,320)	16,991	73,752	5.6%
Total investments	**1,086,584**	**99.1%**[1]	**640,926**	**(671,035)**	**211,808**	**1,268,283**	**96.7%**[1]

[1] 3.3% remainder in 2020 (2019: 0.9%) consists of Net Current Assets. For further details please refer to the Statement of Financial Position.

Portfolio turnover was 56% (2019: 108%). The 2019 portfolio turnover includes the transition of the portfolio following the change in investment policy. This is based on the average of purchases and sales expressed as a percentage of average opening and closing portfolio values.

LIST OF INVESTMENTS AT 31ST DECEMBER 2020

Company	Valuation £'000
LARGE COMPANIES	
These are generally defined as companies which have a market capitalisation of more than US$3 billion.	
Apple	70,807
Microsoft	69,254
Amazon.com	62,298
Loews	53,458
Berkshire Hathaway	44,713
Capital One Financial	43,754
Bank of America	42,840
AbbVie	41,533
Charles Schwab	41,354
UnitedHealth	37,552
QUALCOMM	35,087
AutoZone	34,862
Mastercard	34,794
Home Depot	33,988
Alphabet	33,862
Martin Marietta Materials	30,369
PayPal	28,345
Tesla	26,446
Public Storage	25,715
Synopsys	25,200
Advanced Micro Devices	24,557
Amgen	23,293
Stanley Black & Decker	22,385
Kinder Morgan	22,369
Intuitive Surgical	22,224
DISH Network	21,498
Marathon Petroleum	21,177
Procter & Gamble	20,668
Xcel Energy	20,505
Raytheon Technologies	19,935
Federal Realty Investment Trust	19,533
Global Payments	18,459
Zebra Technologies	17,944
Packaging Corp. of America	17,643
Booking	16,919
S&P Global	15,283
T Rowe Price	14,880
Regeneron Pharmaceuticals	13,860

Company	Valuation £'000
LARGE COMPANIES CONT.	
DexCom	13,839
Ball	11,329
	1,194,531
SMALL COMPANIES	
These are generally defined as companies which, at the date of investment, have a market capitalisation of less than US$3 billion. The investments within the Small Companies portfolio are listed separately as they are managed as a discrete portfolio.	
Advanced Drainage Systems	1,378
Natera	1,296
Halozyme Therapeutics	1,171
Twist Bioscience	1,129
Freshpet	1,114
National Vision	1,104
Enphase Energy	1,100
iRhythm Technologies	1,080
Entegris	1,057
Itron	1,049
Saia	1,046
Blackline	996
Helen of Troy	966
Elastic	931
Nevro	929
Anaplan	918
MKS Instruments	907
Shockwave Medical	906
John Bean Technologies	904
Texas Roadhouse	903
Amedisys	890
Inphi	887
Amicus Therapeutics	878
ManTech International	877
Boyd Gaming	876
ITT	873
SiteOne Landscape Supply	873
Littelfuse	870
Lithia Motors	852
Performance Food	847

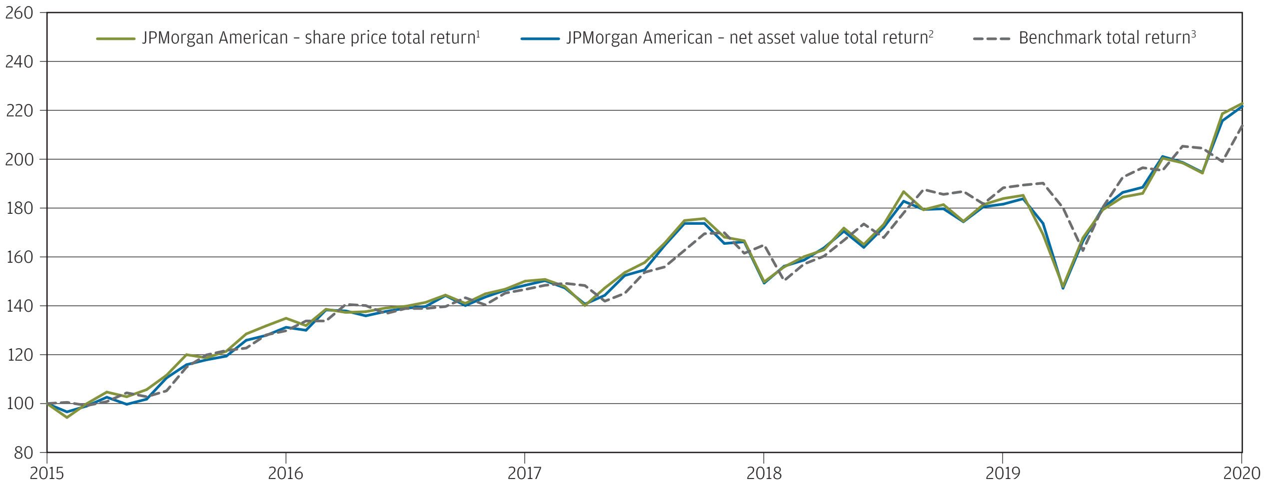
Company	Valuation £'000
SMALL COMPANIES CONT.	
Blueprint Medicines	829
Arrowhead Pharmaceuticals	825
New York Times	814
Smartsheet	791
Carlisle	791
Envestnet	786
Evercore	780
Arvinas	774
Trex	753
Globant	752
MSA Safety	748
Simpson Manufacturing	747
Bandwidth	744
Cree	733
SolarEdge Technologies	730
Biohaven Pharmaceutical	729
Everbridge	727
Winnebago Industries	718
Graco	713
Fox Factory	694
CyberArk Software	679
Semtech	655
Floor & Decor	654
Bridgebio Pharma	651
Applied Industrial Technologies	630
Accolade	583
Planet Fitness	577
Grocery Outlet	565
Duck Creek Technologies	563
Personalis	563
Sage Therapeutics	554
Acadia Healthcare	551
Revance Therapeutics	539
Cardlytics	534
Atara Biotherapeutics	534
First Financial Bankshares	522
Rush Enterprises	515
Focus Financial Partners	505
Q2	502
ADC Therapeutics	483
I3 Verticals	478

Company	Valuation £'000
SMALL COMPANIES CONT.	
BJ's Wholesale Club	464
Mirati Therapeutics	455
LiveRamp	453
Vertex	448
Coherus Biosciences	447
Heron Therapeutics	444
Bright Horizons Family Solutions	442
Vertiv	437
REGENXBIO	434
JFrog	428
Medallia	425
Ciena	423
PROG	411
Terreno Realty	402
Relay Therapeutics	399
TRI Pointe	398
Farfetch	389
FibroGen	384
Evolent Health	380
Bill.com	379
Berkeley Lights	378
MediaAlpha	373
FTI Consulting	372
RealReal	361
AZEK	358
Ollie's Bargain Outlet	349
Corsair Gaming	344
Ping Identity	342

Company	Valuation £'000
SMALL COMPANIES CONT.	
Selectquote	323
REVOLUTION Medicines	322
ACADIA Pharmaceuticals	312
Outset Medical	311
CubeSmart	311
Seer	308
Lemonade	301
Avrobio	293
Viela Bio	292
Avalara	286
Kronos Bio	279
Oak Street Health	254
Leslie's	242
G1 Therapeutics	225
Global Blood Therapeutics	206
Alector	198
Adaptive Biotechnologies	178
nCino	164
Homology Medicines	159
Allogene Therapeutics	159
Generation Bio	151
Rubius Therapeutics	132
Repay	124
Intercept Pharmaceuticals	119
Jamf	88
Orchard Therapeutics, ADR	74
	73,752
TOTAL INVESTMENTS	**1,268,283**

FIVE YEAR PERFORMANCE

FIGURES HAVE BEEN REBASED TO 100 AT 31ST DECEMBER 2015



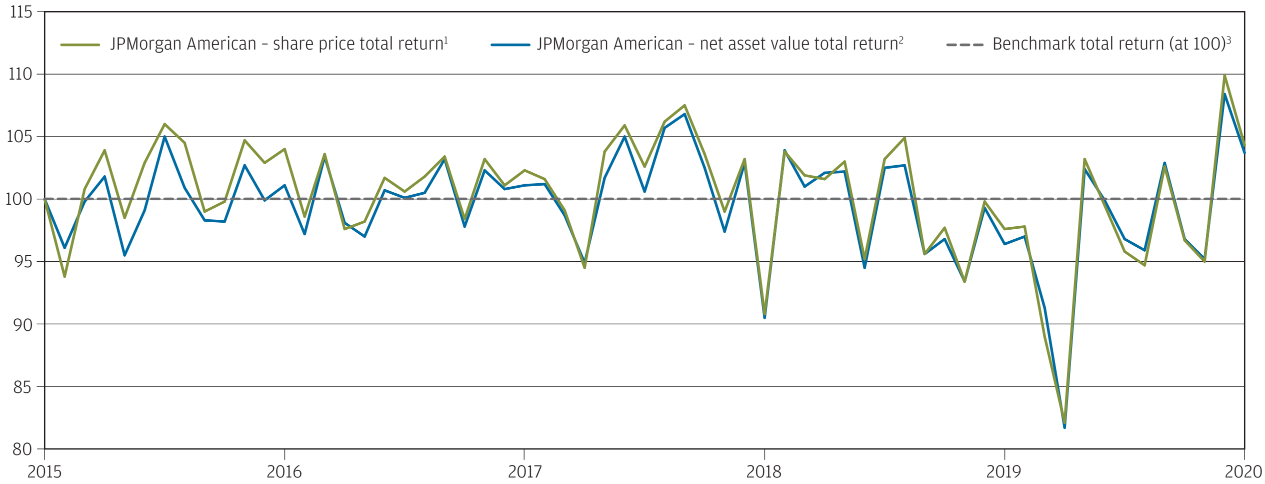
[1] Source: Morningstar.

[2] Source: Morningstar/J.P. Morgan using cum income net asset value per share, with debt at fair value.

[3] The Company's benchmark index is the S&P 500 Index, net of the appropriate withholding tax, expressed in sterling total return terms.

PERFORMANCE RELATIVE TO BENCHMARK

FIGURES HAVE BEEN REBASED TO 100 AT 31ST DECEMBER 2015



[1] Source: Morningstar.

[2] Source: Morningstar/J.P. Morgan using cum income net asset value per share, with debt at fair value.

[3] The Company's benchmark index is the S&P 500 Index, net of the appropriate withholding tax, expressed in sterling total return terms.

TEN YEAR FINANCIAL RECORD

At 31st December	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Shareholders' funds (£m)	374.0	400.4	464.7	642.2	804.2	816.7	985.2	980.4	919.2	1,056.8	1,211.5
Net asset value per share with debt at fair value (p)[1,2,APM]	170.2	168.6	180.9	236.6	283.1	293.4	379.3	423.6	420.7	504.8	607.6
Net asset value per share with debt at par value (p)[1,APM]	174.6	173.3	185.0	239.4	286.1	295.6	381.0	424.3	420.7	504.8	610.1
Share price (p)[1]	167.4	171.8	181.2	238.2	288.7	277.9	369.2	405.4	399.0	483.0	577.0
Share price (discount)/premium (%)[3,APM]	(1.6)	1.9	0.2	0.7	2.0	(5.3)	(2.7)	(4.3)	(5.2)	(4.3)	(5.0)
Gearing/(net cash) (%)	4.2	(2.8)	(0.6)	9.1	8.7	8.4	8.5	9.2	(1.0)	2.8	4.7
Exchange rate (£1=$)	1.57	1.55	1.63	1.66	1.56	1.48	1.24	1.35	1.27	1.32	1.37

Year ended 31st December											
Revenue return per share (p)[1]	2.11	2.24	2.76	3.00	3.76	4.64	5.70	5.93	7.71	7.54	6.31
Dividend per share (p)[1]	2.20	2.20	2.50	2.70	3.25	4.00	5.00	5.50	6.50	6.50	6.75
Ongoing charges ratio (%)[APM]	0.70	0.69	0.68	0.63	0.62	0.62	0.62	0.55	0.38	0.18	0.34
Ongoing charges ratio (%) including any performance fee payable[4,APM]	0.81	0.69	0.68	0.66	0.64	0.62	0.62	0.55	0.38	0.18	0.34

Rebased to 100 at 31st December 2010											
Share price total return[5,APM]	100.0	103.9	111.5	148.2	181.6	177.2	239.0	265.9	265.4	325.9	394.9
Net asset value per share with debt at fair value – total return[6,APM]	100.0	100.3	109.5	145.0	175.3	184.0	241.5	273.0	274.8	334.2	407.7
Net asset value per share with debt at par value – total return[6,APM]	100.0	100.5	109.1	142.9	172.6	180.7	236.4	266.6	267.9	325.8	399.1
Benchmark total return[7]	100.0	102.5	113.3	146.8	176.7	189.0	251.5	279.1	282.6	356.2	407.5

[1] 2010-2013 comparative figures have been restated due to the sub-division of each existing ordinary share of 25p into five ordinary shares of 5p each on 8th May 2014.

[2] The fair value of the USD$65m private placement was calculated using discounted cash flow techniques, using the yield from a similarly dated Treasury Note plus a margin based on the US Broad Market AA 10-15 year spread. The debenture of £50m issued by the Company matured in June 2018.

[3] Share price (discount)/premium to net asset value per share with debt at fair value.

[4] With effect from 1st January 2019, the performance fee element of the Manager's fees was removed.

[5] Source: Morningstar/J.P. Morgan.

[6] Source: Morningstar/J.P. Morgan using cum income net asset value per share.

[7] The Company's benchmark is the S&P 500 Index expressed in sterling total return terms.

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

A glossary of terms and APMs is provided on pages 90 to 92.

Introduction

ESG is an acronym which stands for Environmental, Social and Governance. It has become a convenient label for describing the broad field of sustainability in the corporate sector and is widely used when assessing the environmental impact of businesses, when considering how companies acquit themselves in respect of their broad social responsibilities and when reviewing the practices and standards used in governing corporate behaviour.

Awareness of these issues has increased significantly in recent years among investment practitioners and their clients, and indeed in society at large, and the practices at J.P.Morgan Asset Management have been at the forefront of these developments. In this report the Manager explains it's approach and how it has been applied for the benefit of shareholders.

The basics: what is ESG?

E is for Environmental. This component considers a company's impact on the world we live in, relating to the quality and functioning of the natural environment and natural systems.

S is for Social. Social factors address the way that companies act within society; this includes the way that employee interests are managed, and the broader impact a company has on society.

G is for Governance. This component relates to how companies are managed. It considers the measures that protect shareholder interests as well as the way any company meets regulatory and other external obligations.

The table below provides illustrative examples of ESG issues in each of the **E**, **S** and **G** categories:

Environmental	Social	Governance
Carbon pollution and emissions	Human rights	Board structure: effectiveness, diversity, independence
Environmental regulations (and adherence)	Diversity	Executive pay and criteria
Climate change policies	Health and safety	Shareholder rights
Sustainable sourcing of materials	Product safety	Financial reporting and accounting standards
Recycling	Employee management	How a business is run
Renewable energy use	Employee well-being	
Water and waste management	Commitment to communities	

What is the Investment Manager's approach?

J. P. Morgan Asset Management have worked hard over a number of years to demonstrate effective ESG integration in it's investment processes.

This integration does not simply involve paying external vendors for ESG information; it rests heavily on it's own proprietary research and on it's team of 150 analysts who cover stocks around the world.

The research teams complete a standard checklist of 40 questions on every company they follow, 12 on environmental issues, 12 on social factors and 16 relating to governance. Investors also work with a central Investment Stewardship team which sets priorities for corporate engagement both in terms of issues and in terms of significant individual investments held in portfolios.

Recent examples of ESG in action in the Company's portfolio

Engagement and voting is an area where the Manager is especially active. It seeks to act as a responsible and engaged shareholder of businesses on behalf of it's clients. It engages with all companies owned in the Company's portfolio on a regular basis, often several times in the course of a year. They do this not just to further their understanding of businesses, but to convey to management any concerns, suggestions or opinions that they have. Ongoing, meaningful dialogue with the management of companies owned by the Company is fundamental to the investment process.

During 2020, J.P. Morgan Asset Management (JPMAM) engaged with **AutoZone** on ESG disclosures, as the company published its initial Corporate Social Responsibility (CSR) report at the end 2019. The next one will come out in March 2021. JPMAM expressed its view that ESG is ultimately about getting useful information about the material risk factors that a company faces, which typically fall into at least one of the three areas. It viewed AutoZone's CSR report as a great overview of the history and culture of the firm, which is useful given the importance of culture to AutoZone's success. AutoZone noted the need to balance providing useful information with over-disclosure as they do not want to give their competitive advantage away by showing competitors a roadmap to duplicate their culture/processes.

An important example of these trade-offs is the disclosure of diversity in the firm's workforce. Some of AutoZone's competitors received shareholder proposals asking them to publicly disclose Department of Labor data. In both cases, shareholder support for the proposals was comfortably above 50%. AutoZone is contemplating disclosing the diversity of its store workers, but it notes that disclosing this data would have revealed the company's strategy to hire Spanish speaking people in its stores 15 years ago. As AutoZone realised the importance of catering to the growing Spanish-speaking population, it became a big internal push within the company, with significant key performance indicators tied to it. AutoZone believes that they did not receive a similar proposal due to its history of being more progressive than peers.

Another example of JPMAM's direct engagement is **PayPal**. PayPal produced its first ESG materiality map in 2020 for its 2019 Global Impact Report. In order to create the report, they spoke with a hundred internal and external stakeholders to get their views about ESG issues and to help prioritise the core issues. The map currently includes 19 topics and PayPal intends to refresh the map annually. The map aligns with JPMAM's own key ESG issues for PayPal which are data, customer security and human capital issues. Additionally, PayPal is also evaluating ways to move diversity and inclusion reporting forward. In 2019 it published three years of data breaking down the global organisation by gender and the US organisation by ethnicity across several management levels. PayPal publicly discloses the Department of Labor data. During conversations with senior management at PayPal, JPMAM encouraged them to tie the data to the way they manage the business. JPMAM provided the company with names of companies that were felt to have good practices in this area which the company could emulate. The Manager will continue to monitor the map for improvements.

JPMAM also engaged separately with the company with regards to **Venmo**, a subsidiary of PayPal. There were newspaper reports that caused some concern as they indicated that some customers were having difficulty getting refunds even after complaining to PayPal about potential fraud on their accounts. There were also concerns that the articles included a few quotes from minors. During discussions with the company on these issues, it stated that its user agreement requires for users to be at least 18. It expects people to self-identify, and will shut down accounts if they determine the self-identification is incorrect. PayPal also mentioned that if any customer engages in wrong behaviour on the platform, they will put a hold on the account for at least 180 days. Depending on the nature of the infraction, the company may or may not explain the cause of the hold to the customer. If someone sends money to the wrong account on a person-to-person basis, PayPal will try as hard as they can to get the money back. They will reach out to the recipient but cannot guarantee the funds are returned, and they would not refund that money themselves as it was a customer error.

JPMAM believe PayPal continues to show improvement in its fraud loss rate due to the integration of machine learning into detection processes. Several of the cases getting media attention were instances in which the underlying transaction was in violation of PayPal's acceptable use practice. In those cases the company does not provide buyer protection, which is accepted as standard practice in the industry. With regards to the potential use of their products by minors, it was noted that the company is taking additional steps in terms of identification confirmation for their Venmo credit cards and cannot rely solely on its Terms of Service which states that customers must be 18 or older. JPMAM continues to monitor the situation and will engage further with the company on both of these issues if believed it is warranted. At this time, the Manager is comfortable with holding the name and the progressive steps the company has taken on the ESG issues.

Alongside these direct engagements, JPMAM endeavours to vote at all of the meetings called by companies in which the portfolio is invested. A summary of key voting statistics and activity undertaken in respect of stocks in the Company's portfolio for the 12 months to 31st December 2020 is detailed below. On behalf of the Company, J.P.Morgan voted at all of the annual general meetings and extraordinary meetings held during the year by its portfolio companies.

