JPMorgan Claverhouse Investment Trust plc

Annual Report & Financial Statements
for the year ended 31st December 2023

aic
DIVIDEND
HERO

Awarded to investment companies that have increased their dividends each year for 20 years or more

J.P.Morgan
ASSET MANAGEMENT

Key Features

Launched in 1963, JPMorgan Claverhouse Investment Trust Plc (the 'Company' or 'Claverhouse') is an investment trust, with a premium listing on the London Stock Exchange.

Objective

To provide shareholders with a combination of capital and income growth from UK investments.

Key Investment Policies

- To invest in a diversified portfolio consisting mostly of leading companies listed on the London Stock Exchange. The Company's portfolio consists of between 60 and 80 investments in which the Manager has high conviction.
- To invest no more than 15% of gross assets in other UK listed investment companies (including investment trusts).
- To invest no more than 15% of gross assets in any individual investment (including unit trusts and open ended investment companies) at the time of acquisition.
- To invest no more than 10% of gross assets to be invested in companies that themselves may invest more than 15% of gross assets in UK listed investment companies.
- To use short and long term gearing to increase potential returns to shareholders.
- To use FTSE index futures to effect changes in the level of the Company's gearing.

Further details on investment policies and risk management are given on pages 29 and 30.

Benchmark

The FTSE All-Share Index (total return) (the 'Benchmark').

Capital Structure

At 31st December 2023, the Company's issued share capital comprised 60,145,653 (2022: 60,145,653) ordinary shares of 25p each, including 2,360,513 ordinary shares held in Treasury (2022: nil).

Gearing Policy

The Company's gearing policy (excluding the effect of any futures) is to operate within a range of 5% net cash to 20% geared in normal market conditions. The Manager has been granted discretion by the Board to vary the gearing level between 5% net cash and 17.5% geared (including the effect of any futures).

Management Company and Company Secretary

The Company engages JPMorgan Funds Limited ('JPMF' or the 'Manager') as its Alternative Investment Fund Manager ('AIFM') and Company Secretary. JPMF delegates the management of the Company's investment portfolio to JPMorgan Asset Management (UK) Limited ('JPMAM' or the 'Investment Manager'). William Meadon and Callum Abbot (the 'Portfolio Managers') are the Company's designated portfolio managers on behalf of the Investment Manager.

Association of Investment Companies

The Company is a member of the Association of Investment Companies (the 'AIC').

AIC Dividend Heroes

The AIC Dividend Hero emblem on the front cover indicates that the Company has increased its dividends each year for at least 20 years. In 2023, the Company raised its dividend for its 51st consecutive year.

Website

The Company's website, which can be found at www.jpmclaverhouse.co.uk, includes useful information on the Company, such as daily prices, factsheets and current and historic half year and annual reports.

Contact the Company

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

FINANCIAL CALENDAR

Financial year end	**31st December**
Final results announced	**March**
Annual General Meeting	**April**
Half year end	**30th June**
Half year results announced	**July/August**
Payment dates for the quarterly interim dividends	**June, September, December, March**

> We aim to reward our shareholders with steady growth in both their capital and income over the medium term."

William Meadon and Callum Abbot,
Portfolio Managers,
JPMorgan Asset Management (UK) Limited

Investment Approach

Claverhouse is a diversified, typically geared, portfolio of the Portfolio Managers' best UK stock ideas. The Company aims to deliver steady outperformance of the FTSE All-Share Index over the medium term, without taking any undue risks. The Company also aims to maintain its enviable dividend track record.

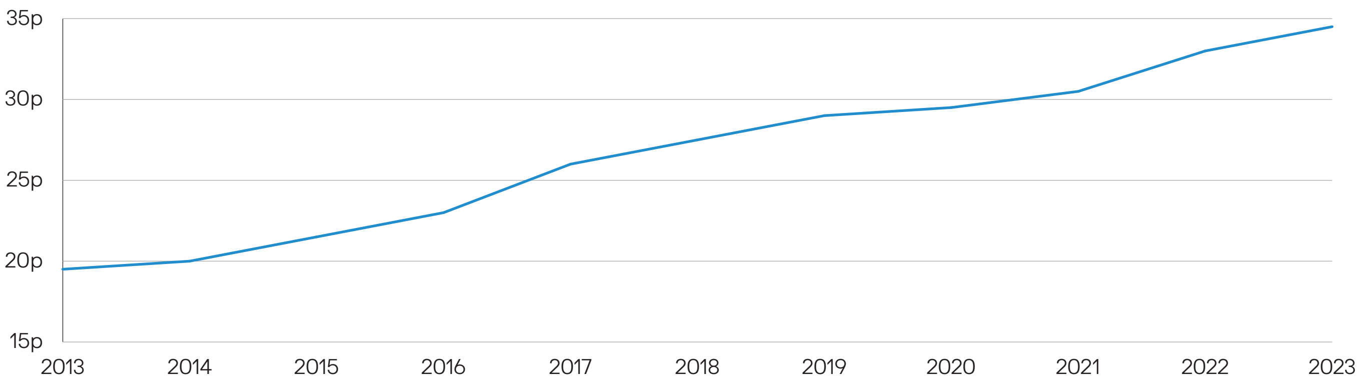
The Manager's Heritage and Team

Claverhouse Investment Trust Limited was launched in 1963 with assets of £5 million and managed by Robert Fleming & Co. The Company took its name from a 17th century nobleman, Viscount Claverhouse (Bonnie Dundee). The name was chosen to commemorate the Flemings' Dundee roots. The Company adopted its present name of JPMorgan Claverhouse Investment Trust plc in 2007.

Claverhouse is managed by Portfolio Managers with long-standing UK equity experience, backed by the extensive resources of JPMAM's global investment platform. JPMAM's investment professionals are well resourced and follow a distinct, disciplined methodology. They employ an active, bottom-up, team-based approach, which focuses on the value, quality, and momentum style characteristics of UK stocks.

Claverhouse has an outstanding record of dividend growth. It is one of just 20 investment trust AIC 'dividend heroes' – trusts that have consistently increased their dividend every year for 20 or more years in a row. Claverhouse's record of 51 consecutive years of dividend growth is the longest of any quoted investment trust invested solely in UK equities.

Dividend History



Portfolio Characteristics

51
Years of consecutive dividend growth

A focused portfolio of
60-80 stocks

+157.4%
Total shareholder return since adoption of strategy (from 1st March 2012)

A consistent, transparent, robust investment process

Contents

Keeping in touch

We know how important it is to receive up-to-date information about the Company. To ensure that you are kept abreast of developments at the Company, please scan the QR code to the right of this page to sign up to the Investment Manager's preference centre to receive a quarterly newsletter on the Company's performance, which includes our latest factsheets and market commentary as well as upcoming events and webinars. Further information about the Company can be found at www.jpmclaverhouse.co.uk

The pictures within this Annual Report represent a selection of the sectors in which the Company invests.

Energy

Financial Highlights

Total returns (including dividends reinvested) to 31st December

	2023	2022	3 years Cumulative	5 years Cumulative	10 years Cumulative
Return to shareholders[1,A]	+2.9%	–5.1%	+21.4%	+29.4%	+72.0%
Return on net assets[2,A]	+7.3%	–7.5%	+20.5%	+34.7%	+63.0%
Benchmark return[3]	+7.9%	+0.3%	+28.0%	+37.4%	+67.7%
Net asset return relative to Benchmark return[3,A]	–0.6%	–7.8%	–7.5%	–2.7%	–4.7%
Annual dividend per share[4]	34.5p	33.0p			

[1] Source: Morningstar.
[2] Source: Morningstar/JPMAM, using cum income net asset value per share with debt at par value.
[3] Source: Morningstar. The Company's benchmark is the FTSE All-Share Index (total return).
[4] Dividend declared in respect of the year, details are provided in note 10 (b) to the financial statements on page 82.
[A] Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 100 to 102.

Financial Highlights

Summary of results

	2023	2022	% change
Total returns for the year ended 31st December			
Return to shareholders[1,A]	+2.9%	–5.1%	
Return on net assets – debt at fair value[2,A]	+7.2%	–4.6%	
– debt at par value[2,A]	+7.3%	–7.5%	
Benchmark return[3]	+7.9%	+0.3%	
Net asset value, share price and discount at 31st December			
Shareholders' funds (£'000)	407,797	415,800	–1.9%
Net asset value per share – debt at fair value[4,5,A]	716.8p	702.2p	2.1%
– debt at par value[4,A]	705.7p	691.3p	2.1%
Share price	684.0p	700.0p	–2.3%
Share price (discount)/premium to net asset value:			
– debt at fair value[6,A]	(4.6)%	(0.3)%	
– debt at par value[6,A]	(3.1)%	1.3%	
Shares in issue (excluding shares held in Treasury)	57,785,140	60,145,653	
Revenue for the year ended 31st December			
Net revenue return after taxation (£'000)	18,176	20,536	–11.5%
Revenue return per share	30.69p	34.27p	–10.4%
Dividend per share	34.5p	33.0p	+4.5%
Gearing (excluding effect of futures) at 31st December[A]	**7.7%**	**7.2%**	
Gearing (including effect of futures) at 31st December[A]	**6.3%**	**7.2%[7]**	
Ongoing Charges[A]	**0.70%**	**0.70%**	

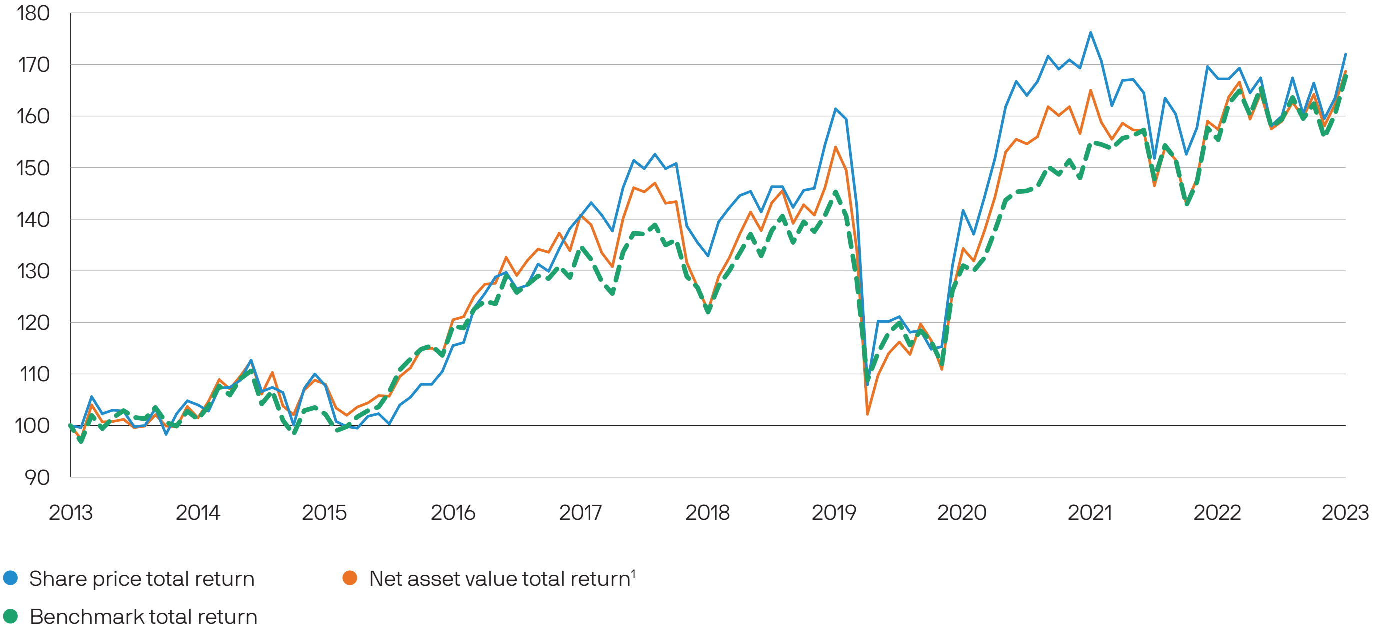
1 Source: Morningstar.
2 Source: Morningstar/JPMAM, using cum income net asset value per share.
3 Source: Morningstar. The Company's benchmark is the FTSE All-Share Index (total return).
4 Includes the current year revenue account balance after deducting dividends paid year to date.
5 The fair value of the £30 million private placement loan (2022: £30 million) has been calculated using discounted cash flow techniques using the yield on a similarly dated gilt plus a margin based on the five year average yield for the AA Barclays Corporate Bond.
6 Source: JPMAM.
7 The Company did not hold futures as at 31st December 2022.
A Alternative Performance Measure ('APM').

A list of APMs, with explanations and calculations, and a glossary of terms are provided on pages 100 to 102.

Ten Year Record

Ten Year Performance

Figures have been rebased to 100 at 31st December 2013

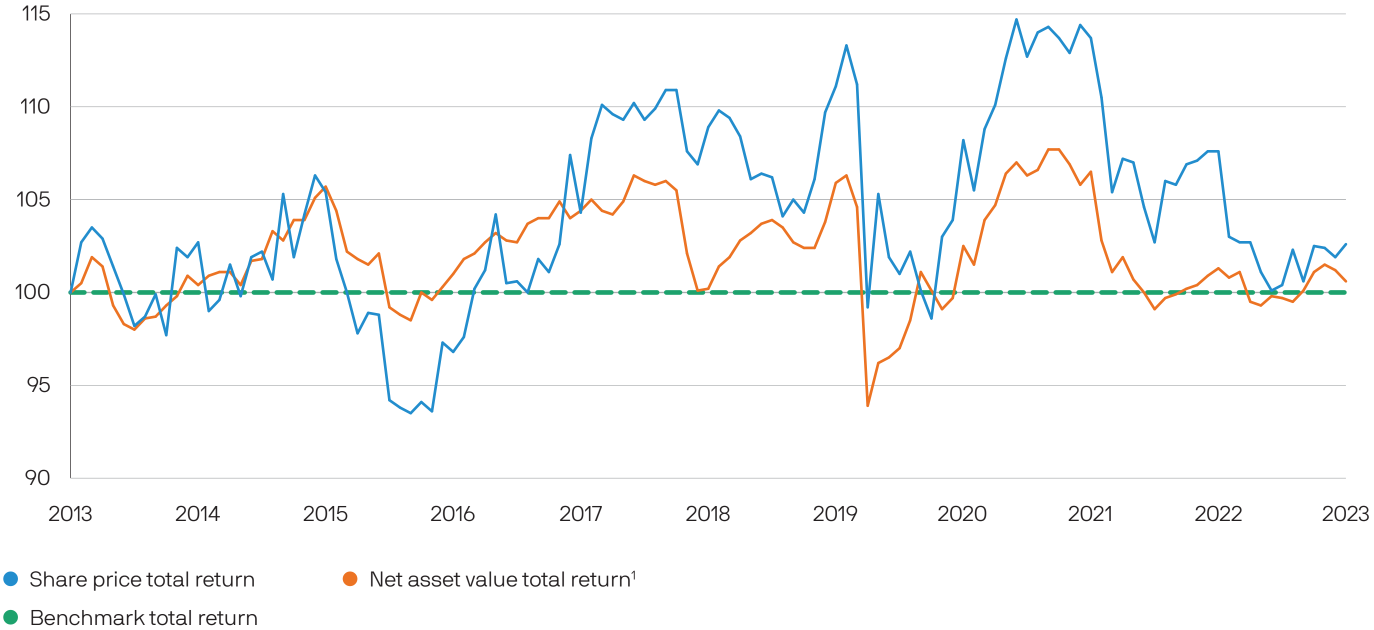


Source: Morningstar/JPMAM.

[1] Using cum income net asset value per share, with debt at fair value.

Ten Year Performance Relative to Benchmark

Figures have been rebased to 100 at 31st December 2013



Source: Morningstar/JPMAM.

[1] Using cum income net asset value per share, with debt at fair value.

Ten Year Record

At 31st December	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Shareholders' funds (£'000)	350,366	346,663	355,726	382,307	428,498	372,033	448,094	392,859	465,022	415,800	407,797
Net asset value per share (p)[A]	629.9	620.3	638.6	687.6	777.3	651.0	787.9	654.9	770.7	702.2	716.8
Share price (p)	599.0	602.5	602.5	622.0	730.5	665.0	776.0	649.0	772.0	700.0	684.0
Share price (discount)/ premium (%)[1,A]	(4.9)	(2.9)	(5.7)	(9.6)	(6.0)	2.1	(1.5)	(0.9)	0.2	(0.3)	(4.6)
Gearing (%)[A]	15.1	11.9	13.2	12.0	11.3	2.5	8.9	13.8	19.0[5]	7.2[5]	7.7[5]

Year ended 31st December	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue attributable to shareholders (£'000)	12,195	12,754	14,168	13,833	15,997	16,623	17,619	13,465	18,102	20,536	18,176
Revenue return per share (p)	22.28	23.31	25.89	25.28	29.32	30.09	31.10	23.20	30.77	34.27	30.69
Total dividend per share (p)	19.50	20.00	21.50	23.00	26.00	27.50	29.00	29.50	30.50	33.0	34.5
Ongoing charges (%)[A]	0.71	0.74	0.74	0.77	0.77	0.76	0.72	0.71	0.66	0.70	0.70

Rebased to 100 at 31st December 2013	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total return to shareholders[2,A]	100.0	104.0	107.7	115.5	140.6	132.9	161.4	141.7	176.2	167.2	172.0
Total return on net assets[2,6,A]	100.0	101.5	108.0	120.5	140.8	122.3	154.0	134.3	165.0	157.4	168.7
Benchmark total return[3]	100.0	101.2	102.2	119.3	134.8	122.0	145.3	131.0	155.0	155.4	167.7
Consumer Price Index[4]	100.0	100.5	100.7	102.3	105.3	107.5	108.9	109.6	115.6	127.7	132.7

[1] The (discount)/premium is calculated using the cum-income net asset value with debt at fair value.
[2] Source: JPMAM/Morningstar.
[3] The Company's benchmark is the FTSE All-Share Index (total return).
[4] Source: Office for National Statistics.
[5] Gearing is excluding the use of futures. As at 31st December 2023, futures were held and the gearing level was 6.3% (2022: no futures were held and the gearing level excluding futures was 7.2%).
[6] The total return on net assets is calculated using the cum-income net asset value with debt at fair value.
[A] Alternative Performance Measure ('APM').

A list of APMs, with explanations and calculations, and a glossary of terms are provided on pages 100 to 102.

Chairman's Statement

David Fletcher
Chairman

Performance and Manager Review

Conditions underpinning the UK market improved considerably in the second half of the Company's financial year ended 31st December 2023, with its benchmark, the FTSE All-Share index (the 'Benchmark'), generating a total return of 7.9% over the 12-month period. Supportive factors over the latter six months of the year included a marked easing in inflation pressures, which raised hopes that the Bank of England will begin to cut rates this year. Despite this, the UK economy dipped into a shallow recession at the end of 2023, although consumer and business confidence had been showing tentative signs of improvement and this has continued into 2024.

This more favourable environment, together with the changes that the Portfolio Managers made to the portfolio in the first half of the Company's financial year, in particular its cyclical investments, contributed to an out-performance against the Benchmark in the second half of the year and, overall to the Company's 7.3% return on a net asset value ('NAV') with debt at par value for the year ended 31st December 2023, which was marginally below its Benchmark. The share price total return was 2.9%, reflecting the widening of the discount at which the Company's shares traded relative to its NAV. As noted in the Company's Half Year Report, the discount widening occurred at the start of the financial year, partially as a result of JPMorgan Elect plc divesting its holding in the Company following its combination with JPMorgan Global Growth & Income plc. The Company has been active with its share buyback authority. Please see below for further details.

Whilst the Company's NAV has marginally underperformed its Benchmark over the year to 31st December 2023, the Board assesses the performance of the Investment Manager over the medium and long term. In regard to the performance, on NAV with debt at par the Company has been slightly behind the Benchmark over five and ten years. With debt at fair value, the Company is slightly ahead of the Benchmark on five and ten years' performance. Your Board reviews the strategy and performance at every Board meeting and continues to remain fully supportive of the strategy, the Portfolio Managers, and the investment process.

The Investment Manager's Report on pages 14 to 21 provides more detail on performance during 2023 and discusses the outlook for 2024.

As at 19th March 2024, the Company's NAV per share (with debt at fair value) was 713.4p and the share price was 672.0p.

Revenue and Dividends

The Directors declared a fourth quarterly interim dividend of 10.5p per share for the year ended 31st December 2023, paid on 1st March 2024, which brought the total dividend per share for the year to 34.5p (2022 total: 33.0p), an increase of 4.5% on the prior year. I am pleased to say that this is the 51st successive year in which the dividend has been raised, a record which only very few investment trusts have attained, and at a time with elevated core inflation and a stagnated UK economy.

The Board's dividend policy remains to seek to increase the dividend each year and, taking a run of years together, to increase dividends at a rate close to, or above, inflation. Following the payment of the fourth interim dividend for 2023, the Company will have continued to have paid dividends in excess of inflation over the past five years. Although UK inflation has now fallen sharply from its recent, 30-year high, the Board will, as always, carefully monitor the outlook for dividend income, to ensure it can continue to fulfil its dividend policy objectives.

The Company has a significant level of revenue reserves, accumulated over a number of years, and as an investment trust, it has the ability to utilise these reserves if necessary to support its long-term dividend policy. After the payment of the fourth interim dividend for 2023, revenue reserves will represent 25.35p per share[1]. The Board intends to raise the first three quarterly interim dividends in 2024 to 8.25p per share, from 8.0p per share in the previous financial year, subject to any unforeseen factors and the financial position and performance of the Company at the relevant time.

[1] Based on the number of shares in issue as at 19th March 2024.

Premium/Discount and Share Issuance/Repurchases

During the year, the discount at which the Company's shares traded relative to its NAV with debt at fair value ranged from a high of 6.84% to a low of 0.46%, excluding on 2nd January 2023 when the Company's share price peaked and traded at a premium of 0.27%. The Board's objective is to use the Company's repurchase and allotment authorities to actively manage short-term imbalances between the supply and demand of the Company's shares, with the intention of reducing the volatility of the discount or premium, in normal market conditions. To this end, over the past year, the Company repurchased 2,360,513 of its own shares, at a total cost of £15.7 million.

As at 31st December 2023, the Company's discount (to its cum-income, debt at fair value, NAV) was 4.6%, Since then, the discount has widened slightly and the Board has continued to utilise targeted repurchases to cap the discount, buying in a total of 331,883 shares as at the date of this report.

At the time of writing, the discount stands at 5.80%[2]. The Board intends to continue to actively manage the Company's discount in its commitment to seek a stable discount or premium over the long-term, whilst recognising that consistent and strong investment performance remains a core focus for the Company's shares to trade close to NAV over the long-term. Please see page 31 for the Board's discount and premium management policy.

At this year's Annual General Meeting in April 2024, the Company will be seeking renewed authorities from shareholders to sell shares from Treasury at a discount, to issue new shares and to repurchase its own shares.

Gearing/Long Term Borrowing

The Portfolio Managers can use FTSE 100 index futures to effect increases and reductions in the level of gearing by changing the portfolio's market exposure. The Company's gearing policy (excluding the effect of any futures) is to operate within a range of 5% net cash and 20% geared in normal market conditions. The Portfolio Managers have discretion to vary the gearing level between 5% net cash and 17.5% geared (including the effect of any futures). The Board believes that over the long-term a moderate level of gearing is an efficient way to enhance shareholder returns.

Taking borrowings into account, net of cash balances held and the effect of futures, the Company ended 2023 approximately 6.3% geared. During the year, gearing varied between 0.6% net cash and 8.9% geared. Excluding the effect of the futures, the maximum gearing reached during the year was 10.9%. Gearing is currently 6.8%[2]. The Company has a £30 million 3.22% private placement note, maturing in March 2045. In addition, £10 million of the revolving credit facility with Mizuho Bank was drawn down as at 31st December 2023. See note 13 on page 84. The facility with Mizuho Bank will mature in May 2024 and the Manager has identified a preferred option for a new facility with attractive margins.

Environmental, Social and Governance

Financially material Environmental, Social and Governance ('ESG') factors have been integrated into the Investment Manager's investment process over recent years, and these issues are considered as part of the decision making in whether to invest in a stock. The Board receives regular ESG updates from the Investment Manager.

This annual report includes a separate Environmental, Social and Governance Report from the Investment Manager on page 25 which provides information on these issues and how they have been developed and integrated into the Investment Manager's investment process.

Investment Management Fees and Manager Evaluation

As reported in the Company's Half Year Report, the investment management fee is charged on a tiered basis at an annual rate of 0.45% of the Company's net assets on the first £400 million and at 0.40% of net assets above that amount, having been reduced with effect from 1st July 2023.

[2] As at 19th March 2024.

Chairman's Statement

During the year under review, the Management Engagement Committee undertook a formal review of the Manager and Investment Manager, covering the investment management, company secretarial, administrative and marketing services provided to the Company. The review took account of the Investment Manager's investment performance record, management processes, investment style, resources and risk control mechanisms. I am pleased to report that the Board agreed with the Committee's recommendation that the continued appointment of the Manager is in the interests of shareholders.

Board Succession

I have served as a member of the Company's Board since 2015, and I had the honour to be appointed Chairman of your Board in April 2022. I plan to stand down from the Board at the time of next year's Annual General Meeting. The Nomination Committee of the Company chaired by the Senior Independent Director, excluding me, has been considering the Company's succession plan and I am pleased to report that Victoria Stewart, a Director of the Company since February 2020, has been appointed to succeed me as Chair of the Board in April 2025. Work has begun to identify a further suitable candidate to join the Board, and announcements on the result of this search, and the appointment of an additional new Director, will be made in late 2024.

Shareholder Engagement

The Board and the Portfolio Managers are keen to increase dialogue with the Company's existing shareholders, particularly as the Board believes that shareholder interactions are very helpful in assisting with the management of the Company. During the past year, the Portfolio Managers held regular calls with shareholders where requested and also presented periodic webinars, replays of which are available on the Company's website. Portfolio and market updates are available on the Company's website.

