









# JPMorgan European Discovery Trust plc

Uncovering Europe's hidden gems

Annual Report and Financial Statements  
for the Year Ended 31st March 2025

## Key Features

### Your Company at a Glance

<b>Investment Objective and Benchmark</b> 	<b>Investment Policies</b> 	<b>Capital Structure</b> 
<p>Capital growth from smaller Continental European companies.</p> <p>MSCI Europe (ex UK) Small Cap Net Total Return Index in sterling terms.</p>	<p>To invest in a diversified portfolio of high-quality smaller companies in Continental Europe.</p> <p>To emphasise capital growth rather than income. Shareholders should expect the dividend to vary from year to year.</p> <p>To manage liquidity and borrowings to increase potential returns to shareholders.</p>	<p>At 31st March 2025, the Company's issued share capital comprised 136,314,903 Ordinary shares of 5p each, of which 24,442,660 were held in Treasury.</p>
<b>Gearing Policy</b> 	<b>Management Fees</b> 	<b>Management Company</b> 
<p>Gearing can be a differentiator for an investment trust. The Board's current gearing policy is to be between 20% net cash and 20% geared.</p>	<p>With effect from 1st April 2025, the management fee is charged on a tiered basis as follows:</p> <ul style="list-style-type: none"> <li>● 0.70% on the first £300 million of net assets; and</li> <li>● 0.65% of net assets above £300 million.</li> </ul>	<p>The Company employs JPMorgan Funds Limited ('JPMF' or the 'Manager' or the 'Investment Manager') as its Alternative Investment Fund Manager. JPMF delegates the management of the Company's portfolio to JPMorgan Asset Management (UK) Limited ('JPMAM').</p>

#### Website

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

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

The Company is a member of the AIC.

#### Stay informed: receive the latest JEDT newsletter

Sign up to receive regular email updates on the Company's progress. Our quarterly newsletter delivers topical and relevant news and views directly to your inbox. Scan this QR code on your smartphone camera or opt in via [https://web.gim.jpmorgan.com/emea\\_investment\\_trust\\_subscription/welcome?targetFund=JEDT](https://web.gim.jpmorgan.com/emea_investment_trust_subscription/welcome?targetFund=JEDT) to receive regular updates on JPMorgan European Discovery Trust plc.



#### Contact the Company

General enquiries about the Company should be directed to the Company Secretary at [jpmam.investment.trusts@jpmorgan.com](mailto:jpmam.investment.trusts@jpmorgan.com)

### FINANCIAL CALENDAR

Financial year end	31st March
Final results announced	June
Half year end	30th September
Half year results announced	December
Annual General Meeting	July



“

European smaller companies offer a rich landscape for outstanding investment opportunities. Our skilled team is dedicated to discovering these future leaders, which we affectionately term hidden gems. Through the application of cutting-edge strategies and profound market insights, we aim to provide strong and sustainable returns for our shareholders, nurturing growth and resilience in a dynamic economic environment.”

**Jules Bloch, Portfolio Manager, JPMorgan European Discovery Trust plc**



“

European small caps are presenting a unique opportunity, trading at a notable discount relative to other asset classes while offering robust growth potential. This gap strengthens our confidence in the future of this asset class, especially as Europe’s macroeconomic outlook begins to brighten. By seizing these undervalued prospects, we are poised to deliver significant returns and foster enduring success for our shareholders.”

**Jack Featherby, Portfolio Manager, JPMorgan European Discovery Trust plc**



“

This year, our team has successfully navigated a turbulent macroeconomic environment, demonstrating resilience and expertise. We are steadfast in our commitment to enhancing our processes, enforcing stringent risk management, and performing in-depth analyses of companies’ fundamentals. We are confident that this strategic approach is vital for delivering outstanding long-term performance and driving sustained growth amidst market volatility.”

**Jon Ingram, Portfolio Manager, JPMorgan European Discovery Trust plc**

## Uncovering Europe's Hidden Gems

Tap into the exciting growth potential of the dynamic European small-cap market, through JPMorgan European Discovery Trust plc (JEDT). Managed by Jon Ingram, Jack Featherby and Jules Bloch, the Company has a long track record of uncovering Europe's hidden gems. Buying into high-quality smaller companies can be one of the most powerful ways to capture long-term investment growth – especially if you have the resources and expertise to spot opportunity before the rest of the market.

THE OPPORTUNITY	THE CAPABILITIES	THE STRATEGY
<p>Unearth the European companies set to redefine the world</p> <p>Global megatrends, like adoption of artificial intelligence (AI) or the move to clean fuels, are transforming our world. Yet many of the most promising companies in these sectors are only at the start of their journey.</p>	<p>The passion, people and resources to find opportunities first</p> <p>In Europe, 70% of small and mid-cap stocks are researched by fewer than five market analysts across the industry. So investors focused on this market can often find opportunity well before the rest of the market.</p>	<p>Capture the potential of Europe's future leaders today</p> <p>For anyone seeking to boost their portfolio returns, Europe's small and mid-cap companies are a compelling asset class. In fact, they've produced some of the best stock market returns of the past 20 years.</p>
<p>Investing in Europe's smaller companies provides an opportunity to invest in young, dynamic businesses at the heart of global innovation – including companies with great ideas in established sectors, like retail, finance, consumer durables and engineering.</p> <p>What's most exciting is that 'small caps' can experience far more rapid rates of growth than larger, more established peers. So for any investor seeking long-term growth, European small and mid-cap companies are an asset class that deserves attention.</p>	<p>J.P. Morgan has invested extensively in leading-edge research tools and technology so it can track and compare opportunities across more than 1,000 small and mid-cap companies in over 25 European countries.</p> <p>Passionate about knowing companies in-depth, the small and mid-cap team conduct over 300 meetings and site visits a year. Supported by 70 J.P. Morgan sector specialists, they can determine the growth potential of companies in any industry, from technology to healthcare, energy to financials.</p>	<p>The Company looks to capture this potential by bringing together around 75 of the very best ideas across Europe's small and mid-cap universe.</p> <p>By investing in high-quality companies when they are relatively unknown and undervalued, the Trust is able to capitalise when other investors start to recognise their true worth.</p> <p>In this way, our investors can be ready to share in the growth potential of tomorrow's most exciting and dynamic European companies today.</p>

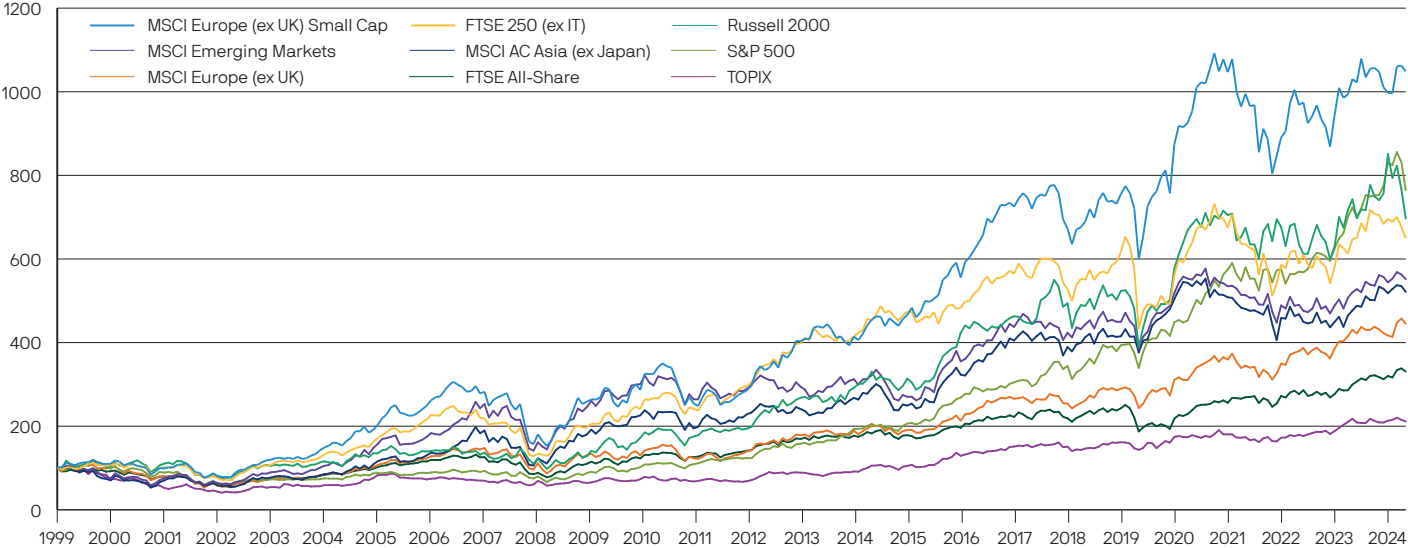
### Investing in JPMorgan European Discovery Trust shares – ISA, Junior ISA, Lifetime ISA

Whether you are you looking to invest your ISA allowance or to get on the property ladder with the help of a Lifetime ISA or providing a nest egg for children with a Junior ISA, JPMorgan European Discovery Trust offers a high-quality investment vehicle and is available to buy across all leading UK investment platforms.