JPMorgan American Investment Trust plc: Voting at shareholder meetings over the year to 31st December 2020

	For	Against	Abstain	Against/ Abstain Total	Total Items	% Against
Routine Business	173	–	–	–	173	–
Director Related	910	8	–	8	918	1
Capitalisation	14	–	–	–	14	–
Reorganisation and Mergers	2	–	–	–	2	–
Non-salary Compensation	166	6	–	6	172	3
Anti-takeover Related	7	–	–	0	7	–
TOTAL	1,272	14	–	14	1,286	1%

Looking ahead

ESG factors play an important role in the Manager's decision making process. In investing the Company's assets, the Manager has always looked for companies with the ability to create value in a sustainable way and that will not change.

The aim of the Strategic Report is to provide shareholders with the ability to assess how the Directors have performed their duty to promote the success of the Company during the year under review. To assist shareholders with this assessment, the Strategic Report sets out the structure and objective of the Company, its investment policies and risk management, investment restrictions and guidelines, performance, total return, revenue and dividends, key performance indicators, share capital, Board diversity, discount, employees, social, community and human rights issues, principal and emerging risks and how the Company seeks to manage those risks and finally its long term viability.

The Company's Purpose, Values, Strategy and Culture

The purpose of the Company is to provide a cost effective, sustainable investment vehicle for investors who seek long term capital growth from a portfolio of US quoted companies, which outperforms its benchmark index over the longer term, taking account of wider issues including environmental, social and governance. To achieve this, the Board of Directors is responsible for employing and overseeing an investment management company that has appropriate investment expertise, resources and controls in place to meet the Company's investment objective. To ensure that it is aligned with the Company's purpose, values and strategy, the Board comprises Directors from a diverse background who have a breadth of relevant experience and contribute in an open boardroom culture that both supports and challenges the investment management company and its other third party suppliers. For more information on the Directors, please refer to page 34.

Investment Objective

The Company's objective is to provide shareholders with capital growth from North American investments. It aims to outperform a benchmark, which is the S&P 500 Index, with net dividends reinvested, expressed in sterling terms.

Structure of the Company and Business Model

JPMorgan American Investment Trust plc is an investment trust and has a premium listing on the London Stock Exchange. In seeking to achieve its investment objective, the Company employs JPMorgan Funds Limited ('JPMF' or the 'Manager') which, in turn, delegates portfolio management to JPMorgan Asset Management ('JPMAM') which further delegates to JPMorgan Asset Management, Inc., to manage the Company's assets actively. The Board has determined an investment policy and related guidelines and limits, as described below.

During the year, the Company was subject to UK and European legislation and regulations including UK company law, UK Financial Reporting Standards, the UK Listing, Prospectus, Disclosure Guidance and Transparency Rules, the Market Abuse Regulation, taxation law and the Company's own Articles of Association. At the end of the Brexit transition on 31st December 2020, new autonomous UK regulations became effective and the UK no longer applies new EU regulations. However, those EU regulations that were relevant to the Company have been incorporated into UK regulations and therefore remain unchanged. The Company's underlying investments are also subject to some US and other worldwide regulations.

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006 and has been approved by HM Revenue & Customs as an investment trust (for the purposes of Sections 1158 and 1159 of the Corporation Tax Act 2010). As a result the Company is not liable for taxation on capital gains. The Directors have no reason to believe that approval will not continue to be retained. The Company is not a close company for taxation purposes.

Investment Policies and Risk Management

In order to achieve its investment objectives and to seek to manage risk, the Company mainly invests in a diversified portfolio of quoted companies including, when appropriate, exposure to smaller capitalisation stocks. The Company currently has separate portfolios dedicated to larger capitalisation and smaller capitalisation companies. The number of investments in the larger capitalisation portfolio will normally range between 30-40 stocks representing between 90-100% of the Company's equity portfolio. The number of investments in the smaller capitalisation portfolio will normally range between 100-120 stocks representing between 0-10% of the Company's equity portfolio. The Company may invest in pooled funds to achieve its aims.

The Board reviews a range of risk indicators to assess whether the level of risk taken by the Manager is consistent with the achievement of the investment objective.

Investment Limits and Restrictions (all at time of investment)

- The Company will not normally invest more than 8% of its gross assets in any one individual stock.
- The Company will normally limit its five largest investments to 40% of its gross assets.
- The Company will not invest more than 10% of its gross assets in liquidity funds in normal market conditions.
- The Company will not invest more than 10% of gross assets in companies that themselves may invest more than 15% of gross assets in listed closed-ended funds.
- The Company will not invest more than 15% of its gross assets in other listed closed-ended funds.
- The Company will use gearing when appropriate 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. The Company has a strategic gearing level, which is set by the Board and kept under review, which is currently 10%. In addition the Board may set a tactical gearing range, applying for a shorter period of time and reflecting an assessment of the potential future risks and returns from gearing. The tactical gearing range is currently 5% with a permitted range around this level of plus or minus 5%.

- The Company will only hedge its currency risk in respect of any material long-dated non-dollar gearing it may draw down. Throughout the year, there was none.
- The Company's small cap allocation will not exceed 10% of the equity portfolio.

Compliance with the Board's investment restrictions and guidelines is monitored by JPMF and is reported to the Board on a monthly basis.

Performance

In the year ended 31st December 2020, the Company produced a total return to shareholders of +21.2% and a total return on net assets of +22.0%. This compares with the total return on the Company's benchmark in sterling terms of +14.4%. At 31st December 2020, the value of the Company's investment portfolio was £1,268 million. The Investment Manager's Report on pages 11 to 16 includes a review of developments during the year as well as information on investment activity within the Company's portfolio and the factors likely to affect the future performance of the Company.

Total Return, Revenue and Dividends

As detailed on page 60, gross total return for the year amounted to £229.3 million (2019: £198.7 million) and net total return after deducting finance costs, administrative expenses and taxation, amounted to £221.1 million (2019: £193.7 million). Distributable income for the year totalled £12.9 million (2019: £16.1 million).

The Company paid an interim dividend of 2.5p per share on 2nd October 2020. The Directors recommend a final dividend of 4.25p per share, payable on 28th May 2021 to shareholders on the register at the close of business on 23rd April 2021. These distributions total £13.5 million (2019: £13.7 million). After payment of the final dividend, the revenue reserve will amount to £23.0 million (2019: £23.5 million).

Key Performance Indicators ('KPIs')

The Board uses a number of financial KPIs to monitor and assess the performance of the Company. The principal KPIs are:

- **Performance against the benchmark index**
  This is an important KPI by which performance is judged. Please refer to the graphs on page 21 for details of the Company's performance relative to its benchmark index over five years.
- **Performance against the Company's peers**
  The principal objective is to achieve capital growth relative to the benchmark. However, the Board also monitors performance relative to a broad range of appropriate competitor funds, including Exchange Traded Funds ('ETFs') both in the UK and the US.
- **Performance attribution**
  The purpose of performance attribution analysis is to assess how the Company achieved its performance relative to its benchmark index, i.e. to understand the impact on the Company's relative performance of the various components such as asset allocation, gearing and stock selection. Details of the attribution analysis for the year ended 31st December 2020 are given in the Investment Manager's Report on page 12.
- **Share price relative to net asset value ('NAV') per share with debt at fair value**
  The Board has adopted a share issuance and repurchase policy and is committed to buy-back shares when they stand at anything more than a small discount to enhance the NAV per share for remaining shareholders. In the year to 31st December 2020, the shares traded between a discount of 0.8% and 13.5% (daily figures calculated with debt at fair value and including income). Please refer to the Chair's Statement on pages 5 to 10 for further information.
- **Ongoing charges ratio**
  The ongoing charges ratio represent the Company's management fee and all other operating expenses, excluding finance costs expressed as a percentage of the average daily net assets during the year. For the year ended 31st December 2019, the Ongoing Charges ratio (OCR) includes the effect of seven months of a nine month management fee waiver starting from the year 1st June 2019. Without the fee waiver, the OCR would have been 0.39%. For the year ended 31st December 2020, the OCR includes the effect of the remaining two months of the fee waiver. Without this the OCR would have been 0.39%.

Share Capital

The Directors have authority on behalf of the Company to repurchase shares in the market either for cancellation or into Treasury and to sell Treasury shares or issue new Ordinary shares for cash.

During the financial year, the Company repurchased 10,754,203 shares, into Treasury, for a total consideration of £53.1 million. Since the year end, the Company has repurchased

1,769,406 shares, into Treasury, for a total consideration of £10.4 million.

No shares were issued during the year or since the year end.

Special Resolutions to renew the Company's authorities to issue and repurchase shares will be put to shareholders at the forthcoming Annual General Meeting.

Board Diversity

When recruiting a new Director, the Board's policy is to appoint individuals on merit. Diversity is important in bringing an appropriate range of skills and experience to the Board and an assessment is made of the qualities and skills of the existing Board before appointing new directors. Following completion of a review of the skills and experience of Directors, the Board feels that they are equipped with the necessary attributes required for the sound stewardship of the Company and that their knowledge sets allow for lively and engaging debates. Full details of the skills and experience of the Directors can be found on page 34. At 31st December 2020, there were four male Directors and two female Directors on the Board. As mentioned in the Chair's statement, Ms. Claire Binyon joined the Board with effect from 1st June 2020. The Board remains committed to appointing the most appropriate candidate and has met the Hampton-Alexander recommendation of having 33% female representation on the Board. Please refer to page 39 for more information on the workings of the Nomination Committee.

Employees, Social, Community and Human Rights Issues

The Company has a management contract with JPMF. It has no employees and all of its Directors are non-executive, the day to day activities being carried out by third parties. There are therefore no disclosures to be made in respect of employees.

The Board notes JPMAM's global policy statements in respect of Social, Community and Environmental and Human Rights issues, as highlighted in italics:

JPMAM believes that companies should act in a socially responsible manner. Although our priority at all times is the best economic interests of our clients, we recognise that, increasingly, non-financial issues such as social and environmental factors have the potential to impact the share price, as well as the reputation of companies. Specialists within JPMAM's environmental, social and governance ('ESG') team are tasked with assessing how companies deal with and report on social and environmental risks and issues specific to their industry.

JPMAM is also a signatory to the United Nations Principles of Responsible Investment, which commits participants to six principles, with the aim of incorporating ESG criteria into their processes when making stock selection decisions and promoting ESG disclosure. Our approach to how we implement the principles is set out in the ESG report on pages 23 to 25.

The Manager has implemented a policy which seeks to restrict investments in securities issued by companies that have been identified by an independent third party provider as being involved in the manufacture, production or supply of cluster munitions, depleted uranium ammunition and armour and/or anti-personnel mines. Shareholders can obtain further details on the policy by contacting the Manager.

The Modern Slavery Act 2015 (the 'MSA')

The MSA requires companies to prepare a slavery and human trafficking statement for each financial year of the organisation. As the Company has no employees and does not supply goods and services, the MSA does not apply directly to it. The MSA requirements more appropriately relate to JPMF and JPMAM. JPMorgan's statement on the MSA can be found on the following website: https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/JPMC-Group-Statement-on-Modern-Slavery-FY2019_Final-w-signature.pdf

Greenhouse Gas Emissions

The Company has no premises, consumes no electricity, gas or diesel fuel. Carbon emissions incurred by the Board if taking flights to and from the US are offset using a reputable forestry carbon offset scheme. Consequently, the Company does not have a net measurable carbon footprint.

JPMAM is a signatory to Carbon Disclosure Project. JPMorgan Chase is also a signatory to the Equator Principles on managing social and environmental risk in project finance. The Company is categorised as a lower energy user under the HMRC Environmental Reporting Guidelines March 2019 and is therefore not required to make the detailed disclosures of energy and carbon information set out within the guidelines. The Company's energy and carbon information is not therefore disclosed in this report.

Criminal Corporate Offence

The Company maintains zero tolerance towards tax evasion. Shares in the Company are purchased through intermediaries or brokers, therefore no funds flow directly into the Company.

Principal and Emerging Risks

The Directors confirm that they have carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The risks identified and the ways in which they are managed or mitigated are summarised below.

With the assistance of JPMF, the Risk Committee, chaired by Sir Alan Collins, has drawn up a risk matrix, which identifies the principal and emerging risks to the Company. These are reviewed and discussed on a regular basis by the Board. These risks fall broadly into the following categories:

Principal Risks

- **Investment and Strategy:** An inappropriate investment strategy, poor asset allocation or the level of gearing, may lead to underperformance against the Company's benchmark index and its peer companies, resulting in the Company's shares trading on a wider discount. The Board mitigates this risk by insisting on diversification of investments through its investment restrictions and guidelines which are monitored and reported on regularly by the Managers. JPMF provides the Directors with timely and accurate management information, including performance data and attribution analyses, revenue estimates, liquidity reports and shareholder analyses. The Board monitors the implementation and results of the investment process with the portfolio managers, who attend the majority of Board meetings, and reviews data which details the portfolio's risk profile. The managers deploy the Company's gearing within a range set by the Board.

- **Market:** Market risk arises from uncertainty about the future prices of the Company's investments. This market risk comprises three elements – equity market risk, currency risk and interest rate risk. The Board considers the split in the portfolio between small and large companies, sector and stock selection and levels of gearing on a regular basis and has set investment restrictions and guidelines, which are monitored and reported on by JPMF. The Board monitors the implementation and results of the investment process with the Manager. However, the fortunes of the portfolio are significantly determined by market movements in US equities, the rate of exchange between the US dollar and sterling and interest rate changes. This is a risk that investors take having invested into a single country fund.

- **Operational and Cybercrime:** Disruption to, or failure of, the Manager's accounting, dealing or payments systems or the custodian's or depositary's records could prevent accurate reporting and monitoring of the Company's financial position. On 1st July 2014, the Company appointed Bank of New York Mellon (International) Limited to act as its depositary, responsible for overseeing the operations of the custodian, JPMorgan Chase Bank, N.A., and the Company's cash flows. Details of how the Board monitors the services provided by the Manager and its associates and the key elements designed to provide effective internal control are included in the Internal Control section of the Corporate Governance report on pages 40 and 41. The threat of cyber-attack, in all its guises, is regarded as at least as important as more traditional physical threats to business continuity and security. The Board has received the cyber security policies for its key third party service providers and JPMF has assured the Directors that the Company benefits directly or indirectly from all elements of JPMorgan's Cyber Security programme. The information technology controls around the physical security of JPMorgan's data centres, security of its networks and security of its trading applications are tested by independent reporting accountants and reported every six months against the AAF Standard.

- **Loss of Investment Team or Investment Managers:** The sudden departure of the investment managers or several members of the wider investment management team could result in a short term deterioration in investment performance. The Manager takes steps to reduce the likelihood of such an event by ensuring appropriate succession planning and the adoption of a team based approach.

- **Share Price Relative to Net Asset Value ('NAV') per Share:** 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. Throughout 2020, the Company's shares traded at a discount. The Board monitors the Company's premium/discount level and, although the rating largely depends upon the relative attractiveness of the trust, the Board is committed to buy-back shares when they stand at anything more than a small discount to enhance the NAV per share for remaining shareholders.

- **Accounting, Legal and Regulatory:** In order to qualify as an investment trust, the Company must comply with Section 1158 of the Corporation Tax Act 2010 ('Section 1158'). Details of the Company's approval are given on page 26. Section 1158 requires, among other matters, that the Company does not retain more than 15% of its investment income, can demonstrate an appropriate diversification of risk and is not a close company. Were the Company to breach Section 1158, it might lose investment trust status and, as a consequence, gains within the Company's portfolio would be subject to Capital Gains Tax. The Section 1158 qualification criteria are continually monitored by JPMF and the results reported to the Board each month. The Company must also comply with the provisions of the Companies Act 2006 and, as its shares are listed on the London Stock Exchange, the UKLA Listing Rules and Disclosure & Transparency Rules ('DTRs'). A breach of the Companies Act 2006 could result in the Company and/or the Directors being fined or the subject of criminal proceedings. Breach of the UKLA Listing Rules or DTRs could result in the Company's shares being suspended from listing, which in turn would breach Section 1158. The Directors seek to comply with all relevant regulation and legislation in the UK, Europe and the US and rely on the services of its Company Secretary, JPMF, and its professional advisers to monitor compliance with all relevant requirements.

- **Political and Economic:** Changes in legislation, including in the US, UK and the European Union, may adversely affect the Company either directly or because of restrictions or enforced changes on the operations of the Manager. JPMF makes recommendations to the Board on accounting, dividend and tax policies and the Board seeks external advice where appropriate. In addition, the Company is subject to political risks, such as the imposition of restrictions on the free movement of capital. The Company is therefore at risk from changes to the regulatory, legislative and taxation framework within which it operates, whether such changes were designed to affect it or not. The Board continues to monitor and review the impact of Britain's exit from the EU, including the impact of the trade deal reached in December 2020.
- **Global Pandemics:** During the year, Covid-19 was identified initially as an emerging risk, but quickly moved to become a current significant risk. The global reach and disruption caused by the virus to markets worldwide was unprecedented. Even though there are no direct comparatives from history to learn from, time after time, extreme market falls are followed by recovery, albeit over varying and sometimes extended time periods. To date the portfolio's holdings have not exhibited a material long-term impact and have recovered as the containment measures eased, although the pandemic has yet to run its course. The Board monitors effectiveness and efficiency of service providers' processes through ongoing compliance and operational reporting and there were no disruptions to the services provided to the Company in the year under review due to the pandemic. The Company's service providers implemented business continuity plans which include working almost entirely remotely. The Board continues to receive regular reporting on operations from the Company's major service providers and does not anticipate a fall in the level of service.
- **Climate Change:** Climate change, which barely registered with investors a decade ago, has today become one of the most critical issues confronting asset managers and their investors. Investors can no longer ignore the impact that the world's changing climate will have on their portfolios, with the impact of climate change on returns now inevitable. The Company's investment process integrates considerations of environmental, social and governance factors into decisions on which stocks to buy, hold or sell. This includes the approach investee companies take to recognising and mitigating climate change risks. The Board is also considering the threat posed by the direct impact on climate change on the operations of the Manager and other major service providers. As extreme weather events become more common, the resiliency, business continuity planning and the location strategies of our services providers will come under greater scrutiny.

Emerging Risks

- **US and China Technology Competition:** Since the end of the Second World War, the world has enjoyed a technology and economic hegemony with the US at its core. With the development of China as a political, cultural, technological and economic rival, there is the risk that alongside the trade tensions we have seen in recent years, there may develop a rival technology and economic infrastructure which is not compatible with or available to the US companies in which we invest. This may limit the ability of US companies to innovate and address large elements of the global market with the result that a Company with an investment objective focused on the United States may find future returns to be muted or find itself eclipsed by the investment opportunities and returns available elsewhere. The Company addresses these global developments in regular questioning of the Manager and with external expertise and will continue to monitor these issues, should they develop.

Long Term Viability

The Company was established in 1881 and has now been in existence for almost 141 years. The Company is an investment trust and has the objective of achieving long term capital growth investing in North American equities. The Company has been investing over many economic cycles and some difficult market conditions. The current Covid-19 crisis that arose in 2020 was one of the worst faced in recent times. The impact on the US economy, the stock market proved to be significant. The eventual full impact on the markets in which the Company invests and that in which its shares are listed remains hard to predict with any certainty.

Although past performance and a long historic track record is no guide to the future, the Directors believe the Company is a good long term investment proposition. Unfortunately, it is impossible to look too far into the future, so the Directors have adopted a somewhat shorter time horizon to assess the Company's viability, which is five years. This is regarded by many as the minimum time for investing in equities.

The Directors have considered the Company's prospects, principal and emerging risks and the outlook for the US economy, its equity market and the market for investment trusts. They have examined the robustness of these base case estimates using further more cautious scenarios, including in one case repeating some of the returns data for the (1929-1934) Wall Street Crash and the very recent ongoing market disruptions of at least the magnitude of those caused by the Covid-19 pandemic.

The Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five years until 31st December 2025.