Investors holding their shares through online platforms will shortly receive a letter inviting them to sign up to receive email updates from the Company. These updates will deliver regular news and views, as well as the latest performance statistics. If you have not already signed up to receive these quarterly communications and you wish to do so, you can opt in via https://tinyurl.com/JCH-Sign-Up or by scanning the QR code on the contents page.

Annual General Meeting

We are delighted that once again we will be holding this year's Annual General Meeting in person at JPMorgan's offices at 60 Victoria Embankment, London EC4Y 0JP, on Monday, 29th April 2024, at 12 noon. The Company's Portfolio Managers, William Meadon and Callum Abbot, will give a presentation to shareholders, reviewing the past year and commenting on the outlook for the current year. The meeting will be followed by a sandwich lunch, providing shareholders with the opportunity to meet the Directors and representatives of the Manager. We look forward to welcoming as many shareholders as possible at the Annual General Meeting.

For shareholders wishing to follow the Annual General Meeting proceedings, but choosing not to attend in person, we will be able to welcome you through conferencing software where you can follow the proceedings but not vote on the business of the meeting. Details on how to register, together with access details, will be available on the Company's website: www.jpmclaverhouse.co.uk, or by contacting the Company Secretary at invtrusts.cosec@jpmorgan.com.

As is normal practice, all voting on the resolutions will be conducted by a poll. Shareholders viewing the meeting via conferencing software will not be able to vote on the poll and we therefore encourage all shareholders, and particularly those who cannot physically attend, to exercise their votes in advance of the meeting by completing and submitting their form of proxy.

If you have any detailed or technical questions, it would be helpful if you could raise them in advance with the Company Secretary either in writing to 60 Victoria Embankment, London EC4Y 0JP, via email at invtrusts.cosec@jpmorgan.com or via the 'Ask a Question' link on the Company's website. Shareholders who are unable to attend the Annual General Meeting are encouraged to use their proxy votes. Proxy votes can be lodged in advance of the Annual General Meeting either by post or electronically, detailed instructions are included in the Notes to the Notice of Annual General Meeting on page 98. Completion of a proxy card and its return will not preclude you from attending the meeting and voting in person.

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 on the London Stock Exchange.

Outlook

The good news is that the UK economy seems to be over the worst of its inflation and cost-of-living crisis. The Board therefore shares the Portfolio Managers' cautious optimism about the outlook for the market and the Company in 2024 and beyond. There are several reasons for our optimism. For one, the Portfolio Managers have been actively positioning the portfolio to take greater advantage of better times ahead. For example, they have increased exposure to rising demand for entertainment and travel, and added several holdings within the real estate sector, which they expect to benefit from lower interest rates.

UK equity valuations still remain extremely attractive in absolute terms and relative to other markets. This provides investors, both in the UK and abroad, with what the Portfolio Managers believe is a rare opportunity to enter this market at historically low valuations, with attractive dividend yields. This suggests that there is scope for significant market gains as and when investors' confidence in this market returns, and their focus shifts back to long-term company fundamentals.

The geopolitical outlook remains worrying, with the conflict in Ukraine seemingly no closer to resolution and the conflict in the Middle East threatening to spread across the region. November's US presidential election has potentially broader implications than usual for the global order and there are also elections taking place in several other countries and regions this year, including the UK and Europe. Whilst all these factors are well known, any dramatic or unexpected developments in any of these situations will likely spark an increase in market volatility.

We have experienced Portfolio Managers who are working hard to preserve and grow shareholders' assets. We believe their continuing efforts, combined with a diversified portfolio of high-quality stocks and a disciplined investment approach, mean the Company is well-positioned to continue delivering attractive returns and a growing income to shareholders over the long term.

On behalf of the Board, I thank you, our shareholders, for your continued support.

David Fletcher
Chairman

20th March 2024

Investment Manager's Report

William Meadon
Portfolio Manager

Callum Abbot
Portfolio Manager

Investment Approach

Claverhouse is a diversified portfolio of our best UK ideas, comprising both quality, growth and value stocks. For the patient investor, we believe that this approach will produce outperformance of the Benchmark in a steady, consistent manner, irrespective of market conditions. We aim to maintain Claverhouse's multi-decade dividend growth record.

Market Review

The start of the year saw a cloud of rapidly rising inflation and interest rates hanging over UK equities. However, the second half of the year saw inflationary fears abate slightly, causing equities and gilts to rally. By the end of the year the Benchmark, while lagging most overseas markets, showed a positive total return over the 12 months of 7.9%.

Both the rapid demise of Credit Suisse and the collapse of the west coast American bank, Silicon Valley Bank ('SVB') in the spring rattled global markets. However, investors soon concluded that another systemic banking crisis was unlikely causing a relief rally in equities.

Despite a further fall in oil and gas prices, UK inflation continued to disappoint, peaking in February at 10.4%. Core inflation (i.e. inflation excluding food and energy) peaked at 7.1% in May, the highest since 1992. By August, the Bank of England had raised interest rates from 3.0% to 5.25%, where they remained for the rest of the year. The latter part of the year saw an improvement in inflation, fuelling a year end rally in the stock market as investors anticipated material cuts in interest rates in 2024.

The end of year rally was characterised by a significant broadening of the equity market, which prior to October had been remarkably narrow in its leadership.

Political turmoil was a feature of the year and created a challenging back drop for investors. By the end of the year, investors were focusing on impending elections in both the UK and the US. Opinion polls suggested that Labour was on course for a landslide victory in the UK. In the US, Donald Trump was the early favourite to be returned to the White House. The Ukraine war remained locked in a bloody stalemate whilst events in the Middle East in October added a significant further layer of geo-political concerns for investors.

Throughout the year, equity markets were highly sensitive to macro data points, particularly inflation and central bank announcements. At times, new data points drove significant changes in market leadership, which meant that the market did not trend but was instead erratic during the year.

A volatile year concluded with the Benchmark rising 7.9% over the 12 months. The UK market continues to present exceptional value and while a catalyst is difficult to predict we believe patient investors will eventually be rewarded.

Performance Review

The portfolio performed steadily throughout the year and turnover was lower than 2022. Your Company's risk-controlled approach to sizing positions at both a stock and sector level helped the portfolio navigate its way through challenging times, whilst delivering a dividend increase for the 51st consecutive year.

In the year to 31st December 2023, Claverhouse delivered a total return on net assets (capital plus dividends re-invested) of 7.3% compared to the Benchmark's return of 7.9%. With the Company's shares ranging from a premium of 0.27%[1] on 2nd January 2023 to end the year at a discount of 4.6%[1], the total annual return for shareholders was 2.9%. With the improving prospects for both falling inflation and interest rates as the year progressed, the portfolio's cyclical holdings performed particularly well.

3i was again the star performer, rising 85% over the year (see later for a more detailed update). The shares of the housebuilders **Taylor Wimpey** and **Barratt Developments** each rose by more than 50% as the long awaited improvement in the housing market appeared to draw closer.

The utility service provider, **Telecom Plus** was a beneficiary, earlier in the year, of elevated energy prices, allowing it to offer their customers discounted prices to market rates. However, as energy prices receded, so did the customer acquisition growth of Telecom Plus, which was reflected in a share price fall of 30% over the period.

[1] Share price discount to net asset value with debt at fair value.

Further detail of Claverhouse's performance over the year is given in the below performance attribution table.

Performance attribution

Year ended 31st December 2023

	%	%
Contributions to total returns		
Benchmark return		**+7.9**
Stock & Sector selection	–0.1	
Gearing & cash	+0.2	
Investment Manager contribution		**+0.1**
Cost of debt	–0.2	
Portfolio total return		**+7.8**
Management fee/other expenses	–0.7	
Share buyback	+0.2	
Sub total		**–0.5**
Return on net assets with debt at par value[A]		**+7.3**
Change in the fair value of the long term debt[1]		**–0.1**
Return on net assets with debt at fair value[A]		**+7.2**

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

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

[1] Reflects the effect of fair value of the 3.22% £30 million private placement loan. The fair value has been calculated using discounted cash flow techniques, using the yield from similar dated gilt plus a margin based on the five year average for the AA Barclays Sterling Aggregate Corporate Bond spread.

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

A list of APMs, with explanations and calculations, and a glossary of terms are provided on pages 100 to 102.

The Company delivered a dividend increase for the 51st consecutive year, a notable milestone. Dividends in respect of the financial year ended 31st December 2023 totalled 34.5p per share, a 4.5% rise on the previous year's dividend of 33.0p per share. The dividend yield in respect of the year is 5.1% (based on the share price of 672.0p as at 19th March 2024).

The Company benefitted from its holdings in Financials, particularly 3i Group, which was the stand-out performer. Utilities and Housebuilders also performed well. By contrast, Tobacco, Travel & Leisure and Life Assurance performed relatively poorly. There was little difference between the overall performance of large FTSE100 stocks and mid/small cap stocks. More detail is given in the table below:

Top Contributors and Detractors to Performance vs FTSE All-Share Index

Top Five Contributors		Top Five Detractors	
3i Group	+1.6%	Telecom Plus	–0.4%
Centrica	+0.6%	Glencore	–0.3%
BAE Systems	+0.4%	AstraZeneca	–0.3%
Taylor Wimpey	+0.3%	Drax Group	–0.3%
Barratt Developments	+0.2%	British American Tobacco	–0.3%

Source: JPMAM, as at 31st December 2023.

Investment Manager's Report

Shell again performed well as the ongoing conflict in Ukraine continued to expose the fragility of global energy markets. **BP**, by contrast, was shaken by a series of management missteps and scandals which led to the departure of its CEO. The shocking events in the Middle East added further to global conflict concerns. Against such a backdrop, the UK's leading defence contractor, **BAE Systems**, benefitted from the expectation of further orders for its equipment.

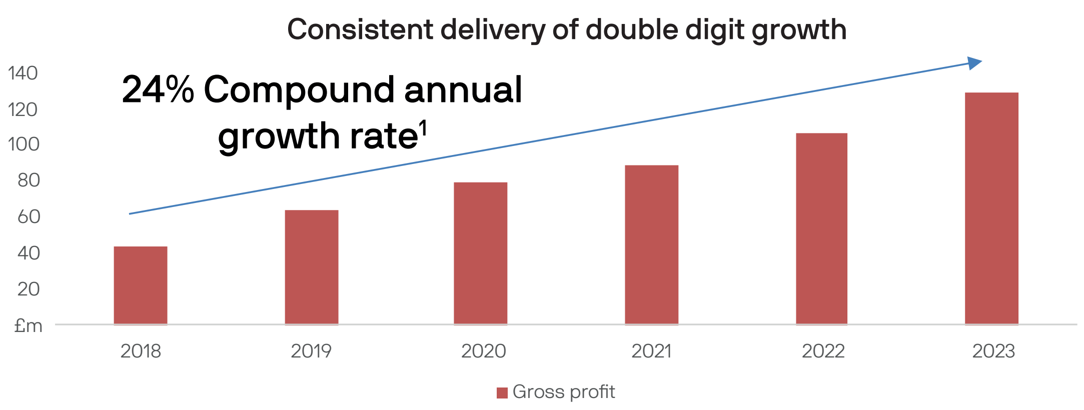
Glencore is a diversified mining company with substantial exposure to metals which are essential for the electrification of vehicles e.g. copper, zinc and nickel. Its shares performed poorly as the economic data coming out of China pointed to continuing weak demand from the world's largest commodity consumer.

Tobacco stocks (**British American Tobacco** and **Imperial Brands**) sold off on weaker North American cigarette volumes with investors still not attracted to historically very low valuations.

JPMorgan UK Small Cap Growth & Income plc (formerly JPMorgan UK Smaller Companies Investment Trust plc), run by JPMAM's in-house small companies' team, performed well. Over the years, this trust has not only contributed materially to the performance of Claverhouse, but as stocks have grown out of the smaller companies' index and into the FTSE 350, it has also provided a rich source of many new ideas for us to invest in directly.

Highlighted company: Bytes Technology Group ('Bytes')

Bytes is a leading provider of IT solutions in the UK and Ireland. They partner with the world's largest software companies to deliver technology to a wide variety of customers across numerous sectors. Investing in technology is essential for Bytes' customers to operate efficiently but the complexity and breadth of IT solutions available can pose a challenge for customers. Bytes can add value by helping customers find the solutions that work for them and implement them with minimal disruption. Bytes' strong supplier and customer relationships have meant that it has a track record of growing market share in a fast growing market. They are the number one UK partner for Microsoft, which should drive plenty of opportunity as generative Artificial Intelligence ('AI') tools receive broad acceptance.

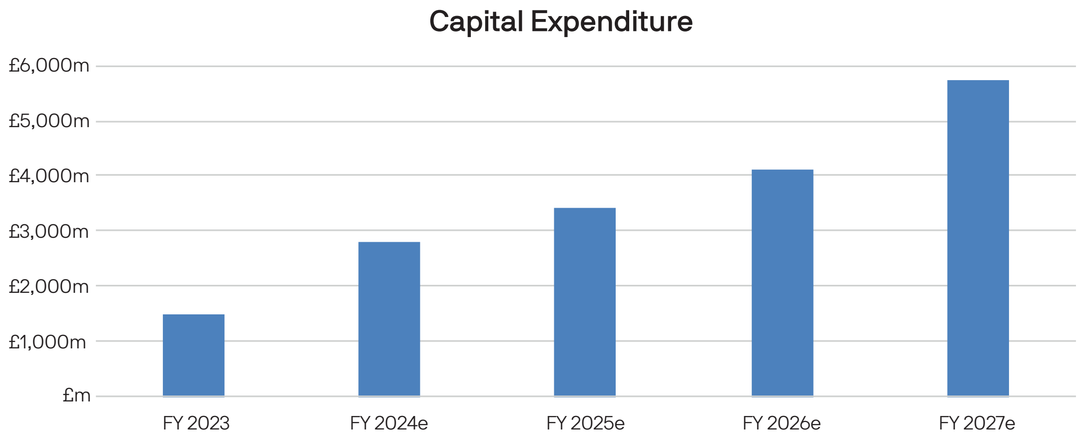


Source: Bytes PLC.

[1] Compound annual growth rate, or CAGR, is the measure of an investment's annual growth rate over time, with the effect of compounding taken into account.

Highlighted company: SSE plc ('SSE')

SSE is a diversified utility company that is well positioned for the UK's energy transition, with exposure through both electricity networks and power generation. It aims to grow its electricity networks asset base by over 10% per annum through to 2031. Its power generation assets range across wind, hydro and low emission gas plants. SSE are aiming to treble their renewable energy output over the period 2019 to 2030. It will require significant capital expenditure to achieve these goals. The SSE management team have demonstrated strong capital discipline to ensure that shareholder capital generates attractive returns.



Portfolio Review

The portfolio held 65 stocks at the end of the year, which was towards the lower end of our normal range. The portfolio was geared throughout the year but less than historically was the case. We are bottom-up stock pickers; sector and macro views have less influence on the portfolio. This said, in 2023 geopolitical and macro issues were of much more concern to investors than usual. Whilst we are stock-focused we do run a sector-diversified portfolio.

We used FTSE 100 futures to manage gearing. At the year-end, your Company was 6.3% geared.

Top Over and Under-Weight Positions vs FTSE All Share Index

Top Five Overweight Positions		Top Five Underweight Positions	
SSE	+2.7%	Diageo	–1.5%
3i Group	+2.6%	Barclays	–1.0%
Shell	+1.9%	National Grid	–1.0%
BAE Systems	+1.9%	Unilever	–1.0%
Glencore	+1.6%	Reckitt Benckiser	–0.9%

Source: JPMAM, as at 31st December 2023.

Purchases

As consumer confidence continued to improve post Covid, the Company increased its exposure to the travel industry through purchases of Premier Inn owner **Whitbread**, and packaged holiday provider **JET2**, both of which are now well placed to take advantage of the resultant supply shortage. Surging demand has led to a very favourable pricing environment for airlines and hotels which we expect to continue, especially in the budget part of the market where these two companies operate, as consumers become more price sensitive.

Georgia has benefitted from a huge influx of affluent Ukrainians and Russians fleeing the war. This has led to a surge in the Georgian economy and a thriving banking sector as deposits have grown. **Bank of Georgia** and **TBC Bank**, both of which are listed on the UK stock market, operate a duopoly in this market, which lends itself to very favourable economics for both banks. As a result, both earn returns on equity of between 20% to 30% and have consistently created value for shareholders. Their balance sheets are in strong positions, with core equity tier 1 ratios in the high teens, which should allow them to continue to return substantial capital to shareholders. Both positions were bought at under

Investment Manager's Report

five times of the price earning ratio. The purchases were funded by sales of other banks in the sector; **NatWest** and **Barclays**.

We added new positions in the technology sector. **Bytes Technology Group** is an IT services company and is a direct peer of another Claverhouse holding, **Softcat**. It is a highly fragmented market and both Softcat and Bytes have a strong track record of acquiring market share. Their asset light business models lead to strong returns on incremental capital and superb cash generation. Technology being more deeply integrated in businesses of all shapes and sizes should be a structural tailwind for these companies for decades to come.

Games Workshop is the producer of miniature figurines for the table-top game, Warhammer. We have re-purchased the stock after we identified some positive catalysts for the business. Recently, it has begun licensing their intellectual property for video games and movies which is an extremely high margin business for Games Workshop. Growth is also set to re-accelerate as they release the next iteration of their bestselling video wargame; Warhammer 40k collection.

Dividends are a key consideration for portfolio holdings and **M&G's** near 10% dividend yield was viewed as very attractive. M&G is an asset manager and closed book life insurance company. The yield is covered by its with-profits business with potential upside to the dividend from a turnaround elsewhere in its business. As a result, we believe it looks too cheap.

We made two new purchases on the back of new management changes delivering much improved operational performance in these two companies. **Rolls-Royce,** an aerospace & defence company, specialises in turbines for aircrafts and power systems for a range of industrial end markets. Rolls-Royce shareholders have suffered over the last decade due to serial mismanagement and poor capital allocation. The new management team have made demonstrable changes to the business and the cyclical recovery in aerospace is a strong tailwind. However, given the chequered history, the jury is still out as to whether the turnaround will work. **Marks & Spencer** is undergoing a strategic overhaul which aims to make it more relevant for a broader range of consumers. Progress has been slow, but it now appears that Marks & Spencer has made significant headway with the end consumer. This has led to several large upgrades to management's guidance in quick succession and we think there could be more to come.

One of the key themes in the second half of 2023 was improving (falling) inflation data, which led to central banks signalling that further rate hikes may not be required. As the economic data began to suggest that we were approaching peak rates, we looked to close our successful underweight in real estate investment trusts (REITs). REITs' property valuations have been under pressure as property yields have been forced upwards with the increase in interest rates. This led to extremely negative sentiment towards the sector and discounts to net asset values not seen in the last decade.
We started new holdings in **Land Securities, British Land, Shaftesbury Capital** and **Workspace**, funded by the sale of the position in the less cyclical **Safestore**.

Admiral is a UK motor insurer with an impressive long term track record of value creation for shareholders. The UK motor insurance sector has been battling with repair/replacement cost inflation but finally appears to have sufficiently offset this with price increases which should lead to a period of elevated profitability.

We topped up several existing positions which are continuing to deliver operationally. For example, **Centrica** is benefitting from the benign competitive environment for British Gas, after many of its competitors went bust in 2022, while the high volatility in energy prices is a prime environment for Centrica's energy trading division. **Ashtead** is an equipment rental business which looks extremely well placed to capitalise on the wave of the so called 'mega-projects' which are taking place in the US to facilitate, among other themes, onshoring and the energy transition. 3i Group announced that its portfolio company, discount retailer **Action**, continues to take market share as price sensitive consumers look for cheaper places to shop. Historically this environment has been ideal for discounters and customers have been surprisingly loyal once the backdrop improves.

Sales

Bunzl is a distributor of single use products, which can pass through all cost inflation to its end customers, leaving it well placed in the current inflationary environment. However, price deflation would be a significant headwind for earnings and the stock is trading at close to peak multiples, so we decided to exit our holding in response to evidence that inflation may have peaked.

Serica, an oil and gas explorer and producer, announced a large acquisition of another oil and gas explorer and producer which called into question the capital discipline of the management team. Therefore, after collecting the quarterly dividend, we sold the stock.

The New York Stock Exchange became **CRH's** primary listing venue during the year. Whilst it remains listed on the London Stock Exchange, we exited the position due to this change in primary listing to the USA as our investment restrictions and guidelines prohibited us from holding the shares once CRH had changed its primary listing from the UK.

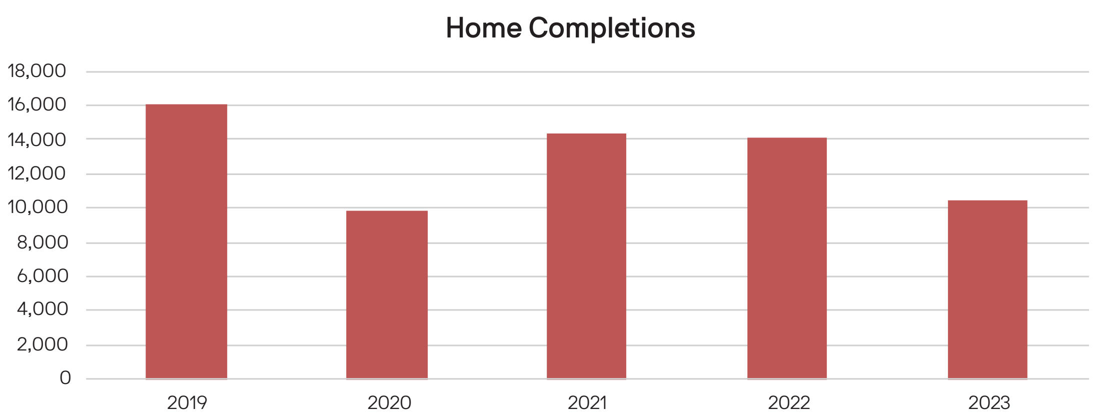
Positions in both **Telecom Plus** and **Drax** were sold as each struggled to cope with falling power prices in the second half of the year. Drax is a self-titled 'renewable energy company'. It predominantly generates electricity by burning biomass pellets, which are produced in Drax's pellet plants in the US, and then shipped to the UK. It is also a leader in carbon capture technology. Drax has benefitted from elevated power prices in the UK, but it has struggled to secure Government approval for its carbon capture plans. While it is optically cheap, the reinvestment risk remains high and fraught with regulatory risk. Telecom Plus, was a beneficiary of elevated energy prices as it was able to offer prices at a discount to market rates. However, as energy prices have receded, so has the customer acquisition growth of Telecom Plus. The story has shifted to being about diversifying the business into adjacent areas (e.g. broadband and mobile) and we no longer feel the growth prospects are as strong.

A number of management teams at the luxury goods retailer **Burberry** have failed to reinvigorate the brand and without a strong tailwind from the Chinese consumer it looks like it will take a while for signs of success to emerge. We therefore sold the stock.

We have exited the small position in **Balfour Beatty**, the construction contractor. It quickly re rated after our initial purchase in August 2022, so we never got a chance to add to the position. We are less convinced on the outlook.

Highlighted company : Taylor Wimpey

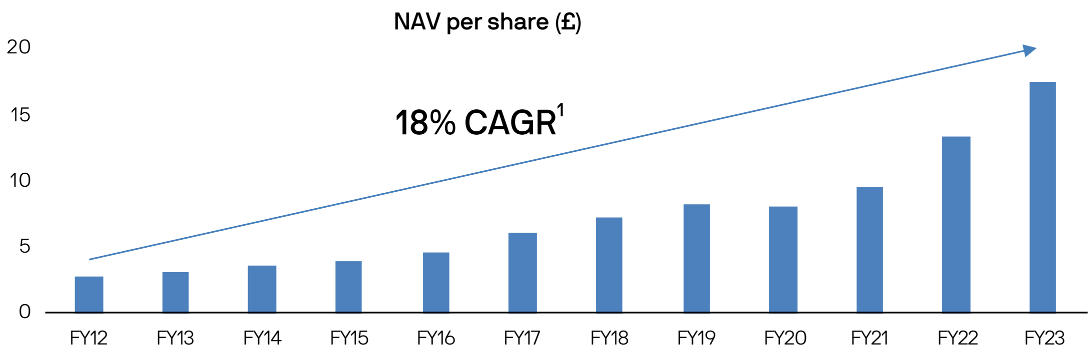
Taylor Wimpey is a UK focused homebuilder. The homebuilding sector has had a torrid few years due to high inflation and mortgage rates leading to weak demand and compressed margins. However, we are nearing the trough of the cycle. The UK consumer is enjoying real wage growth, which helps drive consumer confidence, which is essential for driving housing transactions. The other positives for the sector are that mortgage rates have started to fall rapidly and build cost inflation is normalising. This should lead to a rebound in volumes and profitability for the sector. Taylor Wimpey has a high quality landbank which can underpin a return to completions materially higher than this year. This should convert to attractive profits, cash and dividends.



Investment Manager's Report

Highlighted company : 3I Group

3i is a private equity investor. We highlighted this company in our Investment Manager's Report both last year and the year before as it is a key holding for Claverhouse. As a reminder, it owns companies that operate in four core sectors: Business and Technology Services, Consumer, Healthcare and Industrial Technology. The company targets investments which it believes can double in size over their holding period and has an excellent track record of achieving this goal. Its largest portfolio company is Action, a discount retailer, which is rapidly rolling out its stores across Europe. Action has been phenomenally successful, yet its expansion is still in its early stages. Despite continued strong performance the shares remain attractively valued as the vast majority of share price outperformance has been generated by the underlying value of 3i's portfolio companies rather than by a re-rating of the multiple on which 3i trades.



[1] Compound annual growth rate, or CAGR, is the measure of an investment's annual growth rate over time, with the effect of compounding taken into account.

Environmental, Social, and Governance ('ESG')

Whilst Claverhouse holds stocks based primarily on companies' fundamentals, we also consider the potential impact of financially material ESG factors on a company's ability to deliver shareholder value. We assess each company's strategy for dealing with these important matters and the consequent risks arising from them. Our analysis helps determine whether relevant ESG factors are financially material and, if so, whether they are reflected in the valuation of the company. Such analysis may influence not only our decision to own a stock but also, if we do, the size of that position in the portfolio.