Highlights

Long term outperformance of the European Small Cap index<sup>1</sup>

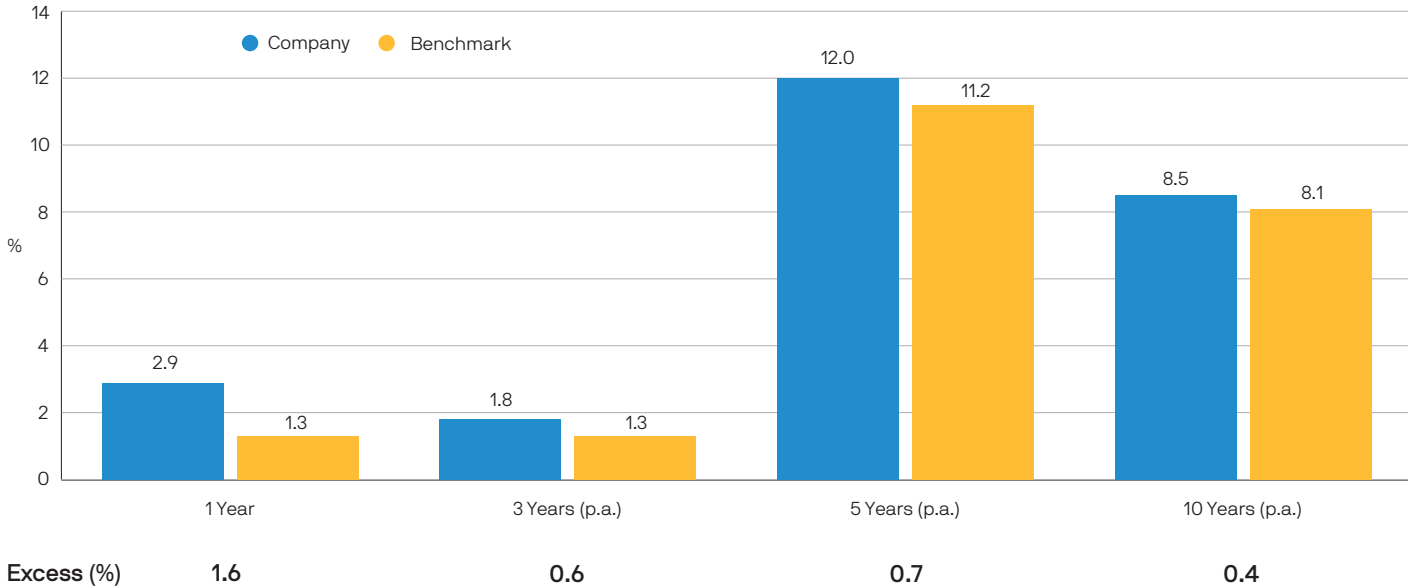
Cumulative returns



JEDT outperforms European Small Cap Index on an annualised basis<sup>2</sup>

Annualised performance

Return versus MSCI Europe ex Small Cap Index (Net)\*\*



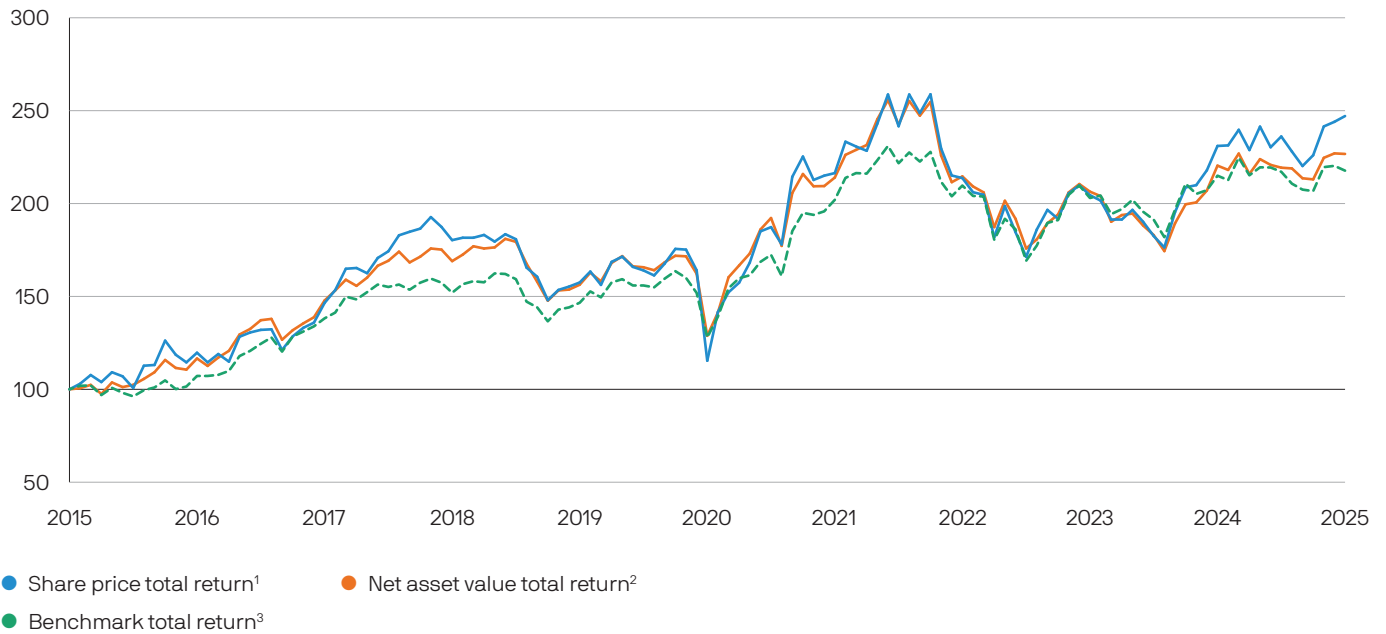
<sup>1</sup> Source: J.P. Morgan Asset Management, Bloomberg. All series are rebased to 100 as at 31st December 1999 to 31st March 2025. All indices in GBP and include reinvested dividends. Indices do not include fees or operating expenses and are not available for actual investment.

<sup>2</sup> Source: J.P. Morgan Asset Management. All data as of 31st March 2025, unless otherwise specified. NAV returns are net of fees, in GBP, with income reinvested. Returns are provisional and subject to change. All indices in sterling and include reinvested dividends. Indices do not include fees or operating expenses and are not available for actual investment. The above portfolio characteristics are shown for illustrative purposes only and are subject to change without notice. \*\*Benchmark changed from EMIX Smaller European (ex UK) Index to MSCI Europe ex UK Small Cap Index (Net) in April 2020.

# Ten Year Record

## Ten year performance

Figures were rebased to 100 on 31st March 2015



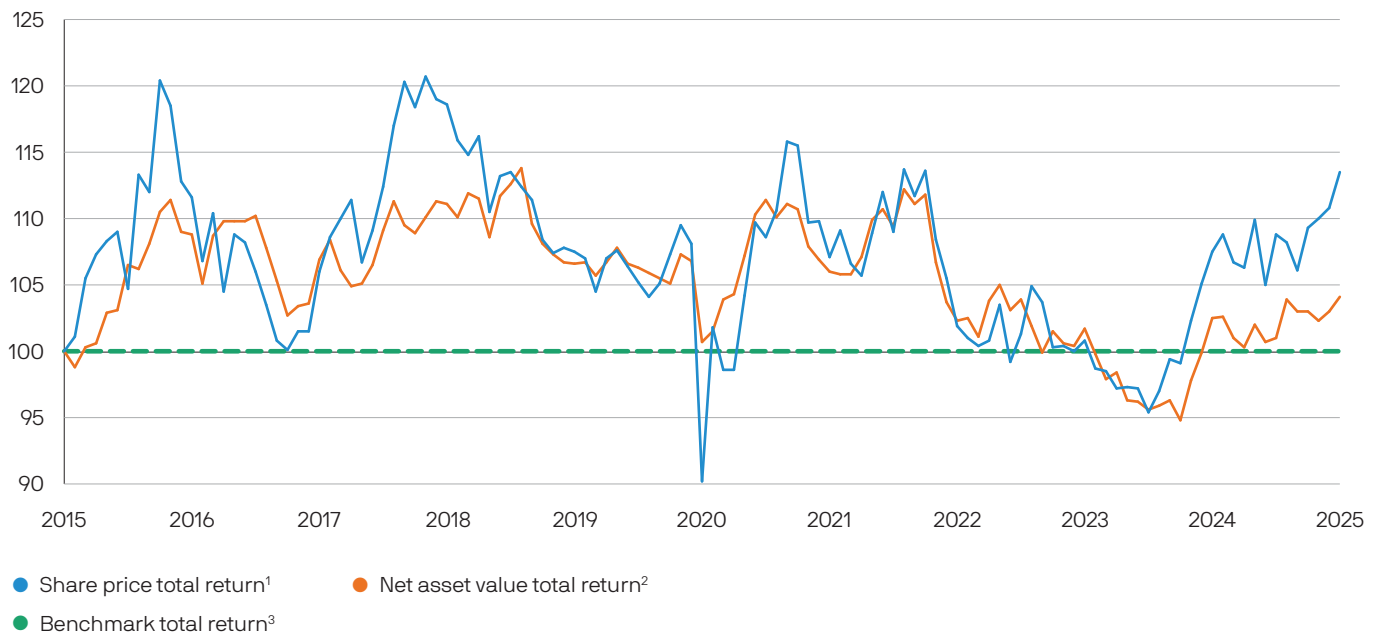
<sup>1</sup> Source: Morningstar, share price. JPMorgan, share price total return calculation.

<sup>2</sup> Source: Morningstar, cum income net asset value per share. JPMorgan, net asset value total return calculation.

<sup>3</sup> Source: Morningstar. The Company's benchmark.

## Ten year performance relative to benchmark

Figures were rebased to 100 on 31st March 2015



<sup>1</sup> Source: Morningstar, share price. JPMorgan, share price total return calculation.

<sup>2</sup> Source: Morningstar, cum income net asset value per share. JPMorgan, net asset value total return calculation.

<sup>3</sup> Source: Morningstar. The Company's benchmark.