Duty to promote the success of the Company (Section 172 statement)

Section 172 of the Companies Act 2006 requires that a Director must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members (i.e. shareholders) as a whole and, in doing so, have regard (amongst other matters) to: the likely consequences of any decision in the long term; the need to foster the Company's business relationships with suppliers, customers and others; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly as between members of the Company.

As the Company in an investment company with no employees and a third party investment manager, the Board considers the Company's key stakeholders to be: its existing and potential new shareholders; lending banks; its Manager; other professional service providers including its depositary, registrar, auditor and corporate broker; and the wider society and broader environment in which it operates.

The Board believes the best interests of the Company are aligned with those of these key stakeholders as all will benefit from the Company achieving its investment objectives whilst carrying on business in compliance with the highest possible regulatory, legal, ethical and commercial standards.

The table below sets out details of the Company's engagement with some of these stakeholders:

Stakeholder Engagement

Shareholders

The Board regularly monitors the shareholder profile of the Company. It aims to provide shareholders with a full understanding of the Company's activities and performance and reports formally to shareholders twice a year by way of the Annual Report & Financial Statements and the Half Year Report. This is supplemented by the daily publication, through the London Stock Exchange, of the net asset value of the Company's shares. In addition, the Company issues announcements for all substantive news which are available on the Company's website together with monthly factsheet published by the Manager.

During the year the investment management team, JPMF and the Company's brokers held regular discussions with larger shareholders. Where possible Directors attend shareholder meetings arranged by the Manager. The Board seeks regular engagement with the Company's major shareholders to understand their views on governance and performance against the Company's investment objective and investment policy, either directly or through the Company's brokers, the Investment Managers and JPMF by holding discussions on an ongoing basis. The Chair and Directors make themselves available as and when required to address shareholder queries. The Directors may be contacted through the Company Secretary whose details are shown on page 95.

The Annual General Meeting (AGM) normally provides the key forum for the Board and Manager to present to shareholders on the Company's performance, future plans and prospects. It also allows shareholders the opportunity to meet with the Board and Manager and raise any questions or concerns. As set out in the Chair's statement, this year we again face limitations on the extent to which shareholders can attend the AGM. The Company has therefore arranged a presentation ahead of the formal AGM, by the Board and Manager, with the opportunity for questions, which is open to shareholders and potential investors in order to fill this short-term gap in our ability to communicate directly with shareholders.

The Manager

The Company's principal supplier is the Manager, in particular the investment management team who are responsible for managing the Company's assets in order to achieve its stated investment objective. The Board maintains a good working relationship with the Manager, who also provides administrative support and promotes the Company through its investment trust sales and marketing teams. The Manager's investment management function is fundamental to the long term success of the Company through the pursuit of the investment objective.

The Board monitors the Company's investment performance at each Board Meeting in relation to its objective and also to its investment policy and strategy. The Board also maintains strong lines of communication with the Manager via its dedicated company secretary and client director which extend well beyond the formal business addressed at Board meetings ensuring the Board is rapidly informed of Manager and shareholder views and of the discount levels and the Manager is fully aware of the Board's views and their requirements.

Other Key Service Providers and Wider Society

The Board ensures that it promotes the success of the Company by engaging specialist third party suppliers with appropriate performance records, resources and controls in place to deliver the services that the Company requires. Their performance is monitored by the Board and its committees, who have oversight of the Company's operations.

Whilst strong long term investment performance is essential, the Board recognises that to provide an investment vehicle that is sustainable over the long term, both it and the Manager must have regard to ethical and environmental issues that impact society. The Manager is a signatory to the United Nations Principles for Responsible Investing (UNPRI) and has in the course of the year, with the support and encouragement of the Board, completed the process of fully integrating environmental, social and governance matters into its investment process. At the Company level, the Board has used technology to replace much of the printing and travel it undertakes whilst offsetting the carbon emissions it would incur in its trips to visit the investment team in New York in less Covid-19 constrained times.

The Directors confirm that they have considered their duty under Section 172 when making decisions during the financial year under review. The Board's key decisions and actions during the year include:

Key Decisions and Actions

Small Cap Portfolio Allocation

During the year, the Board decided to increase the allocation of the portfolio in small companies from 1% to 5%, within the strategic range of 0-10% of the portfolio. In addition, the Board has decided to delegate to the Manager a range of 5% plus or minus 5% to manage this allocation.

Gearing and Borrowings

The Company began the year with a tactical gearing range equal to the strategic gearing level of 10%, plus or minus 2% allowing gearing to range between 8% and 12%. The Board decided on 16th March 2020 that in the light of the then volatile market conditions arising from the Covid-19 pandemic, the tactical gearing range should be temporarily widened to 10%, plus or minus 4%, allowing gearing to vary between 6% and 14%, thus providing the Manager with greater operating flexibility. Following a review of market conditions, the Board decided on 9th June 2020 that, while the strategic gearing level would remain unchanged at 10%, the tactical level of gearing should be amended to 5% with a permitted range around this level of plus or minus 5%. This means that over the short term gearing may vary between 0% and 10%. The Company has operated within this range since this date.

In February 2020, the Board decided to retire the £25 million revolving credit facility with the National Australia Bank ('NAB') and the placement of $65 million of privately placed loan notes maturing in 2031. The Company's debt policy has been to broaden the source, tenor and rate of the debt available to gear the portfolio, securing the availability of funding, allowing the Company to borrow to its strategic gearing level and mitigating the risk to shareholders and other stakeholders of overdependence on any single source or type of leverage.

Share buybacks

The Board pursues an active buyback policy which aims to enhance value for current investors by buying shares at anything wider than a small discount to NAV. In addition to benefit of the NAV enhancement provided to existing shareholders, the buyback policy has the effect of reducing discount volatility and improving liquidity in the Company's shares, both of which should be beneficial to shareholders.

Dividends Payable

The Board's decision to recommend a final dividend of 4.25p per share, providing a total of 6.75p per share to shareholders for the year to 31st December 2020 balances the Company's investment objective to provide capital growth with the value placed by some investors on the receipt of a dividend.

Board Appointment

In June 2020, Ms. Claire Binyon was appointed as a Director of the Company and the size of the Board was increased to six directors. The Board believes this supports the AIC's Corporate Governance Code principle that 'a successful company is led by an effective Board, whose role is to promote the long term sustainable success of the company, generating value for shareholders and contributing to wider society'.

Broker Appointment

In November 2020, the Board appointed Stifel Nicolaus Europe as broker to the Company, bringing with it a reduction in the costs of operating the Company's share buyback programme and providing additional support in promoting the Company which should ultimately benefit the shareholders.

Others

In addition, the Directors have kept under review the competitiveness of the management fee and the Company's other operating costs; continued to hold the Manager to account for investment performance; and continued to encourage the Manager to enhance its sales and marketing efforts and integrate ESG into the Manager's investment process.

Furthermore, throughout the course of the Covid-19 pandemic the Board has been in regular contact with the Manager, receiving updates on the operational effectiveness of the Manager and key service providers and on areas such as portfolio activity, portfolio liquidity, gearing and the discount to NAV at which the Company's shares trade.

By order of the Board
Priyanka Vijay Anand, for and on behalf of
JPMorgan Funds Limited,
Company Secretary

1st April 2021

Directors' Report

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

Dr Kevin Carter (Chair of the Board, Management Engagement Committee and Nomination Committee)

A Director since 2014.

Last reappointed to the Board: 2020.

Remuneration: £48,000.

Currently Chairman and Director of Murray International Trust PLC, a Director of Newton Investment Management Limited, and Aspect Capital Limited, Chairman of the Investment Committee and a trustee director of the BBC Pension Scheme. He is also a trustee director of Universities Superannuation Scheme Limited and Chairman of its Investment Committee. Dr Carter is a CFA charter holder and has a doctorate awarded in mathematical statistics with a research subject in financial economics.

Shared appointments with other Directors: Murray International Trust PLC.

Simon Bragg (Chairman of the Audit Committee)

A Director since 2012.

Last reappointed to the Board: 2020.

Remuneration: £40,000.

Mr Bragg is Chief Executive of JSB Energy Partners Limited and non-executive Director of Intralink Group Limited. Having qualified as a Chartered Accountant at KPMG, Mr Bragg previously worked at Hoare Govett, Cargill, HSBC, Oriel Securities and Stifel. Mr Bragg has a B.Sc in chemistry from Imperial College, London, and is a Fellow of Goodenough College.

Shared appointments with other Directors: None.

Nadia Manzoor

A Director since 2016.

Last reappointed to the Board: 2020.

Remuneration: £33,000.

Ms Manzoor is a Partner, Head of Business Development and General Counsel for S.W. Mitchell Capital, a specialist European equities investment management house. Ms Manzoor commenced her career as a corporate lawyer at Slaughter and May in 2009. During this time she worked in London, Hong Kong and also spent six months seconded to a FTSE 100 client. Ms Manzoor is a law scholar of Downing College, Cambridge University.

Shared appointments with other Directors: None.

Sir Alan Collins (Chairman of the Risk Committee, Remuneration Committee and Senior Independent Director)

A Director since 2012.

Last reappointed to the Board: 2020.

Remuneration: £38,000.

Sir Alan had a successful career in the British Diplomatic Service where he held a number of Ambassador and High Commissioner appointments and was until August 2011 the Consul General New York and the Director General for Trade and Investment USA. He was also the managing director in United Kingdom Trade and Investment responsible for the business legacy from the London 2012 Olympic and Paralympic Games, having been part of the team that won the bid to bring the Olympics to London. He is now a non-executive Director of ICICI Bank UK PLC.

Shared appointments with other Directors: None.

Robert Talbut

A Director since 2017.

Last reappointed to the Board: 2020.

Remuneration: £33,000.

Mr Talbut was, until 2014, the Chief Investment Officer of Royal London Asset Management and has over 30 years of financial services experience. He has represented the asset management industry through the chairmanship of both the ABI Investment Committee and the Asset Management Committee of the Investment Association. He has also been a member of the Audit & Assurance Council of the Financial Reporting Council and the Financial Conduct Authority's Listing Authority Advisory Panel. He is currently Chairman and Director of Shires Income plc and Schroder UK Mid Cap Fund PLC, and a Director of Pacific Assets Trust PLC. He is also an independent investment expert on the British Airways Pension Fund investment committee.

Shared appointments with other Directors: None.

Claire Binyon

Appointed as a Director on 1st June 2020.

Remuneration: £33,000.

Following an early career in corporate finance in the City, Ms Binyon pursued a successful career working for global multinationals in areas of corporate development and strategic planning. She is currently a non-executive director of NHBS Ltd and Murray International Trust PLC. Ms Binyon graduated from the University of Bristol gaining a BSc. Hons in Chemistry and is a chartered accountant.

Shared appointments with other Directors: Murray International Trust PLC.

The Directors present their Annual Report & Financial Statements for the year ended 31st December 2020.

Management of the Company

The Manager and Company Secretary is JPMF, a company authorised and regulated by the FCA. JPMF is a wholly-owned subsidiary of JPMorgan Chase Bank which, through other subsidiaries, also provides marketing, banking and dealing services to the Company. Custodian services are provided by a JPMorgan Chase Bank subsidiary, via a contract with the Company's depositary.

The Manager is employed under a contract which can be terminated on six months' notice, without penalty. If the Company wishes to terminate the contract on shorter notice, the balance of remuneration is payable by way of compensation.

The Management Engagement Committee conducts a formal evaluation of the Manager on an annual basis. The evaluation includes consideration of the investment strategy and the process of the Manager, performance against the benchmark and a relevant peer group over the long term and the support the Company receives from the Manager. As part of this process, the Board visits the New York office each year, although it was not able to do so this year due to the pandemic and so held virtual meetings. As a result of the evaluation process, the Board confirms that it is satisfied that the continuing appointment of the Manager is in the interest of shareholders as a whole.

The Alternative Investment Fund Managers Directive ('AIFMD')

JPMF is the Company's alternative investment fund manager ('AIFM'). JPMF has been approved as an AIFM by the FCA. For the purposes of the AIFMD the Company is an alternative investment fund ('AIF').

JPMF has delegated responsibility for the day to day management of the Company's portfolio to JPMAM, which further delegates the management to JPMorgan Asset Management, Inc.. The Company has appointed Bank of New York Mellon (International) Limited ('BNY') as its depositary. BNY has appointed JPMorgan Chase Bank, N.A. as the Company's custodian. BNY remains responsible for the oversight of the custody of the Company's assets and for monitoring its cash flows.

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the annual report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information is available on the Company's website at www.jpmamerican.co.uk. There have been no material changes (other than those reflected in these financial statements) to this information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a primary information provider.

The Company's leverage and JPMF's remuneration disclosures are set out on pages 82 and 83.

Management Fees

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 January 2019, the performance fee element of the Manager's fees was removed.

For a period of nine months between 1st June 2019 to 29th February 2020, the management fee was waived. The basic management fee is calculated and paid quarterly in arrears. Investments in funds on which the Manager or any of its associated companies earn a management fee are excluded from the calculation and therefore attract no further fee. The Company's investment in the JPMorgan US Dollar Liquidity Fund was not subject to a management fee and therefore not excluded from the calculation.

Directors

The Directors of the Company who held office at the end of the year are detailed on page 34. Details of Directors' beneficial shareholdings may be found in the Directors' Remuneration Report on pages 46 to 48.

In accordance with corporate governance best practice, all Directors will retire by rotation at the forthcoming Annual General Meeting and, being eligible, will offer themselves for reappointment. The Nomination Committee, having considered their qualifications, performance and contribution to the Board and its committees, confirms that each Director continues to be effective and demonstrates commitment to the role and the Board recommends to shareholders that they be reappointed.

Director Indemnification and Insurance

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity, as defined by Section 234 of the Companies Act 2006. The indemnities were in place during the year and as at the date of this report.

During the year an insurance policy has been maintained by the Company which indemnifies the Directors of the Company against certain liabilities arising in the conduct of their duties. There is no cover against fraudulent or dishonest actions.

Disclosure of information to Auditor

In the case of each of the persons who are Directors of the Company at the time when this report was approved:

(a) so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's Auditor is unaware; and

(b) each of the Directors has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information (as defined) and to establish that the Company's Auditor is aware of that information.

The above confirmation is given and should be interpreted in accordance with the provision of S418(2) of the Companies Act 2006.

Independent Auditor

Deloitte LLP has expressed its willingness to continue in office as Auditor to the Company and a resolution proposing its reappointment and authorising the Directors to determine its remuneration for the ensuing year will be put to shareholders at the Annual General Meeting.

Capital Structure and Voting Rights

Capital Structure
The Company's capital structure is summarised on the inside cover of this report.

Voting Rights in the Company's shares
Details of the voting rights in the Company's shares as at 31st March 2021 are given in note 16 to the Notice of Annual General Meeting on page 87.

Notifiable Interests in the Company's Voting Rights
As at 31st March 2021, the following had declared a notifiable interest in the Company's voting rights:

Shareholders	Number of voting rights	%
Quilter PLC	24,417,010	12.41
Brewin Dolphin Limited	19,719,996	10.02
Investec Wealth & Investment Limited	10,373,742	5.27

The rules concerning the appointment and replacement of Directors, amendment of the Articles of Association and powers to issue or repurchase the Company's shares are contained in the Articles of Association of the Company and the Companies Act 2006.

There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; no agreements which the Company is party to that affect its control following a takeover bid; and no agreements between the Company and its Directors concerning compensation for loss of office.

Listing Rule 9.8.4R
Listing Rule 9.8.4R requires the Company to include certain information in the identifiable section of the Annual Report & Financial Statements or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures to be made in this report.

Annual General Meeting

The notice covering the Annual General Meeting of the Company to be held on 14th May 2021 is given on pages 85 to 87. The full text of the Resolutions is set out in this notice.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting:

(i) Authority to allot new shares and to disapply statutory pre-emption rights (Resolutions 12 and 13)

At the Annual General Meeting the Directors will seek authority to issue up to 19,680,545 new shares or sell shares held in Treasury for cash up to an aggregate nominal amount of £1,408,170 (such amount being equivalent to 10% of the issued share capital) and disapply pre-emption rights upon such issues. The full text of the resolutions is set out in the Notice of Meeting on pages 85 to 87. This authority will expire at the conclusion of the Annual General Meeting of the Company in 2022 unless renewed at a prior general meeting.

It is advantageous for the Company to be able to issue new shares (or to sell Treasury shares) to investors when the Directors consider that it is in the best interests of shareholders to do so. As such issues are only made at prices greater than the net asset value ('NAV'), they increase the NAV per share and spread the Company's administrative expenses, other than the management fee which is charged on the value of the Company's assets, over a greater number of shares. The issue proceeds are available for investment in line with the Company's investment policies.

(ii) Authority to repurchase the Company's shares (Resolution 14)

At the Annual General Meeting held on 7th May 2020, shareholders gave authority to the Company to purchase up to 14.99% of its then issued share capital. At that time, shareholders were informed that this authority would expire on 6th October 2021 but could be renewed by shareholders at any time at a general meeting of the Company. The Directors consider that the renewal of the authority is in the interests of shareholders as a whole, as the repurchase of shares at a discount to the underlying net asset value ('NAV') enhances the NAV of the remaining shares. Resolution 14 gives the Company authority to buy back its own issued shares in the market as permitted by the Companies Act 2006 (the 'Act'). The authority limits the number of shares that could be purchased to a maximum of 29,501,137 shares representing approximately 14.99% of the Company's issued shares as at 31st March 2021 (being the latest practicable date prior to the publication of this document). The authority also sets minimum and maximum prices.

If resolution 14 is passed at the Annual General Meeting, shares repurchased might not be cancelled but rather held as Treasury shares. The Company does not have authority to re-issue shares from Treasury at a discount to NAV, therefore any reissue of shares from Treasury would be at a premium to the prevailing NAV.

The full text of the resolution is set out in the Notice of Meeting on pages 85 to 87. Repurchases will be made at the discretion of the Board and will only be made in the market at prices below the prevailing NAV per share, thereby enhancing the NAV of the remaining shares as and when market conditions are appropriate.

(iii) Adoption of New Articles of Association – (Resolution 15)

Resolution 15, which will be proposed as a special resolution, seeks shareholder approval to adopt new Articles of Association (the '**New Articles**') in order to update the Company's current Articles of Association (the '**Existing Articles**'). The proposed amendments being introduced in the New Articles primarily relate to changes in law and regulation and developments in market practice since the Existing Articles were adopted, and principally include:

(i) provisions enabling the Company to hold virtual shareholder meetings using electronic means (as well as physical shareholder meetings or hybrid meetings);

(ii) changes in response to the introduction of international tax regimes requiring the exchange of information;

(iii) amendments in response to the requirements of the Alternative Investment Fund Managers Directive (2011/61/EU);

(iv) increasing the limit on aggregate annual Directors' fees from £225,000 to £285,000;

(v) providing the Directors with the ability to postpone a general meeting in certain circumstances;

(vi) introducing a procedure which can be followed in the event an insufficient number of Directors are re-elected at an annual general meeting; and

(vii) updating the methods of settling cash dividends.

These changes reflect current best practice and are intended to relieve certain administrative burdens on the Company.
A summary of the principal amendments being introduced in the New Articles is set out in the appendix to the AGM Notice (on pages 88 to 89 of this document). Other amendments, which are of a minor, technical or clarifying nature, have not been summarised in the appendix.

A copy of the New Articles, together with a copy showing all of the proposed changes to the Existing Articles, will be available for inspection on the Company's website and at the offices of JPMorgan Funds Limited, 60 Victoria Embankment, London EC4Y 0JP between the hours of 9.00 a.m. and 5.00 p.m. (Saturdays, Sundays and public holidays excepted), from the date of the Annual General Meeting Notice until the close of the Annual General Meeting, and will also be available for inspection at the venue of the Annual General Meeting from 15 minutes before and during the Annual General Meeting.

Recommendation

The Board considers that resolutions 1 to 15 are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings which amount in aggregate to 102,080 shares representing approximately 0.1% of the existing issued share capital of the Company.