Company meetings continue to be an important opportunity to engage with our portfolio companies on ESG issues. Examples of our engagement with companies during the year and details of our voting record are set out in the ESG Report on pages 25 to 28.

Market Outlook

Whilst there remain significant geo political challenges for investors to consider (such as the ongoing conflict in the Ukraine and the Middle East tensions), there are some reasons for cautious optimism in 2024. The global economy, driven by the US, continues to expand. Inflation in the developed world is now falling with the consequent prospect that central banks will soon start to cut interest rates. Despite the improved economic outlook, the UK equity market remains exceptionally attractively valued, as shown in charts one and two below.

Chart 1: Global forward Price-to-Earnings ratios (x): the UK trades at a material discount to other developed markets.

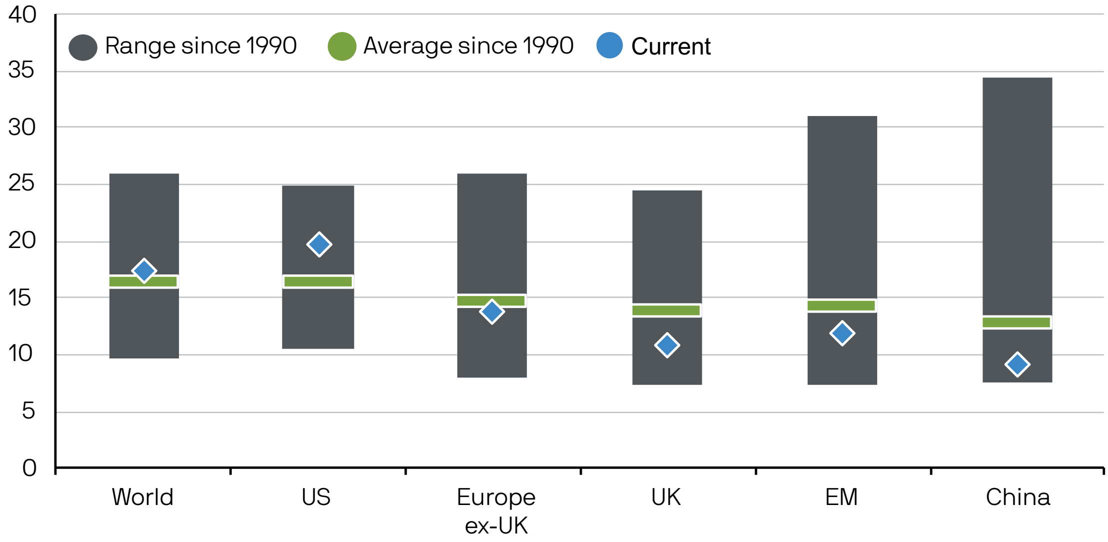


Chart 2: UK FTSE All-Share forward Price-to-Earnings ratio (x): the UK trades at a material discount to its own history.

Against such a gently improving economic backdrop, your Company remains a modestly-geared portfolio that uses a barbell approach of owning both attractively valued, high yielding stocks, as well as growth stocks. Our barbell approach is naturally diversifying, and our portfolio is currently focused on robust, liquid, globally-diversified blue-chip, UK listed stocks. After a challenging period, which has reflected the variable macro environment, a more benign outlook should suit our bottom up investment process. We remain confident that such an approach will deliver both growth of capital and income in a consistent manner for our shareholders.

For and on behalf of the Investment Manager
William Meadon
Callum Abbot
Portfolio Managers

20th March 2024

Portfolio Information

Ten largest equity investments

At 31st December

Company	Sector	2023 Valuation £'000	2023 % of the portfolio[1]	2022 Valuation £'000	2022 % of the portfolio[1]
Shell	Energy	38,035	8.7	37,787	8.5
AstraZeneca	Health Care	34,010	7.7	38,588	8.7
HSBC	Financials	24,683	5.6	15,967	3.6
BP	Energy	20,144	4.6	23,793	5.3
Glencore	Basic Materials	16,968	3.9	22,157	5.0
3i[2]	Financials	14,661	3.3	9,827	2.2
SSE[2]	Utilities	14,620	3.3	12,368	2.8
BAE Systems[2]	Industrials	13,607	3.1	11,873	2.7
JPMorgan UK Small Cap Growth & Income plc	Financials	13,597	3.1	13,340	3.0
Rio Tinto[2]	Basic Materials	13,230	3.0	9,667	2.2
Total[3]		**203,555**	**46.3**		

[1] Based on total investments of £439.1m (2022: £445.6m).
[2] Not included in the ten largest equity investments at 31st December 2022.
[3] At 31 December 2022, the value of the ten largest equity investments amounted to £211.7m representing 47.5% of total investments.

Sector analysis

	31st December 2023 Portfolio %[1]	31st December 2023 Benchmark %	31st December 2022 Portfolio %[1]	31st December 2022 Benchmark %
Financials[2]	21.4	23.6	23.1	22.4
Consumer Discretionary	15.7	12.2	8.3	10.4
Energy	13.3	11.0	14.3	11.2
Consumer Staples	11.6	14.0	13.8	16.0
Industrials	11.2	11.6	10.5	10.8
Health Care	10.1	11.1	11.7	11.5
Basic Materials	7.5	7.5	9.1	8.9
Utilities	5.6	3.7	5.9	3.5
Real Estate	2.4	2.7	1.5	2.5
Technology	1.2	1.4	0.9	1.3
Telecommunications	—	1.2	0.9	1.5
Total	**100.0**	**100.0**	**100.0**	**100.0**

[1] Based on total investments of £439.1m (2022: £445.6m).
[2] Includes the Company's investment in JPMorgan UK Small Cap Growth & Income plc: 3.1% (2022: 3.0%) of the portfolio.

Portfolio Information

List of investments

At 31st December 2023

Company	Valuation £'000	% of the total portfolio
Financials		
HSBC	24,683	5.6
3i	14,661	3.3
JPMorgan UK Small Cap Growth & Income plc	13,597	3.1
Prudential	5,784	1.3
London Stock Exchange	5,666	1.3
Intermediate Capital	4,855	1.1
Lloyds Banking	4,483	1.0
Legal & General	3,596	0.8
Bank of Georgia	2,939	0.7
Man	2,721	0.6
Standard Chartered	2,148	0.5
OSB	2,094	0.5
M&G	2,088	0.5
Admiral	2,075	0.5
TBC Bank	1,614	0.4
Aviva	1,167	0.2
	94,171	**21.4**
Consumer Discretionary		
RELX	11,621	2.6
Compass	7,090	1.6
JD Sports Fashion	6,375	1.5
Next	6,093	1.4
4imprint	5,108	1.2
Barratt Developments	5,061	1.2
Taylor Wimpey	4,988	1.1
Bellway	4,519	1.0
Dunelm	4,185	1.0
JET2	3,751	0.9
Games Workshop	2,842	0.6
Watches of Switzerland	2,419	0.6
Whitbread	2,397	0.5
Flutter Entertainment	1,361	0.3
Berkeley	1,175	0.2
	68,985	**15.7**

Company	Valuation £'000	% of the total portfolio
Energy		
Shell	38,035	8.7
BP	20,144	4.6
	58,179	**13.3**
Consumer Staples		
Unilever	13,178	3.0
British American Tobacco	10,934	2.5
Imperial Brands	8,915	2.0
Marks & Spencer	5,383	1.2
Diageo	5,067	1.1
Tesco	4,344	1.0
Reckitt Benckiser	3,301	0.8
	51,122	**11.6**
Industrials		
BAE Systems	13,607	3.1
Rolls-Royce	9,928	2.3
Ashtead	8,160	1.9
QinetiQ	4,588	1.0
Experian	4,451	1.0
Melrose Industries	2,310	0.5
Hays	1,671	0.4
Page	1,582	0.4
Smurfit Kappa	1,490	0.3
RS	1,451	0.3
	49,238	**11.2**
Health Care		
AstraZeneca	34,010	7.7
GSK	10,247	2.4
	44,257	**10.1**
Basic Materials		
Glencore	16,968	3.9
Rio Tinto	13,230	3.0
Anglo American	2,751	0.6
	32,949	**7.5**

Portfolio Information

List of investments continued

At 31st December 2023

Company	Valuation £'000	% of the total portfolio
Utilities		
SSE	14,620	3.3
Centrica	7,002	1.6
National Grid	2,848	0.7
	24,470	**5.6**
Real Estate		
Land Securities	3,181	0.7
British Land	2,831	0.6
Shaftesbury Capital	2,426	0.6
Workspace	1,211	0.3
Segro	933	0.2
	10,582	**2.4**
Technology		
Bytes Technology	2,678	0.6
Softcat	2,500	0.6
	5,178	**1.2**
Total investments	**439,131**	**100.0**

Company	Valuation £'000	
Derivatives		
FTSE 100 Index 15/03/2024	(157)[1]	
	(157)	
Total investments including derivatives	**438,974**	

[1] The notional cost of the short FTSE 100 Index futures was (£5,660,000) with a notional market value of (£5,817,000).

The above companies have been classified into sectors based on the Industry Classification Benchmark (ICB).

Investment Manager's Approach to ESG

Introduction

ESG stands for Environmental, Social and Governance. Awareness of these issues has increased significantly in recent years within the asset management industry, including the Portfolio Managers responsible for the Company's portfolio, among the Board members of your Company, among shareholders and potential shareholders in the Company and, indeed in society at large.

The basics: what is ESG?

E is for Environmental. Environmental issues are defined as issues related to the quality and function of the natural environment and natural systems. Some examples include greenhouse gas emissions, climate change resilience, pollution (air, water, noise, and light), biodiversity/habitat protection and waste management.

S is for Social. Social issues are defined as issues related to the rights, wellbeing and interests of people and communities. Some examples include workplace safety, cybersecurity and data privacy, human rights, local stakeholder relationships, and discrimination prevention.

G is for Governance. Governance issues are issues related to the way companies are managed and overseen. Some examples include independence of chair/board, fiduciary duty, board diversity, executive compensation and bribery and corruption.

Why do we integrate ESG into our investment process?

As an asset manager, we are guided by our duty to act in the best interests of our clients. That commitment means we consider the impact of decisions we make on behalf of our clients on their portfolios. We believe consideration of financially material ESG factors can be an important part of the investment process.

At JPMorgan Asset Management, we define ESG integration as the systematic inclusion of financially material ESG factors (including sustainability risks) as additional inputs into investment analysis and investment decision-making, where possible and appropriate. Essentially, we aim to determine whether, in our opinion, a company faces potential headwinds or tailwinds from ESG considerations which may ultimately have a significant impact on its share price.

ESG Integration within the Company's portfolio

ESG integration does not change a strategy's investment objective, exclude specific types of companies[1], or constrain a strategy's investable universe. However, our assessment of financially material ESG factors may influence our investment decision. Ultimately, it may impact your Portfolio Managers' decision to purchase a company or not, or impact the position size taken in a company due to the level of conviction.

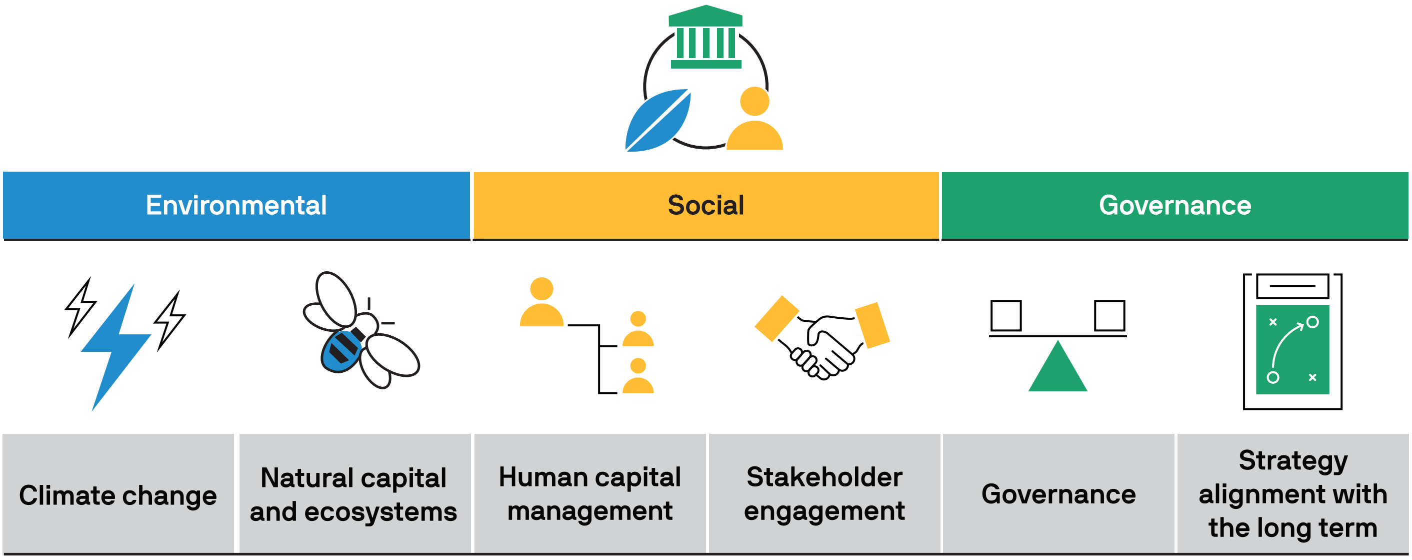
Engagement

JPMorgan Asset Management recognises its wider stewardship responsibilities to its clients as a major asset owner. We use stewardship not only to understand how companies and issuers consider issues related to ESG but also to try to influence their behaviour and encourage best practices, for the purpose of enhancing returns for our clients. To this end, we support the UK Stewardship Code, which sets out the responsibilities of institutional shareholders in respect of investee companies. JPMorgan Asset Management endorses the 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 recognise the importance of being an 'active' owner on behalf of our clients. For further details on our engagement processes, please see our Annual Investment Stewardship Report (https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/sustainable-investing/investment-stewardship-report.pdf).

In the International Equity Group, corporate engagement is a collaboration between our investors and the Investment Stewardship specialists within our Global Sustainable Investing Team. Engagement driven by our Investment Stewardship Team focuses on the six firm-wide priorities.

[1] 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.

Environmental, Social and Governance Report



Underlying each priority are specific themes, which are typically topical issues within the industry and with our clients. Our Investment Stewardship Team has identified a set of 'focus' companies, aligned with these themes, which we proactively target for engagement. These companies are selected because we have an issue of concern, typically in reference to our six priorities, that is sufficiently material in the view of our investors to warrant more focused engagement and where the name is held in sufficient size to make our voice effective. The list of companies will be validated as part of ongoing dialogue between the Investment Stewardship Team and the Portfolio Managers and Research Analysts.

Portfolio Managers and Research Analysts in the International Equity Group ('IEG') also directly drive our engagement with the companies, and other companies in the Company's portfolio, addressing a broad range of ESG issues as part of their bottom-up stock analysis.

Examples of our recent activity with regard to stewardship and engagement with stocks in the Company's portfolio are provided below:

Dunelm

Our Investment Stewardship Team met with **Dunelm** on its operational performance and sustainability practices. Our discussion focused on the key topics of cybersecurity, living wage, gender pay gap and responsible sourcing. We had previously asked the company for full disclosure on its cybersecurity framework, and they have since further developed their IT security governance and recruited to improve this capability. It was encouraging to see the progress the company has made in identifying vulnerabilities and improving its framework around these risks. In relation to wages and the gender pay gap, we had previously asked for additional disclosures relating to fair pay, and this has been clearly articulated within their latest sustainability report. The company also revised its pay structure and was especially sensitive to this for its lowest paid employees whose pay may be more impacted by the escalation of living costs. We also asked the company to explain progress regarding long-term targets on responsible sourcing and incorporating a decarbonisation plan, in addition to their own brand cotton to be called as 'responsibly sourced cotton' by 2024. The company confirmed such programmes were in place and they are making progress in terms of expanding their Product Quality & Sustainability team by recruiting two environmental specialists. We were pleased to see the progress Dunelm has made with many issues having been resolved or solutions identified. We will continue engaging with the company.

Jet2

Our Investment Stewardship Team, together with analysts in the IEG, met with the CEO and CFO of Jet2, the British low-cost airline. We raised our concerns that the company's targets to reduce its carbon footprint are less ambitious than its aviation peers. The directors responded by stating that they believe in setting realistic targets and have focused on reducing their emissions intensity, which was reportedly less than their European peers. The company reported they have taken steps to reduce emissions through carbon offsetting measures. They are investing in energy efficient aircraft by installing winglets and using single engine taxis which will not only reduce fuel consumption but will also reduce greenhouse emissions. The directors have invested in Sustainable Aviation Fuels and suggested that the UK government should promote its production to make it affordable to meet the long term sustainability goals of the aviation industry. In addition, the company stated that they have set up carbon neutral offices and reduced the consumption of single use plastic by 80%.

Proxy voting

J.P. Morgan Asset Management exercises the voting rights of shares held in client portfolios, where entrusted with this responsibility. We seek to vote in a prudent and diligent manner, based exclusively on our reasonable judgement of what will best serve the financial interests of our clients. We aim to vote at all meetings called by the companies in which we are invested unless there are any market restrictions or conflicts of interests.

We believe that corporate governance is integral to our investment process. We examine the share structure and voting structure of the companies in which we invest, as well as the board balance, oversight functions and remuneration policy. For full details, please see the JPMorgan Asset Management Corporate Governance Policy & Voting Guidelines, copies of which are available on request, or to download from our website.

A summary of key voting statistics and activity for the Company during the year is detailed below:

Voting at shareholder meetings over the year to 31st December 2023

	For	Against	Abstain	Against/ Abstain Total	Total Items	% Against/ Abstain
Audit Related	125	0	0	0	125	0%
Capitalisation	270	3	0	3	273	1%
Company Articles	10	2	0	2	12	17%
Compensation	134	3	0	3	137	2%
Director Election	633	3	1	4	637	1%
Environmental	6	2	0	2	8	25%
Miscellaneous	1	1	0	1	2	50%
Mutual Funds	1	0	0	0	1	0%
Routine Business	120	2	0	2	122	2%
Social	46	0	0	0	46	0%
Strategic Transactions	2	2	0	2	4	50%
Takeover Related	58	0	0	0	58	0%
Total	**1,406**	**18**	**1**	**19**	**1,425**	

Examples of our proxy voting activity over the last year are provided below:

Safestore Holdings Plc

Issue

Safestore Holdings plc is a London listed self-storage provider operating in the UK and Europe. As part of changes to remuneration, the company is proposing a 10% salary increase for executive directors and a significant increase in the long-term incentive plan. We expect companies to exercise restraint when increasing executive pay and such a large increase needs to be sufficiently justified.

Action

In engagement with the company, we noted that the proposed increase would bring the overall compensation to upper quartile should performance targets be met. The company acknowledged this but explained that overall pay for top management is below lower quartile; to ensure continued attraction, retention, and motivation they felt that an increase in compensation was needed. We acknowledged that should the company have to recruit externally for a new CEO or executive team, they would have to offer a significantly higher base pay and more standardised Long-Term Incentive Plan ('LTIP'). We proposed the company align the salary increase with the wider workforce for the year, alongside the increase in the LTIP, and take a more phased approach to salary increases over the life of the remuneration policy.

Outcome

Ahead of the 2023 Annual General Meeting, the company proposed a modest salary increase for the executive management team at 3% compared to the average salary increase provided to Safestore employees at 6.9% during 2022. As a result, we voted in favour of the remuneration report at the 2023 Annual General Meeting.

Environmental, Social and Governance Report

Unilever

Issue

Unilever is a consumer staples business, focusing on household brands, with a five distinct business groups: Beauty & Wellbeing, Personal Care, Home Care, Nutrition and Ice Cream. At this year's Annual General Meeting, shareholders were informed that the incoming CEO's salary was set 18.5% higher than the predecessor's salary, and ahead of market peers.

Action

We held engagements with the company during 2021 and 2022, raising concerns on operational performance and the company's approach to allocating capital. In 2022, we had voted against the management team, chair and one director at the Annual General Meeting due to no changes in operational performance and concerns regarding board effectiveness. While we appreciated the positive dialogue and acknowledgement of improving performance, we have not seen evidence of this and, as a result, at the 2023 Annual General Meeting we voted against approving the remuneration report. We deemed it prudent to also vote against the re-election of the chair as well as one of the directors for accountability.

Outcome

Following the Annual General Meeting, 58% of shareholders voted against approving the remuneration report. The high number of shareholders showing dissent encouraged the company to consider revisions to performance metrics and to listen to shareholder views regarding the rationale behind the significant dissent. The company explained that the predecessor's salary was significantly lower than market peers at the outset, which had not been transparently disclosed to shareholders. We also explained our rationale for voting against the chair and director reappointments.

The Future

In investing your Company's assets, your Portfolio Managers have always looked for companies with the ability to create value over the long term. That scrutiny remains firmly embedded in our process and we know that the Directors of the Company, shareholders and potential investors, view attention to financially material ESG factors as important in their assessment of us as an Investment Manager. We expect ESG to remain an important consideration in the Company's portfolio and the course being taken by regulators suggests that its importance will only increase in years to come. The research we do and the approach we take in investing the Company's assets will continue to reflect that and to evolve as necessary.

In 2022, JPMorgan Asset Management successfully become a signatory to the UK Stewardship Code. This reflects our commitment to our stewardship responsibilities to drive positive corporate change and industry developments that benefit our clients and the communities we serve.

JPMorgan Asset Management

Business Review

The Directors present the Strategic Report for the Company's financial year ended 31st December 2023. 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 for the collective benefit of shareholders. The Chairman's Statement, together with the Investment Manager's Report, Principal and Emerging Risks, Long Term Viability Statement and Section 172 Statement form part of this Strategic Report.

Business Model and the Company's Objective

The Company is an externally managed investment trust company that has a premium listing on the London Stock Exchange. As an externally managed investment company, all of the Company's day-to-day management and administrative functions are outsourced to service providers. As a result, the Company has no executive Directors, employees or internal operations. The Company invests directly into companies listed on the London Stock Exchange.

Its objective is to provide shareholders with capital and income growth from UK investments. In seeking to achieve its objective, the Company engages the Manager which, in turn, delegates portfolio management to the Investment Manager, to actively manage the Company's assets. On behalf of the Investment Manager, the Portfolio Managers manage the Company's investment portfolio. The Board is responsible for all aspects of the Company's affairs, including the setting of parameters for and the monitoring of the investment strategy as well as the review of investment performance and policy. It also has responsibility for all strategic issues, the dividend policy, the share issuance and buy-back policy, gearing, share price and discount/premium monitoring and corporate governance matters. The Board has determined an investment policy and related guidelines and limits, as described below, within which the Investment Manager must operate. It aims to outperform its benchmark, the FTSE All-Share Index.

Status

The Company is subject to UK and European legislation and regulations (where EU regulation has been 'onshored' into UK law) including UK company law, UK Financial Reporting Standards, the UK Listing, Prospectus, Disclosure Guidance and Transparency Rules, the UK Market Abuse Regulation, taxation law and the Company's own Articles of Association.

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 the Company will not continue to retain its investment trust status. The Company is not a close company for taxation purposes.

A review of the Company's activities and prospects is given in the Chairman's Statement on pages 10 to 13, and in the Investment Manager's Report on pages 14 to 21. The Company's Investment Policy is described on the inside front cover and below.

The Company's purpose, values, strategy and culture

The purpose of the Company is to provide a cost effective, investment vehicle for investors who seek capital and income growth from UK investments. To achieve this, the Board is responsible for engaging and overseeing an investment management company that has appropriate investment expertise, resources and controls in place to meet the Company's investment objective.

Our values centre around integrity, accountability and discipline. The Board consider these values to be integral to the Company's long-term strategy.

Our investment strategy is constructed to produce outperformance against the FTSE All-Share Index (the 'Benchmark') over the longer-term. 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 Manager and its other third party service providers.

Investment Policies and Risk Management

In order to achieve its investment objective and to seek to manage risk, the Company invests in a diversified portfolio consisting mostly of leading companies listed on the London Stock Exchange. It uses short and long term gearing to increase potential returns to shareholders.

The Company's investment policies and restrictions are:

- That the portfolio must consist of between 60 and 80 investments.
- To invest no more than 15% of gross assets in other UK listed investment companies (including investment trusts).
- To invest no more than 15% of gross assets in any individual investment (including unit trusts and open ended investment companies) at the time of acquisition.
- To invest no more than 10% of gross assets to be invested in companies that themselves may invest more than 15% of gross assets in UK listed investment companies.
- To use long and short term gearing to increase potential returns to shareholders (excluding the effect of any futures) is to operate within a range of 5% net cash to 20% geared in normal market conditions. The Manager has been granted discretion by the Board to vary the gearing level between 5% net cash and 17.5% geared (including the

Business Review

effect of any futures). During the year, gearing varied between 0.6% net cash and 8.9% (including the use of any futures).

- To use FTSE index futures to effect changes in the level of the Company's gearing.

Investment Restrictions and Guidelines

The Board seeks to manage the Company's risk by imposing various investment limits and restrictions that form part of the investment policy as follows:

- Total exposure to small cap companies will normally range between +/–5% of the FTSE Small Cap Index weighting within the FTSE All-Share Index.
- The maximum overweight exposure to an investment is +3% relative to its weight in the benchmark index. There is no requirement for the Manager to have a maximum underweight exposure; however the risk implications of any large underweight position will always be considered within the context of the broader portfolio.
- A maximum of 5% of the Company's assets may be invested in companies outside the FTSE All-Share Index.
- The maximum exposure to a sector will normally range between +/–10% relative to the benchmark index.
- To gain the appropriate exposure, the Manager is permitted to invest in pooled funds.
- The Company seeks to manage its risk relative to its benchmark index by limiting the active portfolio exposure to individual stocks and sectors.
- The use of derivative instruments is subject to the prior approval of the Board, which sets appropriate limits and restrictions.

Compliance with the Board's investment restrictions and guidelines is monitored continuously by the Manager and is reported to the Board on a monthly basis These limits and restrictions may be varied by the Board at any time at its discretion.