Ten year financial record

At 31st March	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total assets less current liabilities (£'m)	473.1	495.4	620.8	794.2	637.8	517.3	923.0	833.7	785.1	841.7	586.3
Net asset value per share (p) <sup>A</sup>	268.3	309.3	388.1	438.9	400.0	324.4	530.7	526.1	498.5	520.7	524.0
Share price (p)	233.5	276.0	334.0	406.0	349.0	251.0	462.0	450.0	423.0	465.5	486.0
Share price discount (%) <sup>A</sup>	13.0	10.8	13.9	7.5	12.8	22.6	12.9	14.5	15.1	10.6	7.3
Gearing %/(Net cash) <sup>A</sup>	7.5	(2.8)	5.3	7.9	(5.2)	3.8	8.8	0.0	6.9	7.9	5.2
Ongoing charges (%) <sup>A</sup>	1.32	1.18	1.15	1.03	1.07	1.05	0.91	0.93	0.94	0.92	0.90

Year ended 31st March

Gross revenue return (£'000)	8,586	8,448	10,771	13,251	15,837	15,077	9,625	16,498	22,502	23,982	22,653
Net revenue available for shareholders (£'000)	5,519	5,732	7,807	9,575	11,680	10,886	7,051	11,154	17,512	18,670	15,892
Revenue return per share (p)	3.45	3.58	4.88	5.98	7.31	6.83	4.42	7.00	11.11	12.04	12.36
Total dividend(s) per share (p)	3.2	3.2	4.7	6.7	6.7	6.7	6.7	6.7	9.0	10.5	13.0

Rebased to 100 at 31st March 2015

Total return on share price <sup>1,A</sup>	100.0	119.7	146.5	180.3	157.5	115.4	216.4	213.7	204.5	231.0	247.1
Total return on net assets <sup>2,A</sup>	100.0	116.6	147.8	169.0	156.3	128.8	214.0	214.6	206.4	220.4	226.7
Benchmark total return <sup>3</sup>	100.0	107.2	138.2	152.0	146.6	127.9	202.0	209.7	203.0	215.0	217.7

<sup>1</sup> Source: Morningstar, share price. JPMorgan, share price total return calculation.

<sup>2</sup> Source: Morningstar, cum income net asset value per share. JPMorgan, net asset value total return calculation.

<sup>3</sup> Source: Euromoney. The Company's benchmark is the MSCI Europe (ex UK) Small Cap Net Total Return Index. (2019 and before: Euromoney Smaller European Companies (ex UK) Total Return Index in sterling terms).

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

A glossary of terms and APMs definitions is provided on pages 106 and 107.

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## Performance Highlights

### Total returns (including dividends reinvested)

	2025	2024	3 years Cumulative	5 years Cumulative	10 years Cumulative
Return on share price <sup>1,A</sup>	+7.0%	+13.0%	+15.6%	+114.1%	+147.1%
Return on net assets <sup>2,A</sup>	+2.9%	+6.8%	+5.6%	+76.0%	+126.7%
Benchmark return <sup>3</sup>	+1.3%	+5.9%	+3.8%	+70.2%	+117.7%
Share price return compared to benchmark <sup>A</sup> return	+5.7%	+7.1%	+11.8%	+43.9%	+29.4%
Net asset return compared to benchmark return <sup>3,A</sup>	+1.6%	+0.9%	+1.8%	+5.8%	+9.0%
Dividend in respect of the year	13.0p	10.5p			

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

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

<sup>3</sup> Source: Morningstar. The Company's benchmark is the MSCI Europe (ex UK) Small Cap Net Total Return Index in sterling terms.

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

A glossary of terms and APMs is provided on pages 106 and 107.

## Financial Highlights

## Summary of results

	2025	2024	% change
<b>Total returns for the year ended 31st March</b>			
Share price return <sup>1,A</sup>	+7.0%	+13.0%	
Net asset value return <sup>2,A</sup>	+2.9%	+6.8%	
Benchmark return <sup>3</sup>	+1.3%	+5.9%	
<b>Net asset value, share price, discount and market data at 31st March</b>			
Shareholders' funds (£'000)	586,250	769,046	-23.8 <sup>4</sup>
Net asset value per share <sup>A</sup>	524.0p	520.7p	+0.6 <sup>5</sup>
Share price <sup>1</sup>	486.0p	465.5p	+4.4 <sup>6</sup>
Share price discount to net asset value per share <sup>A</sup>	7.3%	10.6%	
Shares in issue (excluding shares held in Treasury) <sup>4</sup>	111,872,243	147,692,459	
<b>Revenue for the year ended 31st March</b>			
Gross revenue return (£'000)	22,653	23,982	-5.5
Net revenue attributable to shareholders (£'000)	15,892	18,670	-14.9
Revenue return per share	12.36p	12.04p	+2.7
Dividend per share	13.0p	10.5p	+23.8
<b>Gearing as at 31st March<sup>A</sup></b>	<b>5.2%</b>	<b>7.9%</b>	
<b>Ongoing charges<sup>A</sup></b>	<b>0.90%</b>	<b>0.92%</b>	

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

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

<sup>3</sup> Source: Morningstar. The Company's benchmark is the MSCI Europe (ex UK) Small Cap Net Total Return Index.

<sup>4</sup> During the year, a tender offer was made to Shareholders, allowing them to tender up to 15% of the Company's issued share capital.

<sup>5</sup> % change, excluding dividends paid. Including dividend the return is +2.9%.

<sup>6</sup> % change, excluding dividends paid. Including dividend the return is +7.0%.

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

A glossary of terms and APMs is provided on pages 106 and 107.

## Chairman's Statement



Marc van Gelder  
Chairman

***“Valuations in European small and mid-caps remain very attractive in relative and absolute terms versus European large caps, the US and other global markets.”***

Dear Shareholder,

I am pleased to present the Annual Report for the year ended 31st March 2025 and to report that our Company has:

- outperformed its benchmark over the year, achieving a total return on net assets of +2.9%, against the MSCI Europe (ex UK) Small Cap Index return of +1.3%;
- outperformed the market over the three, five and ten year periods ending 31st March 2025;
- record revenue return for the year of 12.36p, an increase of +2.7%.

### Investment Performance

The market environment remained supportive over the past year. An easing in inflation pressures and a gradual reduction in interest rates combined with rising wages, lifted consumer spending across the region leading to increased investment. On the political front, developments over the past year have been dramatic and historically significant. The new US administration's aggressive tariffs and other policy pronouncements threaten to upend the post-World War II economic and political order. Consequently, European countries have been forced to reassess their relationship with the US and in particular, commit to higher defence spending. As an example, the new German government elected in February 2025 has promised a major increase in domestic defence and infrastructure investment.

Most major equity markets saw sharp declines in early 2025 due to concerns that higher US tariffs would slow global growth, raise inflation and delay or curtail investment plans. However, since the beginning of 2025, European small and mid-cap companies have fared better than most market sectors, including European large caps. This is supported by the fact that they generate much of their revenue from domestic sales and are thus relatively insulated from the impact of a global trade war. Investors are also clearly mindful that small cap and mid-cap companies will benefit from increased spending on defence and infrastructure.

For the financial year ended 31st March 2025 the MSCI Europe (ex UK) Small Cap Index returned +1.3%. Our Company outperformed its benchmark over the year, achieving a total return on net assets of +2.9%, while the total return on share price was +7.0%. This led to a significant narrowing of the discount at which the Company's shares trade relative to net asset value (NAV) from 10.6% to 7.3% over the course of the year.

While the past year's performance has been pleasing, the Company adopts a long-term investment strategy. Therefore, it is important to also consider the performance over a longer timeframe. I am happy to report that this year's outperformance has enhanced the Company's already robust long-term performance track record. The Company has made absolute gains and outperformed the market over the three, five and ten year periods ending March 2025. Significantly, over ten years making annualised returns of +8.5% on an NAV basis versus the annualised benchmark return of +8.1%.

### Portfolio Enhancements

During the past year, the Portfolio Managers implemented some important enhancements to their process and risk management. Whilst the Company's investment strategy continues to seek to identify and invest early in high-quality companies when they are relatively unknown and undervalued, the Portfolio Managers noted in their 2024 Half Year Report that this strategy works best when markets are trending higher but tends to struggle during periods of high volatility caused by global crises and other sources of macro uncertainty. However, historically, once these periods of stress end, portfolio performance has bounced back strongly.

The changes made by the Portfolio Managers during the second half of FY25 are intended to minimise downside risk during periods of volatility and capture upside risk when volatility reduces. So far, these changes have had a positive impact on performance. All the gains made by the Company over the past year were made in the last six months of the financial year. During this period, the NAV rose 3.4%, against the benchmark return of 0.3%. The Portfolio Managers' report on pages 16 to 24 provides further detail on this positive turnaround in performance, along with commentary on portfolio positioning and the investment outlook.

## Chairman's Statement

### Gearing

Gearing can be a differentiator for an investment trust. The Board believes that it can be beneficial to performance and it sets the overall strategic gearing policy and guidelines which are reviewed at each Board meeting. Borrowings during the year consisted of a EUR125m revolving credit facility, which was EUR70m drawn down at year end. During the year gearing varied between 9.6% geared and 10.3% cash as a result of the Tender Offer. At the end of the financial year, gearing stood at 5.2%.

### Revenue and Dividends

The Board's dividend policy is to pay out the majority of revenue available each year to its shareholders. This is set against the Company's objective of maximising capital growth, therefore the Portfolio Managers are not constrained to deliver income in any one financial year.

On 5th February 2025, an interim dividend of 3.0 pence per share was paid, which was an increase from the previous year's interim dividend of 2.5 pence. This increase reflects the higher income that the Company has received during the first six months of the financial year compared to the previous year.

Considering the income received during the financial year, the Company's revenue reserves, and pending shareholder approval at the upcoming Annual General Meeting (AGM), the Directors have declared a final dividend of 10.0 pence per share. This final dividend together with the interim dividend paid, is higher than the revenue return per share of 12.4 pence earned during the financial year ending 31st March 2025.

This will take the total dividend for the year to 13.0 pence, compared to a total dividend of 10.5 pence for the previous year. The final dividend will be paid on 4th August 2025, to shareholders registered at the close of business on 4th July 2025, with the ex-dividend date being 3rd July 2025. Following this dividend payment, the Company's revenue reserves will total £12.3 million, compared to £9.0 million as at 31st March 2024.

The dividend level is influenced by the share buybacks conducted since the year-end while allowing the Company to fulfill the distribution requirement of section 1158 of the Corporation Tax Act 2010 and maintain its investment trust status.