Corporate Governance Statement

Compliance

The Board takes its governance responsibilities very seriously and follows best practice requirements as closely as possible. The revised UK Code of Corporate Governance (the UK Code) published in 2018 requires enhanced disclosure setting out how we, as Directors, have fulfilled our duties in taking into account the wider interests of stakeholders in promoting the success of the Company. As part of this reporting, and given the environmental, social and governance (ESG) issues that are faced by many companies, we have provided a detailed report on these matters in the Strategic Report on pages 23 to 25. We have also provided more information on our Manager's approach to shareholder engagement and voting activities.

The Association of Investment Companies (AIC) has published updates to its Code of Corporate Governance (the AIC Code) which were endorsed by The Financial Reporting Council as being appropriate for investment companies. The 2019 AIC Code applies to accounting periods beginning on or after 1st January 2019 and the Board has fully adopted the recommendations of the 2019 AIC Code.

Copies of the UK Code and the AIC Code may be found on the respective organisation's websites: www.frc.org.uk and www.theaic.co.uk.

Role of the Board

A management agreement between the Company and JPMF sets out the matters over which the Manager has delegated authority. This includes management of the Company's assets within the guidelines established by the Board from time to time and the provision of accounting, company secretarial, administration and some marketing services. All other matters are reserved for the approval of the Board. A formal schedule of matters reserved to the Board for decision has been approved. This includes determination and monitoring of the Company's investment objectives and policy and its future strategic direction, gearing policy, management of the capital structure, appointment and removal of third party service providers, review of key investment and financial data and the Company's corporate governance and risk control arrangements.

The Board meets at least quarterly during the year and additional meetings are arranged as necessary. Full and timely information is provided to the Board to enable it to function effectively and to allow Directors to discharge their responsibilities. Further information on meetings and committees can be found on page 40.

The Board has procedures in place to deal with potential conflicts of interest and, following the introduction of the Bribery Act 2010, has adopted appropriate procedures designed to prevent bribery. It confirms that the procedures have operated effectively during the year under review.

There is an agreed procedure for Directors to take independent professional advice in the furtherance of their duties and at the Company's expense. This is in addition to the access that every Director has to the advice and services of the Company Secretary, JPMF, which is responsible to the Board for ensuring adherence to Board procedures and compliance with applicable rules and regulations.

Board Composition

The Board consists of six non-executive Directors and is chaired by Dr Kevin Carter. All Directors are considered to be independent of the Company's Manager. The Directors have a breadth of investment knowledge, business and financial skills and experience relevant to the Company's business and brief biographical details of each Director are set out on page 34.

A review of Board composition and balance is included as part of the annual performance evaluation of the Board, details of which may be found below. Sir Alan Collins, the Senior Independent Director, leads the evaluation of the performance of the Chair and is available to shareholders if they have concerns that cannot be resolved through discussion with the Chair.

Reappointment of Directors

The Directors of the Company and their brief biographical details are set out on page 34. The skills and experience that each Director brings to the Board, and hence why their contributions are important to the long term success of the Company, are summarised below.

Resolution 5 concerns the reappointment of Dr Kevin Carter. He joined the Board in July 2014 and has served for six years as a Director. He has held various roles within the investment industry, including that of portfolio manager, Chief Investment Officer and Chief Executive Officer. He has also been a director of listed closed-ended funds for a number of years and brings strong leadership skills gained through a number of Board roles, including chairmanship roles. He brings leadership and considerable in-depth knowledge, expertise and experience in investment management to the Board.

For details of his current directorships, please refer to page 34 of the Report.

Resolution 6 concerns the reappointment of Simon Bragg. He joined the Board in May 2012 and has served for over eight years as a Director. He has recent and relevant business, financial and investment expertise with a strong accounting background. This has enabled him to identify and manage issues and risks relating to the Company and the financial statements in conjunction with the external service providers. He actively works with the Auditor to ensure a smooth year-end process and audit. He brings a wider understanding and breadth of knowledge to the Company across the investment industry. He also has experience of financial markets in his former role as Chief Executive of a broker dealer and asset manager, and regulation in financial services having been a member of both the Listing Authority Advisory and Wholesale Markets Panels at the Financial Conduct Authority.

For details of his current directorships, please refer to page 34 of the Report.

Resolution 7 concerns the reappointment of Sir Alan Collins. He joined the Board in May 2012 and has served for over eight years as a Director. Sir Alan brings a wealth of management, governance and leadership experience and expertise from holding a succession of senior appointments in the British Diplomatic Service and from sitting on several major financial services company Boards including Banking, Insurance, Investment and Wealth Management. His living for nearly five years in New York in charge of Britain's Trade and Investment with the United States gives important insights into the market in which the company invests. He is a geo-political expert and brings this skill to chairing the Risk Committee. His negotiating and people management abilities are utilised as the Senior Independent Director, part of whose job is the smooth running of the company and the effectiveness of the Board.

For details of his current directorships, please refer to page 34 of the Report.

Resolution 8 concerns the reappointment of Nadia Manzoor. She joined the Board in June 2016 and has served for four years as a Director. She has current financial expertise in her role at the specialist investment manager, SW Mitchell. She also has experience in marketing financial services which she brings to bear in assessing the Manager's efforts in promoting the Company. She has strong exposure and experience with the

US market as she spends a great deal of her time in the US working almost exclusively with US institutions and investors.

As a qualified lawyer, having trained at Slaughter and May, her contribution to the legal aspects of the Board's role and particularly its relationship with service providers is much appreciated.

For more details, please refer to page 34 of the Report.

Resolution 9 concerns the reappointment of Robert Talbut. He joined the Board in May 2017 and has served for three years as a Director. He has over 30 years of financial services experience and has represented the asset management industry through the chairmanship of both the ABI Investment Committee and the Asset Management Committee of the Investment Association. As well as experience as an asset manager including evolving best practice in corporate governance and ESG issues, his varied roles with the Financial Reporting Council and the FCA helps him bring broader perspectives to Board discussions.

For details of his current directorships, please refer to page 34 of the Report.

Resolution 10 concerns the appointment of Claire Binyon. She joined the Board in June 2020. She pursued a successful career working for global multinationals in areas of corporate development and strategic planning and is a chartered accountant. Her relevant experience also includes her non-executive directorship at NHBS Ltd and Murray International Trust PLC.

For more details, please refer to page 34 of the Report.

The Board confirms that each of the Directors standing for appointment and reappointment at the forthcoming Annual General Meeting continue to contribute effectively and recommends that shareholders vote in favour of their reappointment.

Tenure

Directors are initially appointed until the following Annual General Meeting when, under the Company's Articles of Association, it is required that they be reappointed by shareholders. Thereafter, subject to the performance evaluation carried out each year, the Board will agree whether it is appropriate for each Director to seek reappointment. In accordance with corporate governance best practice, Directors continuing in office seek annual reappointment and no Director, including the Chair, will normally seek reappointment after having served for nine years on the Board unless there are exceptional circumstances for doing so.

As mentioned in the Chair's statement, Mr. Simon Bragg, current Audit Committee Chair, will be retiring from the Board later this year, after which Ms. Claire Binyon will become the new Audit Committee Chair. The Board keeps plans for its orderly succession and refreshment under continual review. The terms and conditions of Directors' appointments are set out in formal letters of appointment, copies of which are available for inspection on request at the Company's registered office and at the Annual General Meeting. A list of potential conflicts of interest for each Director is maintained by the Company. These are considered carefully, taking into account the circumstances surrounding them, and, if considered appropriate, are approved.

Induction and Training

On appointment, the Manager and Company Secretary provide all Directors with induction training. Thereafter, regular briefings are provided on changes in law and regulatory requirements that affect the Company and Directors. Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trusts. Regular reviews of the Directors' training needs are carried out by the Board by means of the evaluation process described below.

Meetings and Committees

The Board delegates certain responsibilities and functions to committees. Details of membership of committees are shown with the Directors' profiles on page 34.

The table below details the number of formal Board and Committee meetings attended by each Director.

Meetings attended during the year

	Board	Audit Committee	Risk Committee	Management Engagement Committee	Nomination Committee	Remuneration Committee
Dr. Kevin Carter	6	2	2	1	2	2
Simon Bragg	6	2	2	1	2	2
Sir Alan Collins	6	2	2	1	2	2
Nadia Manzoor	5	2	1	1	2	2
Robert Talbut	6	2	2	1	2	2
Claire Binyon[1]	3	1	1	NA	NA	NA

[1] Appointed on 1st June 2020.

As well as the formal meetings detailed above, the Board meets and communicates frequently by email or telephone to deal with day to day matters as they arise. During the year, the Directors also held virtual meetings with the investment management team and senior management based in New York.

Board Committees

The Nomination, Remuneration, Management Engagement, Risk and Audit Committees have written terms of reference which define clearly their respective responsibilities, and copies of which are available on the Company's website and for inspection on request at the Company's registered office and at the Annual General Meeting.

Nomination Committee
The Nomination Committee, chaired by Dr Kevin Carter, consists of all of the Directors and meets at least annually. The Nomination Committee reviews the composition, structure and diversity of the Board, succession planning, the independence of the Directors and whether each Director has sufficient time available to discharge their duties effectively. Having completed the annual evaluation process, the Committee confirms that it believes that the Board has an appropriate balance of skills and experience, that all Directors should be considered as Independent in accordance with the provisions of the AIC Code and that all Directors have the time available to discharge their duties effectively.

The Board's policy on diversity, including gender, is to take account of the benefits of this during the appointment process. The Board remains committed to appointing the most appropriate candidate and seeks to ensure that it does not unwittingly exclude any group.

The Committee conducts an annual performance evaluation of the Board, its committees and individual Directors to ensure that all Directors have devoted sufficient time and contributed adequately to the work of the Board and its Committees. The evaluation of the Board considers the balance of experience, skills, independence, corporate knowledge, its diversity, and how it works together. Questionnaires, drawn up by Lintstock, an independent advisory firm, are completed by each Director. The responses are collated and then discussed by the Committee. The evaluation of individual Directors is led by the Chair. The Senior Independent Director leads the evaluation of the Chair's performance, which includes an appraisal of his Board leadership and effectiveness in the role.

In relation to the appointment of Claire Binyon, the Board engaged a recruitment consultant, Ridgeway Partners, a firm with no other connections to the Company or the individual Directors. Open advertising was not used as part of the process as the use of a recruitment consultant was deemed sufficient.

Remuneration Committee
The Remuneration Committee, chaired by Sir Alan Collins, consists of all Directors and meets at least annually. The Committee's remit is to review Directors' fees and make recommendations to the Board as and when appropriate in relation to the Company's remuneration policy and its implementation.

Management Engagement Committee
The Management Engagement Committee, chaired by Dr Kevin Carter, consists of all Directors and meets at least annually. The Committee's remit is to review the terms of the management agreement between the Company and the Manager, to review the performance of the Manager, consider Management fee levels, to review the notice period that the Board has with the Manager and to make recommendations to the Board.

Risk Committee
The Risk Committee, chaired by Sir Alan Collins, consists of all the Directors, and meets at least twice each year. The Committee discusses the Company's overall risk appetite, tolerance and strategy, taking into account the current and prospective macroeconomic and financial environment. It further reviews the Company's principal risks and seeks to understand any emerging risks that arise during the year. Finally, the Committee reviews compliance with the Company's investment restrictions and guidelines.

Audit Committee
The report of the Audit Committee is set out on page 43.

Annual General Meeting ('AGM')

In any normal year, all shareholders have the opportunity, and are encouraged, to attend the Company's Annual General Meeting at which the Directors and representatives of the Manager are available in person to meet with shareholders and answer questions. Due to the ongoing situation surrounding Covid-19, and the developing advice from the UK Government, it may not be possible for shareholders to attend this year's Annual General Meeting. As always shareholders are very much encouraged to contact Directors through the Company Secretary whose details are shown on page 95, but particularly this year if you had planned to ask questions at the Annual General Meeting. Questions can also be submitted via the 'Ask us a Question' link which can be found in the 'Contact Us' section on the Company's website.

The Company's Annual Report & Financial Statements are published in time to give shareholders at least 20 working days' notice of the Annual General Meeting. A formal process is in place for all letters to the Directors to be forwarded immediately. As part of this process, any feedback from shareholders is also communicated to the Board.

Details of the proxy voting position on each resolution will be published on the Company website shortly after the Annual General Meeting.

Risk Management and Internal Control

The AIC Code requires the Directors, at least annually, to review the effectiveness of the Company's system of risk management and internal control and to report to shareholders that they have done so. This encompasses a review of all controls, which the Board has identified to include business, financial, operational, compliance and risk management.

The Directors are responsible for the Company's system of risk management and internal control which is designed to safeguard the Company's assets, maintain proper accounting records and ensure that financial information used within the business, or published, is reliable. However, such a system can only be designed to manage rather than eliminate the risk of failure to achieve business objectives and therefore can only provide reasonable, but not absolute, assurance against fraud, material misstatement or loss.

Since investment management, custody of assets and all administrative services are provided to the Company by JPMF and its associates, the Company's system of risk management and internal control mainly comprises monitoring the services provided by the Manager and its associates, including the operating controls established by them, to ensure that they meet the Company's business objectives. There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company (see Principal and Emerging Risks on pages 29 and 30). This process has been in place for the year under review and up to the date of the approval of the annual report and accounts and it accords with the Financial Reporting Council's guidance. Given the foregoing, and in common with most investment trust companies, the Company does not have an internal audit function of its own. The Manager's internal audit department conducts regular and rigorous reviews of the various functions within its asset management business. Any significant findings that are relevant to the Company and/or the Manager's investment trust business are reported to the Board.

The key elements designed to provide effective internal control are as follows:

Financial Reporting – Regular and comprehensive review by the Board of key investment and financial data, including revenue projections, analysis of transactions and performance comparisons.

Management Agreement – Evaluation and appointment of a manager and custodian regulated by the FCA, whose responsibilities are clearly defined in a written agreement.

Management Systems – The Manager's system of risk management and internal control includes organisational agreements which clearly define the lines of responsibility, delegated authority, control procedures and systems. These are monitored by JPMorgan's Compliance department which regularly monitors compliance with FCA rules and reports to the Board.

Investment Strategy – Authorisation and monitoring of the Company's investment strategy and exposure limits by the Board.

The Board keeps under review the effectiveness of the Company's system of risk management and internal control by monitoring the operation of the key operating controls of the Manager and its associates as follows:

- the Board, through the Audit Committee, receives regular reports from JPMorgan's Compliance department;
- the Board regularly receives a report, which is also independently reviewed, on the internal controls and the operations of its custodian, JPMorgan Chase Bank;
- the Board reviews every six months a report from the Company's Depositary, Bank of New York Mellon (International) Limited, which summarises the activities performed by the Depositary during the reporting period; and
- the Board reviews every six months an independent report on the internal controls and the operations of JPMF's investment trust department.

By means of the procedures set out above, the Board confirms that it has reviewed the effectiveness of the Company's system of risk management and internal control for the year ended 31st December 2020, and to the date of approval of the Annual Report & Financial Statements.

During the course of its review of the system of risk management and internal control, the Board has not identified nor been advised of any failings or weaknesses which it has determined to be significant. Therefore a confirmation in respect of necessary actions has not been considered appropriate.

Corporate Governance and Voting Policy

The Company delegates responsibility for voting to JPMAM through the Manager. The following is a summary of JPMAM's policy statements on corporate governance, voting policy and social and environmental issues, which has been reviewed and noted by the Board. Details on Environmental, Social and Governance considerations are included in the Strategic Report on pages 23 to 25.

Corporate Governance

JPMAM believes that corporate governance is integral to its investment process. As part of its commitment to delivering superior investment performance to clients, it expects and encourages the companies in which it invests to demonstrate the highest standards of corporate governance and best business practice. JPMAM examines the share structure and voting structure of the companies in which it invests, as well as the board balance, oversight functions and remuneration policy. These analyses then form the basis of JPMAM's proxy voting and engagement activity.

Proxy Voting

JPMAM manages the voting rights of the shares entrusted to it as it would manage any other asset. It is the policy of JPMAM to vote in a prudent and diligent manner, based exclusively on reasonable judgement of what will best serve the financial interests of clients. So far as is practicable, JPMAM will vote at all of the meetings called by companies in which it is invested.

Stewardship/Engagement

JPMAM recognises its wider FRC stewardship responsibilities to its clients as a major asset owner. To this end, it supports the introduction of the FRC Stewardship Code, which sets out the *responsibilities of institutional shareholders in respect of investee companies. Under the Code, managers should:*

- *publicly disclose their policy on how they will discharge their stewardship responsibilities to their clients;*
- *disclose their policy on managing conflicts of interest;*
- *monitor their investee companies;*
- *establish clear guidelines on how they escalate engagement;*
- *be willing to act collectively with other investors where appropriate;*
- *have a clear policy on proxy voting and disclose their voting record; and*
- *report to clients.*

JPMAM endorses the FRC Stewardship Code for its UK investments and supports the principles as best practice elsewhere. We believe that regular contact with the companies in which we invest is central to our investment process and we also recognise the importance of being an 'active' owner on behalf of our clients.

JPMAM's Voting Policy and Corporate Governance Guidelines are available on request from the Company Secretary or can be downloaded from JPMAM's website: https://am.jpmorgan.com/gb/en/asset-management/per/about-us/investment-stewardship/ which also sets out its approach to the seven principles of the FRC Stewardship Code, its policy relating to conflicts of interest and its detailed voting record.

By order of the Board
Priyanka Vijay Anand, for and on behalf of
JPMorgan Funds Limited,
Company Secretary

1st April 2021

Audit Committee Report

The Audit Committee, chaired by Simon Bragg, consists of all Directors, and meets at least twice each year. The members of the Audit Committee consider that at least one member has recent and relevant financial experience and that the Committee as a whole has competency relevant to the sector in which the Company operates.

The Committee reviews the actions and judgements of the Manager in relation to the Half Year and Annual Report & Financial Statements and the Company's compliance with the AIC Code. It examines the effectiveness of the Company's internal control systems, receives information from the Manager's compliance department and also reviews the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external Auditor. The Audit Committee has reviewed the independence and objectivity of the Auditor and is satisfied that the Auditor is independent. The Audit Committee also has the primary responsibility for making recommendations to the Board on the reappointment and the removal of the external Auditor.

Financial Statements and Significant Accounting Matters

During its review of the Company's financial statements for the year ended 31st December 2020, the Audit Committee considered the following significant issues, including those communicated by the Auditor during its reporting:

Significant issue	How the issue was addressed
Valuation, existence and ownership of investments	The valuation of investments is undertaken in accordance with the accounting policies, disclosed in note 1 to the accounts. The Company has appointed Bank of New York Mellon (International) Limited ('BNY') as its depositary. BNY has appointed JPMorgan Chase Bank, N.A., as the Company's custodian. BNY remains responsible for the oversight of the custody of the Company's assets. A representative from BNY reports directly to the Audit Committee on an annual basis.
Calculation of management fees	The management fees are calculated in accordance with the Investment Management Agreement. The Board reviews controls reports, expense schedules and the management fee calculation.
Recognition of investment income	The recognition of investment income is undertaken in accordance with accounting policy note 1(d) to the accounts. Income recording is conducted by the Manager and the methodology is reported upon to the Board within a six monthly independent report on the operations of the Manager.
Compliance with Sections 1158 and 1159	Approval for the Company as an investment trust under Sections 1158 and 1159 for financial years commencing on or after 1st October 2012 has been obtained and ongoing compliance with the eligibility criteria is monitored on a regular basis by the Manager, who reports on a monthly basis to the Board on the Company's continuing compliance.
Covid-19	The Audit Committee has reviewed the impact of market volatility related to the Covid-19 pandemic on the Company's portfolio and has received regular updates on portfolio performance from the portfolio managers. The Audit Committee has also reviewed recent portfolio liquidity and updated revenue and expense forecasts in light of the Covid-19 pandemic and its anticipated impact on portfolio liquidity, revenue and market valuations and considers that the Company's business model remains viable and that the Company has sufficient resources to continue in operation and to meet all liabilities as they fall due. The Audit Committee has further reviewed the Company's borrowing and debt facilities and considers that the Company continues to meet its financial covenants in respect of these facilities and has a wide margin before any relevant thresholds are reached.
Going Concern/Long Term Viability	The Committee has also reviewed the appropriateness of the adoption of the Going Concern basis in preparing the accounts, particularly in view of the impact of the Covid-19 pandemic. The Committee recommended that the adoption of the Going Concern basis is appropriate (see Going Concern statement below). The Committee also assessed the Long Term Viability of the Company as detailed on page 30 and recommended to the Board its expectation that the Company would remain in operation for the five year period of the assessment.