Performance

In the year to 31st December 2023, the Company produced a total return to shareholders of 2.9% and a total return on net assets (with debt at par value) of 7.3%. This compares with the total return on the Company's Benchmark of 7.9%. At 31st December 2023, the value of the Company's investment portfolio was £439.1 million (2022: £445.6 million). The Investment Manager's Report on pages 14 to 21 includes a review of developments during the year as well as information on investment activity within the Company's portfolio.

Key Performance Indicators ('KPIs')

The Board uses a number of financial KPIs to monitor and assess the performance of the Company. The KPIs used are regarded as being most relevant to the Company.

Details of some of the terms referred to below can be located in the Glossary of Terms and Alternative Performance Measures on pages 100 to 102. The principal KPIs are:

- **Performance against the Benchmark**

Charts of the Company's performance relative to its Benchmark over 1, 3, 5 and 10 years are shown on pages 8 and 9.

- **Performance against the Company's peers**

The principal objective is to achieve capital and income growth from UK investments. Outperformance is measured relative to the Benchmark. However, the Board also monitors the Company's performance relative to a broad range of competitor funds.

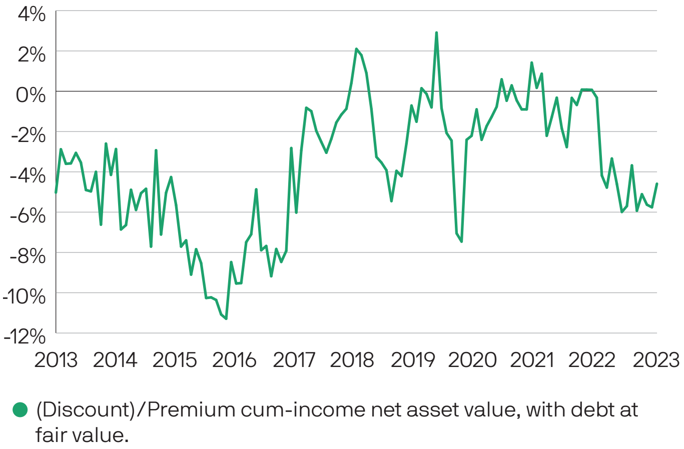
- **Performance attribution**

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 of returns such as stock selection. Details of the attribution analysis for the year ended 31st December 2023 are given in the Investment Manager's Report on page 15.

- **Share price discount to NAV per share**

The Board has for several years operated a share repurchase and issuance policy that seeks to address short term imbalances in supply and demand for the Company's shares within the market and thereby seek to reduce the volatility and absolute level of the discount or premium to NAV per share at which the Company's shares trade. The chart overleaf shows the discount and premium at which the Company's shares have traded over the ten year period to 31st December 2023. During the year the discount at which the Company's shares traded relative to its NAV ranged from a high of 6.84% to a low of 0.32%, excluding on 2nd January 2023 when the Company's share price peaked and traded at a premium of 0.27%, averaging a discount of 4.9%.

(Discount)/Premium



Source: Datastream (month end data).

- **Ongoing charges**

The ongoing charges 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. The ongoing charges for the year ended 31st December 2023 were 0.70% (2022: 0.70%). The Board reviews each year an analysis which shows a comparison of the Company's ongoing charges and its main expenses with those of its peers. The analysis showed that the Company's ongoing charges compare reasonably with those of its peers.

Discount and Premium Management Policy

The Board's policy is to actively manage the discount and premium to NAV at which the Company's shares trade. At the Company's annual general meeting in 2023 shareholders renewed the authority to repurchase shares and for the sale of shares from Treasury at a discount of no more than 2% (cum income NAV with debt at fair value). In addition, the Directors were authorised to issue new shares at a premium to NAV (cum income NAV with debt at fair value), after the costs of issue. During the year 2,360,513 shares were repurchased (2022: nil) and no shares were resold from Treasury (2022: nil). At the year end, there were 2,360,513 shares held in Treasury (2022: nil). Subsequent to the year end, the Company has bought back 331,883 shares to 19th March 2024.

The Directors intend to continue with the active discount and premium management policy. As a result the Board intends in normal market conditions to repurchase shares offered on the market at prices representing discounts to NAV of 5% or more, with such shares to be held in Treasury. In response to market demand the Company is willing to sell shares from Treasury at a discount to NAV, subject to a maximum discount of 2%. In addition, new shares are available for issue at a premium to NAV, after costs of issue.

The NAV to be used for share buybacks, sales of shares out of Treasury and share issuance is cum income debt at fair value, this being the NAV basis calculated daily by the Company and most commonly used by market participants.

Resolutions to renew the authorities to repurchase shares, sell shares out of Treasury at a discount to NAV and issue new shares will be put to shareholders at the forthcoming Annual General Meeting. The required resolutions are set out in the Notice of Annual General Meeting on pages 96 and 97.

During the year, no new shares were issued (2022: 710,000).

Borrowings

The Company has £30 million of fixed rate (3.22%) 25 year unsecured loan notes. In addition, the Company has in place a £80 million two year floating rate loan facility with Mizuho Bank Limited which matures in May 2024. It is proposed that a new facility will be entered into, and a preferred option has been identified.

Financial Risk Management

The principal and emerging risks facing the Company are set out on pages 34 to 36. The principal financial risks relating to financial instruments and details of risk mitigation factors are set out in note 21 of the financial statements.

Board Diversity and Inclusion

It is the Board's policy that the appointment of non-executive directors will be made on merit and the best person for the role. This said, the Board is supportive of, and takes into account, the benefits of having a diverse range of experience, skills, perspectives, opinions and backgrounds, including gender and ethnicity, which facilitate Board debate to enable the successful delivery of the Company's strategy. The Board, through the Nomination Committee, has reviewed the Company's succession plan. Please see pages 49 to 50 for further information on the Nomination Committee.

In respect of the Board's diversity, at 31st December 2023, there were two male Directors and three female Directors on the Board, representing 60% of women on the Board, which exceeds the target for female representation on boards set by the UK Government backed FTSE Women Leaders Review. One of the female Directors held a senior role on the Board and the Board also had one Director from an ethnic minority background. Therefore, the Board meets the FCA requirements that: i) 40% of a board should be women; ii) at least one senior role should be held by a woman; and iii) at least one board member should be from a non-white ethnic background, as defined by the Office of National Statistics criteria.

As an externally managed investment company with no chief executive officer or chief financial officer, the roles which

Business Review

qualify as senior under FCA guidance are Chair and Senior Independent Director.

In accordance with Listing Rule 9.8.6R (9), (10) and (11) the Board has disclosed the following information in relation to its diversity based on the position at the Company's financial year ended 31st December 2023:

Gender	Number of Board Members	Percentage of Board Members	Number of Senior Roles[1]
Men	2	40	1[2]
Women	3	60	1[3]
Prefer not to say	0	0	0

Ethnicity	Number of Board Members	Percentage of Board Members	Number of Senior Roles[1]
White British (or any other white background)	4	80	2
Mixed/Multiple Ethnic Groups	1	20	0
Prefer not to say	0	0	0

[1] The roles of Chairman of the Board of Directors and Senior Independent Director.

[2] Mr Fletcher in the role of the Chairman of the Board.

[3] Ms May in the role of the Senior Independent Director.

The data in the above tables was collected through self-reporting by the Directors, who were asked to indicate which of the categories specified in the prescribed tables were most applicable to them.

At 31st December 2023, the Board met the targets on gender and ethnic representation on the Board.

Employees, Social, Community, Environmental and Human Rights Issues

The Company is managed by its Manager, has no employees and all of its Directors are non-executive. The day to day activities are carried out by third parties. There are therefore no disclosures to be made in respect of employees.

The Company has no direct social or community responsibilities or impact on the environment. It has not adopted an ESG investment strategy nor does it modify the Company's investment objective. However, the Board is aware of, and supports, the Investment Manager's approach to financially material ESG considerations where the focus is on the economic impact of the involvement, as integrated into the Investment Manager's investment process. The Investment Manager engages in meaningful interactions with investee companies through dedicated meetings and exercises the Company's proxy votes in a prudent and diligent manner in the interests of our shareholders. An explanation of the Investment Manager's overall approach to ESG is on pages 25 to 28. The Board further notes JPMAM's global policy statements in respect of ESG issues as follows:

JPMAM believes that companies should act in a socially responsible manner. We believe environmental, social and governance ('ESG') considerations, particularly those related to governance, can play a critical role in long-term investment strategy. As an active investment manager, engagement is an important and ongoing component of our investment process, and we view frequent and direct contact with company management as critically important. When considering investment options, we supplement our proprietary thinking with research from a variety of third-party specialist providers and engage directly with companies on a wide array of ESG issues. Our governance specialists regularly attend scheduled one-on-one company meetings alongside investment analysts to help identify and discuss relevant issues. Although our priority at all times is the best economic interests of our clients, we recognise that ESG issues have the potential to impact the share price, as well as the reputation of companies.

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.

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.

Greenhouse Gas Emissions

The Company itself has no premises, consumes no electricity, gas or diesel fuel and consequently does not have a measurable carbon footprint. As a low energy user under HMRC guidelines it is not required to disclose energy and carbon information. The Board notes the policy statements from the Investment Manager in respect of Social, Community and Environmental and Human Rights issues and Greenhouse Gas Emissions and that it is a signatory to the CDP (formerly known as Carbon Disclosure Project).

The Company, as a closed ended investment fund, is currently exempt from complying with the Task Force on Climate-related Financial Disclosures.

The Modern Slavery Act 2015

The Modern Slavery Act 2015 (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 the Manager and Investment Manager. We are supportive of JPMorgan's approach in this regard, which can be found here: https://www.jpmorganchase.com/about/our-business/human-rights

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. As the Company has no employees, the Board's focus is to ensure that the risk of the Company's service providers facilitating tax evasion is also low. To this end it seeks assurance from its service providers that effective policies and procedures are in place.

Future Prospects

The Board continues to focus on providing capital and income growth from UK investments. The outlook for the Company is discussed in both the Chairman's Statement and the Investment Manager's Report.

Principal and Emerging Risks

The Board, through delegation to the Audit Committee, has undertaken a robust assessment and review of the principal risks facing the Company, together with a review of any new and emerging risks that may have arisen during the year to 31st December 2023, including those that would threaten its business model, future performance, solvency or liquidity.

With the assistance of the Manager, the Audit Committee has drawn up a risk matrix, which identifies the key risks to the Company, as well as emerging risks. The risk matrix, including emerging risks, are reviewed formally by the Audit Committee every six months or more regularly as appropriate. During the year under review, the Audit Committee worked extensively with the Manager to review and update the risk matrix. At each meeting, the Board considers emerging risks which it defines as potential trends, sudden events or changing risks which are characterised by a high degree of uncertainty in terms of occurrence probability and possible effects on the Company. As the impact of emerging risks is understood, they may be entered on the Company's risk matrix and mitigating actions considered as necessary. In assessing the risks and how they can be mitigated, the Board has given particular attention to those risks that might threaten the viability of the Company. These key and emerging risks are listed below:

Principal risk	Description	Mitigating Activities	Movement During the Year
Cybersecurity	Threat of cyber-attack, in all its guises such as hacking, malware, ransomware etc is regarded as at least as important as more traditional physical threats to business continuity and security. In addition to threatening the Company's operations, such an attack is likely to raise reputational issues which may damage the Company's share price and reduce demand for its shares	The Company benefits directly or indirectly from all elements of JPMorgan's cyber security programme. The Directors scrutinise the Manager's internal controls to assure the Board that the Company's data is appropriately protected and give assurance over monitoring of outsourcers. The controls around the physical security of JPMorgan's data centres, security of its networks and security of its trading applications are tested by the independent reporting auditor and reported on every six months against the AAF 01/06 Standard.	→ To date, the Manager's extensive cyber security arrangements are in operation.
Share price discount to NAV	The shares of the Company are traded freely and are therefore subject to the influences of supply and demand and investors' perception to the markets the Company invests in. The share price is therefore subject to fluctuations and like all investment trusts may trade at a discount to the NAV which could lead to significant buyback activity and a reduction in the size of the Company.	The Board seeks to narrow the discount by undertaking measured buybacks of the Company's shares taking account of market conditions and having established explicit guidelines. The Company and Manager work with the Corporate Broker to understand demand for the Company's shares.	→ The Board continued to use targeted buybacks of the Company's own shares to manage the discount at which the Company's shares traded.
Market factors such as interest rates, inflation and equity market performance	Market factors such as interest rates, inflation and equity market performance may impact the value of investments and the performance of the Company.	The Board monitors the implementation and results of the investment process and regularly discusses portfolio positioning with the portfolio management team. The Board has set investment restrictions and guidelines, which are monitored and reported on by the Investment Manager. The Board monitors the changing risk landscape and potential threats to the Company with the support of regular reports and ad hoc reports as required, the directors' own experience and external insights gained from industry and shareholder events.	↗ The UK economy has been affected by high inflation, which has been more persistent in the UK than elsewhere. This has continued to impact the UK equity market.

Principal and Emerging Risks

Principal risk	Description	Mitigating Activities	Movement During the Year
Strategy and Performance	Inappropriate or poorly executed investment or business strategy, for example asset allocation or the level of gearing, may lead to underperformance against the Company's benchmark index and peer companies, resulting in the Company's shares trading on a wider discount.	The Board manages these risks by setting its objectives carefully and through diversification of Investments. The Company operates various investment restrictions and guidelines designed to ensure that the mandate given to the Investment Manager is properly executed and these guidelines are monitored and reported on by the Manager. The Board monitors the implementation and results of the investment process with the Portfolio Managers, who attend all Board meetings, and reviews data which show statistical measures of the Company's risk profile. The Investment Manager has been delegated powers from the Board to determine appropriate levels of gearing within a strategic range set by the Board. The Board holds a separate meeting devoted to strategy each year which includes a review of the Company's mandate and the investment environment.	The Company continues to pursue its investment objective in accordance with the agreed strategy. The Board continued to monitor the performance of the portfolio over the year under review. The Board is aware that performance has been modestly weaker against the Benchmark for the year and over the longer term.
Legal and Regulatory/ Corporate Governance	As an investment trust, the Company's operations are subject to wide ranging regulations. The financial services sector continues to experience significant regulatory change at national and international levels. Failure to act in accordance with these regulations could cause fines, censure or other losses including taxation or reputational loss. Breach of Company Law or UK Listing Rules resulting in suspension.	The Company, through the Manager, has procedures to monitor the status of its compliance with all relevant requirements which include maintaining its Investment Trust status. These cover receiving and reviewing information and reporting from the Manager and Investment Manager. The Depositary (The Bank of New York Mellon (International) Limited) reports regularly on third party service providers and their compliance with expected standards of performance and these reports are reviewed by the Audit Committee.	The Company continued to adhere to relevant requirements.
Climate change	The risk or impact of climate change may be higher than currently estimated or the increase may be more significant than currently planned. This could have varying impacts on the business models, sustainability and viability of individual companies, whole sectors and even asset classes.	The Board receives ESG reports from the Investment Manager on the portfolio and how financially material ESG considerations are integrated into investment decision making so as to mitigate risk at the level of stock selection and portfolio construction. The analysis conducted by the Investment Manager includes the approach investee companies take to recognising and mitigating climate change risks. The Board also considers the threat posed by the direct impact on climate change on the operations of the Manager, Investment Manager and other major service providers. As extreme weather events become more common, the resilience, business continuity planning, and the location strategies of the Company's services providers will come under greater scrutiny.	The Investment Manager has responsibility for ESG. Whilst the Company is not a sustainable or ESG investment vehicle, a broader view of sustainability remains a part of the investment process. Please see page 25 for the ESG Report.

Principal and Emerging Risks

Principal risk	Description	Mitigating Activities	Movement During the Year
Geopolitical and macro-economic	There is an increasing risk to market stability and investment environment from actual or potential geopolitical conflicts (for example, the Russian invasion of the Ukraine, as well as growing tensions in Southeast Asia and in the Middle East following the conflict between Hamas and Israel), which may impact both investment performance and/or the operating environment for the Company, Manager, Investment Manager or the Company's other third party service providers.	The Investment Manager continuously monitors geopolitical developments and societal issues relevant to its business. These are also considered as part of portfolio construction. The Company is a closed-end vehicle and, unlike open-ended funds, does not have to sell investments at low valuations in volatile markets.	The rise in geopolitical tensions contributed to volatility and economic disruption over the year.
Loss of Investment Team	Loss of key staff by the Investment Manager, such as the Portfolio Managers, could affect the performance of the Company.	The Board keeps the services of the Manager, Investment Manager and third-party service providers under continual review. The Board obtains assurances from the Investment Manager that the team is suitably resourced, and appropriately remunerated and incentivised in its role. The Board also considers the succession plan for the portfolio management team on an annual basis.	This risk remains stable. The Portfolio Managers are supported by significant resource within the Investment Manager.
Operational	Disruption to, or failure of, the Manager's accounting, dealing or payments systems or the depositary's or custodian's could prevent accurate reporting and monitoring of the Company's financial position. The risk of fraud or other control failures within the Manager or other service providers could result in losses to the Company.	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 within the Risk Management and Internal Control section of the Corporate Governance report on page 51. The Audit Committee receives independently audited reports on the Manager's, the Investment Manager's and other service providers' internal controls, as well as regular reporting from the Manager's Compliance function. The Company's management agreement obliges the Manager to report on the detection of fraud relating to the Company's investments and the Company is afforded protection through its various contracts with third party service providers, of which one of the key protections is the Depositary's indemnification for loss or misappropriation of the Company's assets held in custody.	To date, the Manager's operations and controls have proven robust. The Company has not been impacted by any operational issues.

Emerging Risks

The Board has considered and kept under review emerging risks. The sole emerging risk has been identified:

Artificial Intelligence ('AI')

While it might be deemed a great opportunity and force for good, there is an increasing risk to business and society more widely from AI. Advances in computing power means that AI has become a powerful tool that will impact a huge range of areas and with a wide range of applications that include the potential to disrupt and even to harm. In addition, the use of AI could be a significant disrupter leading to added uncertainty in corporate valuations.

Long Term Viability

The Company is an investment trust with an objective of achieving capital and income growth from UK investments. The Company enjoys the benefit of the closed ended structure and is therefore better able to withstand market movements since it is not subject to forced liquidation of investments due to sudden or large redemptions by shareholders.

The Board notes by way of context that the Company has invested through many difficult economic and market cycles since its incorporation in 1963. The Board is cognisant of the unusually high levels of political, economic and market uncertainty being experienced at the current time and its potential impact on the prospects of many of the Company's portfolio holdings. Notwithstanding the factors stated below, the Board expects the Company to continue for the foreseeable future and has conducted its assessment for a period of five years.

In conducting its assessment of the long term viability of the Company, the Board has taken account of the Company's current financial position, its debt level and debt covenants, the liquidity of its holdings as well as the principal and emerging risks that it faces (see pages 34 to 36), the investment capabilities of the Investment Manager, its historic longer term investment performance and the current outlook for the UK economy and its equity markets.

The Board has further considered the mitigation measures which key service providers, including the Manager and Investment Manager, have in place to maintain operational resilience.

In addition to the above, the Company has carried out stress testing in connection with the Company's stated principal risks including a number of scenarios where the Company might be put under significant stress due to market volatility or other exogenous shocks. This included modelling the impact of substantial market falls, and testing portfolio liquidity under stress. The scenarios assumed that there would be no recovery in asset prices.

The results demonstrated the impact on the Company's NAV, its expenses, its debt levels and the covenants attached to that debt as well as the Company's ability to meet its liabilities. In even the most stressed scenario, the Company was shown to have sufficient cash, or to be able to liquidate a sufficient portion of its listed holdings, in order to meet its liabilities as they fall due. See note 13 on page 84.

In determining the appropriate period of assessment, the Directors had regard to their view that, given the Company's objective of achieving long term capital and income growth, shareholders should consider the Company as a long term investment proposition. This is consistent with advice provided by investment advisers, that investors should consider investing in equities for a minimum of five years. Thus, the Directors consider five years to be an appropriate time horizon to assess the Company's viability.

The Directors confirm that they have a reasonable expectation, on the assumption that the principal and emerging risks identified above, including investment underperformance, are managed or mitigated effectively, and based on the outcomes of the stress testing procedures described above that the Company will be able to continue to operate and meet its liabilities as they fall due over the five year period of assessment.

For and on behalf of the Board
David Fletcher
Chairman

20th March 2024

Duty to Promote the Success of the Company

Section 172 of the Companies Act 2006 ('Companies Act') states that: A Director of a company must act in the way that, is considered in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the following six items.

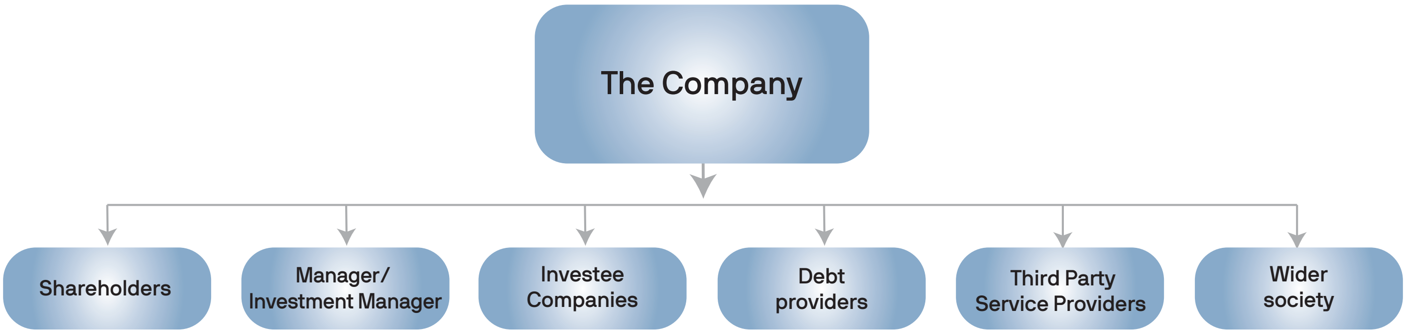
The likely consequences of any decision in the long term	In managing the Company, the aim of both the Board and Manager is always to ensure the long-term sustainable success of the Company and, therefore, the likely long-term consequences of any decision made by the Board are a key consideration. In managing the Company during the year under review, the Board acted in the way which it considered, in good faith, would be most likely to promote the Company's long-term sustainable success and to achieve its wider objectives for the benefit of shareholders as a whole, having had regard to the wider stakeholders and the other matters set out in section 172 of the Companies Act.
The interests of the Company's employees	The Company does not have any employees.
The need to foster the Company's business relationships with suppliers, customers and others	The Board's approach is described under 'Stakeholders' on the next page.
The impact of the Company's operations on the community and the environment	The Board sets the overall strategy of the Company, which takes a close interest in ESG. However, the Board has appointed a Manager that, through its Investment Manager, integrates financially material ESG considerations into its investment process, with the goal of enhancing long-term, risk-adjusted financial returns. Further details are set out in the ESG report on pages 25 to 28.
The desirability of the Company maintaining a reputation for high standards of business conduct	The Board's approach is described under the Company's Purpose, Values, Strategy and Culture on page 29.
The need to act fairly between members of the Company	The Board's approach is described under 'Stakeholders' on the next page.

The Board's philosophy is that the Company should foster a culture where all parties are treated fairly and with respect and the Board recognises the importance of keeping the interests of the Company's stakeholders, and of acting fairly between them, front of mind in its key decision making.

Duty to Promote the Success of the Company

Stakeholders

The Board has identified the following as its key stakeholders:



The Board believes the best interests of the Company are aligned with those of these key stakeholders as all parties wish to see and ultimately 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 these stakeholders:

Stakeholder Engagement
Shareholders
Ongoing shareholder engagement is critical to the continued existence of the Company and the successful delivery of its long-term strategy. The Board is focused on fostering and maintaining good working relationships with shareholders and on understanding their needs in order to incorporate them into the Board's strategic thinking and objectives. The Manager has a dedicated sales team. Representatives of this team regularly meet with those shareholders that are happy to engage with them, in particular institutional shareholders, and provides the Board with ongoing feedback. The Portfolio Managers also attend and present at retail events, such as the Mello Investor Events and the annual Master Investor Show. The Manager provides feedback on meetings with shareholders to the Board. The Chairman is available to meet with shareholders who may wish to meet with him. Please contact the Company Secretary via email; invtrusts.cosec@jpmorgan.com. While it can be relatively straightforward for the Board to engage with, and be appraised of, institutional shareholder views through the Manager's sales team, the Board is keen to increase dialogue with the Company's existing and potential new retail shareholders. Investors holding their shares through online platforms are encouraged to sign up to receive email updates from the Company. These updates will deliver regular news and views on the UK equity market, as well as the latest performance statistics.To sign up to receive these communications, please visit website **https://tinyurl.com/JCH-Sign-Up** Shareholders are encouraged to attend the Company's Annual General Meeting, which can be in person or online, albeit shareholders are able to only view the meeting online and not participate in voting. The Portfolio Managers attend the Annual General Meeting and give a presentation on the Company's performance and the future outlook. Voting at the 2023 Annual General Meeting was taken on a poll and the results on each resolution, which were all strongly in favour, were published on the Company's website. In the event that shareholders wish to raise issues or concerns with the Board, they are welcome to do so at any time by writing to the Chairman at the registered office. Other members of the Board are also available to shareholders if they have concerns that have not been addressed through the normal channels.
Manager and Investment Manager
The performance of both the Manager and Investment Manager is important for the Company to successfully deliver its investment strategy. The Board maintains a constructive and good working relationship with both the Manager and Investment Manager, in particular the Portfolio Managers, who are responsible for managing the Company's portfolio, to meet its objective. The Manager provides administrative support and promotes the Company through its investment trust sales and marketing teams. The Investment Manager, through the Portfolio Managers, manages the Company's portfolio. 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

Duty to Promote the Success of the Company

extend well beyond the formal business addressed at Board meetings. This ensures the Board is rapidly informed of Manager and shareholder views, as well the Company's discount levels. This also provides that the Manager is fully aware of the Board's views and its requirements.

Investee companies

The Board actively monitors the activities of investee companies through its delegation to the Investment Manager. The Investment Manager has discretionary powers to exercise voting rights on all resolutions proposed by the investee companies. On behalf of the Company, the Investment Manager votes at the annual general meetings and extraordinary meetings of investee companies (full details can be found on page 27). The Board monitors investments made and divested and questions the rationale for exposures taken.