### Discount Management and Share Repurchases

The Company's share price discount relative to net asset value narrowed during the Company's financial year, from 10.6% as at end March 2024 to 7.3% at end March 2025. The average discount over the period was 9.7% and as at 16th June 2025, the discount was 7.7%.

The Board monitors the level of the discount carefully. When appropriate, it uses the ability to repurchase shares to minimise the short-term volatility and the absolute level of the discount. During the year, the Company repurchased 14,660,188 shares at an average discount of 9.8%. A further 16,347,505 shares have been re-purchased since the period end.

As set out in the circular to shareholders dated 28th April 2025, the Board and the Investment Manager anticipated that, in the light of recent buy-back activity, the Company's authority to repurchase Ordinary Shares granted at the 2024 Annual General Meeting would likely be fully utilised before it could be refreshed at the Company's Annual General Meeting in July 2025. In order to ensure that the Company could continue to operate its discount management policy, on 16th May 2025, shareholders approved the early renewal of the Company's authority – to effectively repurchase up to 14.99% of its issued share capital (such authority to expire at the conclusion of the 2025 Annual General Meeting). Subsequent to this renewal, the Company has continued to use this buy-back authority.

### Management Fee and Manager Evaluation

Following the Board's discussions with the Manager during the year an agreement was reached to reduce the investment management fee. With effect from 1st April 2025, the fee is now charged on a tiered basis on the Company's net assets at an annual rate of 0.70% on the first £300 million and 0.65% of net assets above that amount, compared to the previous flat fee of 0.75%.

## Chairman's Statement

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During the year the Management Engagement Committee conducted the annual Board and Manager review facilitated by an independent board evaluation firm. The review of the Manager encompassed investment management, company secretarial, administrative and marketing services provided. The review took account of the Manager's investment performance record, management processes, investment style, resources committed and risk controls. The Board concurred with the Committee's recommendation that the continued appointment of the Manager was in the best interests of shareholders.

### The Board

The Board continues to look ahead to manage its succession planning. In the normal course, having served for nine years I would step down from the Board at the forthcoming AGM. However, the Board is mindful of the changes over the last 18 months, in particular the investment management team and the appointment of two new Directors during the period. In order to ensure ongoing stability and continuity, the Board, in consultation with shareholders, believed that it was in the Company's best interests that I should extend my term to the AGM in 2026. The Board has commenced the recruitment process for a new Non-Executive Director.

### Environmental, Social and Governance ('ESG')

The Board shares the Investment Manager's view of the significance of financially material environmental, social and governance ('ESG') factors when making long term investment decisions. The Portfolio Managers regularly discuss financially material ESG issues with the management teams of potential and current investee companies. Further information on the Manager's ESG process and engagement is set out in the ESG Report on pages 35 to 37.

### Shareholder Engagement

The Board values regular interactions with a cross section of shareholders as they are very helpful in assisting with the management of the Company's affairs. The Board members seek opportunities to have such meetings and welcome approaches from shareholders at any time.

Over the course of the year, we have engaged with several of the Company's largest shareholders to listen to their perspectives. The Board values the feedback it has received and insights it has gained through this engagement process. We remain committed, as ever, to continued engagement over the coming year. I would like to take this opportunity to thank shareholders for their time and ongoing support.

With the Company's improved performance and positive outlook for the sector, a sub-committee of the Board has been working closely with the Manager's sales and marketing teams to raise the profile of the Company to attract more retail investors and to communicate the appeal of the European small and mid-cap sector.

### Annual General Meeting

The Company's Annual General Meeting will be held on Wednesday, 23rd July 2025 at 12.30 p.m. at 60 Victoria Embankment, London EC4Y 0JP.

The Portfolio Managers will present to shareholders, reviewing the past year and commenting on the outlook for the current year. The meeting will be followed by lunch to provide shareholders the opportunity to meet the Directors and the Manager's representatives. My fellow Directors and I look forward to seeing as many shareholders as possible at the AGM.

For shareholders wishing to follow the AGM proceedings but choosing not to attend, we will be able to welcome you through our conferencing software. Details on how to register together with access details will shortly be available on the Company's website: [www.jporganeuropeandiscovery.co.uk](http://www.jporganeuropeandiscovery.co.uk), or by contacting the Company Secretary at [jpmam.investment.trusts@jpmorgan.com](mailto:jpmam.investment.trusts@jpmorgan.com)

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

## Chairman's Statement

If you have any detailed or technical questions, it would be helpful if you could raise them in advance with the Company Secretary at 60 Victoria Embankment, London EC4Y 0JP or via the 'Ask a Question' link on the Company's website.

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.

### Stay Informed

The Company delivers email updates with regular news and views, as well as the latest performance. If you have not already signed up to receive these communications and you wish to do so, you can opt in via [https://web.gim.jpmorgan.com/emea\\_investment\\_trust\\_subscription/welcome?targetFund=JEDT](https://web.gim.jpmorgan.com/emea_investment_trust_subscription/welcome?targetFund=JEDT) or by scanning the QR code on this page.



### Outlook

The outlook for European small and mid-caps and our Company has brightened considerably since my last report.

The regional economy is strengthening, supported by declining interest rates. At the same time while recent geopolitical developments are certainly unsettling, they are likely to bring positive long-term benefits for the sector. Smaller companies are relatively insulated from the adverse impact of US tariffs benefiting from their significant regional market exposure. Increased government spending on defence and infrastructure across EU and other continental European nations should also benefit small and mid-cap companies.

In addition, the increasingly rapid spread of artificial intelligence (AI) is likely to be particularly advantageous for small and mid-cap companies. By their very nature, such businesses tend to be innovative and nimble. These characteristics suggest they will lead the way in their adoption of AI tools and will thus be amongst the first to realise related productivity gains and cost savings.

Finally, valuations in this part of the market remain very attractive in relative and absolute terms versus European large caps, the US and other global markets. All the favourable factors are aligned in support of small and mid-caps which suggest that the sector's long overdue rebound cannot be far off.

The Portfolio Managers' have positioned the portfolio to capitalise on recent positive developments by focusing on companies with strong growth prospects and some immunity from the volatility generated by macroeconomic and geopolitical developments. So I look forward with some confidence of reporting on the continuation of our Company's long track record of strong gains and outperformance over the coming months.

**Marc van Gelder**  
Chairman

18th June 2025

## Investment Manager's Report



**Jules Bloch**  
Portfolio Manager

### Review

The financial year ending 31st March 2025 was relatively stable compared to the turbulent years we have recently experienced. Notable events in the past few years included a mini financial crisis following the bankruptcies of Silicon Valley Bank (SVB) and Credit Suisse, an inflation shock following post-COVID supply chain disruptions, and an energy crisis spurred by Russia's invasion of Ukraine. In contrast, the 2024-25 financial year passed quite smoothly, with gradual declines in European energy prices and CPI expectations, and a resultant steady easing of policy rates by central banks. At the same time, there has been a growing realisation of the potential of artificial intelligence (AI) which could prove to be a once in a generation event for investors.

Where there was volatility, it was mainly driven by politics, and this impacted performance, both positively and negatively. Over the summer of 2024 the Trust's performance was impacted by the French parliamentary elections, due to our French overweight. Conversely the German elections at the start of 2025 brought with them hopes of fiscal stimulus, which benefited performance due to our positive positioning towards a resurgent and recovering Europe.

However, the most significant political event over the period happened outside Europe – the US presidential election – which saw Donald Trump decisively re-elected, leading to a surge in US markets amid shouts of US exceptionalism. The markets' initial enthusiastic response was fired by the view that the new administration would be good for markets and business. There was also optimism about the prospect of a peace dividend from the resolution of conflicts in Ukraine and the Middle East, which President Trump promised to end quickly.

What a difference a few months can make. The narrative of US exceptionalism has shifted dramatically with speculation that the US's post-war dominance of the international political and economic landscape is coming to an end. President Trump's 'America First' policies are beginning to destabilise the post-World War II economic order by prioritising domestic manufacturing over a global trade system based on comparative advantage. Following the end of the Trust's financial year, the administration launched an unpredictable 'on-off' approach to tariff policy that has generated huge uncertainty among consumers and investors in the US and around the world.

The US's relationship with its European allies has also shifted dramatically. US Vice President Vance's speech at the Munich Security Conference harshly criticised NATO and European leaders and is being widely interpreted as a turning point for post-war trans-Atlantic relations. The speech has sparked calls for European rearmament and increased spending by EU governments.

We believe these political shifts are significant for the Trust. In our view, the impact on the European Small Cap asset class could be profoundly positive over the long-term. We delve into this in more length in this report's Outlook section, but in summary, European domestically-focused companies – particularly European Small Caps with substantial domestic revenue exposure – are relatively insulated from a global trade war and poised to benefit from greater investment in European infrastructure and increased defence spending. In addition, smaller companies stand to gain from initiatives like former Italian Prime Minister and ECB governor, Mario Draghi's report on reducing European red tape to enhance competitiveness (see further discussion below), and from a number of other positive developments we foresee, including, falling interest rates (given smaller businesses' sensitivity to floating rate debt), improving consumer confidence driven by rising wage growth, and the efficiency gains offered by AI.

Indeed, if we examine the performance of European Small Caps since the November 2024 US presidential election, it is clear they have already begun to factor in these favourable influences. The sector has demonstrated strong relative performance compared to European large caps, especially since the German elections. Since the US's announcement of its new tariff regime, European Small Caps have continued to outperform (and they recovered more swiftly from the post-tariff announcement sell-off).



**Jack Featherby**  
Portfolio Manager



**Jon Ingram**  
Portfolio Manager

## Investment Manager's Report

Table 1: Key European macroeconomic indicators

Key EU macro indicators	March 23	March 24	March 25
ECB main refinancing rate	3.50%	4.50%	2.65%
EU Inflation (Harmonised index of consumer prices, yoy)	8.30%	2.60%	2.50%
EU GDP Growth (real, yoy)	1.20%	0.60%	1.40%
PMIs	53.6	50.3	50.9
Manufacturing PMIs	47.3	46.3	48.6
Services PMIs	55.0	51.5	51.0

Source: Eurostat, S&P Global, Bloomberg.