The Board was made fully aware of any significant financial reporting issues and judgements made in connection with the preparation of the financial statements.

Going Concern

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

Accordingly, the Financial Statements have been prepared on the going concern basis as it is the Directors' opinion, having assessed the principal and emerging risks and other matters, including the impact of the coronavirus pandemic, that the Company will continue in operational existence for a period of at least 24 months. The Company's longer-term viability is considered in the Viability Statement on page 30.

Auditor Appointment and Tenure

Representatives of the Company's Auditor, Deloitte LLP, attended the Audit Committee meeting at which the draft Annual Report & Financial Statements were considered and also engage with Directors as and when required. Having reviewed the performance of the external Auditor, including assessing the quality of work, timing of communications and work with the Manager, the Committee considered it appropriate to recommend its reappointment. The Board supported this recommendation, which will be put to shareholders at the forthcoming Annual General Meeting. The Board reviews and approves any non-audit services provided by the independent Auditor and assesses the impact of any non-audit work on the ability of the Auditor to remain independent. Details of the Auditor's fees paid for audit and non-audit services are disclosed in note 6 on page 67.

The current tenure of the Auditor dates from 10th August 2006. The Company's 2019 audit was Andrew Partridge's fifth year of a maximum five years as audit partner. Chris Hunter is the new audit partner and has conducted the Company's 2020 audit. The Board opened the external auditor position up to tender in 2015 and reappointed Deloitte LLP, following presentations from three firms to include the incumbent. Based upon existing legislation, another tender process is not required until 2025. The Company is therefore in compliance with the provisions of 'The Statutory Audit Services for Large Companies Market Investigation' (Mandatory use of competitive tender processes and audit committee responsibilities) Order 2014 as issued by the Competition & Markets Authority.

Fair, Balanced and Understandable

As a result of the work performed, the Audit Committee has concluded that the Annual Report & Financial Statements for the year ended 31st December 2020, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy, and has reported on these findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 50.

Simon Bragg
Audit Committee Chairman

1st April 2021

Directors’ Remuneration Report

Image: New York, Central park hot dog stand.

Introduction

The Board presents the Directors' Remuneration Report for the year ended 31st December 2020 which has been prepared in accordance with the requirements of Section 421 of the Companies Act 2006.

The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited they are indicated as such. The Auditor's opinion is included in their report on pages 52 to 58.

Directors' Remuneration Policy

The law requires that the Directors' Remuneration Policy is subject to a triennial binding vote. However, the Board has resolved that for good governance purposes, the policy vote will be put to shareholders every year. Accordingly a resolution to approve the policy will be put to shareholders at the 2021 Annual General Meeting. The policy, which has not changed this year, and, subject to the vote, is set out in full below and is currently in force.

The Board's policy for this and subsequent years is that Directors' fees should properly reflect the time spent by the Directors on the Company's business and should be at a level to ensure that candidates of a high calibre are recruited to the Board. The roles of Chairs of the Board, Audit Committee, Remuneration Committee, Risk Committee and the Senior Independent Director are paid higher fees than other Directors, reflecting the greater time commitment involved in fulfilling those roles.

The Remuneration Committee, comprising all Directors, reviews fees on a regular basis and makes recommendations to the Board as and when appropriate. Reviews are based on information provided by the Manager, and includes research carried out by third parties on the level of fees paid to the Directors of the Company's peers and within the investment trust industry generally. The involvement of remuneration consultants has not been deemed necessary as part of this review.

All of the Directors are non-executive. There are no performance-related elements to their fees and the Company does not operate any type of incentive, share scheme, award or pension scheme and therefore no Directors receive bonus payments or pension contributions from the Company or hold options to acquire shares in the Company. Directors are not granted exit payments and are not provided with compensation for loss of office. No other payments are made to Directors, other than the reimbursement of reasonable out-of-pocket expenses.

In the year under review, Directors' fees were paid at the following rates: Chair £44,000; Audit Committee Chair £35,500 and £29,500 for other Directors. The roles of Senior Independent Director and Chair of the Risk Committee both attract an additional fee of £2,000 per role. Fees were last increased in January 2018.

During the year, after carefully considering a number of surveys of Director's fees in comparable companies, and the amount of time and commitment required from the Directors on company business, such as the due diligence needed during recent changes to the investment process, the Board decided to increase the fees paid to Directors from 1st January 2021. This is the first increase since 2015, except for a £1,000 increase in 2018. The increase ensures that over the longer term, Director's fees have kept pace with but not materially exceeded the rate of inflation. Fees remain modest when compared with competitors and when viewed in the context of the Company's attractive low ongoing charges ratio which is based on the reduced level of management fees and other costs negotiated by the Directors. The level of Directors' fees now set is also intended to allow the Company to recruit and retain the high calibre of Directors that it needs. From 1st January 2021, Director's fees have been paid at the following rates: Chairman £48,000; Chairman of the Audit Committee £40,000, and other Directors £33,000. The roles of Senior Independent Director and Chair of the Risk Committee both attract an additional fee of £2,000 per role and an additional £1,000 for the Chair of Remuneration Committee. The Company's Articles of Association stipulate that aggregate fees must not exceed £225,000 per annum. Any increase in this amount requires both the Board's and shareholders' approval. Given the size of the Board and to assist with the management of future Board succession, it is proposed that the aggregate maximum be increased to £285,000 per annum. This change will be effected if shareholders approve Resolution 15 relating to amendment of the Company's Articles of Association. The full text of the resolution is set out in the Notice of Meeting on page 85.

The Company has no Chief Executive Officer and no employees and therefore there was no consultation of employees, and there is no employee comparative data to provide in relation to the setting of the remuneration policy for Directors.

The Remuneration Committee considers any comments received from shareholders on remuneration policy on an ongoing basis and will take account of these views if appropriate.

The Directors do not have service contracts with the Company. The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for review at the Company's Annual General Meeting and the Company's registered office. Since Shareholders might not be able to attend the Annual General Meeting this year, they can request copies through the Company Secretary. Details of the Board's policy on tenure are set out on page 39.

Directors' Remuneration Policy Implementation

The Directors' Remuneration Report is subject to an annual advisory vote and therefore an ordinary resolution to approve this report will be put to shareholders at the forthcoming Annual General Meeting. There have been no changes to the policy compared with the year ended 31st December 2019 and no changes are proposed for the year ending 31st December 2021.

At the Annual General Meeting held on 7th May 2020, of votes cast, 99.95% of votes cast were in favour of (or granted discretion to the Chair who voted in favour of) both the remuneration policy and the remuneration report and 0.05% voted against. Votes withheld were 58,057 and 36,023 respectively, the equivalent of less than 0.01% of votes cast.

Details of the implementation of the Company's remuneration policy are given below. No advice from remuneration consultants was received during the year under review.

Single total figure of remuneration

The single total figure of remuneration and expenses for the Board as a whole for the year ended 31st December 2020 was £189,633. The single total figure of remuneration for each Director is detailed below together with the prior year comparative.

There are no performance targets in place for the Directors of the Company and there are no benefits for any of the Directors which will vest in the future. There are no benefits, pension, bonus, long term incentive plans, exit payments or arrangements in place on which to report.

Single total figure table[1]

			2020			2019
		Taxable			Taxable	
	Fees	expenses[2]	Total	Fees	expenses[2]	Total
Directors	**£**	**£**	**£**	**£**	**£**	**£**
Dr Kevin Carter	44,000	–	44,000	44,000	–	44,000
Simon Bragg	35,500	–	35,500	35,500	–	35,500
Sir Alan Collins	33,500	407	33,907	33,500	420	33,920
Nadia Manzoor	29,500	18	29,518	29,500	145	29,645
Robert Talbut	29,500	–	29,500	29,500	499	29,999
Claire Binyon[3]	17,208	–	17,208	–	–	–
Total	189,208	425	189,633	172,000	1,064	173,064

[1] Audited information. Other subject headings for the single figure table as prescribed by regulation are not included because there is nothing to disclose in relation thereto.

[2] Taxable travel and subsistence expenses incurred in attending Board and Committee meetings.

[3] Claire Binyon was appointed as a director on 1st June 2020.

Expenditure by the Company on remuneration and distributions to shareholders

The table below is provided to enable shareholders to assess the relative importance of expenditure on Directors' remuneration. It compares the remuneration with distributions to shareholders by way of dividends and share repurchases.

	Year ended 31st December 2020	2019
Remuneration paid to all Directors	£189,633	£173,064
Remuneration paid to Directors as a percentage of Shareholders' funds	0.02%	0.02%
Distributions to shareholders		
by way of dividends paid	£13,348,000	£13,954,000
by way of share repurchases	£53,061,000	£42,171,000

A table showing the total remuneration for the Chair over the five years ended 31st December 2020 is below:

Remuneration for the Chair over the five years ended 31st December 2020

Year ended 31st December	Fees
2020	£44,000
2019	£44,000
2018	£44,000
2017	£43,000
2016	£43,000

Directors' shareholdings[1]

There are no requirements pursuant to the Company's Articles of Association for the Directors to own shares in the Company. The Directors' beneficial shareholdings are detailed below. The Directors have no other share interests or share options in the Company and no share schemes are available.

	31st December 2020	1st January 2020
Dr Kevin Carter	35,000	35,000
Simon Bragg	46,053	86,053
Sir Alan Collins	8,073	7,956
Nadia Manzoor	2,643	2,643
Robert Talbut	7,882	7,882
Claire Binyon[2]	2,429	–

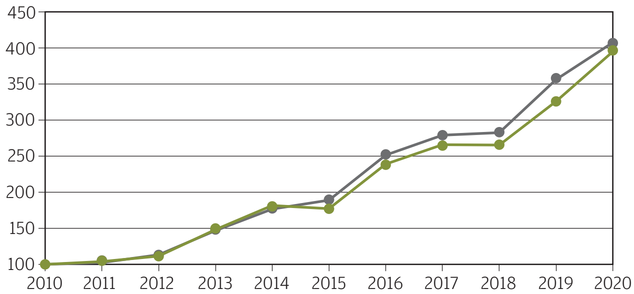
[1] Audited information.

[2] Claire Binyon was appointed as a director on 1st June 2020.

All of the holdings of the Directors are beneficial.

Ten Year Ordinary Share Price and Benchmark Total Returns to 31st December 2020

A graph showing the Company's share price total return compared with its benchmark index, the S&P 500 Index expressed in sterling total returns terms, over the last ten years is shown below:



Source: Morningstar.

Share price total return.

Benchmark total return.

For and on behalf of the Board
Sir Alan Collins
Remuneration Committee Chairman

1st April 2021

Statement of Directors' Responsibilities

Image: New York City, Manhattan with Manhattan and Brooklyn bridges.

The Directors are responsible for preparing the Annual Report & Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare the Annual Report & Financial Statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the Financial Statements unless they are satisfied that, taken as a whole, the Annual Report & Financial Statements are fair, balanced and understandable, provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy and that they give a true and fair view of the state of affairs of the Company and of the total return or loss of the Company for that period. 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 a 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.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The accounts are published on the www.jpmamerican.co.uk website, which is maintained by the Company's Manager. The maintenance and integrity of the website maintained by the Manager is, so far as it relates to the Company, the responsibility of the Manager. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditor accepts no responsibility for any changes that have occurred to the accounts since they were initially presented on the website. The accounts are prepared in accordance with UK legislation, which may differ from legislation in other jurisdictions.

Under applicable law and regulations the Directors are also responsible for preparing a Directors' Report, Strategic Report, Statement of Corporate Governance and Directors' Remuneration Report that comply with that law and those regulations.

Each of the Directors, whose names and functions are listed on page 34, confirms that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), give a true and fair view of the assets, liabilities, financial position and return or loss of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

The Board confirms that it is satisfied that the Annual Report & Financial Statements taken as a whole are fair, balanced and understandable and provide the information necessary for shareholders to assess the strategy and business model of the Company.

The Board also confirms that it is satisfied that the Strategic Report and Directors' Report include a fair review of the development and performance of the business, and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

For and on behalf of the Board
Dr Kevin Carter
Chair

1st April 2021

Independent Auditor’s Report

Image: Half Dome from Yosemite National Park in California.

TO THE MEMBERS OF JPMORGAN AMERICAN INVESTMENT TRUST PLC

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of JPMorgan American Investment Trust plc (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31st December 2020 and of its return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice issued by the Association of Investment Companies in November 2014 and updated in February 2018 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice issued by the Association of Investment Companies ('SORP') in November 2014 and updated in February 2018 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that the non-audit services prohibited by the FRC's Ethical Standard were not provided to the company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was: • The Valuation and Ownership of Listed Investments.
Materiality	The materiality that we used in the current year was £12.1 million which was determined on the basis of 1% of net assets as of 31st December 2020.
Scoping	Audit work to respond the risk of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	There have been no significant changes in our approach compared with the prior year.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included an assessment of:

- the financing facilities available to the company, including the nature of the facilities and their repayment terms;
- the company's ability to comply with the loan covenants attached to its private placement debt;
- assessing the company's business model and medium-term risks; and
- the amount of capital headroom (cash and covenants) that would be available in various market downturn scenarios.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

In relation to the reporting on how the company has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Valuation and ownership of listed investments

Key audit matter description	Investments represent the most significant balance on the statement of financial position and are the main driver of the Company's performance. Listed investments represented 97% of total assets of the Company at 31st December 2020 (2019: 99%) (see detailed disclosure per note 11 of the financial statements. There is a risk that the prices quoted in respect of the listed investments held by the Company may not be reflective of fair value. There is also a risk over the recording and custody of listed investments, and whether listed investments recorded are the property of the Company. This key audit matter is also included in the Report of the Audit Committee within the annual report as a significant audit risk on page 40.
How the scope of our audit responded to the key audit matter	We have performed the following procedures to test the valuation and ownership of the investment portfolio at 31st December 2020: • reviewed the SOC 1 control reports issued by JPMorgan Chase Bank – the Custodian of the Company – in order to obtain an understanding of the relevant controls over the ownership and valuation of listed investments; • obtained a bridging letter from JPMorgan Chase Bank to assess whether there have been any material changes to these controls from the date of the report to 31st December 2020; • agreed 100% of the Company's investment portfolio at the year end to confirmations received independently from the custodian;

How the scope of our audit responded to the key audit matter *(continued)*	• agreed 100% of the bid prices of listed investments on the investment ledger at year end to closing bid prices published by an independent pricing source. JPMorgan Asset Management – responsible for day-to-day portfolio management – use a variety of pricing sources with Bloomberg as the primary source; In addition to support our work on this key audit matter we have: • tested the recording of a sample of purchases and sales of listed investments; • reviewed the completeness and appropriateness of disclosures in relation to fair value measurements and liquidity risk; and • assessed the portfolio of listed investments for indicators of illiquid stocks through inspection of stock trading volumes.
Key observations	Based on the work performed, we have concluded that the valuation and ownership of listed investments is appropriate.

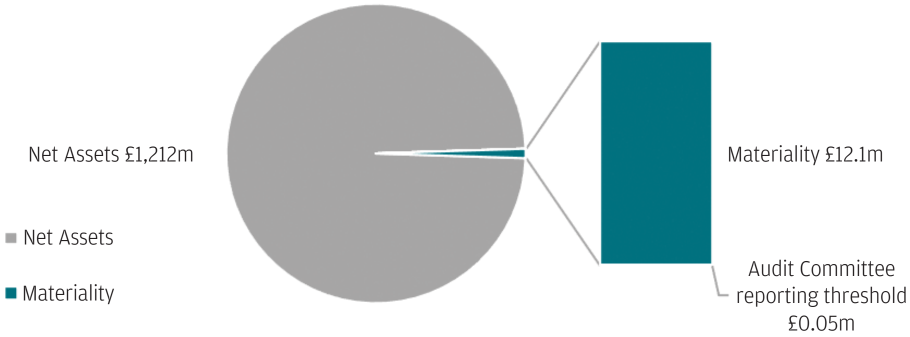
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£12.1 million (2019: £10.6 million).
Basis for determining materiality	1% (2019: 1%) of net assets.
Rationale for the benchmark applied	Net assets has been chosen as it is considered the most relevant benchmark for investors and is a key driver of shareholder value.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 60% of materiality for the 2020 audit (2019: 70%). In determining performance materiality, we considered the following factors:

a. The continuity in place within the business from the previous year (with both management and the custodian);

b. There not being a history of identified misstatements from our prior year audits; and

c. The inherent increase in risk in the Company's operating environment caused by the uncertainty and volatility brought about by the Covid-19 pandemic. It is this factor which has led to the 10% reduction in performance materiality compared with the previous year.

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.05 million (2019: £0.05 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Scoping

Our audit was scoped by obtaining an understanding of the Company and its environment, including internal control and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

7.2. Our consideration of the control environment

The accounting and administration for the Company is performed by JPMorgan Chase Bank. As part of our audit, we obtained an understanding of relevant controls in place at JPMorgan Chase Bank through a review of the service organisation's controls assurance reports. We have not tested the operating effectiveness of the relevant controls and, as such, have not relied on these controls.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management and the audit committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: valuation and ownership of listed investments. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules and Investment Trust Tax Regulations.

11.2. Audit response to risks identified

As a result of performing the above, we identified the valuation of listed investments and ownership of listed investments as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and the audit committee concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 43;
- the directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate is set out on page 30;
- the directors' statement on fair, balanced and understandable set out on page 50;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 29 and 30;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 40 and 41; and
- the section describing the work of the audit committee set out on pages 43 and 44.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the audit committee, we were appointed by the Board of Directors on 10th January 2007 to audit the financial statements for the year ending 31st December 2006 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 15 years, covering the years ending 31st December 2006 to 31st December 2020.

15.2. Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Chris Hunter, CA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor,
Edinburgh, United Kingdom

1st April 2021

Financial Statements

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

FOR THE YEAR ENDED 31ST DECEMBER 2020

	Notes	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
Gains on investments held at fair value through profit or loss	3	–	211,795	211,795	–	178,043	178,043
Net foreign currency gains		–	474	474	–	711	711
Income from investments	4	16,776	–	16,776	19,648	–	19,648
Interest receivable	4	268	–	268	317	–	317
Gross return		**17,044**	**212,269**	**229,313**	**19,965**	**178,754**	**198,719**
Management fee[1]	5	(559)	(2,236)	(2,795)	(230)	(919)	(1,149)
Other administrative expenses	6	(671)	–	(671)	(697)	–	(697)
Net return before finance costs and taxation		**15,814**	**210,033**	**225,847**	**19,038**	**177,835**	**196,873**
Finance costs	7	(448)	(1,791)	(2,239)	(53)	(214)	(267)
Net return before taxation		**15,366**	**208,242**	**223,608**	**18,985**	**177,621**	**196,606**
Taxation	8	(2,473)	–	(2,473)	(2,861)	–	(2,861)
Net return after taxation		**12,893**	**208,242**	**221,135**	**16,124**	**177,621**	**193,745**
Return per share	9	**6.31p**	**101.98p**	**108.29p**	**7.54p**	**83.03p**	**90.57p**

[1] Management fee for the year ended 31st December 2019 includes a reduction of £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 dividends payable in respect of the year ended 31st December 2020 amount to 6.75p (2019: 6.5p) per share, costing £13,493,000 (2019: £13,681,000). Details of dividends paid and proposed are given in note 10 on page 69.

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

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 after taxation represents the profit for the year and also the total comprehensive income.

The notes on pages 64 to 80 form an integral part of these financial statements.