Debt providers

The continued availability of debt to the Company is an important contributing factor to the delivery of the Company's strategy and returns. The Company, through its Manager, maintains the relationship with, and continued engagement with, its debt providers, which includes regular debt compliance reporting.

The Board, in discussion with the Portfolio Managers, regularly reviews the Company's debt position. This process includes identifying the need for finance, the type of finance and the parties to work with.

Third party service providers

The Board ensures that it promotes the success of the Company by engaging specialist third party service providers, with appropriate capability, performance records, resources and controls in place to deliver the services that the Company requires for support in meeting relevant obligations and safeguarding the Company's assets. For this reason, the Board consider the Company's Custodian, Depositary, Registrar and Broker to be stakeholders. The Board maintains regular contact with its key external service providers, either directly, or via its dedicated Company Secretary, and receives regular reporting from them at Board and Committee meetings. The Management Engagement Committee meets annually to appraise and review the Company's key service providers, including performance, fees and capabilities. The Audit Committee reviews and evaluates the financial reporting control environments in place at the key third party service providers.

Wider society and the environment

Whilst strong long term investment performance is essential for an investment trust, the Board recognises that both it and the Investment Manager should have regard to ethical and environmental issues that impact society. The Portfolio Managers will consider the impact of financially material ESG factors, whether positive or negative, on an investee company's ability to deliver attractive returns as part of the broader investment process. Further details of the Investment Manager's approach to ESG can be found on pages 25 to 28.

The Investment Manager is a signatory to the UK Stewardship Code. This reflects its commitment to stewardship responsibilities and to drive positive corporate change and industry developments to benefit not only the Company but also the environment and wider society over the long-term.

Key Decisions and Actions

The Directors confirm that they have considered their duty under Section 172 when making decisions during the financial year. Examples of the Board's principal decisions during the year, how the Board fulfilled its duties under section 172 are set out below:

Share Price Rating to Net Asset Value ('NAV') per Share

The widening of the Company's discount occurred at the start of the financial year, partially as a result of JPMorgan Elect divesting its holding in the Company following its combination with JPMorgan Global Growth & Income plc.

This was combined with the year being another challenging year where very few investment trusts, regardless of performance, asset class or investment approach, were immune from discount volatility as a result of unfavourable global market conditions caused by factors such as the ongoing geopolitical crises in Russia-Ukraine and the Middle East, inflation, interest rate increases and a challenging environment within the investment trust sector.

The Board recognises that a widening of, and volatility in, the Company's discount is seen by some investors as a disadvantage of investments trusts. Your Board discussed the prevailing level of discount and sought a narrower and more stable discount.

Duty to Promote the Success of the Company

The Board made the decision to start buying back its own shares, which included consideration of the management of capital. Over the long-term, the Board is seeking a stable discount or premium commensurate with investors' appetite for UK equities and the Company's various attractions, not least the quality of the investment team and its investment process.

Management Fee

To enable the Company's cost basis to remain competitive whilst rewarding the Manager for its efforts, with effect from 1st July 2023, following the Management Engagement Committee's review of the investment management fees, the Company's Manager reduced its fees. The revised management fee payable to the Manager is now on a tiered basis at an annual rate of 0.45% of the Company's net assets on the first £400 million and at 0.40% of net assets above that amount. This compares with the previous arrangement under which the management fee was charged at an annual rate of 0.55% on the first £400 million of Company assets and 0.40% thereafter.

Continued appointment of the Manager

The Board has reviewed the competitiveness of the management fee and the Company's other operating costs and held the Investment Manager to account for investment performance. A review of the Manager, which included the Investment Manager and Portfolio Managers, was undertaken during the year. Post the review process, the Board re-appointed the Manager.

FY2023 Dividend

The Board's dividend policy is to seek to increase the total dividend each year and, taking a run of years together, to increase dividends at a rate close to or above inflation. With inflation in the UK reaching a 30-year high during the year and a reduction in the Company's gross revenue from the prior year, the Board took the decision to increase the total dividend to 34.5p per share.

Change of Registrar

As part of review of its key service providers, the Company, through its Manager, undertook a review of its Registrar, which has been engaged by the Company for a number of years. After a request to various potential providers for proposals and a thorough due diligence process by the Manager, and after careful consideration, the Board has resolved to move the Company's registrar services from Equiniti Limited ('Equiniti') to Computershare Investor Service Plc ('Computershare') as it believes this to be in the best interest of shareholders.

The Manager and Computershare will ensure a smooth transition of the Company's shareholder register during the current year.

Asset Reunification Exercise

During the year, the Board considered and approved an asset reunification exercise conducted by the Company's Registrar, Equiniti, which aimed to reunify shareholders with their Company shares, together with any unclaimed dividends attached to those shares.

By order of the Board
Emma Lamb, for and on behalf of JPMorgan Funds Limited
Secretary

20th March 2024

Health Care

Board of Directors

David Fletcher‡† (Chairman of the Board)

A Director since 2015

Last appointed to the Board: 2023.

Finance Director of Stonehage Fleming Family & Partners Limited ('FF&P'), a multi family office until September 2019. David joined FF&P in 2002 and became Chief Financial Officer in 2009 and subsequent Group Finance Director. Prior to FF&P, he spent 20 years in investment banking in London, Hong Kong and Tokyo with JPMorgan, Robert Fleming & Co. and Baring Brothers & Co Limited. He is also a director of Aquila Energy Efficiency Trust plc and Ecofin U.S. Renewables Infrastructure Trust PLC. He is a Chartered Accountant.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 5,579.

Jill May*‡† (Senior Independent Director of the Board, Chair of the Nomination Committee and Management Engagement Committee)

A Director since 2017.

Last reappointed to the Board: 2023.

External Member of the Prudential Regulation Committee of The Bank of England. Jill is a non-executive director of abrdn Property Income Trust, Alpha Financial Markets Consulting plc and a Member of the Council of the Duchy of Lancaster. She was a non-executive director of the Institute of Chartered Accountants, of the Competition and Markets Authority (CMA) and a Panel Member of the CMA. Prior to this she spent 25 years in investment banking, 13 years in M&A with S.G. Warburg & Co and 12 years at UBS AG.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 7,004.

Nicholas Melhuish*‡† (Chair of the Audit Committee)

A Director since February 2020.

Last reappointed to the Board: 2023.

Fellow & Bursar of Corpus Christi, College Oxford. Nicholas is also a non-executive Director of Murray International Trust PLC and a Trustee of Trusthouse Charitable Foundation. He has 27 years of investment experience most recently as CIO Equities in London for the European asset manager, Amundi SA. He teaches the Asset Management Masterclass at the Said Business School, University of Oxford.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 6,807.

Victoria Stewart*‡† (Chair of the Remuneration Committee)

A Director since February 2020.

Last appointed to the Board: 2023.

A non-executive director of Secure Trust Bank PLC where she is Chairman of the Remuneration Committee. Victoria has over 22 years investment management experience and was investment manager of the Royal London UK Smaller Companies Trust Fund from its inception in 2007 to 2016. She is a Senior Independent Director of Artemis Alpha Fund plc and a non-executive director of Aberforth Smaller Companies Trust plc.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: None.

Joanne Fintzen*‡†

A Director since October 2022.

Last appointed to the Board: 2023.

A non-executive director of the TwentyFour Income Fund, where she is the Senior Independent Director. Joanne has extensive experience of the finance sector and the investment industry. She trained as a Solicitor with Clifford Chance and worked in the Banking, Fixed Income and Securitisation areas. She joined Citigroup in 1999 providing legal coverage to an asset management division. She was subsequently appointed as European General Counsel for Citigroup Alternative Investments where she was responsible for the provision of legal and structuring support for vehicles which invested $100 billion in Asset Backed Securities as well as hedge funds investing in various different strategies in addition to private equity and venture capital funds.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: None.

* Member of the Audit Committee.

‡ Member of the Nomination Committee, Remuneration Committee and Management Engagement Committee.

† Considered independent by the Board.

Directors' Report

The Directors present their review and the audited financial statements for the year ended 31st December 2023. In accordance with the UK Listing Rules and the Disclosure Guidance and Transparency Rules, the reports within the Directors' Report and the Strategic Report should be read in conjunction with each other. As permitted, some of the matters normally included in the Directors' Report have been instead included in the Strategic Report as the Board considers them to be of strategic importance.

Directors

All Directors of the Company, detailed on page 43, held office throughout the year to 31st December 2023 and up to the date of signing of the financial statements. Details of Directors' beneficial shareholdings can be found in the Directors' Remuneration Report on page 57. No Director reported an interest in the Company's debenture or loan notes during the year.

In accordance with corporate governance best practice, all Directors will retire at the Company's forthcoming AGM and, being eligible, will offer themselves for reappointment by shareholders. The Nomination Committee, having considered the Directors' 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 those standing for reappointment be reappointed. Statements supporting the Directors' reappointments can be found on pages 48 to 49.

Director Indemnification and Insurance

As permitted by the Company's Articles of Association, each Director has 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 financial year and as at the date of approval of the financial statements.

An insurance policy is 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.

Management of the Company

The Manager and Company Secretary is JPMF, a company authorised and regulated by the FCA. The active management of the Company's assets is delegated by JPMF to an affiliate, JPMAM. William Meadon and Callum Abbot are the designated Portfolio Managers responsible for the management of the Company's portfolio. The Manager is a wholly-owned subsidiary of JPMorgan Asset Management International Limited which, together with other subsidiaries, also provides marketing, banking, dealing and custodian services to the Company.

The Manager is engaged under a contract which can be terminated on three months' notice in the event of the Board giving notice as a result of poor performance; the notice period is 12 months for all other reasons, in both cases without penalty. If the Company wishes to terminate the contract on shorter notice, the balance of remuneration is payable by way of compensation.

Manager Evaluation

The Board continually monitors the performance of the Manager through review of regular reporting to the Board of performance data including review of performance against the Company's peer group, benchmark, stock selection, gearing and risk from the Manager.

The Alternative Investment Fund Managers Directive ('AIFMD')

JPMF is the Company's alternative investment fund manager ('AIFM'). It is 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. 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 and BNY is 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.jpmclaverhouse.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.

JPMF's remuneration disclosures are set out on page 94.

The Management Engagement Committee conducts a formal evaluation of the performance of the Manager and the Company's contractual relationship with the Manager on an annual basis. As the Manager delegates management of the portfolio to the Investment Manager, the evaluation also includes a review of the performance of the Investment Manager and the individual Portfolio Managers.
The Committee has thoroughly reviewed the performance of the Manager and the Investment Manager in the course of the year. The evaluation included the review of the investment strategy and processes of the Investment Manager, resources, risk controls and performance against the Benchmark over multiple periods. The evaluation further considered the support that the Company received from the Manager, including marketing and investor support, and as AIFM and Company Secretary to the Company. The latest evaluation of

Directors' Report

the Manager, Investment Manager and the Portfolio Managers was carried out in early 2024 by way of a questionnaire that was facilitated by an external provider this year, which provided a report on the outcome of the evaluation. As a result of that process, the Management Engagement Committee concluded, that in its opinion, the continuing appointment of the Manager on the terms agreed was in the interests of shareholders as a whole. The Board agreed with this recommendation.

Management Fee

The Management Engagement Committee has responsibility for the review of the management fee, which it reviews annually. During the year under review, the Board agreed with the Manager to reduce the Company's investment management fees on the advice of the Management Engagement Committee. With effect from 1st July 2023, the investment management fee is charged on a tiered basis at an annual rate of 0.45% of the Company's net assets on the first £400 million and at 0.40% of net assets above that amount. This compares with the previous arrangement under which the management fee was charged at an annual rate of 0.55% on the first £400 million of Company assets and 0.40% thereafter. The fee will continue to be calculated and paid monthly.

Investments on which JPMAM earns a management fee are excluded from the calculation and therefore attract no additional management fee. The fee is calculated and paid monthly in arrears.

Total Return, Revenue and Dividends

Gross return for the year amounted to £33,242,000 (2022: £30,433,000 loss) and net return after accounting for the management fee, other administrative expenses, finance costs and taxation amounted to £28,216,000 (2022: £35,248,000 loss). Distributable revenue for the year totalled £18,176,000 (2022: £20,536,000). The Directors declared a fourth quarterly interim dividend of 10.5 pence per share, which was paid on 1st March 2024 to shareholders on the register at the close of business on 26th January 2024. This, when added to the three quarterly interim dividends paid during 2023, made a total dividend for the year of 34.5 pence (2022: 33.0 pence), costing £20.3 million (2022: £19.8 million). Following payment of the fourth quarterly interim dividend, the revenue reserve will amount to £14.6 million (2022: £16.6 million), equivalent to approximately 25.35 pence (2022: 27.6 pence) per share based on the number of shares in issue as at 19th March 2024.

Disclosure of information to the 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) of which the Company's Auditor is unaware; and

(b) each of the Directors has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself 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 Section 418 of the Companies Act 2006.

Independent Auditor

PricewaterhouseCoopers LLP was appointed Auditor of the Company with effect from the 2020 Annual General Meeting. PricewaterhouseCoopers LLP has expressed its willingness to continue in office as the Auditor and resolutions to reappoint PricewaterhouseCoopers LLP and authorise the Directors to determine its remuneration for the ensuing year will be proposed at the Annual General Meeting.

Capital Structure

Capital Structure

At 31st December 2023, the Company's share capital comprised 60,145,653 ordinary shares of 25p each. During the year, 2,360,513 shares were repurchased and the Company did not issue any shares from Treasury. As at 31st December 2023 there were 2,360,513 shares held in Treasury. The Company did not issue any new shares during the year. Since the year end, 331,883 shares were repurchased into Treasury.

Voting Rights in the Company's shares

Details of the voting rights in the Company's shares as at the date of this report are given in note 16 to the Notice of Annual General Meeting on page 99.

Notifiable Interests in the Company's Voting Rights

At the financial year end, the Company had not been informed of any notifiable interest in the Company's voting rights

Since the year end and as at the date of this report, the Company has not been notified of any notifiable interests in the Company.

Miscellaneous Information

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.

Directors' Report

Listing Rule 9.8.4R

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

Annual General Meeting

Note: This section is important and requires your immediate attention. 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.

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 11 and 12)

The Directors will seek renewal of the authority at the Annual General Meeting to issue new ordinary shares for cash of up to 5,745,326 ordinary shares (representing 10% of the Company's issued ordinary capital, excluding Treasury shares, as at the latest practicable date before the publication of this document). The authority conferred by Resolution 11 will expire at the conclusion of the Annual General Meeting to be held in 2025 unless renewed at a prior general meeting.

Resolution 12 will enable the allotment of new ordinary shares pursuant to Resolution 11 or the sale of Treasury shares otherwise than by way of a pro-rata issue or sale to existing shareholders. This authority will also expire at the conclusion of the Annual General Meeting to be held in 2025 unless renewed at a prior general meeting.

The full text of Resolutions 11 and 12 is set out in the Notice of Meeting on page 96.

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. The proceeds of any such issue or sale will be available for investment in line with the Company's investment policies. The Board is seeking to renew the authority to issue up to 10% of the Company's issued share capital (excluding Treasury shares) in order to provide flexibility to issue shares at a premium and manage share price volatility to NAV.

In accordance with the Company's discount and premium management policy the Company is willing to sell any shares held in Treasury at a maximum 2% discount to NAV (cum income debt at fair value), subject to shareholders approving Resolution 14 at the Annual General Meeting. In addition, the Company may also issue new ordinary shares at a premium to NAV (cum income debt at fair value), after the costs of issue.

(ii) Authority to repurchase the Company's shares (resolution 13)

The authority to repurchase up to 14.99% of the Company's issued share capital, granted by shareholders at the 2023 Annual General Meeting, will expire on 29th October 2024 unless renewed at the forthcoming Annual General Meeting. The Directors consider that the renewing of the authority is in the interests of shareholders as a whole, as the repurchase of shares at a discount to the underlying NAV enhances the NAV of the remaining shares.

Resolution 13 will give the Company authority to buy-back its own issued ordinary shares in the market as permitted by the Companies Act 2006. The authority limits the number of ordinary shares that could be purchased to a maximum of 8,612,243 shares or, if less, that number of ordinary shares which is equal to 14.99% of the Company's issued ordinary shares as at the date of passing Resolution 13 (excluding Treasury shares). The authority also sets the minimum and maximum prices which will be paid on any buy-back of shares.

The full text of Resolution 13 is set out in the Notice of Meeting on pages 96 and 97.

If resolution 13 is passed at the Annual General Meeting, the Company intends in normal market conditions to repurchase shares offered on the market at prices representing discounts to NAV (cum income debt at fair value) of 5% or more and to hold in Treasury any shares it may repurchase pursuant to this authority for possible resale in accordance with the Company's discount and premium management policy, subject to the passing of Resolution 14 described below.

(iii) Sale of Treasury shares (Resolution 14)

Subject to the passing of Resolution 14 which will be proposed as an Ordinary Resolution, the Directors will be authorised to sell out of Treasury any ordinary shares which have been repurchased by the Company pursuant to the authority conferred by Resolution 12, or currently held in Treasury, at a discount to the prevailing net asset value per ordinary share. This authority will expire at the conclusion of the Company's Annual General Meeting to be held in 2025, unless renewed at a prior general meeting.

The full text of Resolution 14 is set out in the Notice of Meeting on page 97.

In accordance with the Company's discount and premium management policy, shares will only be sold or transferred out of Treasury at a discount which is narrower than the average discount to the net asset value per share at which the Company acquired the shares it then holds in Treasury. In addition, the discount will not be more than a 2% discount to the prevailing net asset value per share (cum income debt at fair value).

The authorities conferred by Resolutions 11 to 14 will be used to implement the Company's discount and premium management policy and the Board intends to seek renewal of these authorities from shareholders at each subsequent

Directors' Report

Annual General Meeting. In the event that the Directors exhaust any of the authorities required to implement the discount and premium management policy before the next Annual General Meeting, the Board will consider seeking shareholder approval to renew the relevant authorities at an earlier general meeting.

(iv) Approval of dividend policy (Resolution 15)

The Company pays interim dividends on its ordinary shares in order to provide shareholders with regular income. Consequently, it does not pay final dividends, which would otherwise be subject to shareholder approval at the Annual General Meeting. Therefore, in accordance with best practice, the Directors will seek approval, at the forthcoming Annual General Meeting, of the Company's dividend policy to continue to pay four quarterly interim dividends on the Company's ordinary shares.

(v) Approval of notice period for general meeting (Resolution 16)

Resolution 16 will give the Directors the ability to convene general meetings, other than annual general meetings, on a minimum of 14 clear days' notice. The minimum notice period for annual general meetings will remain at 21 clear days. The approval will be effective until the Company's Annual General Meeting to be held in 2025, at which it is intended that renewal will be sought. The Directors will only call a general meeting on 14 days' notice where they consider it to be in the interests of Shareholders to do so and the relevant matter is required to be dealt with expediently.

(vi) Approval of increase in the Directors' aggregate annual remuneration cap (Resolution 17)

The Directors seek approval to increase the Directors' aggregate annual remuneration cap to £250,000, as outlined in the Company's Articles of Association. The proposed increase is consistent with market practice and is considered reasonable in relation to that of other comparable investment companies. The increase further provides for the level of directors fees be sufficient to retain and motivate appointees, as well as ensure that candidates of a high calibre are recruited to the Board.

Recommendation

The Board considers that Resolutions 11 to 17 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 19,390 shares, representing approximately 0.034% of the voting rights in the Company.

Corporate Governance Statement

Corporate Governance Statement

Compliance

The Company is committed to high standards of corporate governance. This statement, together with the Statement of Directors' Responsibilities on page 62, indicates how the Company has applied the principles of good governance.

The Board has considered the principles and provisions of the AIC Code of Corporate Governance published in 2019 (the 'AIC Code'), which addresses the principles and provisions set out in the UK Corporate Governance Code (the 'UK Code'), as they apply to investment trust companies. It considers that reporting against the AIC Code, therefore, provides more appropriate information to the Company's shareholders. The Board confirms that the Company has complied with the principles and provisions of the AIC Code, in so far as they apply to the Company's business, throughout the year under review.

As all of the Company's day-today management and administrative functions are outsourced to third parties, it has no executive directors, employees or internal operations and therefore has not reported in respect of the following:

- the role of the executive directors and senior management;
- executive directors' and senior management remuneration; and
- the workforce.

In January 2024, the Financial Reporting Council updated the UK Code. This new UK Code will apply to financial years beginning on or after 1st January 2025. The AIC continue to consider the implications of the changes to this UK Code and the Company will be reporting against this new UK Code, through the new AIC Code, when it becomes effective.

Role of the Board

A management agreement between the Company and JPMF sets out the matters over which the Manager has authority. This includes management of the Company's assets 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 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.

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.

There is an agreed procedure for Directors to take independent professional advice if necessary 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, which is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Board Composition and Chairman

The Board, chaired by David Fletcher, currently consists of five non-executive Directors, all of whom are regarded by the Board as independent of the Company's Manager, including the Chairman. 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 43. There have been no changes to the Chairman's other significant commitments during the year under review. The Board plans to refresh the Board in an orderly manner over time as part of its succession planning. Please see page 12 for further details.

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.

Senior Independent Director

Jill May holds the role of Senior Independent Director and as such, provides a channel for any shareholder concerns that cannot be resolved through discussion with the Chairman. She also leads the annual evaluation of the performance of the Chairman. The role and responsibilities of the Chairman and the Senior Independent Director are clearly defined and set out in writing, copies of which are available on the Company's website.

Reappointment of Directors

The Directors of the Company standing for reappointment and their brief biographical details are set out on page 43. The skills and experience that each of these Directors brings to the Board, and hence why their contributions are considered important to the long term success of the Company, are summarised below.

Resolution 4 relates to the reappointment of David Fletcher. He has a strong accounting and financial background, having held the office of Finance Director at Stonehage Fleming Family & Partners Limited. He is a chartered accountant.

The Nomination Committee is aware that David Fletcher will reach his nine-year anniversary on the Board at the forthcoming Annual General Meeting. As part of the Company's succession plans, and for continuity, it has been agreed that David will remain on the Board for a further year and retire at the 2025 Annual General Meeting. The

Nomination Committee, excluding David Fletcher, recommended that Victoria Stewart, current director of the Board, succeed David as Chair of the Board following his retirement from the Board in 2025. The Nomination Committee are continuing efforts to identify a further suitable candidate to join the Board later in the year.

Resolution 5 relates to the reappointment of Jill May. She has a background in investment banking and the financial regulatory environment.

Resolution 6 relates to the reappointment of Nicholas Melhuish. He brings his 28 years of investment management experience to the Board. He also has a strong financial accounting background.

Resolution 7 relates to the reappointment of Victoria Stewart. She has in-depth knowledge and experience in UK equity investment management.

Resolution 8 relates to the reappointment of Joanne Fintzen. She has extensive experience of the finance sector and the investment industry.

The Nomination Committee, having considered their qualifications, performance and contribution to the Board and its committees, confirms that each Director standing for reappointment continues to be effective and demonstrates commitment to the role and the Board recommends to shareholders that they be reappointed.

Tenure

Directors are initially appointed until the following AGM when, under the Company's Articles of Association, it is required that they be reappointed by shareholders. Thereafter, a Director's appointment is subject to the performance evaluation carried out each year and the approval of shareholders at each AGM, in accordance with corporate governance best practice. The Board does not believe that length of service in itself necessarily disqualifies a Director from seeking reappointment but, when making a recommendation, the Board will take into account the requirements of the AIC Code, including the need to refresh the Board and its Committees periodically.

The Board believes that Directors, including the Chairman, should serve more than nine years only in exceptional circumstances. As discussed above, David Fletcher will remain on the Board until the 2025 Annual General Meeting.

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.

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 the Directors. Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trust companies. Regular reviews of the Directors' training needs are carried out by the Chairman 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 43. Directors who are not members of Committees may attend at the invitation of the Chairman of the relevant Committee.

The table below details the number of Board and Committee meetings attended by each Director. During the year there were five scheduled Board meetings, including a separate meeting devoted to strategy. The Directors hold a private session prior to each Board meeting. There were three Audit Committee meetings, one meeting of the Nomination Committee, one meeting of the Management Engagement Committee and one Remuneration Committee meeting.

Meetings Attended

Director	Board Meetings Attended	Audit Committee Meetings Attended
David Fletcher	5/5	3/3[1]
Joanne Fintzen	5/5	3/3
Jill May	5/5	3/3
Nicholas Melhuish	5/5	3/3
Victoria Stewart	5/5	3/3

[1] Attends the Audit Committee by invitation only, he is not a member of the Audit Committee.

Director	Nomination Committee Meetings Attended	Management Engagement Committee Meetings Attended	Remuneration Committee Meetings Attended
David Fletcher	1/1	1/1	1/1
Joanne Fintzen	1/1	1/1	1/1
Jill May	1/1	1/1	1/1
Nicholas Melhuish	1/1	1/1	1/1
Victoria Stewart	1/1	1/1	1/1

Audit Committee

The report of the Audit Committee is set out on pages 53 to 55.

Nomination Committee

The Nomination Committee, chaired by Jill May, consists of all of the Directors and meets at least annually to ensure that the Board has an appropriate balance of skills and experience to

Corporate Governance Statement

carry out its fiduciary duties and to select and propose suitable candidates for appointment when necessary.

The Board's policy on diversity is based on its belief in the benefits of having a diverse range of experience, skills, length of service and backgrounds, including but not limited to gender and ethnicity diversity. The policy is always to appoint individuals on merit and there will be no discrimination on the grounds of gender, race, ethnicity, religion, sexual orientation, age or physical ability. The overriding aim of the policy is to ensure that the Board is composed of the best combination of people for ensuring the delivery of investment performance for shareholders over the long term. The current Directors have a range of business, financial and asset management skills as well as experience relevant to the direction and governance of the Company. Brief biographical details of the members of the Board are shown on page 43.