## Portfolio Performance

Over the 12-month period ended 31st March 2025, the Company returned +2.9% on a total return NAV basis and +7.0% in share price terms, outperforming its benchmark, the MSCI Europe (ex UK) Small Cap Index, which rose by +1.3% over the period. The Company has also delivered positive absolute returns in both NAV and share price terms, and has outperformed the benchmark, over the one, three, five and 10-year periods ending 31st March 2025. The Company has made annualised total returns of +8.5% on an NAV basis and +9.5% in share price terms over the 10-year period, ahead of the corresponding benchmark return of +8.1%.

## Performance attribution

Year ended 31st March 2025

	%	%
<b>Contributions to total returns</b>		
<b>Benchmark return</b>		<b>1.3</b>
Asset allocation	(0.3)	
Stock selection	0.9	
Gearing/cash effect	0.8	
Currency effect	(0.3)	
<b>Investment Managers' added contribution</b>		<b>1.1</b>
<b>Portfolio return</b>		<b>2.4</b>
Management fees and other expenses	(0.9)	
Shares repurchased	1.1	
Tender offer	0.3	
<b>Other effects</b>		<b>0.5</b>
<b>Return on net assets<sup>A</sup></b>		<b>2.9</b>
<b>Return on share price<sup>A</sup></b>		<b>7.0</b>

Source: JPMAM/Morningstar.

All figures are on a total return basis.

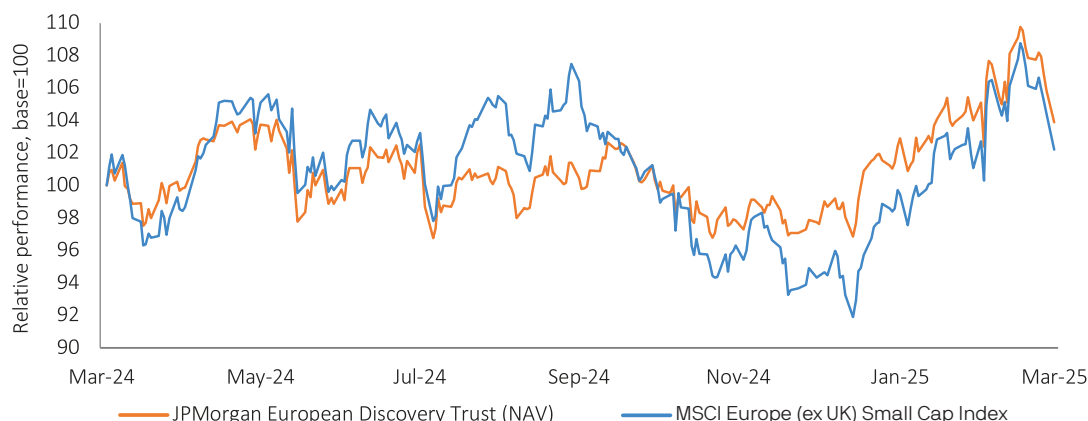
Performance attribution analyses how the Company achieved its recorded performance relative to its benchmark.

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

A glossary of terms and APMs is provided on pages 106 and 107.

# Investment Manager’s Report

**Chart 1: JPMorgan European Discovery Trust NAV performance versus MSCI Europe (ex UK) Small Cap Index, daily trading performance**



Source: Bloomberg. Data as of 31st March 2025.

## Sector contribution

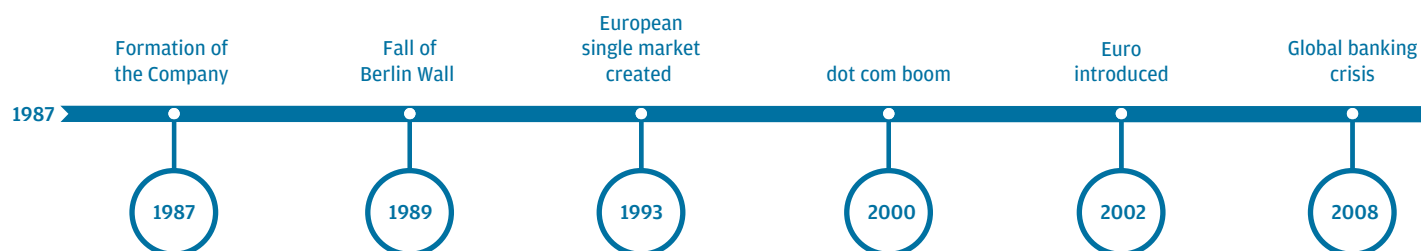
**Table 2: Sector performance – Top 3 and Bottom 3 sectors contributing to performance**

Sector	Portfolio (%)		Benchmark (%)		Attribution (%)		Total
	Average Weight	Return	Average Weight	Selection	Allocation		
Consumer Discretionary	11.59	4.59	8.53	1.25	-0.34	0.91	
Consumer Staples	3.75	-2.37	4.77	0.34	0.10	0.44	
Communication Services	7.84	7.88	4.57	0.41	0.02	0.43	
Real Estate	7.00	-0.72	8.02	-0.12	-0.15	-0.27	
Materials	5.57	-11.97	7.95	-0.65	0.21	-0.44	
Industrials	31.09	-2.27	25.98	-0.67	0.03	-0.64	

Source: JPMorgan Asset Management.

### Positive Contributors to Performance

At the sector level, over the period the Company’s overweight positioning in the Consumer Discretionary sector made the most significant positive contribution to performance. Within this sector, investments in Irish housebuilder, Cairn Homes and Swedish school operator, AcadeMedia, were notable positive contributors. Cairn Home’s performance was driven by persistently high demand for housing in Ireland, supported by a strong economy, falling interest rates and a structural housing shortage. AcadeMedia is the largest private education provider in Northern Europe. We added this company to the portfolio in December 2024 due to its attractive valuation and promising return profile, which is independent of short-term macroeconomic fluctuations thanks to the multi-year nature of its services. Over the period, AcadeMedia benefited from a strong start to the school year, driven by sustained demand across all levels of education. Alongside this, the company also announced an increase to the reimbursement rates that local governments pay for each child for the next academic year. This increase was the result of a catch-up for inflation effects.



## Investment Manager's Report

Other strongly performing sectors were Consumer Staples and Communication Services sectors. The Consumer Staples sector saw strong returns on the back of the Company's position in AAK, a Swedish manufacturer of speciality vegetable oils and fats. This business has benefited over the last 12 months from soaring cocoa prices, which have encouraged users to switch to AAK's cocoa butter alternatives. The Communication Services sector also did well on the back of a good performance by CTS Eventim, a German online ticketing platform that has delivered consistently strong results over the past year. CTS is benefiting from the ongoing growth in the live music industry, as major artists look to diversify their revenue streams away from declining traditional sales channels. Returns within this sector were also enhanced by an overweight in Scout 24, a digital classifieds platform operator focused on German and Austrian real estate, which consistently outperformed over the period given continued strong operational momentum.

### Detractors from Performance

The Company's largest detractors from a sectorial standpoint were Industrials, Materials and Real Estate. The underperformance of the Industrial sector was largely driven by the poor performance of holdings with exposure to Electrification or Green environmental characteristics. These stocks came under pressure following the US election, due to President Trump's very vocal support for fossil fuels and his efforts towards subverting net zero carbon emissions targets. Names which came under pressure included France's Nexans, a global leader in the high voltage cables needed to modernise electricity grids and connect to renewable energy sources, and Arcadis, a Dutch environmental consultancy which is also a leader in its field. Both stocks underperformed on concerns that the US administration's anti-environmental stance will cause Green energy projects to be delayed or cancelled.

Our underweight position to both the Real Estate and Materials sectors also detracted, primarily due to stock selection decisions. In real estate, the Company's investments in the German residential sub-sector (TAG and LEG Immobilien) underperformed on concerns that increased German government spending would fuel inflation, limiting scope for lower interest rates which would support the sector. Within the Materials sector, Hexpol was the main detractor. Hexpol is a Swedish company which is a leading producer of synthetic polymers and rubbers. It has been hurt by continued weakness in the automotive sector. There is little prospect of any near-term recovery in the sector as car makers are among the businesses most exposed to US tariff increases.

### Stock contribution

Table 3: Investment performance – Top 3 and Bottom 3 investments contributing to performance

Company	Account (%)		Benchmark (%)		Attribution (%)	
	Average Weight	Return	Average Weight	Weight Difference	Total Effect	
<b>Top 3 Contributors</b>						
Bilfinger	2.72	54.29	0.17	2.55	1.31	
Unipol	2.14	91.64	0.30	1.84	1.12	
Lottomatica	1.75	68.40	0.18	1.57	1.03	
<b>Bottom 3 Contributors</b>						
Ipsos	1.76	-36.12	0.24	1.52	-0.68	
Fugro	1.88	-37.54	0.27	1.61	-0.68	
BFF Bank	1.31	-32.55	0.20	1.11	-0.71	

Source: JPMorgan Asset Management.