FOR THE YEAR ENDED 31ST DECEMBER 2020

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves[1] £'000	Revenue reserve[1] £'000	Total £'000
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 10)	–	–	–	–	(13,954)	(13,954)
At 31st December 2019	**14,082**	**151,850**	**8,151**	**850,826**	**31,887**	**1,056,796**
Repurchase of shares into Treasury	–	–	–	(53,061)	–	(53,061)
Net return	–	–	–	208,242	12,893	221,135
Dividends paid in the year (note 10)	–	–	–	–	(13,348)	(13,348)
At 31st December 2020	**14,082**	**151,850**	**8,151**	**1,006,007**	**31,432**	**1,211,522**

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

The notes on pages 64 to 80 form an integral part of these financial statements.

AS AT 31ST DECEMBER 2020

	Notes	2020 £'000	2019 £'000
Fixed assets			
Investments held at fair value through profit or loss	11	**1,268,283**	**1,086,584**
Current assets	12		
Derivative financial assets		–	8
Debtors		483	578
Cash and cash equivalents		43,360	8,601
		43,843	**9,187**
Current liabilities	13		
Creditors: amounts falling due within one year		(643)	(290)
Net current assets		**43,200**	**8,897**
Total assets less current liabilities		**1,311,483**	**1,095,481**
Creditors: amounts falling due after more than one year	14	(99,961)	(38,685)
Net assets		**1,211,522**	**1,056,796**
Capital and reserves			
Called up share capital	15	14,082	14,082
Share premium	16	151,850	151,850
Capital redemption reserve	16	8,151	8,151
Capital reserves	16	1,006,007	850,826
Revenue reserve	16	31,432	31,887
Total shareholders' funds		**1,211,522**	**1,056,796**
Net asset value per share	17	**610.1p**	**504.8p**

The financial statements on pages 60 to 63 were approved and authorised for issue by the Directors on 31st March 2021 and signed on their behalf by:

Simon Bragg
Director

The notes on pages 64 to 80 form an integral part of these financial statements.

The Company's registration number is 15543.

FOR THE YEAR ENDED 31ST DECEMBER 2020

	Notes	2020 £'000	2019 £'000
Net cash outflow from operations before dividends and interest	18	(6,070)	(1,999)
Dividends received		14,330	17,302
Interest received		268	317
Overseas tax recovered		64	9
Loan interest paid		(1,210)	(96)
Private placement interest paid		(652)	–
Loan facility agreement fees paid		–	(22)
Net cash inflow from operating activities		**6,730**	**15,511**
Purchases of investments		(640,912)	(1,077,761)
Sales of investments		671,022	1,079,659
Settlement of foreign currency contracts		170	(2)
Net cash inflow from investing activities		**30,280**	**1,896**
Dividends paid		(13,348)	(13,954)
Repayment of bank loans		(24,804)	–
Draw down of bank loans		40,069	40,056
Draw down of private placement loan		50,296	–
Repurchase of shares into Treasury		(53,061)	(42,571)
Net cash outflow from financing activities		**(848)**	**(16,469)**
Increase in cash and cash equivalents		**36,162**	**938**
Cash and cash equivalents at start of year		8,601	7,919
Unrealised loss on foreign currency cash and cash equivalents[1]		(1,403)	(256)
Cash and cash equivalents at end of year		43,360	8,601
Increase in cash and cash equivalents		**36,162**	**938**
Cash and cash equivalents consist of:			
Cash and short term deposits		76	24
Cash held in JPMorgan US Dollar Liquidity Fund		43,284	8,577
Total		**43,360**	**8,601**

[1] The unrealised exchange 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 31st December 2020 £'000
Cash and cash equivalents				
Cash	24	90	(38)	76
Cash equivalents	8,577	36,072	(1,365)	43,284
	8,601	36,162	(1,403)	43,360
Borrowings				
Debt due after one year	(38,685)	(65,561)	4,285	(99,961)
	(38,685)	(65,561)	4,285	(99,961)
Total	**(30,084)**	**(29,399)**	**2,882**	**(56,601)**

The notes on pages 64 to 80 form an integral part of these financial statements.

FOR THE YEAR ENDED 31ST DECEMBER 2020

1. Accounting policies

(a) General information and basis of accounting

The Company is a closed-ended investment company incorporated in the UK. The address of its registered office is at 60 Victoria Embankment, London, EC4Y 0JP.

The financial statements are prepared under the historical cost convention, modified to include fixed asset investments at fair value, in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ('UK GAAP'), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the Association of Investment Companies in October 2019.

All of the Company's operations are of a continuing nature.

The financial statements have been prepared on a going concern basis. The disclosures on going concern on page 43 form part of these financial statements.

The policies applied in these financial statements are consistent with those applied in the preceding year.

(b) Valuation of investments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. The portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy and information is provided internally on that basis to the Company's Board of Directors.

Accordingly, upon initial recognition the investments are designated by the Company as held at fair value through profit or loss. They are included initially at fair value which is taken to be their cost, excluding expenses incidental to purchases which are written off to capital at the time of acquisition. Subsequently the investments are valued at fair value, which are quoted bid prices for investments traded in active markets. For investments which are not traded in active markets, unlisted and restricted investments, the Board takes into account the latest traded prices, other observable market data and asset values based on the latest management accounts.

All purchases and sales are accounted for on a trade date basis.

(c) Accounting for reserves

Gains and losses on sales of investments including the related foreign exchange gains and losses, realised exchange gains and losses on cash and cash equivalents, realised gains and losses on foreign currency contracts, management fee and finance costs allocated to capital and any other capital charges, are included in the Statement of Comprehensive Income and dealt with in capital reserves within 'Gains and losses on sales of investments'.

Increases and decreases in the valuation of investments held at the year end including the related foreign exchange gains and losses and unrealised gains and losses on forward foreign currency contracts are included in the Statement of Comprehensive Income and dealt with in capital reserves within 'Investment holding gains and losses'.

Amounts received in excess of the par value of issued shares are held in Share premium.

Par value of shares repurchased and cancelled by the Company are transferred from Called up share capital to the Capital redemption reserve.

Net revenue return after taxation for the year is accounted for in the Revenue reserve.

(d) Income

Dividends receivable from equity shares are included in revenue on an ex-dividend basis except where, in the opinion of the Board, the dividend is capital in nature, in which case it is included in capital.

Overseas dividends are included gross of any withholding tax.

Special dividends are looked at individually to ascertain the reason behind the payment. This will determine whether they are treated as revenue or capital.

Where the Company has elected to receive scrip dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised in revenue. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital.

Interest receivable from debt securities together with any premiums or discounts on purchase are allocated to revenue on a time apportionment basis so as to reflect the effective interest rate of those securities.

Deposit interest receivable is taken to revenue on an accruals basis.

(e) Expenses

All expenses are accounted for on an accruals basis. Expenses are allocated wholly to the revenue with the following exceptions:

- the management fee is allocated 20% to revenue and 80% to capital, in line with the Board's expected long term split of revenue and capital return from the Company's investment portfolio.
- expenses incidental to the purchase and sale of an investment are charged to capital. These expenses are commonly referred to as transaction costs and comprise brokerage commission and stamp duty. Details of transaction costs are given in note 11.

(f) Finance costs

Finance costs are accounted for on an accruals basis using the effective interest method.

Finance costs are allocated 20% to revenue and 80% to capital, in line with the Board's expected long term split of revenue and capital return from the Company's investment portfolio.

(g) Financial instruments

Cash and cash equivalents may comprise cash including demand deposits which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Liquidity funds are considered cash equivalents as they are held for cash management purposes as an alternative to cash.

Forward foreign currency contracts are included in the Statement of Financial Position as derivative financial instruments and are carried at fair value, which is the cost of closing out those contracts. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Comprehensive Income as capital.

Bank loans are classified as financial liabilities at amortised cost. They are initially measured at proceeds net of direct issue costs and subsequently measured at amortised cost. Interest payable on bank loans is accounted for on an accruals basis in the Statement of Comprehensive Income. The amortisation of direct issue costs are accounted for on an accruals basis in the Statement of Comprehensive Income using the effective interest method.

Other debtors and creditors do not carry any interest, are short term in nature and are accordingly stated at nominal value, with debtors reduced by appropriate allowances for estimated irrecoverable amounts.

(h) Taxation

Current tax is provided at the amounts expected to be paid or recovered.

Deferred tax is provided on all timing differences that have originated but not reversed by the balance sheet date. Deferred tax liabilities are recognised for all taxable timing differences but deferred tax assets are only recognised to the extent that it is more likely than not that taxable profits will be available against which those timing differences can be utilised.

Tax relief is allocated to expenses charged to capital on the 'marginal basis'. On this basis, if taxable income is capable of being entirely offset by revenue expenses, then no tax relief is transferred to the capital column.

Deferred tax is measured at the tax rate which is expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates that have been enacted or substantively enacted at the balance sheet date and is measured on an undiscounted basis.

1. Accounting policies *continued*

(i) Value Added Tax ('VAT')

Expenses are disclosed inclusive of the related irrecoverable VAT. Recoverable VAT is calculated using the partial exemption method based on the proportion of zero rated supplies to total supplies.

(j) Functional currency

The Company is required to identify its functional currency, being the currency of the primary economic environment in which the Company operates.

The Board, having regard to the currency of the Company's share capital and the predominant currency in which its shareholders operate, has determined that sterling is the functional currency. Sterling is also the currency in which the financial statements are presented.

Transactions denominated in foreign currencies are converted at actual exchange rates at the date of the transaction. Monetary assets and liabilities and equity investments held at fair value denominated in foreign currencies at the year end are translated at the rates of exchange prevailing at the year end.

Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in revenue or capital, depending on whether the gain or loss is of a revenue or capital nature.

(k) Dividends payable

Dividends are included in the financial statements in the year in which they are approved by shareholders.

(l) Repurchase of shares into Treasury

The cost of repurchasing shares into Treasury, including the related stamp duty and transaction costs is charged to capital reserves and dealt with in the Statement of Changes in Equity. Share repurchase transactions are accounted for on a trade date basis. Where shares held in Treasury are subsequently cancelled, the nominal value of those shares is transferred out of called up share capital and into capital redemption reserve.

Should shares held in Treasury be reissued, the sales proceeds will be treated as a realised profit up to the amount of the purchase price of those shares and will be transferred to capital reserves. The excess of the sales proceeds over the purchase price will be transferred to share premium.

2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company's financial statements on occasion requires the Directors to make judgements, estimates and assumptions that affect the reported amounts in the primary financial statements and the accompanying disclosures. These assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the current and future periods, depending on circumstance.

The Directors do not believe that any critical accounting judgements or estimates have been applied to this set of financial statements or that any sources of estimation uncertainty exist that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

3. Gains on investments held at fair value through profit or loss

	2020 £'000	2019 £'000
Realised gains on sale of investments	61,328	159,388
Net change in unrealised gains on investments	150,480	18,671
Other capital charges	(13)	(16)
Total capital gains on investments held at fair value through profit or loss	**211,795**	**178,043**

4. Income

	2020 £'000	2019 £'000
Income from investments		
Overseas dividends	16,776	19,648
	16,776	**19,648**
Interest receivable		
Interest from liquidity fund	268	317
	268	317
Total income	**17,044**	**19,965**

5. Management fee

	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
Management fee[1]	559	2,236	2,795	230	919	1,149

[1] In the year ended 31st December 2019, the management fee 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.

Details of the management fee are given in the Directors' Report on page 35.

6. Other administrative expenses

	2020 £'000	2019 £'000
Administration expenses	304	363
Directors' fees[1]	190	173
Depository fees[2]	136	114
Auditor's remuneration for audit services[3]	41	32
Auditor's remuneration for non-audit services[4]	–	15
	671	**697**

[1] Full disclosure is given in the Directors' Remuneration Report on page 47.

[2] Includes £9,000 (2019: £4,000) irrecoverable VAT.

[3] Includes £3,000 (2019: £1,000) irrecoverable VAT.

[4] Includes £nil (2019: £1,000) irrecoverable VAT.

7. Finance costs

	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
Bank loans and overdraft interest	235	940	1,175	49	196	245
Private placement loan interest	213	851	1,064	–	–	–
Loan arrangement fees	-	-	-	4	18	22
	448	**1,791**	**2,239**	**53**	**214**	**267**

8. Taxation

(a) Analysis of tax charge for the year

	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
Overseas withholding tax	2,473	–	2,473	2,861	–	2,861
Total tax charge for the year	**2,473**	**–**	**2,473**	**2,861**	**–**	**2,861**

(b) Factors affecting the total tax charge for the year

The tax charge for the year is lower (2019: lower) than the Company's applicable rate of corporation tax of 19% (2019: 19%).

The factors affecting the total tax charge for the year are as follows:

	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
Net return before taxation	15,366	208,242	223,608	18,985	177,621	196,606
Net return before taxation multiplied by the Company's applicable rate of corporation tax of 19% (2019: 19%)	2,920	39,566	42,486	3,607	33,748	37,355
Effects of:						
Non taxable overseas dividends	(2,833)	–	(2,833)	(3,522)	–	(3,522)
Non taxable capital gains	–	(40,331)	(40,331)	–	(33,963)	(33,963)
Overseas withholding tax	2,473	–	2,473	2,861	–	2,861
Income tax timing difference	(2)	–	(2)	(45)	–	(45)
Unrelieved expenses	(32)	765	733	(15)	215	200
Double taxation relief expensed	(53)	–	(53)	(25)	–	(25)
Total tax charge for the year	**2,473**	**–**	**2,473**	**2,861**	**–**	**2,861**

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £18,216,000 (2019: £15,645,000) based on a prospective corporation tax rate of 19% (2019: 19%). The deferred tax asset has arisen due to the cumulative excess of deductible expenses over taxable income. Given the composition of the Company's portfolio, it is not likely that this asset will be utilised in the foreseeable future and therefore no asset has been recognised in the financial statements.

Given the Company's status as an investment trust company and the intention to continue meeting the conditions required to obtain approval, the Company has not provided for deferred tax on any capital gains or losses arising on the revaluation or disposal of investments.

9. Return per share

	2020 £'000	2019 £'000
Revenue return	12,893	16,124
Capital return	208,242	177,621
Total return	**221,135**	**193,745**
Weighted average number of shares in issue during the year	204,206,883	213,915,030
Revenue return per share	6.31p	7.54p
Capital return per share	101.98p	83.03p
Total return per share	**108.29p**	**90.57p**

10. Dividends

(a) Dividends paid and proposed/declared

	2020 £'000	2019 £'000
Dividends paid		
Unclaimed dividends refunded to the Company	–	(11)
2019 Final dividend of 4.0p (2018: 4.0p)	8,294	8,657
2020 Interim dividend of 2.5p (2019: 2.5p)	5,054	5,308
Total dividends paid in the year	**13,348**	**13,954**
Dividends declared		
2020 Final dividend of 4.25p (2019: 4.0p)	8,439	8,373

All dividends paid and declared in the period have been funded from the Revenue Reserve.

The dividend proposed in respect of the year ended 31st December 2019 amounted to £8,373,000. However the amount paid amounted to £8,294,000 due to shares repurchased after the balance sheet date but prior to the share register record date.

In accordance with the accounting policy of the Company, the dividend declared in respect of the year ended 31st December 2020, will be reflected in the financial statements for the year ending 31st December 2021.

(b) Dividend for the purposes of Section 1158 of the Corporation Tax Act 2010 ('Section 1158')

The requirements of Section 1158 are considered on the basis of dividends declared in respect of the financial year, shown below. The revenue available for distribution by way of dividend for the year is £12,893,000 (2019: £16,106,000).

	2020 £'000	2019 £'000
2020 Interim dividend of 2.5p (2019: 2.5p)	5,054	5,308
2020 Final dividend of 4.25p (2019: 4.0p)	8,439	8,373
Total	**13,493**	**13,681**

The revenue reserve after payment of the final dividend will amount to £22,993,000 (2019: £23,514,000).

11. Investments

	2020		2019	
	Listed overseas £'000	Total £'000	Listed overseas £'000	Total £'000
Opening book cost	938,335	938,335	780,860	780,860
Opening investment holding gains	148,249	148,249	129,578	129,578
Opening valuation	1,086,584	1,086,5844	910,438	910,438
Movements in the year:				
Purchases at cost	640,926	640,926	1,077,761	1,077,761
Sales proceeds	(671,035)	(671,035)	(1,079,674)	(1,079,674)
Gains on investments	211,808	211,808	178,059	178,059
Closing valuation	**1,268,283**	**1,268,283**	**1,086,584**	**1,086,584**
Closing book cost	969,554	969,554	938,335	938,335
Closing investment holding gains	298,729	298,729	148,249	148,249
Total investments held at fair value through profit or loss	**1,268,283**	**1,268,283**	**1,086,584**	**1,086,584**

The Company received £671,035,000 (2019: £1,079,674,000) from investments sold in the year. The book cost of these investments when they were purchased was £609,707,000 (2019: £920,286,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

Transaction costs on purchases during the year amounted to £122,000 (2019: £173,000) and on sales during the year amounted to £135,000 (2019: £194,000). These costs comprise mainly brokerage commission. For 2019, transaction costs amounting to £169,000 were reimbursed to the Company via a deduction to management fees. This was in relation to the change in the portfolio following the change in investment policy.

12. Current assets

	2020 £'000	2019 £'000
Derivative financial assets		
Forward foreign currency contracts	–	8

	2020 £'000	2019 £'000
Debtors		
Dividends and interest receivable	434	506
Overseas tax recoverable	9	28
Other debtors	40	44
	483	**578**

The Directors consider that the carrying amount of debtors approximates to their fair value.

Cash and cash equivalents

Cash and cash equivalents comprise bank balances, short term deposits and liquidity funds.

The carrying amount of these represents their fair value.

13. Current liabilities

	2020 £'000	2019 £'000
Creditors: amounts falling due within one year		
Securities purchased awaiting settlement	14	–
Loan interest and fees payable	116	151
Private placement loan interest	412	–
Other creditors and accruals	101	139
	643	290

The Directors consider that the carrying amount of creditors falling due within one year approximates to their fair value.

14. Creditors: amounts falling due after more than one year

	2020 £'000	2019 £'000
$65 million 2.55% Private Placement Feb 2031	47,211	–
Bank loan – ING	52,750	38,685
	99,961	38,685

The bank loan with ING Bank is a three year revolving credit facility expiring in August 2022 and bears an interest rate of the LIBOR rate for the period over which the loan is drawn plus a margin of 0.925%. The amount available under this loan agreement was increased from £40 million to £80 million on 14th February 2020.

A £25 million bank loan with National Australia Bank was retired early on 25th February 2020. This five year revolving credit facility carried an interest rate of the LIBOR rate for the period over which the loan was drawn plus a margin of 1.05%. No amounts were drawn down on this facility in the course of the year.

On 27th February 2020, the Company announced that it had received funds from a private placement of US$65 million fixed-rate 11 year unsecured notes (the 'Notes') at a fixed annualised coupon of 2.55%. The Notes, which will mature on 27th February 2031, pay interest semi-annually.

15. Called up share capital

	2020 £'000	2019 £'000
Ordinary shares allotted and fully paid:		
Opening balance of 209,329,058 (2019: 218,480,648) shares excluding shares held in Treasury	10,467	10,924
Repurchase of 10,754,203 (2019: 9,151,590) shares into Treasury	(538)	(457)
Subtotal of 198,574,855 (2019: 209,329,058) shares of 5p each excluding shares held in Treasury	9,929	10,467
83,059,055 (2019: 72,304,852) shares held in Treasury	4,153	3,615
Closing Balance of 281,633,910 (2019: 281,633,910) shares of 5p each including shares held in Treasury	**14,082**	**14,082**

During the year, 10,754,203 shares of 5p were repurchased from the market into Treasury at an average price of 493.5p per share,for a total net consideration of £53,061,000.

Further details of transactions in the Company's shares are given in the Strategic Report on page 27.