During the year, led by the Senior Independent Director, the Nomination Committee undertook an externally facilitated evaluation by an independent board evaluation company called Boardforms to review the effectiveness of the Board as a whole, its Committees and individual Directors. This firm has no connection with the Company. The evaluation was conducted by way of tailored questionnaires, with the outcomes being reviewed and summarised by Boardforms and reviewed by the Nomination Committee. The performance evaluation covered the Board, its Committees, individual Directors and the Chairman to ensure that all Directors are independent and 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, including gender and ethnicity, and how it works together.

Questionnaires were completed by each Director.

The performance of the Chairman was evaluated by the Senior Independent Director, who had individual meetings with each Director to obtain feedback on the performance of the Chairman. It was concluded that the Chairman continues to make a significant contribution, and devotes sufficient time, to the affairs of the Company and continues to display excellent leadership, supporting the effective functioning of the Board.

Following the evaluation, it was noted that each Director had devoted sufficient time and contributed satisfactorily to the work of the Board.

Remuneration Committee

The Remuneration Committee has been established for the purpose of reviewing Directors' fees, makes recommendations to the Board as and when appropriate, in relation to remuneration policy and implementation.

All Directors are members of the Remuneration Committee which is chaired by Victoria Stewart and meets at least annually.

Management Engagement Committee

The Board established a Management Engagement Committee for the purposes of reviewing the performance of the Manager and the Company's third-party services providers, as well as investment management fees.
The Management Engagement Committee, chaired by Jill May, consists of all Directors and meets at least annually. As part of the annual evaluation of the Board, the Directors completed questionnaires, prepared by Boardforms, in the evaluation of the performance of the Manager. Please see page 44.

Terms of Reference

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

Relations with 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 half yearly by way of the Half Year Report and annually by the Annual Report. This is supplemented by the daily publication, through the London Stock Exchange, of the net asset value of the Company's shares and the Company's level of gearing.

All shareholders are encouraged to attend the Company's AGM at which the Directors, the Portfolio Managers and representatives of the Investment Manager are available to meet shareholders and answer their questions. In addition, a presentation is given by the Portfolio Managers who review the Company's performance. Shareholders are also offered the opportunity to attend the AGM virtually but are unable to vote on the business of the Meeting.

During the year, the Company's broker, the Portfolio Managers and JPMF hold regular discussions with larger shareholders. The Directors are made fully aware of their views. The Chairman 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 106. Jill May, as Senior Independent Director, may be contacted by shareholders if they have concerns that cannot be resolved through discussion with the Chairman.

The Company's Annual Report and Financial Statements are published in time to give shareholders at least 20 working days' notice of the AGM. Shareholders wishing to raise questions in advance of the meeting are encouraged to submit questions via the Company's website or write to the Company Secretary at the address shown on page 106.

Details of the proxy voting position on each resolution will be published on the Company's website shortly after the Annual

General Meeting.

Risk Management and Internal Control

The UK Corporate Governance 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 as including 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 the Manager 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 of controls established by them, to ensure they meet the Company's business objectives. There is an ongoing process for identifying, evaluating and managing the significant and emerging risks faced by the Company (see Principal and Emerging Risks on pages 34 to 36). This process has been in place for the year under review and up to the date of the approval of the Annual Report and Financial Statements. 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 management accounts, revenue projections, analysis of transactions and performance comparisons.

- **Information Technology Systems**

  The Manager and the Company's other third party services providers have security systems in place to protect the Company's information. Information technology controls are tested and reported on regularly by independent third parties.

- **Management and Depositary Agreements**

  Appointment of a manager and depositary regulated by the Financial Conduct Authority ('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 the Manager's Compliance department which regularly monitors compliance with FCA rules.

- **Investment Strategy**

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

  The Board, either directly or through the Audit Committee, 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:

  - reviews the terms of the management agreement and receives regular reports from the Manager's Compliance department;
  - reviews reports on the risk management and internal controls and the operations of its custodian, JPMorgan Chase Bank, N.A which is itself independently reviewed;
  - reviews every six months an independent report on the risk management and internal controls and the operations of the Manager and Investment Manager; and
  - reviews bi-annual reports from the Company's depositary.

By the 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 2023 and to the date of approval of this Annual Report and Financial Statements.

During the course of its review of the system of risk management and internal control, the Board has not identified or been advised of any failings or weaknesses which it has determined to be significant.

Going Concern

In accordance with The Financial Reporting Council's guidance on going concern and liquidity risk, the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern.

The Board has, in particular, considered the impact of the impact on the UK market of the geopolitical crises in Russia and Ukraine and the Middle East, the inflationary environment in the UK and other geopolitical and financial risks. However, it

Corporate Governance Statement

does not believe the Company's going concern status is affected by these matters. 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. The Board also reviews the impact of market factors, structural, operational and financial factors.

Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. The Board has considered a range of stress scenarios which have shown the Company to have sufficient cash, or to be able to liquidate a sufficient portion of its listed holdings, in order to meet its liabilities as they fall due.

Furthermore, the Directors are satisfied that the Company and its key third party service providers have in place appropriate business continuity plans and are not experiencing any operational difficulties to adversely affect their services to the Company.

Accordingly, the Financial Statements have been prepared on the going concern basis as it is the Directors' opinion, having assessed the principal risks and other matters, that the Company will continue in operational existence for a period of at least 12 months.

Corporate Governance and Voting Policy

The Company delegates responsibility for voting to the Manager, which delegates it to the Investment Manager. The following is a summary of the Investment Manager's policy statements on corporate governance, voting policy and stewardship/engagement issues, which has been reviewed and noted by the Board. Details on social and environmental issues are included in the Strategic Report on page 27.

Corporate Governance

JPMAM believes that corporate governance is integral to our investment process. As part of our commitment to delivering superior investment performance to our clients, we expect and encourage the companies in which we invest to demonstrate the highest standards of corporate governance and best business practice. We examine the share structure and voting structure of the companies in which we invest, as well as the board balance, oversight functions and remuneration policy. These analyses then form the basis of our 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 our reasonable judgement of what will best serve the financial interests of our clients. So far as is practicable, JPMAM will vote at all of the meetings called by companies in which we are invested.

Stewardship/Engagement

JPMAM believes effective investment stewardship can materially contribute to helping build stronger portfolios over the long term for our clients. At the heart of JPMAM's approach lies a close collaboration between our portfolio managers, research analysts and investment stewardship specialists to engage with the companies in which JPMAM invests. Regular engagement with JPMAM's investee companies through investment-led stewardship has been a vital component of JPMAM's active management heritage.

JPMAM continues to exercise active ownership through regular and ad hoc meetings, and through its voting responsibilities.

JPMAM's formal stewardship structure is designed to identify risks and understand its portfolio companies' activities, in order to enhance value and mitigate risks associated with them. JPMAM has identified six main investment stewardship priorities it believes have universal applicability and will stand the test of time: governance; strategy alignment with the long term; natural capital and ecosystems; human capital management; stakeholder engagement; and climate risk. Within each priority area, JPMAM identified related themes it is seeking to address over a shorter time frame. These themes will evolve as JPMAM engages with companies to understand issues and promote best practice. This combination of long-term priorities and evolving, shorter-term themes provides JPMAM with a structured and targeted framework to guide its investors and investment stewardship teams globally as JPMAM engages with investee companies around the world.

JPMAM is also committed to reporting more widely on our activities, including working to meet the practices laid out by the Financial Reporting Council ('FRC') in the UK Stewardship Code, to which JPMAM is a signatory.

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://www.jpmorganchase.com/about/governance/corporate-governance-principles***

By order of the Board
Emma Lamb, for and on behalf of
JPMorgan Funds Limited,
Secretary

20th March 2024

Audit Committee Report

I am pleased to present the Audit Committee Report for the year ended 31st December 2023.

Composition

The membership of the Audit Committee (the 'Committee') is set out on page 49, and the Committee meets at least three times each year. The Chairman of the Board, David Fletcher, attends the Audit Committee by invitation only, he is not a member of the Audit Committee. In addition, the Audit Committee meets the Auditor at least annually, without any other party present, for a private discussion. The members of the 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 constitution and performance of the Audit Committee are reviewed on a regular basis.

Role and Responsibility

The Committee is responsible for monitoring and reviewing the principles, policies and practices adopted in the preparation and integrity of the Company's financial statements and the effectiveness of the annual audit of its financial statements, including oversight of the Auditor and monitoring of its independence and objectivity. The Committee is also responsible for monitoring the effectiveness of the Company's internal controls and its risk management framework as well as preparing the Company's risk matrix and identifying the Company's principal and emerging risks. The Committee also reviews the actions and judgements of the Manager in relation to the half year report and annual report and financial statements and the Company's compliance with the AIC Code. Finally, the Committee is responsible for reviewing and scrutinising the ISAE/AAF and SSAE16 reports or their equivalent from the Manager, the Custodian and Registrar.

Financial Statements and Significant Accounting Matters

During its review of the Company's financial statements for the year ended 31st December 2023, the Committee considered the following significant issues, in particular those communicated by the Auditor during their 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(b) to the financial statements on page 77. The audit includes the determination of the existence and ownership of the investments. The Company has appointed The 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 is responsible for the oversight of the custody of the Company's assets. Controls are in place to ensure that valuations are appropriate and existence is verified through Depositary and Custodian reconciliations.
Recognition of investment income	The recognition of investment income is undertaken in accordance with accounting policy note 1(d) to the financial statements on page 78. Income recording is conducted by the Manager and the methodology is reported to the Board within a six monthly independent report on the operations of the Manager. At every Board meeting, the Board reviews the income reporting from the Manager, including elements of income such as special dividends.
Going Concern/Long Term Viability	The Committee has reviewed the appropriateness of the adoption of the Going Concern basis in preparing the financial statements. The Committee recommended that the adoption of the Going Concern basis is appropriate (see Going Concern statement on page 51). The Committee also assessed the Long Term Viability of the Company as detailed on page 37 and recommended to the Board its expectation that the Company would remain in operation for the five year period of the assessment.
Compliance with Sections 1158 and 1159 Corporation Tax Act 2010 ('Sections 1158 and 1159')	Approval for the Company as an investment trust under Sections 1158 and 1159 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.

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

Internal Audit

The Committee continues to believe that the Company does not require an internal audit function, as it delegates its day-to-day operations to third parties from whom it receives internal control reports. The Board considers it sufficient to rely on the internal audit department of the Manager and the Auditor obtains an understanding of the internal controls in place at the Manager by reviewing the relevant internal control reports issued by its independent auditor.

Risk Management and Internal Control

The Committee examines evidence of the effectiveness of the Company's internal control systems, receives information from the Manager and also reviews the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the auditor. A risk matrix has been developed which identifies the key risks the Company faces, the likelihood of their occurrence, the potential impact on the Company if they were to occur, the monitoring of these risks, the mitigating controls in place both at the Manager, Investment Manager, third-party service providers and

Audit Committee Report

Company level and the effectiveness of the controls in place to mitigate them. The Board has ultimate responsibility for the management of risk and the Company's systems of internal control. The Board, through the Audit Committee, has established an ongoing process for identifying, evaluating and managing these risks.

The Committee has also examined the potential risks posed by climate change to the Company's operations. As a company with no employees or physical offices, the direct risk is negligible. However, there is embedded risk in the Company's investment holdings. The Board receives regular ESG reports from the Manager on the portfolio and the way financially material ESG considerations are integrated into the investment decisions making process so as to mitigate this risk at the level of stock selection and portfolio construction. Furthermore, since the investments are diversified between sectors, the risk is further mitigated. Please see the ESG Report on page 25.

As a listed Investment Trust, the Company is exempt from Task Force on Climate-related Financial Disclosures ('TCFD') disclosures. However, in accordance with the requirements of the TCFD, on 30th June 2023, the Investment Manager published its first UK Task Force on Climate-related Financial Disclosures Report for the Company in respect of the year ended 31st December 2022. The report discloses estimates of the portfolio's climate-related risks and opportunities according to the Financial Conduct Authority Environmental, Social and Governance Sourcebook and the Task Force on Climate-related Financial Disclosures Recommendations.

The report is available on the Company's website: www.jpmclaverhouse.co.uk

Going Concern and Viability

The Committee reviews and assesses the Annual Report and makes recommendations to the Board, in particular to confirm that it is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy and reports these findings to the Board.

This report included an assessment and recommendation to the Board on whether or not it was appropriate to prepare the Company's financial statements on a going concern basis. This review also included challenging the assumptions on the longer term viability of the Company and reviewing stress tests designed to evidence its ability to remain viable in a number of extreme financial environments. The Board's conclusions in this respect are set out on pages 37 and 51.

Auditor Objectivity and Independence

The Committee has implemented safeguards to ensure that the provision of non-audit services does not impair the Auditor's objectivity or independence. All non-audit fees are approved by the Committee prior to engagement. In the Directors' opinion the Auditor is independent.

Effectiveness of Audit

The Committee reviewed the audit planning, scope of the audit plan, materiality level and the standing, skills and experience of the firm and the audit team. The Committee also considered the independence of PricewaterhouseCoopers LLP ('PwC') and the objectivity of the audit process. PwC has confirmed that it is independent of the Company and has complied with relevant auditing standards. No modifications were required to the external audit approach. The Committee received a presentation of the audit plan from PwC prior to the commencement of the 2023 audit and a presentation of the results of the audit following completion of the main audit testing. Additionally, the Committee received feedback from the Manager regarding the effectiveness of the external audit process.

The Committee considers the audit fee and whether the audit provides value and cost effectiveness.

Auditor Appointment and Tenure

The Committee also has a primary responsibility for making recommendations to the Board on the reappointment and removal of the Auditor. The Committee reviews the reappointment of the Auditor every year and has been satisfied with the effectiveness of PwC's performance. The Committee also considered the evaluation of PwC's audit performance through the FRC's Audit Quality Inspection and Supervision Report for 2022/23. The Committee discussed the findings of this report with Mr Khan, audit parter, who confirmed that PwC had acted on the findings. Representatives of the Company's Auditor attend the Committee meeting at which the final draft Annual Report and Financial Statements is considered and also engage with Directors as and when required.

Regulations currently in force require the Company to conduct a tender at least every ten years and rotate the auditor after at least 20 years. PwC was appointed as Auditor in 2020 following a competitive audit tender. The current audit partner has served for a tenure of four years and will step down as audit partner after serving for five years. The Committee acknowledges that rotating the audit partner provides a fresh perspective on the audit responsibilities for the Company. The Committee is satisfied that PwC has provided effective independent challenge in carrying out its responsibilities. The Committee recommended the re-appointment of PwC to the Board and its re-appointment will be put to the Company's shareholders at the 2024 Annual General Meeting. PwC has confirmed its willingness to continue in office.

The Committee confirms that the Company is in compliance with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014. This order relates to the frequency and governance of tenders for the appointment of the auditor and the setting of the policy on the provision of non-audit services.

Audit Fee and Non-Audit Services

No non-audit fees were paid to the Auditor in the year (2022: nil). Details of the Auditor's fees are disclosed in note 6 to the financial statements on page 80.

Fair, Balanced and Understandable

As a result of the work performed, the Committee has concluded that the Annual Report for the year ended 31st December 2023, taken as a whole, is fair, balanced and understandable and provides 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 62.

Committee Evaluation

The activities of the Committee were considered as part of the externally facilitated Board evaluation process. The evaluation found that the Committee functioned well, with the appropriate balance of membership, skills and challenge.

Nicholas Melhuish
Audit Committee Chair

By order of the Board
Emma Lamb
For and on behalf of
JPMorgan Funds Limited
Company Secretary

20th March 2024

Consumer Discretionary

Directors' Remuneration Report

Statement from the Chairman

I am pleased to present the Directors' Remuneration Report for the year ended 31st December 2023, 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 disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on pages 64 to 70.

All of the Directors are non-executive. We have not, therefore, reported on those aspects of remuneration that relate to executive directors. In 2019 the Board established a Remuneration Committee. This Committee considers the level of Directors' fees annually and makes recommendations to the Board.

Companies are required to ask shareholders to approve the annual remuneration report, which includes the annual remuneration paid to Directors, each year and formally to approve the Directors' Remuneration Policy on a three-yearly basis. Any change to the Directors' Remuneration Policy requires shareholder approval. However, the Board has decided to seek annual approval and therefore an ordinary resolution to approve this policy will be put to shareholders at the forthcoming Annual General Meeting. The policy subject to the vote, is set out in full below and is currently in force.

Directors' Remuneration Policy

The Board's policy for this, and subsequent years, is that Directors' fees should properly reflect the responsibilities and 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 and retained. The Chairman of the Board and the Chairman of the Audit Committee are paid higher fees than the other Directors, reflecting the greater responsibilities and 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. Reviews are based on information provided by the Manager and industry 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 incurred in attending to the Company's business.

The Company's Articles of Association, amended in 2021, stipulate that aggregate directors' fees must not exceed £200,000 per annum. Any increase in this amount requires both the Board's and shareholders' approval.

Implementation of the Policy

In the year under review, Directors were paid at the following rates and reflect the additional responsibilities of the role; Chairman of the Board £43,500; Chairman of the Audit Committee £36,000; and other Directors £29,500.

In January 2024, the Board agreed with the recommendation of the Remuneration Committee that, commencing 1st January 2024, all fees should be increased as follows: Chairman of the Board £45,750; Chair of the Audit Committee £37,750; and other Directors, £31,000.

Fees for any new Director appointed will be made on the above basis.

The Board is seeking approval from shareholders at the forthcoming Annual General Meeting to increase the Directors' aggregate annual remuneration cap of £200,000, as outlined in Article 109(1) of the Company's Articles of Association (the 'Articles'), to £250,000. The proposed increase is consistent with market practice and for similar investment trust companies of this size. The Board is keen to ensure that the remuneration of Directors' is sufficient to retain and motivate appointees, as well as ensure that candidates of a high calibre are recruited to the Board. The Board notes that Article 109(1) provides that this cap can be increased by way of ordinary resolution, rather than requiring the Company to amend its Articles with the approval of a special resolution.

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 Company has not sought shareholder views on its remuneration policy. The Remuneration Committee considers any comments received from shareholders on remuneration policy on an ongoing basis and takes account of those views if appropriate. It has not received any views from shareholders in respect of the levels of Directors' remuneration during the financial year.

Directors' Remuneration Report

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. Details of the Board's policy on tenure are set out on page 49.

Directors' Remuneration Report

This 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 remuneration policy compared with the year ended 31st December 2022. The increase in the Directors' aggregate annual remuneration cap to £250,000 per annum will be the only change to the remuneration policy for the year ending 31st December 2024 if approved by shareholders.

Voting at the Annual General Meeting

The Directors' Remuneration Policy and Remuneration Report for the year ended 31st December 2022 were approved by shareholders at the Annual General Meeting held on 28th April 2023.

The votes cast by proxy were as follows:

Remuneration Report

	Number of Votes	% of votes cast
For	8,210,552	98.87
Against	93,565	1.13
Total votes cast	8,304,117	100
Number of votes withheld*	120,742	—

Remuneration Policy

	Number of Votes	% of votes cast
For	8,179,261	98.79
Against	100,331	1.21
Total votes cast	8,279,592	100
Number of votes withheld*	120,742	—

* A vote withheld is not a vote in law and is not counted in the calculation of the votes for and against a resolution.

Details of voting on both the Remuneration Policy and the Directors' Remuneration Report at the 2024 Annual General Meeting will be given in the Annual Report for the year ending 31st December 2024.

Details of the implementation of the Company's remuneration policy are given below.

Single total figure of remuneration

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.

Directors' Remuneration Report

Single Total Figure Table (Audited)[1]

Directors' Name	2023 Fees £	2023 Taxable expenses[2] £	2023 Total £	2022 Fees £	2022 Taxable expenses[2] £	2022 Total £
David Fletcher[3]	43,500	—	43,500	39,083	—	39,083
Joanne Fintzen[4]	29,500	—	29,500	7,000	—	7,000
Jill May	29,500	—	29,500	28,000	—	28,000
Nicholas Melhuish[5]	36,000	817	36,817	32,168	831	32,999
Victoria Stewart	29,500	—	29,500	28,000	559	28,559
Andrew Sutch[6]	—	—	—	13,681	—	13,681
Total	**168,000**	**817**	**168,817**	**147,932**	**1,390**	**149,322**

1 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 Appointed as Chairman of the Board on 29th April 2022.
4 Appointed to the Board on 3rd October 2022.
5 Appointed as Audit Chair on 29th April 2022.
6 Resigned from the Board on 29th April 2022.

Annual Change in Directors' Remuneration

The following table sets out the annual percentage change in Directors' fees, excluding taxable expenses, over the last five years:

Director	% change for the year to 31st December 2023	% change for the year to 31st December 2022	% change for the year to 31st December 2021	% change for the year to 31st December 2020	% change for the year to 31st December 2019
David Fletcher[1]	11.3%	18.0%	7.3%	4.7%	10.1%
Joanne Fintzen[2]	n/a	n/a	n/a	n/a	n/a
Jill May	5.4%	3.7%	7.2%	2.8%	8.6%
Nicholas Melhuish[3]	11.9%	19.1%	17.6%[4]	n/a	n/a
Victoria Stewart	5.4%	3.7%	17.6%[4]	n/a	n/a

1 Mr Fletcher was appointed as Chairman on 29th April 2022. His fee was subsequently increased during the financial year ended 31st December 2022.
2 Appointed to the Board on 3rd October 2022, hence the % change is not meaningful on a 2023 full year against the 2022 part year fees.
3 Mr Melhuish was appointed Audit Chair on 29th April 2022. His fee was subsequently increased during the financial year ended 31st December 2022.
4 Appointed to the Board on 1st February 2020.

A table showing the total remuneration for the Chairman, excluding taxable expenses, over the five years ended 31st December 2023 is below:

Remuneration for the Chairman over the five years ended 31st December 2023

Year ended 31st December	Fees
2023	£43,500
2022	£41,500
2021	£40,250
2020	£37,525
2019	£37,000

Directors' Shareholdings[1]

There are no requirements pursuant to the Company's Articles of Association or the terms of their appointment for the Directors to own shares in the Company. The beneficial shareholdings of the Directors who held office at the year end are detailed below:

Directors' name	31st December 2023	31st December 2022
David Fletcher	5,579	5,313
Joanne Fintzen	—	—
Jill May	7,004	7,004
Nicholas Melhuish	6,807	6,807
Victoria Stewart	—	—

1 Audited information.

Directors' Remuneration Report

The Directors have no other share interests or share options in the Company other than disclosed above, and there are no share schemes. Since the year end, and up to 19th March 2024 (being the latest practicable date before the publication of the Annual Report and Financial Statements), David Fletcher and his connected persons were issued a further 85 shares in the Company under the Dividend Reinvestment Plan, which is managed by the Company's registrar.

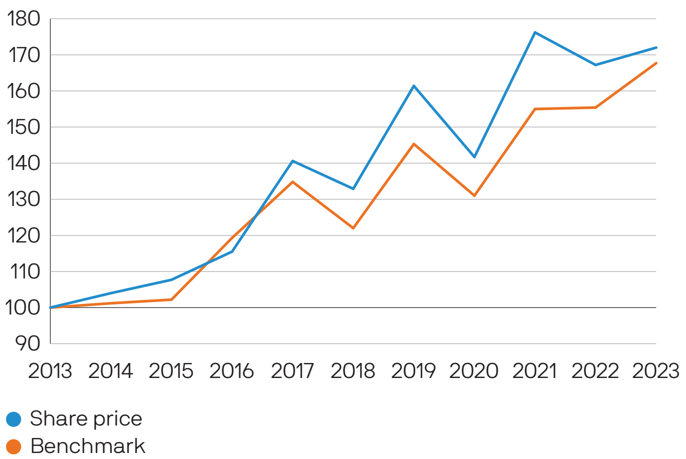
There have been no changes in any of the other Directors' shareholdings other than detailed above.

Company Performance

A comparison of the Company's performance over the last ten years is set out on the graph below. This shows the Company's share price total return compared with its benchmark, the FTSE All-Share Index.

The Board believes that this index is the most appropriate for performance comparison purposes as it is the more directly comparable with the Company's portfolio.

Ten Year Share Price and Benchmark Total Return Performance to 31st December 2023



Source: Morningstar.

Relative importance of spend on pay

The table below sets out, in respect of the financial year ended 31st December 2023 and the preceding financial year, the total remuneration paid to Directors and distributions to shareholders and the percentage change between the two periods. This compares the remuneration, excluding taxable benefits, against the shareholder distributions of dividends and share buybacks.

Expenditure by the Company on Remuneration and Distributions to Shareholders

	Year ended 31st December 2023	2022	% change
Remuneration paid to all Directors[1]	£168,000	£147,932	13.6
Distribution to shareholders			
— by way of dividend	£20,491,000	£19,156,000	7.0
— by way of share repurchases	£15,728,000	£nil	n/a

[1] Excluding taxable expenses paid to Directors. The 13.6% change is as a result of lower aggregate fees paid in 2022 due to Directors leaving, joining and assuming new roles partially during the year.

For an on behalf of the Remuneration Committee
Victoria Stewart
Chair

For and on behalf of the Board
David Fletcher
Chairman

20th March 2024

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are 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 Directors are also responsible for keeping adequate 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 enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Financial Statements are published on the www.jpmclaverhouse.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 Financial Statements since they were initially presented on the website. The financial statements are prepared in accordance with UK legislation, which may differ from legislation in other jurisdictions.

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.

Under applicable law and regulations the Directors are also responsible for preparing a Directors' Report and Directors' Remuneration Report that comply with that law and those regulations.

Each of the directors, whose names and functions are listed on page 43, confirm that to the best of their knowledge:

- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 102, give a true and fair view of the assets, liabilities, financial position and return of the Company; and
- the Strategic Report and Directors' 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 and Financial Statements taken as a whole are fair, balanced and understandable and provide the information necessary for shareholders to assess the performance, business model and strategy of the Company.

For and on behalf of the Board
David Fletcher
Chairman

20th March 2024

Basic Materials

Independent Auditors' Report

To the Members of JPMorgan Claverhouse Investment Trust plc

Report on the audit of the financial statements

Opinion

In our opinion, JPMorgan Claverhouse Investment Trust plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2023 and of its return and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report & Financial Statements (the 'Annual Report'), which comprise: the Statement of Financial Position as at 31st December 2023; the Statement of Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the Company in the period under audit.