## Investment Manager's Report

### Positive Contributors to Performance

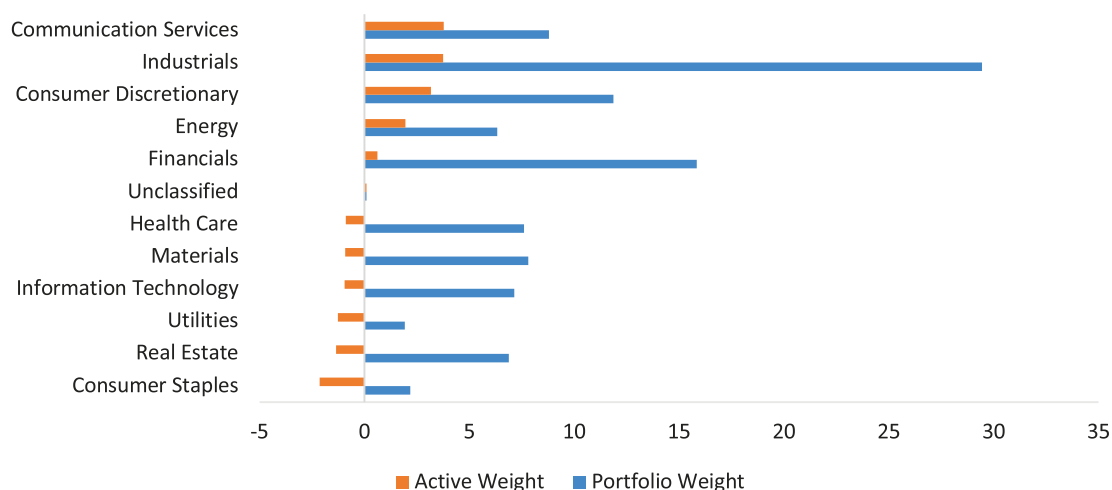
At the stock level, our most significant contributors to performance during the year were: Bilfinger, a German industrial services provider which produced strongly improving results, thereby confirming our expectation that a successful operational turnaround of the business would drive margin improvement and earnings growth. This success can be attributed to the company's new management team, which has been implementing better risk controls and pricing mechanisms. Resultant strong cash generation provided scope for Bilfinger to initiate a share buyback programme. Alongside this, the German government's announcement of fiscal stimulus measures provided a further boost to the stock, as the company is likely to be a direct beneficiary of the increase in public investment spending. The second, Unipol, an Italian general insurance provider (which was also one of the top contributors to performance during the 2023-24 financial year), continued its run of stellar performance. Its investments in the banking sector continued to perform, and overall insurance results were positive. Lottomatica, an Italian gaming company, was the third top contributor. This company has grown strongly on the back of its increasing online market penetration and by taking market share from its smaller, less efficient regional rivals.

### Detractors from Performance

The biggest detractors from performance were: Ipsos, the world's third-largest market research company. This French business is currently suffering from the weak performance of its US operations, which have been adversely impacted by a change of local management, and a lack of spending by the public sector and healthcare companies. The second was Fugro, a Dutch geological data specialist, is facing uncertainty due to the new US administration's stance on offshore energy. This uncertainty has delayed investment decisions and projects across Fugro's end markets. By the end of the financial year, we had exited our position in this stock on the view that the lack of policy clarity is likely to persist for the foreseeable future. The third, BFF Bank, an Italian bank focused on factoring, a process whereby a business sells its accounts receivable (outstanding invoices) to a third-party financial institution (a 'factor') at a discount, to receive immediate cash. BFF underperformed after the Bank of Italy required BFF to pause its dividend payments while they examined how they were classifying their overdue invoices. We have also now exited our position in BFF.

### Portfolio Changes and Current Portfolio Positioning

Table 4: Company absolute and relative sector positioning as at 31st March 2025



Source: JPMorgan Asset Management, Data as at 31st March 2025.

Over the course of the year, as geopolitical tensions and macroeconomic uncertainty have increased, we have taken the decision to reduce the Company's various exposures to political and macro-specific risks and to focus instead on bottom-up stock selection. We are focused on targeting companies driven by idiosyncratic, stock specific factors. We expect this focus to reduce the Company's exposure to drawdown risks related to individual political announcements and economic shocks, and to ensure performance is driven primarily by the underlying performance of its portfolio

## Investment Manager's Report

holdings. For example, over the past year we have reduced the Company's overweight to the Industrial sector by c.5%. This was done by trimming or exiting those companies such as Nexans (a trim) and Fugro (an exit) with the greatest exposure to potentially damaging US policy announcements.

For each reduction in overweight positions there was a corresponding reduction in an underweight position. For example, the Company's underweight exposure to Materials over the year fell from c.4% to c.1%. We achieved this by investing in companies such as AlzChem Group, a German speciality chemicals company which has been performing strongly. AlzChem produces creatine, a sports focused health supplements. It also produces munitions propellants, which are currently experiencing an exponential increase in demand because of increased defence spending by the US and European Union. We also opened a position in Buzzi, an Italian cement and construction materials company. Buzzi offered an attractive valuation at our entry point and was being supported by strong growth momentum following several positive quarters. The company should also benefit from any potential infrastructure spend within Europe and potentially from expenditure on the reconstruction of Ukraine, as and when a peace deal is finally agreed.

Following these portfolio changes, the Company's largest sectoral overweights are Communication Services, Industrials, and Consumer Discretionary. Despite the reduction in the Company's overweight in the Industrials sector, via the reduction and liquidation of positions in policy sensitive names such as Nexans and Fugro, the sector remains the Company's second largest sectoral overweight. Many of the Company's largest active positions in the Industrials sector have company-specific drivers that should help them perform regardless of the economic environment. As examples, in addition to Bilfinger, mentioned above, we would also cite our holding in Do&Co, an Austrian airline catering company, which is taking market share from struggling peers thanks to its unique 'premium fresh cuisine' branding. An economic slowdown is unlikely to slow the pace at which the company opens new locations and adds new airlines to its client base. Additionally, Do&Co targets airlines providing business class travel, and it has been observed that even in recessions, business air travel only declines modestly.

Conversely, the Company's largest sectoral underweights are in Consumer Staples, Real Estate and Utilities. These underweights have been motivated either by the sector's exposure to policy announcements or macroeconomic variables, or by a lack of differentiating stock specific alpha opportunities.

As at the end of the financial year, 31st March 2025, the Company's NAV was geared 5.2%. This level of gearing reflects our positive view both the asset class and on our ability to add value through our investment approach.

### Outlook

The current investment landscape has shifted dramatically over the last few months:

- The policies of the new US administration look set to upend the post-war world order and accepted norms in international relations between the US and both its allies and its perceived adversaries, most notably China.
- 'America First' policies, especially aggressive tariffs, are also likely to result in slower global growth and higher inflation.
- There has been what appears to be the biggest shift in Western defence policy for a generation or more. US Vice President Vance's Munich speech has prompted Europe and the UK to reassess their interests and allegiances and increase defence spending.
- In response, the new German coalition government has removed borrowing constraints, unlocking hundreds of billions of euros for domestic defence and infrastructure spending.
- There is potential for a peace dividend from the eventual resolution of conflicts in Ukraine and in the Middle East.

## Investment Manager's Report

- Draghi's report on EU competitiveness could be another game-changer. It lays out clear recommendations on how Europe can boost its productivity and economic growth. Draghi focuses on the EU's need to foster more investment, coordinate industrial policy and instigate rapid decision-making to increase productivity across the region. Though details around planned action are yet to be announced, the report could represent a catalyst for future reform.

As discussed above, we believe these developments will be very positive for European Small Caps over the long term. The inherent characteristics of European Small Caps (domestic focused and domestically geared), the long-term impacts of these developments (increased investment and higher productivity) and Small Caps' current relative and absolute value versus large caps, all bode well for the sector.

We are strategically positioning the Company to capitalise on these favourable developments, as we have detailed in the Portfolio Positioning section. We have reduced the Company's macro-level bets due to the unpredictability of the US administration, and we are instead focusing on companies with strong bottom-up investment metrics which can thrive regardless of macroeconomic events.

Alongside this, we are utilising the closed ended nature of the Company by taking a leveraged (geared) position on the asset class. As mentioned in the Current Portfolio Positioning section, the Company's NAV was geared 5.2% at year end. The gearing level reflects our positive view of both the asset class and our ability to add value through our investment approach. Our absolute level of gearing has and will evolve as we see market conditions unfold.

Our view on the investment case for European Small Caps remains similar to what we presented in last year's investment report. We repeat it below, updated to reflect the current investment environment.

### The Case for European Small Caps

*Domestic Revenue Exposure:* European Small Caps, by virtue of their size and home bias, offer greater domestic exposure than larger, more globally oriented companies. These smaller companies typically dominate their domestic markets or excel in global specific niches, positioning them to benefit from increased domestic stimulus and to weather the adverse effects of tariffs. Our expertise allows us to sift through more than 1,000 companies in our investment universe to select those best positioned to benefit from current market dislocations.

#### Table 5: Revenue contribution by region of each index.

From the table you can see that both the JPMorgan European Discovery Trust and the MSCI Europe Small Cap (ex UK) index offer far greater domestic European revenue exposure.

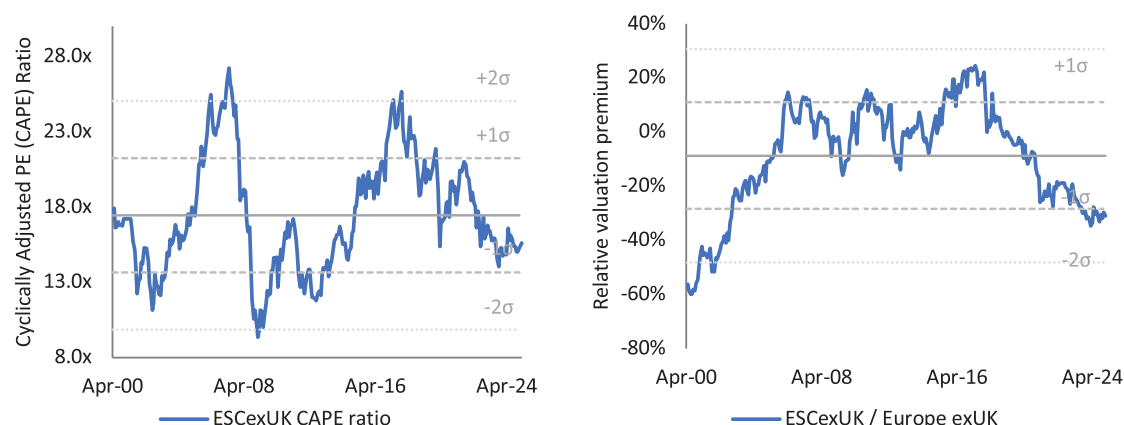
	Company	MSCI Europe (ex UK) Small Cap	MSCI Europe	MSCI World
Europe (ex UK)	59.6%	58.5%	31.0%	11.9%
United Kingdom	4.8%	4.3%	8.7%	3.3%
North America	10.7%	12.9%	26.0%	52.6%
Japan	0.9%	1.2%	2.4%	4.6%
Asia (ex Japan)	2.1%	1.5%	3.1%	4.2%
Emerging Markets	21.8%	21.7%	28.8%	23.3%

Source: JPMorgan Asset Management, FactSet. Data as of 31st March 2025. Data unaudited, unofficial, for indicative purpose only and should not be relied upon for investment decisions.