16. Capital and reserves

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves[1] Gains and losses on sales of investments £'000	Capital reserves[1] Investment holding gains and losses £'000	Revenue reserve[1] £'000	Total £'000
Opening balance	14,082	151,850	8,151	701,198	149,628	31,887	1,056,796
Net foreign currency losses on cash and cash equivalents	–	–	–	(3,819)	–	–	(3,819)
Unrealised losses on foreign currency contracts	–	–	–	–	(8)	–	(8)
Realised gains on sale of investments	–	–	–	61,328	–	–	61,328
Net change in unrealised gains and losses on investments	–	–	–	–	150,480	–	150,480
Repurchase of shares into Treasury	–	–	–	(53,061)	–	–	(53,061)
Transfer re loans repaid in period	–	–	–	410	(410)	–	–
Realised currency losses on repayment of loans	–	–	–	(1,078)	–	–	(1,078)
Unrealised gains on loans	–	–	–	–	5,379	–	5,379
Management fee and finance costs charged to capital	–	–	–	(4,027)	–	–	(4,027)
Other capital charges	–	–	–	(13)	–	–	(13)
Dividends paid in the year	–	–	–	–	–	(13,348)	(13,348)
Retained revenue for the year	–	–	–	–	–	12,893	12,893
Closing balance	**14,082**	**151,850**	**8,151**	**700,938**	**305,069**	**31,432**	**1,211,522**

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

17. Net asset value per share

	2020	2019
Net assets (£'000)	1,211,522	1,056,796
Number of shares in issue	198,574,855	209,329,058
Net asset value per share	**610.1p**	**504.8p**

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

	2020 £'000	2019 £'000
Net return before finance costs and taxation	225,847	196,873
Less capital return before finance costs and taxation	(210,033)	(177,835)
Decrease in accrued income and other debtors	76	748
Increase in accrued expenses	(38)	25
Management fee charged to capital[1]	(2,236)	(919)
Amortisation of bank loan charges	16	–
Overseas withholding tax	(2,518)	(2,862)
Dividends received	(14,330)	(17,302)
Interest received	(268)	(317)
Realised gain on foreign exchange transactions	(923)	40
Foreign exchange loss on liquidity funds	(1,663)	(450)
Net cash outflow from operations before dividends and interest[2]	**(6,070)**	**(1,999)**

[1] 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.

[2] The Unrealised exchange gain/(loss) on liquidity fund for 2019: loss of £256,000 in the comparative column has been removed from this note and is disclosed separately on the face of the Statement of Cash Flows within the 'Unrealised gain/(loss) on foreign currency cash and cash equivalents'.

19. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2019: same).

20. Transactions with the Manager and related parties

Details of the management contract are set out in the Directors' Report on page 35. The management fee payable to the Manager for the year was £2,795,000 (2019: £1,149,000 (includes the reimbursement of transaction costs of £169,000 in relation to the change in the portfolio following the change in investment policy) of which £nil (2019: £nil) was outstanding at the year end.

With effect from 1st June 2019, for a period of nine months, the management fee was waived. Therefore, the management fee figure for 2020 reflects the ten months paid for the period 1st March 2020 to 31st December 2020.

Included in administration expenses in note 6 on page 67 are safe custody fees amounting to £10,000 (2019: £9,000) payable to JPMorgan Chase Bank N.A. of which £2,000 (2019: £2,000) was outstanding at the year end.

Handling charges on dealing transactions amounting to £13,000 (2019: £16,000) were payable to JPMorgan Chase Bank N.A. during the year of which £2,000 (2019: £2,000) was outstanding at the year end.

The Manager may carry out some of its dealing transactions through group subsidiaries. These transactions are carried out at arm's length. The commission payable to JPMorgan Securities Limited for the year was £nil (2019: £nil) of which £nil (2019: £nil) was outstanding at the year end.

The Company also holds cash in the JPMorgan US Dollar Liquidity Fund, which is managed by JPMF. At the year end this was valued at £43.4 million (2019: £8.6 million). Income amounting to £268,000 (2019: £317,000) was receivable during the year of which £nil (2019: £nil) was outstanding at the year end.

At the year end, total cash of £76,000 (2019: £24,000) was held with JPMorgan Chase Bank N.A.. A net amount of interest of £nil (2019: £nil) was receivable by the Company during the year from JPMorgan Chase of which £nil (2019: £nil) was outstanding at the year end.

Full details of Directors' remuneration can be found on page 47 and in note 6 on page 67.

21. Disclosures regarding financial instruments measured at fair value

The Company's financial instruments within the scope of FRS 102 that are held at fair value comprise its investment portfolio and derivative financial instruments.

The investments are categorised into a hierarchy consisting of the following three levels:

(1) The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date

(2) Inputs other than quoted prices included within Level 1 that are observable (i.e.: developed using market data) for the asset or liability, either directly or indirectly

(3) Inputs are unobservable (i.e.: for which market data is unavailable) for the asset or liability

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

Details of the valuation techniques used by the Company are given in note 1(b) on page 64.

The following table sets out the fair value measurements using the FRS 102 hierarchy at 31st December:

	2020		2019	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	1,268,283	–	1,086,584	–
Level 2[1]	–	–	8	–
Total	**1,268,283**	**–**	**1,086,592**	**–**

[1] Forward foreign currency contracts.

There were no transfers between Level 1, 2 or 3 during the year (2019: nil).

22. Financial instruments' exposure to risk and risk management policies

As an investment trust, the Company invests in equities and other securities for the long term so as to secure its investment objective stated on the 'Features' page. In pursuing this objective, the Company is exposed to a variety of financial risks that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends.

These financial risks include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk.

The Directors' policy for managing these risks is set out below.

The objectives, policies and processes for managing the risks and the methods used to measure the risks have not changed from those applying in the comparative year.

The Company's classes of financial instruments are as follows:

- investments in US equity shares, which are held in accordance with the Company's investment objective;
- cash held within a liquidity fund;
- short term debtors, creditors and cash arising directly from its operations;
- bank loans, the purpose of which is to finance the Company's operations; and
- forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Company's investment activities.

(a) Market risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and other price risk. Information to enable an evaluation of the nature and extent of these three elements of market risk is given in parts (i) and (iii) of this note, together with sensitivity analyses where appropriate. The Board reviews and agrees policies for managing these risks and these policies have remained unchanged from those applying in the comparative year. The Manager assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

(i) Currency risk

The majority of the Company's assets and income are denominated in US dollars. Sterling is the Company's functional currency and the currency in which it reports. As a result, movements in exchange rates will affect the sterling value of those items.

Management of currency risk

The Manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board, which meets on at least five occasions each year. The Manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed.

Income denominated in foreign currencies is converted to sterling on receipt. The Company does not use financial instruments to mitigate the currency exposure in the period between the time that income is included in the financial statements and its receipt.

Foreign currency exposure

The fair value of the Company's monetary items that have foreign currency exposure at 31st December are shown below.

Where the Company's equity investments (which are not monetary items) are priced in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

	2020		2019	
	US Dollar £'000	Total £'000	US Dollar £'000	Total £'000
Current assets	43,735	43,735	9,127	9,127
Creditors	(542)	(542)	(437)	(437)
Bank loans and private placement	(99,961)	(99,961)	(38,685)	(38,685)
Foreign currency exposure on net monetary items	(56,768)	(56,768)	(29,995)	(29,995)
Investments held at fair value through profit or loss	1,268,283	1,268,283	1,086,584	1,086,584
Total net foreign currency exposure	**1,211,515**	**1,211,515**	**1,056,589**	**1,056,589**

The above year end amounts are broadly representative of the exposure to foreign currency risk during the current and comparative year.

22. Financial instruments' exposure to risk and risk management policies *continued*

(a) Market risk *continued*

(i) Currency risk *continued*

Foreign currency sensitivity

The following table illustrates the sensitivity of return after taxation for the year and net assets with regard to the Company's monetary financial assets, financial liabilities and equity investments and exchange rates. The sensitivity analysis is based on the Company's monetary currency financial instruments and equity investments held at each balance sheet date and the income receivable in foreign currency and assumes a 10% (2019: 10%) appreciation or depreciation in sterling against the US Dollar which is considered to be a reasonable illustration based on the volatility of exchange rates during the year.

	2020		2019	
	If sterling strengthens by 10% £'000	If sterling weakens by 10% £'000	If sterling strengthens by 10% £'000	If sterling weakens by 10% £'000
Statement of Comprehensive Income – return after taxation				
Revenue return	(1,704)	1,704	(1,997)	1,997
Capital return	(121,152)	121,152	(105,659)	105,659
Total return after taxation for the year	(122,856)	122,856	(107,656)	107,656
Net assets	**(122,856)**	**122,856**	**(107,656)**	**107,656**

In the opinion of the Directors, the above sensitivity analysis is broadly representative of the whole year.

(ii) Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits and the liquidity fund. The Company's exposure to floating interest rates, giving cash flow interest rate risk when rates are reset, is as follows:

	2020 £'000	2019 £'000
Exposure to floating interest rates		
Cash and short term deposits	76	24
JPMorgan US Dollar Liquidity Fund	43,284	8,577
Bank loans	(52,750)	(38,685)
Total exposure	**(9,390)**	**(30,084)**

Interest receivable on cash balances, or paid on overdrafts, is at a margin below or above LIBOR respectively (2019: same).

The target interest earned on the JPMorgan US Dollar Liquidity Fund is the 7 day US dollar London Interbank Bid Rate.

Details of the bank loans are given in note 14 on page 71.

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 1.0% (2019: 1.0%) increase or decrease in interest rates in regards to the Company's monetary financial assets and financial liabilities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's monetary financial instruments held at the balance sheet date, with all other variables held constant.

	2020		2019	
	1.0% Increase in rate £'000	1.0% Decrease in rate £'000	1.0% Increase in rate £'000	1.0% Decrease in rate £'000
Statement of Comprehensive Income – return after taxation				
Revenue return	328	(328)	9	(9)
Capital return	(422)	422	(309)	309
Total return after taxation	(94)	94	(300)	300
Net assets	**(94)**	**94**	**(300)**	**300**

In the opinion of the Directors, this sensitivity analysis may not be representative of the Company's future exposure to interest rate changes due to fluctuations in the level of cash balances, cash held in the liquidity fund and amounts drawn down on the Company's loan facilities.

(iii) Other price risk

Other price risk includes changes in market prices, other than those arising from interest rate risk and currency risk, which may affect the value of equity investments.

Management of other price risk

The Board considers on a regular basis the asset allocation of the portfolio and the risk associated with particular industry sectors. The investment management team has responsibility for monitoring the portfolio, which is selected in accordance with the Company's investment objectives and seeks to ensure that individual stocks meet an acceptable risk/reward profile.

Other price risk exposure

The Company's total exposure to other changes in market prices at 31st December comprises its holdings in equity investments as follows:

	2020 £'000	2019 £'000
Investments held at fair value through profit or loss	1,268,283	1,086,584

The above data is broadly representative of the exposure to other price risk during the current and comparative year.

Other price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to an increase or decrease of 10% (2019: 10%) in the market values. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's equities, adjusting for changes in the management fee but with all other variables held constant.

	2020		2019	
	10% Increase in fair value £'000	10% Decrease in fair value £'000	10% Increase in fair value £'000	10% Decrease in fair value £'000
Statement of Comprehensive Income – return after taxation				
Revenue return	(63)	63	(54)	57
Capital return	126,575	(126,575)	108,441	(108,432)
Total return after taxation	126,512	(126,512)	108,387	(108,375)
Net assets	**126,512**	**(126,512)**	**108,387**	**(108,375)**

22. Financial instruments' exposure to risk and risk management policies *continued*

(b) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management of the risk

Liquidity risk is not significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding requirements if necessary.

Liquidity risk exposure

Contractual maturities of the financial liabilities at the year end, based on the earliest date on which payment can be required are as follows:

	2020			
	Three months or less £'000	More than three months but less than one year £'000	One year or more £'000	Total £'000
Creditors:				
Other creditors and accruals	101	–	–	101
Securities purchased awaiting Settlement	14	–	–	14
Bank loan – ING Bank, including interest	268	466	53,100	53,834
$65m 2.55% Private Placement Feb 2031	709	907	58,244	59,860
	1,092	1,373	111,344	113,809

The liabilities shown above represent future contractual payments and therefore may differ from the amounts shown in the Statement of Financial Position.

	2019			
	Three months or less £'000	More than three months but less than one year £'000	One year or more £'000	Total £'000
Creditors:				
Other creditors and accruals	139	–	–	139
Bank loan – National Australia Bank, including interest	37	3	–	40
Bank loan – ING Bank, including interest	404	825	40,467	41,696
	580	828	40,467	41,875

The liabilities shown above represent future contractual payments and therefore may differ from the amounts shown in the Statement of Financial Position.

(c) Credit risk

Credit risk is the risk that the failure of the counterparty to a transaction to discharge its obligations under that transaction could result in loss to the Company.

Management of credit risk

Portfolio dealing

The Company invests in markets that operate Delivery Versus Payment ('DVP') settlement. The process of DVP mitigates the risk of losing the principal of a trade during the settlement process. The Manager continuously monitors dealing activity to ensure best execution, a process that involves measuring various indicators including the quality of trade settlement and incidence of failed trades. Counterparty lists are maintained and adjusted accordingly.

Cash and cash equivalents

Counterparties are subject to regular credit analysis by the Manager and deposits can only be placed with counterparties that have been approved by JPMAM's Counterparty Risk Group. The Board regularly reviews the counterparties used by the Manager.

Exposure to JPMorgan Chase

JPMorgan Chase Bank, N.A. is the custodian of the Company's assets. The Company's assets are segregated from JPMorgan Chase's own trading assets. Therefore these assets are designed to be protected from creditors in the event that JPMorgan Chase were to cease trading.

The Depositary, Bank of New York Mellon (International) Limited, is responsible for the safekeeping of all custodial assets of the Company and for verifying and maintaining a record of all other assets of the Company. However, no absolute guarantee can be given on the protection of all the assets of the Company.

Credit risk exposure

The amounts shown in the Statement of Financial Position under debtors and cash and cash equivalents represent the maximum exposure to credit risk at the current and comparative year ends.

(d) Fair values of financial assets and financial liabilities

All financial assets and liabilities are either included in the Statement of Financial Position at fair value or the carrying amount is a reasonable approximation of fair value except for the private placement which the Company has in issue. The fair value of this private placement has been calculated using discounted cash flow techniques using the yield on a similarly dated treasury note plus a margin based on the US Broad Market AA 10-15 year spread.

	2020 Accounts value £m	2020 Fair value £m
$65 million 2.55% Private Placement Feb 2031	47.2	52.0

23. Capital management policies and procedures

The Company's debt and capital structure comprises the following:

	2020 £'000	2019 £'000
Debt:		
Bank loans	52,750	38,685
$65 million 2.55% Private Placement Feb 2031	47,211	–
	99,961	38,685
Equity:		
Equity share capital	14,082	14,082
Reserves	1,197,440	1,042,714
	1,211,522	**1,056,796**
Total debt and equity	**1,311,483**	**1,095,481**

The Company's capital management objectives are to ensure that it will continue as a going concern and to maximise the income and capital return to its equity shareholders through an appropriate level of gearing.

The Board's gearing policy is to operate within a range of 5% net cash to 20% geared in normal market conditions.

	2020 £'000	2019 £'000
Investments held at fair value through profit or loss	1,268,283	1,086,584
Net assets	1,211,522	1,056,796
Gearing/(net cash)	**4.7%**	**2.8%**

The Board, with the assistance of the Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This includes a review of:

- the planned level of gearing, which takes into account the Manager's views on the market;
- the need to buy back equity shares, either for cancellation or to hold in Treasury, which takes into account the share price discount or premium;
- the need for issues of new shares, including selling shares from Treasury; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

24. Subsequent events

The Directors have evaluated the period since the year end and have not identified any subsequent events.

Regulatory Disclosures

Image: American highway with historical name Route 66.

ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE ('AIFMD') DISCLOSURES (UNAUDITED)

Leverage

For the purposes of the Alternative Investment Fund Managers Directive ('AIFMD'), leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and is calculated on a gross and a commitment method in accordance with AIFMD. Under the gross method, exposure represents the sum of the Company's positions without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated after certain hedging and netting positions are offset against each other.

The Company's maximum and actual leverage levels at 31st December 2020 are shown below:

	Gross Method	Commitment Method
Leverage Exposure		
Maximum limit	200%	200%
Actual	108%	108%

JPMorgan Funds Limited (the '**Management Company**') is the authorised manager of JPMorgan American Investment Trust plc (the '**Company**') and is part of the J.P. Morgan Chase & Co. group of companies. In this section, the terms 'J.P. Morgan' or 'Firm' refer to that group, and each of the entities in that group globally, unless otherwise specified.

This section of the annual report has been prepared in accordance with the Alternative Investment Fund Managers Directive (the 'AIFMD'), the European Commission Delegated Regulation supplementing the AIFMD, and the 'Guidelines on sound remuneration policies' issued by the European Securities and Markets Authority under the AIFMD. The information in this section is in respect of the most recent complete remuneration period **('Performance Year')** as at the reporting date.

This section has also been prepared in accordance with the relevant provisions of the Financial Conduct Authority Handbook (FUND 3.3.5).

AIFMD Remuneration disclosures

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This section of the annual report has been prepared in accordance with the Alternative Investment Fund Managers' Directive (the '**AIFMD**'), the European Commission Delegated Regulation supplementing the AIFMD, and the 'Guidelines on sound remuneration policies' issued by the European Securities and Markets Authority under the AIFMD. The information in this section is in respect of the most recent complete remuneration period ('**Performance Year**') as at the reporting date.

This section has also been prepared in accordance with the relevant provisions of the Financial Conduct Authority Handbook (FUND 3.3.5).

Remuneration Policy

A summary of the Remuneration Policy applying to the Management Company (the '**Remuneration Policy**') can be found at https://am.jpmorgan.com/gb/en/asset-management/gim/per/legal/emea-remuneration-policy (the '**Remuneration Policy Statement**'). This Remuneration Policy Statement includes details of how remuneration and benefits are calculated, including the financial and non-financial criteria used to evaluate performance, the responsibilities and composition of the Firm's Compensation and Management Development Committee, and the measures adopted to avoid or manage conflicts of interest. A copy of this policy can be requested free of charge from the Management Company.

The Remuneration Policy applies to all employees of the Management Company, including individuals whose professional activities may have a material impact on the risk profile of the Management Company or the Alternative Investment Funds it manages ('**AIFMD Identified Staff**'). The AIFMD Identified Staff include members of the Board of the Management Company (the '**Board**'), senior management, the heads of relevant Control Functions, and holders of other key functions. Individuals are notified of their identification and the implications of this status on at least an annual basis.

The Board reviews and adopts the Remuneration Policy on an annual basis, and oversees its implementation, including the classification of AIFMD Identified Staff. The Board last reviewed and adopted the Remuneration Policy that applied for the 2020 Performance Year in June 2020 with no material changes and was satisfied with its implementation.

Quantitative Disclosures

The table below provides an overview of the aggregate total remuneration paid to staff of the Management Company in respect of the 2020 Performance Year and the number of beneficiaries. These figures include the remuneration of all staff of JP Morgan Asset Management (UK) Ltd (the relevant employing entity) and the number of beneficiaries, both apportioned to the Management Company on an Asset Under Management ('AUM') weighted basis.

Due to the Firm's structure, the information needed to provide a further breakdown of remuneration attributable to the Company is not readily available and would not be relevant or reliable. However, for context, the Management Company manages 30 Alternative Investment Funds (with 5 sub-funds) and 2 UCITS (with 40 sub-funds) as at 31st December 2020, with a combined AUM as at that date of £21,446 million and £22,530 million respectively.

	Fixed remuneration	Variable remuneration	Total remuneration	Number of beneficiaries
All staff of the Management Company (USD $'000s)	19,241	11,862	31,103	139

The aggregate 2020 total remuneration paid to AIFMD Identified Staff was USD $63,330,000, of which USD $5,620,000 relates to Senior Management and USD $57,710,000 relates to other Identified Staff[1].

[1] Since 2017, the AIFMD identified staff disclosures includes employees of the companies to which portfolio management has been formally delegated in line with the latest ESMA guidance.