Our audit approach

Context

JPMorgan Claverhouse Investment Trust Plc is an Investment Trust Company listed on the London Stock Exchange and invests primarily in equities quoted on the UK stock market. The operations of the Company are located in the UK. We focus our audit work primarily on the valuation, existence and income from investments.

Overview

Audit scope

- The Company is a standalone Investment Trust Company and engages JPMorgan Funds Limited (the 'Manager') to manage its assets.
- We conducted our audit of the financial statements using information from JPMorgan Chase Bank N.A., (the 'Administrator') to whom the Manager has, with the consent of the Directors, delegated the provision of certain administrative functions.
- We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates.
- We obtained an understanding of the control environment in place at both the Manager and the Administrator, and adopted a fully substantive testing approach using reports obtained from the Administrator.

Independent Auditors' Report

Key audit matters

- Valuation and existence of investments
- Income from and gains/losses on investments

Materiality

- Overall materiality: £4.08 million (2022: £4.15 million) based on 1% of net assets.
- Performance materiality: £3.06 million (2022: £3.11 million).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, including 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, and any comments we make on the results of our procedures thereon, 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.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of investments Refer to Accounting policies and Notes to the Financial Statements. The investment portfolio at year-end consisted of listed equity investments valued at £439 million. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed in the Statement of Financial Position in the financial statements.	We assessed the accounting policy for the valuation of investments for compliance with accounting standards and performed testing to check that investments are accounted for in accordance with this stated accounting policy. We tested the valuation of the listed equity investments by agreeing the prices used in the valuation to independent third-party sources for all investments. We tested the existence of the investment portfolio by agreeing investment holdings to an independent custodian confirmation. No material issues were identified.

Independent Auditors' Report

Key audit matter	How our audit addressed the key audit matter
Income from and gains/losses on investments Refer to Accounting policies and Notes to the Financial Statements. For the Company we consider that 'income' refers to both revenue and capital (including gains and losses on investments). We focused on the accuracy, occurrence and completeness of investment income as incomplete or inaccurate income could have a material impact on the Company's net asset value. We also focused on the accounting policy for income recognition and its presentation in the Statement of Comprehensive Income as set out in the requirements of The Association of Investment Companies Statement of Recommended Practice (the 'AIC SORP') as incorrect application could result in a misstatement in income recognition.	We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP, and that income has been accounted for in accordance with the stated accounting policy. The gains/losses on investments held at fair value through profit or loss comprise realised and unrealised gains/losses. For unrealised gains and losses, we tested the valuation of the portfolio at the year-end, together with testing the reconciliation of opening and closing investments. For realised gains/losses, we tested a sample of disposal proceeds by agreeing the proceeds to bank statements and we re-performed the calculation of a sample of realised gains/losses. We also tested a sample of purchases to underlying supporting documentation. We sample tested the accuracy of dividend receipts by agreeing the dividend rates from investments to independent third-party data. To test for occurrence, we confirmed that sample of dividends recorded had occurred in the market to independent third-party data, and traced a sample of cash receipts to bank statements. To test for completeness, we sample tested that the appropriate dividends had been received in the year by reference to independent third-party data of dividends declared for listed investments during the year. We also tested the allocation and presentation of income between the revenue and capital return columns of the Statement of Comprehensive Income in line with the requirements set out in the AIC SORP by assessing the treatment applied in the context of the underlying facts and circumstances of a sample of special dividends. No material issues were identified.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

The Company is a standalone authorised, closed ended investment trust company that has outsourced the management and company secretarial services to JPMorgan Funds Limited (the 'Manager'). The Company's accounting is delegated to JPMorgan Chase Bank N.A. who provide company administrative services and custodian services. We applied professional judgement to determine the extent of testing required over each balance in the financial statements and obtained our audit evidence, which was substantive in nature, from the Manager and Administrator. As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where subjective judgements are made, for example in respect of classification of special dividends.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the company's financial statements.

Independent Auditors' Report

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.
Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall Company materiality	£4.08 million (2022: £4.15 million).
How we determined it	1% of net assets.
Rationale for benchmark applied	We have applied this benchmark, a generally accepted auditing practice for investment trust audits, in the absence of indicators that an alternative benchmark would be appropriate and because we believe this provides an appropriate and consistent year-on-year basis for our audit.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to £3.06 million (2022: £3.11 million) for the Company's financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £203,000 (2022: £207,500) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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

- Evaluating the Directors' updated risk assessment and considering whether it addressed the relevant threats to the Company;
- Evaluating the Directors' assessment of potential operational impacts to the Company of relevant risks, considering their consistency with other available information and our understanding of the business and assessed the potential impact on the financial statements;
- Reviewing the Directors' assessment of the Company's financial position in the context of its ability to meet future expected operating expenses, their assessment of liquidity as well as their review of the operational resilience of the Company and oversight of key third-party service providers; and
- Assessing the implication of significant reductions in net assets as a result of market performance on the ongoing ability of the Company to operate.

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 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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Independent Auditors' Report

In relation to the directors' reporting on how they have 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.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31st December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements 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. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

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, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Company's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate; and

Independent Auditors' Report

- The directors' statement as to whether 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 period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the Company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Company and its environment obtained in the course of the audit.

In addition, 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 that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditor.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

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.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of section 1158 of the Corporation Tax Act 2010, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined

Independent Auditors' Report

that the principal risks were related to posting inappropriate journal entries to increase revenue (investment income and capital gains) or to increase net asset value of the Company. Audit procedures performed by the engagement team included:

- discussions with the Manager and the Audit Committee, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- reviewing relevant committee meeting minutes, including those of the Board and Audit Committee;
- assessment of the Company's compliance with the requirements of section 1158 of the Corporation Tax Act 2010, including recalculation of numerical aspects of the eligibility conditions;
- review of financial statement disclosures to underlying supporting documentation;
- Identifying and testing manual journal entries posted by the Administrator during the preparation of the financial statements; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 23rd April 2020 to audit the financial statements for the year ended 31st December 2020 and subsequent financial periods. The period of total uninterrupted engagement is four years, covering the years ended 31st December 2020 to 31st December 2023.

Shujaat Khan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

20th March 2024

Financials

Statement of Comprehensive Income

For the year ended 31st December 2023

	Notes	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Gains/(losses) on investments and derivatives held at fair value through profit or loss	3	—	12,726	12,726	—	(53,403)	(53,403)
Net foreign currency gains		—	6	6	—	285	285
Income from investments	4	19,816	—	19,816	22,346	—	22,346
Interest receivable and similar income	4	694	—	694	339	—	339
Gross return/(loss)		**20,510**	**12,732**	**33,242**	**22,685**	**(53,118)**	**(30,433)**
Management fee	5	(693)	(1,286)	(1,979)	(778)	(1,444)	(2,222)
Other administrative expenses	6	(867)	—	(867)	(716)	—	(716)
Net return/(loss) before finance costs and taxation		**18,950**	**11,446**	**30,396**	**21,191**	**(54,562)**	**(33,371)**
Finance costs	7	(757)	(1,406)	(2,163)	(658)	(1,222)	(1,880)
Net return/(loss) before taxation		**18,193**	**10,040**	**28,233**	**20,533**	**(55,784)**	**(35,251)**
Taxation (charge)/credit	8	(17)	—	(17)	3	—	3
Net return/(loss) after taxation		**18,176**	**10,040**	**28,216**	**20,536**	**(55,784)**	**(35,248)**
Return/(loss) per share	9	**30.69p**	**16.95p**	**47.64p**	**34.27p**	**(93.10)p**	**(58.83)p**

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.

Net return/(loss) after taxation represents the return/(loss) for the year and also Total Comprehensive Income/(Expense).

The notes on page 77 to 92 form part of these financial statements.

Statement of Changes in Equity

For the year ended 31st December 2023

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserves[1] £'000	Revenue reserve[1] £'000	Total Shareholders' funds £'000
At 31st December 2021	**14,859**	**171,863**	**6,680**	**250,060**	**21,560**	**465,022**
Issue of ordinary shares	178	5,004	—	—	—	5,182
Net (loss)/return	—	—	—	(55,784)	20,536	(35,248)
Dividends paid in the year	—	—	—	—	(19,156)	(19,156)
At 31st December 2022	**15,037**	**176,867**	**6,680**	**194,276**	**22,940**	**415,800**
Repurchase of shares into Treasury	—	—	—	(15,728)	—	(15,728)
Net return	—	—	—	10,040	18,176	28,216
Dividend paid in the year	—	—	—	—	(20,491)	(20,491)
At 31st December 2023	**15,037**	**176,867**	**6,680**	**188,588**	**20,625**	**407,797**

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

The notes on pages 77 to 92 form an integral part of these financial statements.

Statement of Financial Position

At 31st December 2023

	Notes	2023 £'000	2022 £'000
Non current assets			
Investments held at fair value through profit or loss	11	439,131	445,552
Current assets	12		
Debtors		1,105	1,098
Cash and cash equivalents		8,296	9,556
Cash held at broker		432	—
		9,833	10,654
Current liabilities	13		
Creditors: amounts falling due within one year		(11,010)	(10,406)
Derivative financial liabilities		(157)	—
Net current (liabilities)/assets		(1,334)	248
Total assets less current liabilities		**437,797**	**445,800**
Non current liabilities			
Creditors: amounts falling due after more than one year	14	(30,000)	(30,000)
Net assets		**407,797**	**415,800**
Capital and reserves			
Called up share capital	15	15,037	15,037
Share premium account	16	176,867	176,867
Capital redemption reserve	16	6,680	6,680
Capital reserves	16	188,588	194,276
Revenue reserve	16	20,625	22,940
Total shareholders' funds		**407,797**	**415,800**
Net asset value per share	17	**705.7p**	**691.3p**

For the 2023 year end, the 'Fixed Assets' sub-heading was changed to 'Non-Current Assets' to align to the adapted format under FRS 102. This change did not result in any measurement changes.

The financial statements on pages 72 to 76 were approved and authorised for issue by the Directors on 20th March 2024 and were signed on their behalf by:

David Fletcher
Director

The notes on pages 77 to 92 form an integral part of these financial statements.

Company registration number: 754577.

Statement of Cash Flows

For the year ended 31st December 2023

	Notes	2023 £'000	2022[1] £'000
Net return/(loss) before finance costs and taxation		30,396	(33,371)
Adjustment for:			
Net (gains)/losses on investments held at fair value through profit or loss		(12,726)	53,403
Net foreign currency gains		(6)	(285)
Dividend income		(19,816)	(22,346)
Interest income		(694)	(339)
Realised gains on foreign exchange transactions		6	312
Increase in accrued income and other debtors		(1)	(1)
Increase in accrued expenses		211	18
Net cash outflow from operations before dividends and interest		**(2,630)**	**(2,609)**
Dividends received		19,804	22,677
Interest received		683	316
Overseas withholding tax recovered		—	1
Net cash inflow from operating activities		**17,857**	**20,385**
Purchases of investments		(109,200)	(226,611)
Sales of investments		129,024	280,403
Settlement of future contracts		(520)	(504)
Transfer of margin cash (to)/from the broker		(432)	4,969
Net cash inflow from investing activities		**18,872**	**58,257**
Dividends paid		(20,491)	(19,156)
Issue of ordinary shares		—	5,182
Repurchase of shares into Treasury		(15,484)	—
Repayment of bank loan		(20,000)	(100,000)
Drawdown of bank loan		20,000	40,000
Interest paid		(2,014)	(1,971)
Net cash outflow from financing activities		**(37,989)**	**(75,945)**
(Decrease)/increase in cash and cash equivalents		**(1,260)**	**2,697**
Cash and cash equivalents at start of year		9,556	6,886
Exchange movements		—	(27)
Cash and cash equivalents at end of year		**8,296**	**9,556**
Cash and cash equivalents consist of:			
Cash and short term deposits		611	157
Cash held in JPMorgan Sterling Liquidity Fund		7,685	9,399
Total		**8,296**	**9,556**

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

The notes on pages 77 to 92 form an integral part of these financial statements.

Statement of Cash Flows

Reconciliation of net debt

	As at 31st December 2022 £'000	Cash flows £'000	Other non-cash charges £'000	As at 31st December 2023 £'000
Cash and cash equivalents				
Cash	157	454	—	611
Cash held in JPMorgan Sterling Liquidity Fund	9,399	(1,714)	—	7,685
	9,556	(1,260)	—	8,296
Borrowings				
Debt due within one year	(10,000)	—	—	(10,000)
Debt due after one year				
£30m 3.22% Private Placement loan	(30,000)	—	—	(30,000)
	(40,000)	—	—	(40,000)
Net Debt	**(30,444)**	**(1,260)**	**—**	**(31,704)**

The notes on pages 77 to 92 form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31st December 2023.

1. Accounting policies

The Company is a listed public limited company incorporated in England and Wales. The registered office is detailed on page 106.

(a) Basis of accounting

The financial statements are prepared under historical cost convention, modified to include fixed asset investments and derivatives at fair value, and 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 July 2022.

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

The financial statements have been prepared on a going concern basis. In making their assessment, the Directors have reviewed income and expense projections, the liquidly of the investment portfolio and considered the impact of stressed conditions on the portfolio liquidity and income. In addition, the Directors have also considered the measures in place with key service providers, including the Manager, to maintain operational resilience. The disclosures on going concern on page 51 of the Directors' Report 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, net of expenses incidental to purchase which are recognised as transaction costs and expensed 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 the sales of investments, the 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 are included in the Statement of Comprehensive Income and dealt with in Capital reserves within 'Investment holding gains and losses'.

(d) Income

Dividends receivable 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 reviewed on an individual basis to ascertain the reason behind the payment. This will determine whether they are treated as income 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.

Notes to the Financial Statements

1. Accounting policies (continued)

(d) Income (continued)

Underwriting commission is recognised in revenue where it relates to shares that the Company is not required to take up. Where the Company is required to take up a proportion of the shares underwritten, the same proportion of commission received is deducted from the cost of the shares taken up, with the balance taken to revenue.

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 revenue with the following exceptions:

- the management fee is allocated 35% to revenue and 65% 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 on page 83.

(f) Finance costs

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

Finance costs are allocated 35% to revenue and 65% 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.

Cash held at Broker consists of securities held on deposit as guarantee for margin settlements. These are classified as receivables and initially recognised at fair value and subsequently recognised at amortised cost.

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

Futures 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 are recognised in the Statement of Comprehensive Income as capital.

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.

(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. Gains and losses on investments arising from a change in exchange rates are included in 'Investment holding gains and losses' for investments still held at year end, and in 'Gains and losses on sales of investments' for investments sold during the year.

(k) Dividends payable

Dividends are included in the financial statements in the year in which they are paid.

(l) Repurchase of ordinary shares for cancellation or to be held in Treasury

The cost of repurchasing shares, 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 are cancelled or held in Treasury and 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 up to the purchase price of the shares will be transferred to capital reserves. The excess of the sales proceeds over the purchase price will be transferred to share premium.

2. Significant accounting judgements, estimates and assumptions

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 significant accounting judgements or estimates have been applied to this set of financial statements, 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/(losses) on investments and derivatives held at fair value through profit or loss

	2023 £'000	2022 £'000
Realised gains on sale of investments	2,134	6,689
Realised losses on close out of futures	(520)	(504)
Net change in unrealised gains/(losses) on investments	11,273	(60,516)
Unrealised (losses)/gains on futures contracts	(157)	936
Other capital charges	(4)	(8)
Total capital gains/(losses) on investments and derivatives held at fair value through profit or loss	**12,726**	**(53,403)**

Notes to the Financial Statements

4. Income

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Income from investments						
UK dividends	17,067	—	17,067	18,492	—	18,492
Overseas dividends	1,099	—	1,099	589	—	589
Property income distribution from UK REITS	170	—	170	107	—	107
Special dividends	1,480	—	1,480	3,158	—	3,158
	19,816	**—**	**19,816**	**22,346**	**—**	**22,346**
Interest receivable and similar income						
Deposit interest	32	—	32	14	—	14
Interest from JPMorgan Sterling Liquidity Fund	662	—	662	325	—	325
	694	—	694	339	—	339
Total income	**20,510**	**—**	**20,510**	**22,685**	**—**	**22,685**

5. Management fee

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Management fee	693	1,286	1,979	778	1,444	2,222

Details of the management fee are given in the Directors' Report on page 45.

6. Other administrative expenses

	2023 £'000	2022 £'000
Administration expenses	279	331
Auditor's remuneration for audit services[1]	54	41
Directors' fees[2]	168	148
Depositary fees[3]	65	70
Marketing fees[4]	301	126
	867	**716**

[1] Audit fee is shown excluding VAT and the irrecoverable VAT thereof has been included within administration expenses.
[2] Full disclosure is given in the Directors' Remuneration Report on page 59.
[3] Includes £11,000 (2022: £12,000) irrecoverable VAT.
[4] Includes £50,000 (2022: £21,000) irrecoverable VAT.

7. Finance costs

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Bank loans and overdraft interest	419	778	1,197	320	594	914
Private Placement interest	338	628	966	338	628	966
	757	**1,406**	**2,163**	**658**	**1,222**	**1,880**

8. Taxation

(a) Analysis of tax charge/(credit) for the year

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Overseas withholding tax	17	—	17	(3)	—	(3)
Total tax charge/(credit) for the year	**17**	**—**	**17**	**(3)**	**—**	**(3)**

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

The tax charge/(credit) for the year is higher (2022: lower) than the Company's applicable effective rate of corporation tax of 23.52% (2022: 19%).

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

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Net return/(loss) before taxation	18,193	10,040	28,233	20,533	(55,784)	35,251
Net return/(losses) before taxation multiplied by the Company's applicable effective rate of corporation tax of 23.52% (2022: 19%)	4,279	2,361	6,640	3,901	(10,599)	(6,698)
Effects of:						
Non taxable capital (gains)/losses	—	(2,994)	(2,994)	—	10,092	10,092
Non taxable UK dividends	(4,144)	—	(4,144)	(3,842)	—	(3,842)
Non taxable overseas dividends	(477)	—	(477)	(383)	—	(383)
Excess capital expenses arising in the year	—	633	633	—	507	507
Unrelieved expenses	342	—	342	324	—	324
Overseas withholding tax	17	—	17	(3)	—	(3)
Total tax charge/(credit) for the year	**17**	**—**	**17**	**(3)**	**—**	**(3)**

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £34,677,000 (2022: £33,641,000) based on a prospective corporation tax rate of 25% (2022: 25%). The deferred tax asset has arisen due to £138,708,000 (2022: £134,563,000) 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.

Notes to the Financial Statements

9. Return/(loss) per share

	2023 £'000	2022 £'000
Revenue return	18,176	20,536
Capital return/(loss)	10,040	(55,784)
Total return/(loss)	**28,216**	**(35,248)**
Weighted average number of shares in issue during the year	59,232,911	59,917,311
Revenue return per share	30.69p	34.27p
Capital return/(loss) per share	16.95p	(93.10)p
Total return/(loss) per share	**47.64p**	**(58.83)p**

10. Dividends

(a) Dividends paid and declared

	2023 £'000	2022 £'000
Dividends paid		
2022 fourth quarterly dividend of 10.5p (2021: 9.5p) paid in March 2023	6,308	5,665
First quarterly dividend of 8.0p (2022: 7.5p) paid in June 2023	4,775	4,497
Second quarterly dividend of 8.0p (2022: 7.5p) paid in September 2023	4,731	4,497
Third quarterly dividend of 8.0p (2022: 7.5p) paid in December 2023	4,677	4,497
Total dividends paid in the year	**20,491**	**19,156**

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

The fourth quarterly dividend proposed in respect of the year ended 31st December 2022 amounted to £6,315,000. However, the amount paid amounted to £6,308,000 due to shares redeemed after the balance sheet date but prior to the record date.

The fourth quarterly dividend has been declared and paid in respect of the year ended 31st December 2023. This dividend will be reflected in the financial statements for the year ending 31st December 2024.

(b) Dividends 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 £18,176,000 (2022: £20,536,000). Brought forward revenue reserves amounting to £22,940,000 (2022: £21,560,000) have been partially utilised in order to finance the dividend in respect of the year.

	2023 £'000	2022 £'000
First quarterly dividend of 8.0p (2022: 7.5p) paid in June 2023	4,775	4,497
Second quarterly dividend of 8.0p (2022: 7.5p) paid in September 2023	4,731	4,497
Third quarterly dividend of 8.0p (2022: 7.5p) paid in December 2023	4,677	4,497
Fourth quarterly dividend of 10.5p (2022: 10.5p) paid in March 2024	6,059	6,315
Total dividend declared in respect of the year of 34.5p (2022: 33.0p)	**20,242**	**19,806**

The revenue reserve after payment of the fourth dividend will amount to £14,566,000 (2022: £16,625,000).

11. Investments held at fair value through profit or loss

	2023 £'000	2022 £'000
Opening book cost	376,128	423,240
Opening investment holding gains	69,424	129,940
Opening valuation	445,552	553,180
Movements in the year:		
Purchases at cost	109,200	226,611
Sales proceeds	(129,028)	(280,412)
Gains/(losses) on investments	13,407	(53,827)
Closing valuation	**439,131**	**445,552**
Closing book cost	358,434	376,128
Closing investment holding gains	80,697	69,424
Total investments held at fair value through profit or loss	**439,131**	**445,552**

The Company received £129,028,000 (2022: £280,412,000) from investments sold in the year. The book cost of these investments when they were purchased was £126,894,000 (2022: £273,723,000). 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 £582,000 (2022: £1,157,000) and on sales during the year amounted to £52,000 (2022: £171,000). These costs comprise mainly brokerage commission.

12. Current assets

	2023 £'000	2022 £'000
Debtors		
Dividends and interest receivable	1,048	1,025
Overseas tax recoverable	29	46
Other debtors	28	27
	1,105	**1,098**

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. Please refer to the Statement of Cash Flows for further details.

Notes to the Financial Statements

13. Current liabilities

	2023 £'000	2022 £'000
Creditors: amounts falling due within one year		
Bank loan – Mizuho Bank	10,000	10,000
Bank loan interest and commitment fees payable	205	57
Private placement loan interest payable	242	241
Other creditors and accruals	319	108
Repurchases of the Company's own shares awaiting settlement	244	—
	11,010	**10,406**

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

On 24th May 2022, the Company entered into an £80 million two year revolving loan facility with Mizuho Bank Limited with an interest rate of margin plus SONIA. As at 31st December 2023, £10 million was drawn down with Mizuho Bank Limited (2022: £10 million with Mizuho Bank Limited). The facility is subject to covenants and restrictions which are customary for a facility of this nature, all of which have been met during the year.

	2023 £'000	2022 £'000
Derivative financial liabilities		
Futures contracts[1]	157	—

[1] Short FTSE 100 Index futures at a contract cost of £5,660,000 and a market value of £5,817,000 giving an unrealised liability of £157,000. The settlement dates for these contracts was 15th March 2024.

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

	2023 £'000	2022 £'000
£30,000,000 3.22% private placement loan notes	30,000	30,000
	30,000	**30,000**

On 30th March 2020, the Company issued £30 million fixed rate 25 year unsecured notes at an annualised coupon of 3.22% by way of a private placement loan from BAE Systems plc pension funds maturing in March 2045.

15. Called up share capital

	2023		2022	
	Number of shares	£'000	Number of shares	£'000
Ordinary shares allotted and fully paid:				
Opening balance of Ordinary shares excluding shares held in Treasury	60,145,653	15,037	59,435,653	14,859
Issue of new Ordinary shares	—	—	710,000	178
Repurchase of Ordinary shares into Treasury	(2,360,513)	(590)	—	—
Closing balance of Ordinary shares of 25p each excluding shares held in Treasury	57,785,140	14,447	60,145,653	15,037
Shares held in Treasury	2,360,513	590	—	—
Closing balance of shares of 25p each including shares held in Treasury	**60,145,653**	**15,037**	**60,145,653**	**15,037**

Further details of transactions in the Company's shares are on page 31.

Share capital transactions

During the year, the Company bought back 2,360,513 shares (2022: nil) into Treasury for total consideration of £15,728,000 (2022: £nil). No shares were issued during the year (2022: 710,000).

16. Capital and reserves

2023	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserves[1] Realised gains and losses £'000	Capital reserves[1] Investment holding gains and losses £'000	Revenue reserve[1] £'000	Total £'000
Opening balance	15,037	176,867	6,680	124,848	69,428	22,940	415,800
Dividends paid in the year	—	—	—	—	—	(20,491)	(20,491)
Realised gains on sale of investments	—	—	—	2,134	—	—	2,134
Realised losses on close out of futures	—	—	—	(520)	—	—	(520)
Unrealised losses on futures	—	—	—	—	(157)	—	(157)
Net change in unrealised gains and losses on investments	—	—	—	—	11,273	—	11,273
Management fee and finance costs charged to capital	—	—	—	(2,692)	—	—	(2,692)
Net foreign currency gains on cash and cash equivalents	—	—	—	6	—	—	6
Repurchase of shares into Treasury	—	—	—	(15,728)	—	—	(15,728)
Retained revenue for the year	—	—	—	—	—	18,176	18,176
Other capital charges	—	—	—	(4)	—	—	(4)
Closing balance	**15,037**	**176,867**	**6,680**	**108,044**	**80,544**	**20,625**	**407,797**

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

2022	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserves[1] Realised gains and losses £'000	Capital reserves[1] Investment holding gains and losses £'000	Revenue reserve[1] £'000	Total £'000
Opening balance	14,859	171,863	6,680	121,052	129,008	21,560	465,022
Dividends paid in the year	—	—	—	—	—	(19,156)	(19,156)
Realised gains on sale of investments	—	—	—	6,689	—	—	6,689
Realised gains/losses on close out of futures	—	—	—	432	—	—	432
Unrealised losses on future contracts from prior year now realised	—	—	—	(936)	936	—	—
Net change in unrealised gains and losses on investments	—	—	—	—	(60,516)	—	(60,516)
Issue of new Ordinary shares	178	5,004	—	—	—	—	5,182
Management fee and finance costs charged to capital	—	—	—	(2,666)	—	—	(2,666)
Net foreign currency gains on cash and cash equivalents	—	—	—	285	—	—	285
Retained revenue for the year	—	—	—	—	—	20,536	20,536
Other capital charges	—	—	—	(8)	—	—	(8)
Closing balance	**15,037**	**176,867**	**6,680**	**124,848**	**69,428**	**22,940**	**415,800**

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

Notes to the Financial Statements

17. Net asset value per share

The net asset value per Ordinary share and the net asset value attributable to the Ordinary shares at the year end follow. These were calculated using 57,785,140 (2022: 60,145,653) Ordinary shares in issue at the year end (excluding Treasury shares).