*Valuation Advantage:* The valuations of European Small Caps are compelling, especially when compared to global markets such as the US, which until recently traded at all-time high valuations. European Small Cap valuations, coupled with their growth potential, make them an attractive investment option.

## Investment Manager's Report

Chart 2: (i) Small Cap Cyclically Adjusted PE (CAPE) ratios (LHS) and (ii) on a relative basis versus Large Caps (RHS)



Source: JPMorgan Asset Management, Bloomberg. Data as of 31st March 2025. CAPE ratio: Cyclically Adjusted PE ratio. ESCexUK CAPE ratio: MSCI Europe exUK Small Cap CAPE ratio. ESCexUK / Europe exUK: MSCI Europe exUK Small Cap CAPE ratio divided by MSCI Europe exUK CAPE ratio.

Table 6: Long term growth and current valuation measures for the European small and large cap investment universes together with relevant market indices

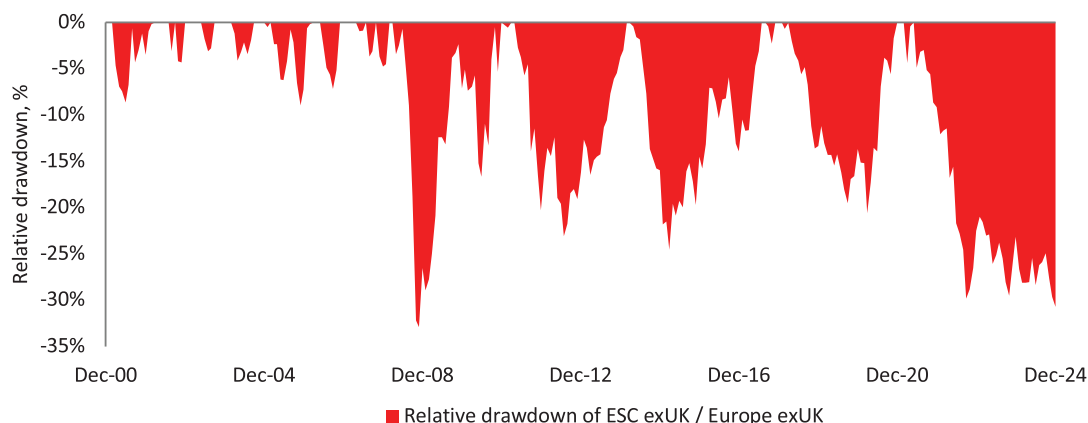
	Sales growth CAGR '02-24	Earnings growth CAGR '02-24	P/E	P/E Cyclically Adjusted	Price-to-sales	Price-to-book
MSCI Europe (ex UK) SC	6.3%	8.7%	15.8x	15.6x	0.9x	1.5x
MSCI Europe (ex UK)	2.6%	5.4%	16.0x	22.1x	1.7x	2.2x
FTSE 100	3.4%	4.5%	12.7x	18.7x	1.4x	1.9x
FTSE 250	5.0%	6.7%	15.1x	12.6x	0.9x	1.4x
S&P 500	6.2%	8.3%	24.0x	31.8x	3.0x	4.8x

Source: JPMorgan Asset Management, Bloomberg. Data as of 31st March 2025. Growth rates shown in GBP. Earnings growth rates calculate at the index level using positive earnings before extraordinary items (index member companies with negative earnings before extraordinary items are excluded from the calculation with the index divisor adjusted to exclude those companies).

*Performance Potential:* European Small Caps are experiencing the longest period of relative underperformance compared to Large Caps in their history, suggesting that positioning is very stretched and that the sector is open to a potential rebound in relative performance.

Chart 3: The relative drawdown in price performance between the MSCI Europe exUK Small Cap Index versus the MSCI Europe exUK Index.

The deeper the chart goes into negative territory (red), the greater the price underperformance between the Small Cap versus the Large Cap indices.



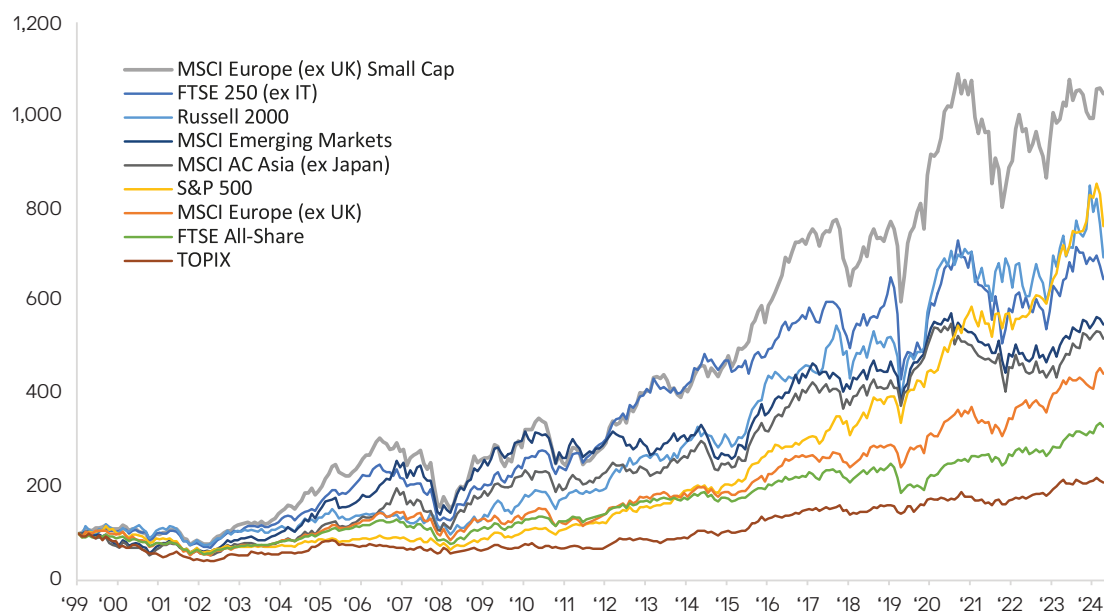
Source: JPMorgan Asset Management, Bloomberg. Data as of 31st March 2025.

## Investment Manager's Report

*Sensitivity to Macroeconomic Indicators:* As a more domestically exposed asset class, Small Caps are more sensitive to European macroeconomic indicators than other asset classes. The current environment, which features increasing domestic stimulus, falling interest rates (which typically benefit smaller companies more) and real wage increases, should stimulate aggregate demand and benefit domestically focused Small Caps accordingly. While global trade risks pose short-term challenges, the long-term outlook is positive as these companies benefit from reshoring and a renewed national focus.

We conclude this Investment Report by revisiting a chart from last year. Over the long term, Small Caps have demonstrated enviable performance, this performance has been driven by their superior growth. We believe current valuations combined with the geopolitical environment are conducive to continued superior Small Cap performance.

**Chart 4: The long term price performance of leading global market indices (in GBP)**



Source: JPMorgan Asset Management, Bloomberg. Data as of 31st March 2025. Note performance here only shown for MSCI Europe (ex UK) Small Cap index.

### Uncovering Europe's hidden gems

As part of our ongoing commitment to refining and enhancing our investment strategies, we have significantly increased our research efforts into more illiquid stocks within the European small cap asset class. This segment is renowned for its potential to deliver multifold returns over the long term, offering unique opportunities for discerning investors. Through meticulous analysis of past winners, we have identified a compelling need to intensify our focus on smaller market capitalisations, specifically those below one billion euros. Many of these stocks often exhibit high earnings growth, superior returns, and robust cash flows, yet remain under-researched by the sell side and largely overlooked by the majority of market participants. By concentrating our efforts on these hidden gems, we aim to uncover exceptional businesses that possess the potential for asymmetric returns.

Furthermore, we are taking advantage of the closed-end nature of the Company, which allows us to invest in these illiquid opportunities without the pressure of daily redemptions, thereby enabling a long-term investment horizon. Our enhanced research approach is designed to capitalise on the inefficiencies in the market, allowing us to identify and invest in high-quality companies that are poised for substantial growth.

**Jules Bloch**  
**Jack Featherby**  
**Jon Ingram**  
 Portfolio Managers

18th June 2025

## Manager's Investment Process

During the past year, the investment management of the Company continued to evolve to take full advantage of JPMorgan Asset Management's ever-growing resources. Although the Company's fundamental investment process remains the same, there have been several enhancements and changes which the Portfolio Managers believe will enhance their efforts to identify attractive, but mispriced, investment opportunities across the European Small Cap space, and to deliver strong returns. These changes continue the evolution of the Company's Investment Process since its inception.