SECURITIES FINANCING TRANSACTIONS REGULATION ('SFTR') DISCLOSURES (UNAUDITED)

The Company does not engage in Securities Financing Transactions – as defined in Article 3 of Regulation (EU) 2015/2365 Securities Financing Transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-selling back transactions or sell-buy back transactions and margin lending transactions – or Total Return Swaps. Accordingly, disclosures required by Article 13 of the Regulation are not applicable for the year ended 31st December 2020.

Shareholder Information

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

Notice is hereby given that the one hundred and fifth Annual General Meeting of JPMorgan American Investment Trust plc will be held at 60 Victoria Embankment, London EC4Y 0JP on Friday, 14th May 2021 at 2.30 p.m. for the following purposes:

1. To receive the Directors' Report, the Financial Statements and the Auditor's Report for the year ended 31st December 2020.
2. To approve the Directors' Remuneration Policy.
3. To approve the Directors' Remuneration Report for the year ended 31st December 2020.
4. To declare a final dividend on the ordinary shares of 4.25 pence per share.
5. To reappoint Dr Kevin Carter as a Director of the Company.
6. To reappoint Simon Bragg as a Director of the Company.
7. To reappoint Sir Alan Collins as a Director of the Company.
8. To reappoint Nadia Manzoor as a Director of the Company.
9. To reappoint Robert Talbut as a Director of the Company.
10. To appoint Claire Binyon as a Director of the Company.
11. To reappoint Deloitte LLP as Auditor to the Company and to authorise the Directors to determine Deloitte LLP's remuneration.

Special Business

To consider the following resolutions:

Authority to allot new shares – Ordinary Resolution

12. THAT the Directors of the Company be and they are hereby generally and unconditionally authorised, (in substitution of any authorities previously granted to the Directors), pursuant to Section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers for the Company to allot relevant securities (within the meaning of Section 551 of the Act) up to an aggregate nominal amount of £984,027, representing approximately 10% of the Company's issued ordinary share capital as at the date of this Notice, provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2022 unless renewed at a general meeting prior to such time, save that the Company may before such expiry make offers, agreements or arrangements which would or might require relevant securities to be allotted after such expiry and so that the Directors of the Company may allot relevant securities in pursuance of such offers, agreements or arrangements as if the authority conferred hereby had not expired.

Authority to disapply pre-emption rights on allotment of relevant securities – Special Resolution

13. THAT subject to the passing of Resolution 12 set out above, the Directors of the Company be and they are hereby empowered pursuant to Section 570 and 573 of the Companies Act 2006 (the 'Act') to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 12 or by way of a sale of Treasury shares as if Section 561(1) of the Act did not apply to any such allotment or sale, provided that this power shall be limited to the allotment of equity securities and the sale of Treasury Shares for cash up to an aggregate nominal amount of £1,408,170, representing approximately 10% of the issued ordinary share capital as at the date of this Notice at a price of not less than the net asset value per share and shall expire upon the expiry of the general authority conferred by Resolution 12 above, save that the Company may before such expiry make offers, or agreements which would or might require equity securities to be allotted or Treasury Shares to be sold after such expiry and so that the Directors of the Company may allot equity securities or sell Treasury Shares in pursuant of such offers, or agreements as if the power conferred hereby had not expired.

Authority to repurchase the Company's shares – Special Resolution

14. THAT the Company be generally and subject as hereinafter appears unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the 'Act') to make market purchases (within the meaning of Section 693 of the Act) of its issued shares in the capital of the Company ('ordinary shares').

    PROVIDED ALWAYS THAT

    (i) the maximum number of shares hereby authorised to be purchased shall be that number of shares which is equal to 14.99% of the Company's issued share capital as at the date of the passing of this resolution;

    (ii) the minimum price which may be paid for a share shall be the nominal value of the share;

    (iii) the maximum price which may be paid for a share shall be an amount equal to the highest of: (a) 105% of the average of the middle market quotations for a share taken from and calculated by reference to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; or (b) the price of the last independent trade; or (c) the highest current independent bid;

    (iv) any purchase of shares will be made in the market for cash at prices below the prevailing net asset value per share (as determined by the Directors);

    (v) the authority hereby conferred shall expire on 6th October 2022 unless the authority is renewed at the Company's Annual General Meeting in 2022 or at any other general meeting prior to such time; and

(vi) the Company may make or contract to purchase shares under the authority hereby conferred prior to the expiry of such authority and may make a purchase of shares pursuant to any such contract notwithstanding such expiry.

Adoption of New Articles of Association – Special Resolution

15. THAT the Articles of Association produced to the meeting and signed by the chairman of the meeting for the purposes of identification be approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association with effect from the conclusion of the meeting.

By order of the Board

Priyanka Vijay Anand, for and on behalf of
JPMorgan Funds Limited,
Company Secretary

1st April 2021

Notes

These notes should be read in conjunction with the notes on the reverse of the proxy form.

1. Given the risks posed by the spread of Covid-19 and in accordance with the provisions of the Articles of Association and Government guidance, physical attendance at the Annual General Meeting ('AGM') is unlikely to be possible.

   At the date of posting of this AGM Notice, given the ongoing uncertainty about the course of Covid-19 and due to ongoing public health concerns, the Board intends to limit physical attendance at the AGM only to Directors or their proxies and representatives from J.P. Morgan. The Board will ensure that the minimum quorum is present to allow the formal business to proceed. If law or Government guidance so requires at the time of the Meeting, the Chairman of the Meeting will limit, in his sole discretion, the number of individuals in attendance at the Meeting. Should the Government guidance change and the current restrictions on group gatherings be relaxed by the time of the meeting, the Company may still impose entry restrictions on certain persons wishing to attend the AGM in order to secure the orderly and proper conduct of the Meeting.

2. A member entitled to attend and vote at the meeting may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the meeting. A member can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him. However, please note that, in the light of the Covid-19 pandemic and associated Government guidance, including the rules on physical distancing and limitations on public gatherings, it is unlikely that your vote will be counted where a proxy other than the Chairman of the Meeting is appointed as additional third parties are unlikely to be permitted entry to the meeting.

3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Your proxy could be the Chair, another director of the Company or another person who has agreed to attend to represent you. Details of how to appoint the Chair or another person(s) as your proxy or proxies using the proxy form are set out in the notes to the proxy form. If the voting box on the proxy form is left blank, the proxy or proxies will exercise his/their discretion both as to how to vote and whether he/they abstain(s) from voting. Your proxy must attend the meeting for your vote to count. Appointing a proxy or proxies does not preclude you from attending the Meeting and voting in person, however please note the general restrictions on attendance this year.

4. Any instrument appointing a proxy, to be valid, must be lodged in accordance with the instructions given on the proxy form.

5. You may change your proxy instructions by returning a new proxy appointment. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, the one which is last received (regardless of its date or the date of its signature) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.

6. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members as at 6.30 p.m. two business days prior to the meeting (the 'specified time'). If the meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If however the meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members as at 6.30 p.m. two business days prior to the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice. Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote at the meeting or adjourned meeting.

7. A corporation, which is a shareholder, may appoint individuals to act as its representatives and to vote in person at the meeting (see instructions given on the proxy form). In accordance with the provisions of the Companies Act 2006, each such representative

may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the company, provided that they do not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative. However, please note that, in the light of the Covid-19 pandemic and associated Government guidance, including the rules on physical distancing and limitations on public gatherings, it is unlikely that your vote will be counted where a representative other than the Chairman of the Meeting is appointed as additional third parties are unlikely to be permitted entry to the meeting.

Representatives should bring to the meeting evidence of their appointment, including any authority under which it is signed.

8. Members that satisfy the thresholds in Section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to: (a) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting ('AGM'); or (b) any circumstances connected with Auditor of the Company ceasing to hold office since the previous AGM, which the members propose to raise at the Meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's Auditor no later than the time it makes its statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required to publish on its website pursuant to this right.

9. Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the Meeting except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the Meeting or if it would involve the disclosure of confidential information.

10. Under Sections 338 and 338A of the 2006 Act, members meeting the threshold requirements in those sections have the right to require the Company: (i) to give, to members of the Company entitled to receive notice of the Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Meeting; and/or (ii) to include in the business to be dealt with at the Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Meeting. A resolution may properly be moved, or a matter properly included in the business unless: (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than the date that is six clear weeks before the Meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

11. A copy of this notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under Section 146 of the Companies Act 2006 (a 'Nominated Person'). The rights to appoint a proxy can not be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the Meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

12. In accordance with Section 311A of the Companies Act 2006, the contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM, the total voting rights members are entitled to exercise at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.jpmamerican.co.uk.

13. The register of interests of the Directors and connected persons in the share capital of the Company and the Directors' letters of appointment are available for inspection at the Company's registered office during usual business hours on any weekday (Saturdays and public holidays excepted). It will also be available for inspection at the AGM. No Director has any contract of service with the Company.

14. You may not use any electronic address provided in this Notice of Meeting to communicate with the Company for any purposes other than those expressly stated.

15. As an alternative to completing a hard copy Form of Proxy/Voting Instruction Form, you can appoint a proxy or proxies electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder Reference Number (this is the series of numbers printed under your name on the Form of Proxy/Voting Direction Form). Alternatively, if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk. Full instructions are given on both websites.

16. As at 31st March 2021 (being the latest business day prior to the publication of this Report), the Company's issued share capital consists of 281,633,910 shares, including of 84,828,461 Treasury shares. Therefore the total voting rights in the Company are 196,805,449.

17. A copy of the proposed new articles of association of the Company, together with a copy showing all of the proposed changes to the existing articles of association, will be available for inspection on the Company's website and at the offices of JPMorgan Funds Limited, 60 Victoria Embankment, London EC4Y 0JP between the hours of 9.00 a.m. and 5.00 p.m. (Saturdays, Sundays and public holidays excepted), from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM.

Electronic appointment – CREST members

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. See further instructions on the proxy form.

Appendix

Summary of the principal amendments to the Company's Articles of Association

Set out below is a summary of the principal amendments which will be made to the Company's Existing Articles through the adoption of the New Articles if Resolution 15 to be proposed at the AGM is approved by shareholders.

This summary is intended only to highlight the principal amendments to the Existing Articles. It is not intended to be comprehensive and cannot be relied upon to identify amendments or issues which may be of interest to all shareholders. This summary is not a substitute for reviewing the full terms of the New Articles which will be available for inspection on the Company's website, www.jpmamerican.co.uk, and at the offices of J.P. Morgan Asset Management, 60 Victoria Embankment, London EC4Y 0JP between the hours of 9.00am and 5.00pm (Saturdays, Sundays and public holidays excepted), from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM.

Hybrid/virtual-only shareholder meetings

The New Articles permit the Company to hold shareholder meetings on a virtual basis, whereby shareholders are not required to attend the meeting in person at a physical location but may instead attend and participate using electronic means. A shareholder meeting may be virtual-only if attendees participate only by way of electronic means, or may be held on a hybrid basis whereby some attendees attend in person at a physical location and others attend remotely using electronic means. This should make it easier for the Company's shareholders to attend shareholder meetings if the Board elects to conduct meetings using electronic means. Amendments have been made throughout the New Articles to facilitate the holding of hybrid or virtual-only shareholder meetings.

While the New Articles (if adopted) would permit shareholder meetings to be conducted using electronic means, the Directors have no present intention of holding a virtual-only meeting and the Board's intention is always to hold a physical AGM provided it is both safe and practical to do so.

The Alternative Investment Fund Managers Directive (2011/61/EU) ('AIFMD') and the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) (the 'AIFM Regulations')

The Board is proposing to take this opportunity to make amendments to the Existing Articles in response to the AIFMD and all applicable rules and regulations implementing that Directive. The proposed new provisions are as follows:

(i) The Existing Articles will be amended to provide that the net asset value per share of the Company shall be calculated at least annually and be disclosed to shareholders from time to time in such manner as may be determined by the Board. The amendment will have no bearing on current practice and simply articulates the minimum requirements of the AIFM Regulations.

(ii) The AIFM Regulations require that prior to any new or existing investor making an investment in the Company, certain prescribed information is to be made available to them. Therefore, the New Articles will include language with the effect that such information shall be made available to prospective and existing shareholders in such manner as may be determined by the Board from time to time (including, in certain cases, on the Company's website or by electronic notice).

(iii) The New Articles stipulate that the valuation of the Company's assets will be performed in accordance with prevailing accounting standards, in line with guidance from the Financial Conduct Authority. This reflects best practice and has no bearing on current practice and simply articulates the minimum requirements of the AIFM Regulations.

(iv) The Existing Articles will be amended to provide that the Company's annual report and accounts may be prepared either in accordance with generally accepted accounting principles of the United Kingdom or such other international accounting standards as may be permitted under English law. The amendment will have no bearing on current practice and simply articulates the minimum requirements of the AIFM Regulations.

International tax regimes requiring the exchange of information

The Board is proposing to include provisions in the New Articles to provide the Company with the ability to require shareholders to co-operate in respect of the exchange of information in order to comply with the Company's international tax reporting obligations.

The Hiring Incentives to Restore Employment Act 2010 of the United States of America (commonly known as the Foreign Account Tax Compliance Act) and all associated regulations and official guidance ('**FATCA**') imposes a system of information reporting on certain entities including foreign financial institutions such as the Company following the enactment of the UK International Tax Compliance

(United States of America) Regulations 2013 on 1st September 2013 (as replaced by the International Tax Compliance Regulations 2015 (the '**Regulations**')).

The Existing Articles are being amended to provide the Company with the ability to require shareholders to co-operate with it in ensuring that the Company is able to comply with its obligations under the Regulations in order to avoid being deemed to be a 'Nonparticipating Financial Institution' for the purposes of FATCA and consequently having to pay withholding tax to the US Internal Revenue Service. The Existing Articles will also be amended to ensure that: (i) the Company will not be liable for any monies that become subject to a deduction or withholding relating to FATCA, as such liability would be to the detriment of shareholders as a whole; and (ii) the Company has the ability to require shareholders to co-operate and provide further information in respect of the broader obligations under the OECD (Organisation for Economic Co-operation and Development) Common Reporting Standard for Automatic Exchange of Financial Account Information (the '**Common Reporting Standard**').

Other amendments

The Board is also taking the opportunity to make some additional minor or technical amendments to the Existing Articles, including:

(i) increasing the limit on aggregate annual Directors' fees from £225,000 to £285,00;

(ii) providing the Directors with the ability to require additional security measures to be put in place at general meetings of the Company,

(iii) providing the Directors with the ability to postpone general meetings;

(iv) the inclusion of a procedure in the event an insufficient number of Directors are re-elected at an annual general meeting of the Company;

(v) clarifying that the consideration (if any) received by the Company upon the sale of any share which is forfeited by a shareholder pursuant to the New Articles will belong to the Company;

(vi) simplifying the procedure in relation to the untraced shareholders procedure by removing the requirement for the Company to publish newspaper advertisements and clarifying that the consideration (if any) received by the Company upon the sale of any share pursuant to the untraced shareholder provisions will belong to the Company; and

(vii) allowing the Company to pay dividends through bank transfers instead of by way of cheques with the further ability to retain cash payments where bank details are not provided by a shareholder. These changes reflect modern best practice and are intended to relieve certain administrative burdens on the Company.

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	Year ended 31st December 2020	Year ended 31st December 2019	
Opening share price (p)	4	483.0	399.0	(a)
Closing share price (p)	4	577.0	483.0	(b)
Total dividend adjustment factor[1]		1.014375	1.014447	(c)
Adjusted closing share price (d = b x c)		585.3	490.0	(d)
Total return to shareholders (e = d / a – 1)		**21.2%**	**22.8%**	(e)

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

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

The Company's debt (private placement) is valued in the Statement of Financial Position (on page 62) at amortised cost, which is materially equivalent to the repayment value of the debt on the assumption that it is held to maturity. This is often referred to as 'Debt at Par Value'.

The current replacement or market value of the debt, which assumes it is repaid and renegotiated under current market conditions, is often referred to as the 'Debt at Fair Value'.

This fair value is explained in note 22(d) (on page 79) on the accounts. The difference between fair and par values of the debt is subtracted from the NAV to derive the NAV with debt at fair value. The fair value of the USD$65 million private placement treasury note has been calculated using discounted cash flow techniques, using the yield from similar dated gilt plus a margin based on the US Broad Market AA 10-15 year spread.

Total return calculation	Page	Year ended 31st December 2020	Year ended 31st December 2019	
Opening cum-income NAV per share with debt at fair value (p)	4	504.8	420.7	(a)
Closing cum-income NAV per share debt at fair value (p)	4	607.6	504.8	(b)
Total dividend adjustment factor[1]		1.013659	1.013694	(c)
Adjusted closing cum-income NAV per share (d = b x c)		615.9	511.8	(d)
Total return on net assets with debt at fair value (e = d / a – 1)		**22.0%**	**21.6%**	(e)

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

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

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

Total return calculation	Page	Year ended 31st December 2020	Year ended 31st December 2019	
Opening cum-income NAV per share with debt at par value (p)	4	504.8	420.7	(a)
Closing cum-income NAV per share debt at par value (p)	4	610.1	504.8	(b)
Total dividend adjustment factor[1]		1.013629	1.013694	(c)
Adjusted closing cum-income NAV per share (d = b x c)		618.4	511.8	(d)
Total return on net assets with debt at par value (e = d / a – 1)		**22.5%**	**21.6%**	(e)

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

Net asset value per share (APM)

The value of the Company’s net assets (total assets less total liabilities) divided by the number of ordinary shares in issue. Please see note 17 on page 72 for detailed calculations.

Benchmark total return

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

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

Gearing/(net cash) (APM)

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

Gearing calculation	Page	31st December 2020 £’000	31st December 2019 £’000	
Investments held at fair value through profit or loss	62	1,268,283	1,086,584	(a)
Net assets	62	1,211,522	1,056,796	(b)
Gearing/(net cash) (c = a / b – 1)		**4.7%**	**2.8%**	(c)

Ongoing charges ratio (APM)

The ongoing charges ratio 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 AIC.

Ongoing charges ratio calculation	Page	Year ended 31st December 2020 £’000	Year ended 31st December 2019 £’000	
Management Fee	60	2,795	1,149	
Other administrative expenses	60	671	697	
Total management fee and other administrative expenses		3,466	1,846	(a)
Average daily cum-income net assets		1,033,447	1,023,314	(b)
Ongoing charges ratio (c = a / b)		**0.34%**	**0.18%**	(c)

Share price discount/premium to Net Asset Value (‘NAV’) per Share (APM)

If the share price of an investment trust is lower than the NAV per share, the shares are said to be trading at a discount. 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 trust’s shares to trade at a discount than at a premium (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:

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

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

Currency hedge
Measures the impact of currency exposure differences between the Company’s portfolio and its benchmark.

Gearing/(net cash)
Measures the impact on returns of borrowings or cash balances on the Company’s relative performance.

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

Share issuance/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.

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
Selftrade

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 for information on which platforms support these services and how to utilise them.

2. Through a professional adviser

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

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

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

Be ScamSmart

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

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

If so, you might have been contacted by fraudsters.

Avoid investment fraud

1 Reject cold calls

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

2 Check the FCA Warning List

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

3 Get impartial advice

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

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

Report a Scam

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

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

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

FCA
FINANCIAL CONDUCT AUTHORITY

FINANCIAL CALENDAR

Financial year end	31st December
Final results announced	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.

Company Information

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 net asset value ('NAV') is published daily via the London Stock Exchange. The Company's shares are listed on the London Stock Exchange and the price is noted daily in the Financial Times and on the J.P. Morgan website at www.jpmamerican.co.uk, where the share price is updated every 15 minutes during trading hours.

Website

www.jpmamerican.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.

Depositary

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

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

Registrar

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

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

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

Registered shareholders can obtain further details on their holdings on the internet by visiting www.shareview.co.uk

Independent Auditor

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

Broker

Stifel Nicolaus Europe Limited
4th floor, 150 Cheapside,
London EC2V 6ET

aic
The Association of Investment Companies
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Asset Management