	2023 Net asset value attributable £'000	 pence	2022 Net asset value attributable £'000	 pence
Net asset value - debt at par	**407,797**	**705.7**	**415,800**	**691.3**
Add: amortised cost of £30 million 3.22% private placement loan March 2045	30,000	51.9	30,000	49.9
Less: fair value of £30 million 3.22% private placement loan March 2045	(23,608)	(40.8)	(23,466)	(39.0)
Net asset value – debt at fair value	**414,189**	**716.8**	**422,334**	**702.2**

18. Contingent liabilities and capital commitments

At the balance sheet date there were no capital commitments (2022: same) and no contingent liabilities (2022: same).

19. Transactions with the Manager and related parties

Details of the management contract are set out in the Directors' Report on page 44. The management fee payable to the Manager for the year was £1,979,000 (2022: £2,222,000) of which £nil (2022: £nil) was outstanding at the year end.

Included in administration expenses in note 6 on page 80 are safe custody fees amounting to £8,000 (2022: £8,000) payable to JPMorgan Chase Bank N.A. of which £3,000 (2022: £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 (2022: £31,000) of which £nil (2022: £nil) was outstanding at the year end.

The Company holds an investment in JPMorgan UK Small Cap Growth & Income plc (formerly JPMorgan UK Smaller Companies Investment Trust plc) which is also managed by the Investment Manager. At the year end this was valued at £13.6 million (2022: £13.3 million) and represented 3.1% (2022: 3.0%) of the Company's investment portfolio. During the year, the Company made £nil (2022: £nil) purchases of this investment and sales with a total value of £501,000 (2022: £811,000). Dividend income amounting to £357,000 (2022: £334,000) was receivable during the year, of which £nil (2022: £nil) was outstanding at the year end.

The Company also holds cash in the JPMorgan Sterling Liquidity Fund, which is managed by JPMorgan. At the year end, this was valued at £7.7 million (2022: £9.4 million). Interest amounting to £662,000 (2022: £325,000) was receivable during the year, of which £nil (2022: £nil) was outstanding at the year end.

At the year end, total cash of £611,000 (2022: £157,000) was held with JPMorgan Chase Bank N.A. A net amount of interest of £32,000 (2022: £14,000) was receivable by the Company during the year from JPMorgan Chase Bank N.A. of which £nil (2022: £nil) was outstanding at the year end.

Handling charges on dealing transactions amounting to £4,000 (2022: £8,000) were payable to JPMorgan Chase Bank N.A. during the year of which £1,000 (2022: £1,000) was outstanding at the year end.

Full details of Directors' remuneration and shareholdings can be found on page 59 and in note 6 on page 80.

20. 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 comprises its investment portfolio.

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 77.

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

	2023		2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1[1]	439,131	(157)	445,552	—
Total	**439,131**	**(157)**	**445,552**	**—**

[1] 2023: Includes future currency contracts.

21. 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 'Key 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 other price risk and interest rate risk), liquidity risk and credit risk. The Directors' policy for managing these risks is set out below. The Company has no significant direct exposure to foreign exchange risk.

A proportion of the dividends received by the Company are paid in currencies other than sterling. Therefore a significant movement in exchange rates could impact the portfolio yield, however the Board considers this to be a relatively low risk. The Company Secretary, in close co-operation with the Board and the Manager, co-ordinates the Company's risk management The objectives, policies and processes for managing the risks and the methods used to measure the risks that are set out below, have not changed from those applying in the comparative year.

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

- investments in UK equity shares and other securities, 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;
- a debenture issued by the Company, the purpose of which is to finance the Company's operations; and
- a sterling loan facility, the purpose of which is to finance the Company's operations.

(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 two elements – other price risk and interest rate risk. Information to enable an evaluation of the nature and extent of these two elements of market risk is given in parts (i) to (iii) of this note, together with sensitivity analysis 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.

Notes to the Financial Statements

21. Financial instruments' exposure to risk and risk management policies (continued)

(a) Market risk (continued)

(i) Other price risk

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

Management of other price risk

The Board meets on at least four occasions each year to consider the asset allocation of the portfolio and the risk associated with particular industry sectors. The Investment Manager 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 changes in market prices at 31st December comprises its holdings in equity investments as follows:

	2023 £'000	2022 £'000
Investments held at fair value through profit or loss	439,131	445,552
Derivative instruments - futures contracts	(157)	—
	438,974	**445,552**

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

Concentration of exposure to other price risk

An analysis of the Company's investments is given on pages 22 to 24. This shows that all of the investments are listed in the UK. Accordingly there is a concentration of exposure to the UK. However, it should also be noted that an investment may not be entirely exposed to the economic conditions in its country of domicile or of listing.

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% (2022: 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.

	2023		2022	
	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/(loss) after taxation				
Revenue return/(loss)	(61)	61	(62)	62
Capital return/(loss)	43,219	(43,219)	44,439	(44,439)
Total return/(loss) after taxation	43,158	(43,158)	44,377	(44,377)
Net assets	**43,158**	**(43,158)**	**44,377**	**(44,377)**

(ii) Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits, the liquidity fund and the interest payable on variable rate borrowings when interest rates are reset. There is no 'fair value' interest rate risk attached to the Company's fixed rate debenture in issue, as it is carried in the financial statements at amortised cost.

Management of interest rate risk

The Company's gearing policy (excluding the effect of any futures) is to operate within a range of 5% net cash and 20% geared in normal market conditions. The Portfolio Managers have discretion to vary the gearing level between 5% net cash and 17.5% geared (including the effect of any futures). The possible effects on cash flows that could arise as a result of changes in interest rates are taken into account when the Company borrows on the loan facility. However, amounts drawn down on this facility are for short term periods and therefore exposure to interest rate risk is not significant.

Interest rate exposure

The Company has a £30 million 3.22% 25 years private placement unsecured loan. The Company has no other financial assets or liabilities carrying fixed rates of interest. The exposure of financial assets and liabilities to floating interest rates, giving cash flow interest rate risk when rates are reset, is shown below.

	2023 £'000	2022 £'000
Exposure to floating interest rates:		
Cash and short term deposits	611	157
Cash held at broker	432	—
JPMorgan Sterling Liquidity Fund	7,685	9,399
Bank loan	(10,000)	(10,000)
Total exposure	**(1,272)**	**(444)**

Interest receivable on cash balances, or paid on overdrafts, is at a margin below or above SONIA respectively (2022: same). The target return on the JPMorgan Sterling Liquidity Fund is in line with prevailing money market rates whilst aiming to preserve capital consistent with such rates and to maintain a high degree of liquidity.

Details of the bank loan are given in note 13 on page 84.

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 4.0% (2022: 4.0%) 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 and in light of interest rate increases during the year. The sensitivity analysis is based on the Company's monetary financial instruments held at the balance sheet date with all other variables held constant.

	2023		2022	
	4.0% increase in rate £'000	4.0% decrease in rate £'000	4.0% increase in rate £'000	4.0% decrease in rate £'000
Statement of Comprehensive Income – return/(loss) after taxation				
Revenue return	209	(209)	242	(242)
Capital return	(260)	260	(260)	260
Total return after taxation for the year	(51)	51	(18)	18
Net assets	**(51)**	**51**	**(18)**	**18**

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.

Notes to the Financial Statements

21. 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. Short term flexibility is achieved through the use of overdraft facilities.

The Board's policy is for the Company to remain fully invested in normal market conditions and that short term borrowings be used to manage short term liabilities and working capital requirements and to gear the Company as appropriate.

Details of the Company's loan facility are given in note 13 on page 84.

Liquidity risk exposure

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

	2023			
	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	319	—	—	319
Repurchases of Company's own shares awaiting settlement	244	—	—	244
Derivative financial instruments	157	—	—	157
Bank loan, including interest	406	10,129	—	10,535
Private placement, including interest	480	728	49,571	50,779
	1,606	**10,857**	**49,571**	**62,034**

	2022			
	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	108	—	—	108
Bank loan, including interest	10,155	—	—	10,155
Private placement, including interest	479	728	50,537	51,744
	10,742	**728**	**50,537**	**62,007**

The liabilities shown above represent future undiscounted 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, N.A.

JPMorgan Chase Bank, N.A. is the custodian of the Company's assets. The Company's assets are segregated from JPMorgan Chase Bank, N.A.'s own trading assets. Therefore, these assets are designed to be protected from creditors in the event that JPMorgan Chase, N.A. was 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 loan. The fair value of this private placement loan has been calculated using discounted cash flow techniques using the yield on a similarly dated gilt plus a margin based on the five year average yield for the AA Barclays Sterling Corporate Bond.

	Accounts value		Fair value	
	2023 £m	2022 £m	2023 £m	2022 £m
£30 million 3.22% private placement loan March 2045	30.0	30.0	23.6	23.5

Notes to the Financial Statements

22. Capital management policies and procedures

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

	2023 £'000	2022 £'000
Debt:		
£80 million loan facility with Mizuho Bank	10,000	10,000
£30 million 3.22% private placement loan March 2045	30,000	30,000
	40,000	**40,000**
Equity:		
Called up share capital	15,037	15,037
Reserves	392,760	400,763
	407,797	415,800
Total debt and equity	**447,797**	**455,800**

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 Company's gearing policy (excluding the effect of any futures) is to operate within a range of 5% net cash and 20% geared in normal market conditions. The Portfolio Managers have discretion from the Board to vary the gearing level between 5% net cash and 17.5% geared (including the effect of any futures).

	2023 £'000	2022 £'000
Investments held at fair value through profit or loss	439,131	445,552
Net assets	407,797	415,800
Gearing	**7.7%**	**7.2%**

The Company does not have any external capital requirements.

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

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

23. Subsequent events

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

Technology

Regulatory Disclosures

Alternative Investment Fund Managers Directive 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 2023 are shown below:

	Gross Method	Commitment Method
Leverage Exposure		
Maximum limit	200%	200%
Actual	109%	110%

AIFMD Remuneration disclosures

JPMorgan Funds Limited (the '**Management Company**') is the authorised manager of JPMorgan Claverhouse 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).

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 2023 Performance Year in July 2023 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 2023 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 Assets Under Management ('AUM') weighted basis.

Due to the Firm's operational 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 27 Alternative Investment Funds (with 4 sub-funds) and 2 UCITS (with 44 sub-funds) as at 31st December 2023, with a combined AUM as at that date of £23.99 million and £20.03 million respectively.

	Fixed remuneration	Variable remuneration	Total remuneration	Number of beneficiaries
All staff of the Management Company (US$'000s)	23,549	15,069	38,618	149

The aggregate 2023 total remuneration paid to AIFMD Identified Staff was US$119,473,000 of which US$1,636,000 relates to Senior Management and US$117,837,000 relates to other Identified Staff[1].

[1] For 2023, 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 Disclosure (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-sell 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 2023.

Consumer Discretionary

Notice of Annual General Meeting

Important information:

This document is important and requires your immediate attention. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, it is recommended that you seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriate independent professional adviser duly authorised pursuant to the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or, if not, from another appropriately authorised independent adviser. If you have sold or otherwise transferred all of your shares in the Company, please forward this document at once to the purchaser or transferee or to the stockbroker, banker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. This document should not, however, be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or transferred only part of your holding of shares, you should retain this document.

Notice is hereby given that the sixty-first Annual General Meeting of JPMorgan Claverhouse Investment Trust plc (the 'Company') will be held at 60 Victoria Embankment, London EC4Y 0JP on Monday, 29th April 2024 at 12 noon for the following purposes:

Ordinary Business

To consider the following resolutions:

1. To receive the Company's annual report and audited financial statements for the year ended 31st December 2023 (the 'Annual Report') together with the Directors' Reports and the Auditors' Report contained in the Annual Report.
2. To approve the Directors' Remuneration Policy as set out on page 57 of the Annual Report.
3. To approve the Directors' Remuneration Report for the year ended 31st December 2023 as set out on pages 57 to 60 of the Annual Report.
4. To reappoint David Fletcher as a Director.
5. To reappoint Jill May as a Director.
6. To reappoint Nicholas Melhuish as a Director.
7. To reappoint Victoria Stewart as a Director.
8. To reappoint Joanne Fintzen as a Director.
9. To reappoint PricewaterhouseCoopers LLP as independent Auditor of the Company to hold office until the conclusion of the next annual general meeting at which Financial Statements are laid before the Company.
10. To authorise the Directors to determine the Auditor's remuneration.

Special Business

To consider the following resolutions:

Authority to allot new shares – Ordinary Resolution

11. 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 and in accordance with Section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot equity securities in the Company and to grant rights to subscribe for, or to convert any security into, Ordinary shares in the Company ('Rights') up to an aggregate nominal amount of £1,436,331 or, if different, the aggregate nominal amount representing approximately 10% of the Company's issued Ordinary share capital (excluding shares held in Treasury) as at the date of the passing of this resolution providing that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2025 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 equity securities to be allotted or Rights to be granted after such expiry and so that the Directors of the Company may allot equity securities and grant Rights 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 or sale of relevant securities – Special Resolution

12. THAT subject to the passing of Resolution 11, the Directors of the Company be and they are hereby empowered pursuant to Sections 570 and 573 of the Act to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 11 or by way of a sale of Treasury shares as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities for cash up to an aggregate nominal amount of £1,436,331 or, if different, the aggregate nominal amount representing approximately 10% of the total Ordinary share capital (excluding shares held in Treasury) as at the date of the passing of this resolution 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 11, save that the Company may before such expiry make offers, agreements or arrangements which would or might require equity securities to be allotted after such expiry and so that the Directors of the Company may allot equity securities in pursuance of such offers, agreements or arrangements as if the power conferred hereby had not expired.

Authority to repurchase the Company's shares – Special Resolution

13. THAT the Company be generally and, subject as hereinafter appears, unconditionally authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693 of the Act) of its issued Ordinary shares on such terms and in such manner as the Directors may from time to time determine:

PROVIDED ALWAYS THAT

(i) the maximum number of Ordinary shares hereby authorised to be purchased shall be 8,612,243 or, if fewer, that number of Ordinary shares which is equal to 14.99% of the Company's issued share capital (excluding shares held in Treasury) as at the date of the passing of this Resolution;

(ii) the minimum price which may be paid for a share shall be 25 pence;

(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 higher price of the last independent trade; or (c) the highest current independent bid for a share on the trading venues where the market purchases by the Company pursuant to this authority will be carried out;

(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 28th October 2025 unless the authority is renewed at the Company's Annual General Meeting in 2025 or at any other general meeting prior to such time; and

(vi) the Company may make a contract to purchase shares under the authority hereby conferred prior to the expiry of such authority which contract will or may be executed wholly or partly after the expiry of such authority and may make a purchase of shares pursuant to any such contract.

Authority to sell shares from Treasury at a discount to net asset value – Ordinary Resolution

14. That, subject to the passing of Resolution 12 set out above, the Directors of the Company be authorised for the purposes of rule 15.4.11 of the Listing Rules of the Financial Conduct Authority to sell or transfer ordinary shares of 25 pence each in the capital of the Company out of Treasury for cash at a price below the net asset value per share of the existing shares in issue (excluding shares held in Treasury), provided always that:

(a) where any shares held in Treasury are sold pursuant to this power at a discount to the then prevailing net asset value per share such discount must:

(i) be narrower than the average discount to the net asset value per share at which the Company acquired the shares it then holds in Treasury; and

(ii) not be more than a 2% discount to the prevailing net asset value per share (cum income debt at fair value); and

(b) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2025 unless previously revoked, varied, extended or renewed by the Company in a general meeting, save that the Company may, at any time prior to the expiry of this authority, make an offer or agreement which would or might otherwise require Treasury shares to be sold after such expiry and the Directors may sell Treasury shares pursuant to such offer or agreement as if the power conferred hereby had not expired.

Approval of dividend policy – Ordinary Resolution

15. THAT the Company's policy to pay four quarterly interim dividends on the Company's ordinary shares be approved.

Authority to hold general meetings on short notice – Special Resolution

16. THAT, a general meeting, other than an Annual General Meeting, may be called on not less than 14 clear days' notice.

Approval of increase of the Directors' aggregate annual remuneration cap – Ordinary Resolution

17. THAT, the Company be authorised to increase the Directors' aggregate annual remuneration cap contained in Article 109(1) of the Articles of Association of the Company from £200,000 to £250,000.

By order of the Board
Emma Lamb, for and on behalf of JPMorgan Funds Limited, Secretary

20th March 2024

Notice of Annual General Meeting

Notes

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

1. 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. In addition, 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.
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 Chairman, another Director of the Company or another person who has agreed to attend to represent you. Details of how to appoint the Chairman or another person(s) as your proxy or proxies using the proxy form are set out in the notes to the proxy form. If a 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.
4. Any instrument appointing a proxy, to be valid, must be lodged in accordance with the instructions given on the proxy form no later than 12 noon two business days prior to the Meeting (i.e. excluding weekends and bank holidays).
5. You may change your proxy instructions by returning a new proxy appointment. The deadline for receipt of proxy appointments 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 an individual(s) to act as its representative(s) 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.

   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 Financial Statements (including the Auditors' report and the conduct of the audit) that are to be laid before the AGM; or (b) any circumstances connected with an 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.jpmclaverhouse.co.uk.
13. The register of interests of the Directors and connected persons in the called-up 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, Sundays 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, 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 19th March 2024 (being the latest business day prior to the publication of this Notice), the Company's called-up share capital consists of 57,453,257 Ordinary shares (excluding treasury shares) carrying one vote each. Therefore, the total voting rights in the Company are 57,453,257.

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.

Glossary of Terms and Alternative Performance Measures (Unaudited)

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

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

Return to Shareholders (APM)

Total return to the shareholder, 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 2023	Year ended 31st December 2022	
Opening share price (p)	7	700.0	772.0	(a)
Closing share price (p)	7	684.0	700.0	(b)
Total dividend adjustment factor[1]		1.052699	1.046841	(c)
Adjusted closing share price (p) (d = b x c)		720.0	732.8	(d)
Total return to shareholders (e = (d / a) – 1)		**2.9%**	**–5.1%**	(e)

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

Return on Net Assets with Debt at 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 2023	Year ended 31st December 2022	
Opening cum-income NAV per share (p)	7	691.3	782.4	(a)
Closing cum-income NAV per share (p)	7	705.7	691.3	(b)
Total dividend adjustment factor[1]		1.050777	1.046624	(c)
Adjusted closing cum-income NAV per share (d = b x c)		741.5	723.5	(d)
Total return on net assets (e = d / a – 1)		**7.3%**	**–7.5%**	(e)

[1] The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the cum-income NAV 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 74) at amortised cost, which is materially equivalent to the repayment value of the debt on the assumption that it is held to maturity. This is often referred to as 'Debt at Par Value'.

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

The difference between fair and par values of the debt is subtracted from the NAV to derive the NAV with debt at fair value, as shown in note 17 (on page 86).

The fair value of the £30,000,000 private placement issued by the Company has been calculated using discounted cash flow techniques, using the yield from similar dated gilt plus a margin based on the five year average for the AA Barclays Sterling Corporate Bond spread.

As at 31st December 2023, the cum-income NAV with debt at fair value was £414,189,000 (31st December 2022: £422,334,000) or 716.8p per share (31st December 2022: 702.2p).

Glossary of Terms and Alternative Performance Measures (Unaudited)

Total return calculation	Page	Year ended 31st December 2023	Year ended 31st December 2022	
Opening cum-income NAV per share (p)	7	702.2	770.7	(a)
Closing cum-income NAV per share (p)	7	716.8	702.2	(b)
Total dividend adjustment factor[1]		1.049866	1.046625	(c)
Adjusted closing cum-income NAV per share (d = b x c)		752.54	734.94	(d)
Total return on net assets (e = d / a – 1)		**7.2%**	**–4.6%**	(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.

In accordance with industry practice, dividends payable which have been declared but which are unpaid at the balance sheet date are deducted from the NAV per share when calculating the total return on net assets.

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 86 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 (excluding effect of futures)	Page	Year ended 31st December 2023 £'000	Year ended 31st December 2022 £'000	
Investments held at fair value through profit or loss	83	439,131	445,552	(a)
Net assets	86	407,797	415,800	(b)
Gearing/(net cash) (c = (a / b) – 1)		**7.7%**	**7.2%**	(c)

Gearing including the effect of futures takes account of the notional market value of futures contracts held by the Company. A negative (short) market value of futures reduces the gearing effect and a positive (long) market value increases the gearing effect.

Gearing calculation (including effect of futures)	Page	Year ended 31st December 2023 £'000	Year ended 31st December 2022 £'000	
Investments held at fair value through profit or loss	83	439,131	445,552	(a)
Futures notional market value (short)		(5,817)	—	(b)
Net assets	86	407,797	415,800	(c)
Gearing/(net cash) (d=(a+b)/c – 1)		**6.3%**	**7.2%**	(d)

Glossary of Terms and Alternative Performance Measures (Unaudited)

Ongoing charges (APM)

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

Ongoing charges calculation	Page	Year ended 31st December 2023 £'000	Year ended 31st December 2022 £'000	
Management fee[1]	80	1,979	2,222	
Other administrative expenses	80	867	716	
Total management fee and other administrative expenses		2,846	2,938	(a)
Average daily cum-income net assets		409,269	419,278	(b)
Ongoing charges (c = a / b)		**0.70%**	**0.70%**	(c)

[1] The management fee for the year is based on the following:
- from 1st January 2023 to 30th June 2023, on an annual rate of 0.55% on the first £400 million of net assets and 0.40% on net assets in excess of £400 million.; and
- from 1st July 2023 to 31st December 2023, on an annual rate of 0.45% on the first £400 million of net assets and 0.40% on net assets in excess of £400 million.

Share Price Premium/(Discount) to 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.

Performance attribution

Analysis of how the Company achieved its recorded performance relative to its benchmark.

Performance Attribution Definitions:

Stock/Sector selection

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

Gearing/Net Cash

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

Management fee/Other expenses

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

JPMorgan Funds Limited ('JPMF' or the 'Manager')

The Company's Alternative Investment Fund Manager and Company Secretary.

JPMorgan Asset Management (UK) Limited ('JPMAM' or the 'Investment Manager')

JPMF delegates the management of the Company's portfolio to JPMAM.

Portfolio Managers

William Meadon and Callum Abbot, the Company's designed portfolio managers on behalf of the Investment Manager.

Where to Buy Shares in the Company

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

1. Via a third party provider

Third party providers include:

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

Please note this list is not exhaustive and the availability 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' website at https://www.theaic.co.uk/how-to-vote-your-shares 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 to 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 adviser charging and commission rules, visit fca.org.uk.

Share Fraud Warning

Investment and pension scams are often sophisticated and difficult to spot

FINANCIAL CONDUCT AUTHORITY

Be a ScamSmart Investor

Be a ScamSmart investor and spot the warning signs

Fraudsters will often:

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

How to avoid investment and pension scams

1. **Reject unexpected offers**
Scammers usually cold call, but contact can also come by email, post, word of mouth or at a seminar. If you've been offered an investment out of the blue, chances are it's a high risk investment or a scam.

2. **Check the FCA Warning List**
Use the FCA Warning List to check the risks of a potential investment – you can also search to see if the firm is known to be operating without our authorisation.

3. **Get impartial advice**
Get impartial advice before investing – don't use an adviser from the firm that contacted you.

If you're suspicious, report it

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

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

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

Information About the Company

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

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

Consumer Duty Value Assessment

The Manager has conducted an annual value assessment on the Company in line with FCA rules set out in the Consumer Duty regulation. The assessment focuses on the nature of the product, including benefits received and its quality, limitations that are part of the product, expected total costs to clients and target market considerations. Within this, the assessment considers quality of services, performance of the Company (against both Benchmark and peers), total fees (including management fees and entry and exit fees as applicable to the Company), and also considers whether all consumers, including vulnerable consumers, are able to receive fair value from the product. The Manager has concluded that the Company is providing value based on the above assessment.

Information About the Company

History

The Company was launched as Claverhouse Investment Trust Limited in 1963 with assets of £5 million and managed by Robert Fleming & Co. The Company took its name from Viscount Claverhouse ('Bonnie Dundee') who was killed at the Battle of Killiecrankie in 1689 whilst leading a rebellion against William and Mary. The name was chosen to commemorate the Company's link with Dundee, where Flemings originated in 1873. The Company changed its name to The Fleming Claverhouse Investment Trust plc in 1983, to JPMorgan Fleming Claverhouse Investment Trust plc in 2003 and adopted its present name in 2007.

Company Numbers

Company registration number: 754577
London Stock Exchange code: 0342218
ISIN: GB0003422184
Bloomberg Code: JCH LN
LEI: 549300NFZYYFSCD52W53

Market Information

The Company's net asset value per share is published daily, via the London Stock Exchange. The Company's shares are listed on the London Stock Exchange. The market price is shown daily on the Company's website at www.jpmclaverhouse.co.uk where the share price is updated every 15 minutes during trading hours.

Website

www.jpmclaverhouse.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

Investment Manager

JPMorgan Asset Management (UK) Limited

Company's Registered Office

60 Victoria Embankment
London EC4Y 0JP
Telephone: 0800 20 40 20 or +44 1268 44 44 70

Please contact Emma Lamb for company secretarial and administrative matters.

Depositary

The Bank of New York Mellon (International) Limited
160 Queen Victoria Street
London EC4V 4LA

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

Registrar

Equiniti Limited
Reference 1079
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone number: +44 (0)371 384 2945

Lines open 8.30 a.m. to 5.30 p.m. Monday to Friday. Calls to the helpline will cost no more than a national rate call to a 01 or 02 number. If calling from outside of the UK, please ensure the country code is used.

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1079.

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

Independent Auditor

PricewaterhouseCoopers LLP
Altria One
144 Morrison Street
Edinburgh EH3 8EX

Broker

Numis Securities Limited
45 Gresham St,
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J.P.Morgan
ASSET MANAGEMENT