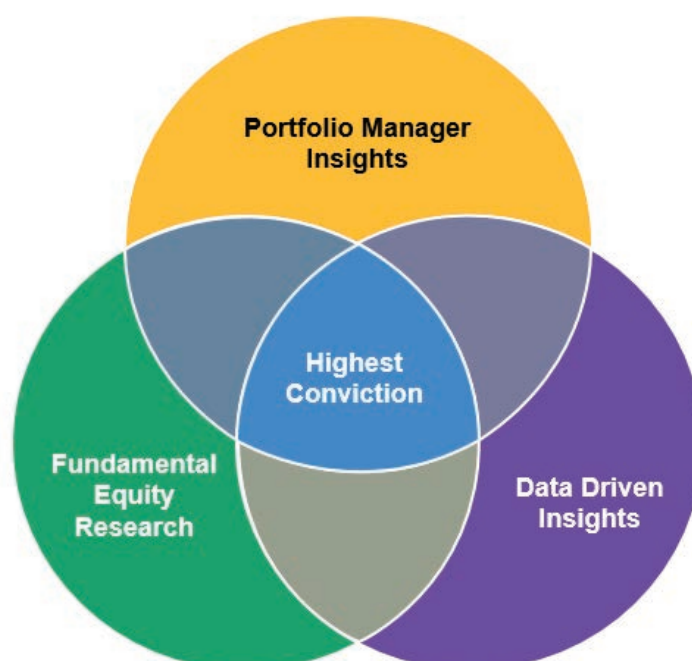
The following section details the Company's Investment Process, including enhancements made by JPMorgan Asset Management, such as the introduction of a decision analytics framework. This innovation is intended to improve the quality of investment decisions and is discussed further below.

### The Core Investment Objective

Through its Investment Managers, the Company aims to achieve capital growth by investing in a portfolio of smaller continental European companies. The investment universe is defined at the time of purchase by the countries and market capitalisation range of the constituents of the benchmark, the MSCI Europe (ex UK) Small Cap Index.

The Portfolio Managers employ a bottom-up selection process which seeks to identify Europe's smaller 'hidden gems' before they are discovered by the wider investing community (and hence the 'Discovery' in the Company's name). Typically, these companies are attractively priced, market-leading growth companies with strong quality attributes that the Portfolio Managers expect to drive outperformance over the medium-term.

The search for hidden gems is a collaborative, team-based effort that starts with a quantitative approach to idea generation and is complemented by fundamental research and the Portfolio Managers' expertise. Overall risk and financially material environmental, social and governance (ESG) considerations are integrated into each stage of the investment decision-making process, including research, company engagement – before and after stocks enter the portfolio – and portfolio construction. This approach results in the construction of a portfolio of high conviction stocks.




### Idea Generation

The primary source of investment ideas is the Investment Manager's proprietary quantitative investment screening process ('Data Driven Insights' above) that ranks stocks within the Company's investment universe according to their valuation, quality, and momentum characteristics. Valuation is assessed using metrics such as valuation multiples, a total expected return framework and discounted cash flow analysis. Quality is judged on characteristics such as return on capital, whether earnings can be maintained, and capital discipline, while Momentum is considered in terms of potentially positive catalysts such as whether a company is exceeding the market's earnings estimates.

# Manager’s Investment Process

## Investment philosophy

We believe that attractively valued, high quality stocks with positive momentum outperform the market.

 <p><b>Is it a good business?</b></p> <p>We consider the quality of the company through its profitability, consistency of earnings and capital allocation discipline</p>	 <p><b>Is it attractively valued?</b></p> <p>We look at a company's valuation to assess if its future prospects have been incorrectly estimated by the market</p>	 <p><b>Is the outlook improving?</b></p> <p>Assessing the operational momentum of the business and how is this being reflected in expectations</p>
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**A stock’s financially material ESG characteristics are considered throughout our decision-making process**

In the research process described above, we systematically assess financially material ESG factors amongst other factors in our investment decisions with the goals of managing risk and improving long-term returns. ESG integration does not change a strategy’s investment objective, exclude specific types of companies or constrain a strategy’s investable universe. ESG factors may not be considered for each and every investment decision.

## Fundamental Research

After identifying companies with characteristics that meet the Portfolio Managers’ quantitative requirements, the investment process progresses to in-house fundamental research. At this stage, the Portfolio Managers draw on JPMorgan’s extensive analytical and technological resources. The continental European small cap team is part of the wider International Equity Group at JPMorgan, so the Portfolio Managers have access to the expertise of close to 100 investment professionals in this group, as well as JPMorgan’s broader global resources. Crucially, the Portfolio Managers also evaluate each investment opportunity using their own skills, knowledge, and experience.

## International Equity Group: Drawing on resources around the world

<p><b>80</b> Fundamental Research</p> <p>6 Heads of Research 18 North America Analysts 15 Asia Analysts 13 Europe Analysts 28 EM Analysts</p>	<p><b>19</b> Quant. Research &amp; Data Science</p> <p>8 Analysts – London 11 Analysts – New York</p>	<p><b>49</b> Sustainable Investing &amp; Stewardship Team</p> <p>22 Specialists – London 2 Specialists – Germany 11 Specialists – New York 6 Specialists – Hong Kong 1 Specialist – China 3 Specialists – Japan 4 Specialists – Mumbai</p>	<p><b>62</b> Portfolio Managers</p> <p>62 Portfolio Managers 9 Associate Portfolio Managers Managing Global, International<sup>^</sup>, Europe &amp; UK Portfolios</p>	<p><b>36</b> Traders &amp; Analytics</p> <p>28 Traders 8 Trading Analytics &amp; Strategy</p>
<p><b>17</b> Investment Specialists</p> <p>17 Investment Specialists in Asia, Europe &amp; the US Supported by a team of 14</p>				<p><b>9</b> Implementation</p> <p>9 Implementation Specialists - London</p>
<p><b>360+</b> equity professionals in 9 locations worldwide</p>	<p><b>2500+</b> companies under coverage with over 5000 contacts per year</p>	<p>USD <b>150M+</b> annual global equity research budget*</p>	<p><b>1</b> technology platform (Spectrum) connecting a world of insights<sup>^^</sup></p>	

Data as at 31st March 2025. ^^This data is for the Global Equities Platform. \*Updated annually. As of December 2024. ^International is Global ex-US. Note this illustrates the resources available and does not necessarily reflect reporting lines.

# Manager's Investment Process

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## Portfolio Construction

The Portfolio Managers leverage JPMorgan's proprietary risk tools, which are seamlessly integrated within the internally developed software Spectrum, to conduct a thorough and continuous assessment of risk at the portfolio level. This sophisticated system ('Portfolio Insights' above) allows Portfolio Managers to evaluate a wide array of risk factors, including those related to country, sector, currencies, beta, and investment style. By employing these advanced tools, the Portfolio Managers are able to simulate and analyse potential risks arising from various macroeconomic scenarios, ensuring that portfolio weights are dynamically adjusted to reflect the current macroeconomic outlook.

The Portfolio Managers' approach is designed to maintain a balanced risk profile, preventing the portfolio from being exposed to excessive or insufficient risk. This strategic risk management process is crucial in safeguarding the portfolio's integrity and optimizing its performance in diverse market conditions. Furthermore, this proprietary tools empower them to conduct targeted searches for stocks that can specifically mitigate existing portfolio risks. This capability allows the Portfolio Managers' to enhance the portfolio's resilience by strategically incorporating assets that counterbalance potential vulnerabilities.

By continuously monitoring and adjusting our portfolio in response to evolving market dynamics, the Portfolio Managers' ensure that the investment strategy remains robust and aligned with our overarching objectives. This proactive risk management framework not only protects the portfolio from unforeseen challenges but also positions it to capitalize on emerging opportunities, thereby maximising returns for shareholders.

## Sell Discipline

The Portfolio Managers employ a strict sell discipline. A portfolio holding will be sold if:

- The market capitalisation has significantly outgrown the benchmark index;
- There is a deterioration in the underlying fundamental investment thesis;
- The valuation has become unattractive; or
- Better investment opportunities are identified.

## Decision analytics framework

Over the past year the Portfolio Managers launched a project to analyse the performance impact of both successful and unsuccessful investment decisions. Initially, they looked at both internal analysis and third-party software products designed for this purpose, but they quickly realised there were significant limitations to existing offerings. Principally, both internal and external providers are only able to analyse trades undertaken and are unable to consider the opportunity costs of actions not taken (due to the lack of associated data).

Historical analysis can help determine whether, on average, portfolio managers should hold investments for more or less time than they do; whether larger positions should be taken to maximise returns, or if more equal weighting between investments would be appropriate. However, the difficulty with this approach is that most decisions made on a daily basis do not result in investments. Yet, decisions not to invest are just as potentially significant for returns as decisions to invest. For example, if an investor considered three AI-related technology stocks at the start of the financial year, and chose to purchase only one, that decision was likely a good one, but the decision not to invest in the other two was probably detrimental to performance. To complete this form of analysis, it is necessary to consider all three decisions.

To this end, the Portfolio Managers have started to develop a more complete framework through which to analyse each part of their decision-making behaviour. This framework records all their decisions in more detail, to build a better picture of their biases, strengths and weaknesses. Specifically, the framework records decisions related to the Portfolio Managers' interactions with company management teams and in-house and external analysts pitching ideas. It also captures their responses to JPMorgan's proprietary quantitative analysis and to daily company news flow and share price movements. Their decisions on single stocks as well as the whole portfolio are also factored into the analysis.

The intention of this new, more comprehensive approach is to derive unique insights to improve investment decision-making, and help the Portfolio Managers answer the key question driving this work: what is the most effective use of their time? Time is a finite and valuable resource, and they want to ensure theirs is allocated most effectively, in those investment areas most likely to benefit the Company's investors.

## Portfolio Gearing and Liquidity

The Board has set a liquidity range of between 20% cash and 20% gearing within which the Portfolio Managers may operate. This gives the investment team further flexibility to adjust portfolio risk according to their assessment of the market outlook, by leveraging up individual positions in which they have a high conviction, to amplify expected returns.

## Manager's Investment Process

In addition, gearing and the closed-ended nature of the fund allow the Portfolio Managers to take advantage of opportunities as soon as they arise, by using gearing as a form of liquidity until market conditions provide them with the opportunity to raise cash from other portfolio positions.

### Less Liquid positions

The Company's closed-ended nature means that it does not have to deal with daily cash flows into and out of the fund. This has the advantage of allowing the Portfolio Managers to invest in smaller, publicly traded, but less liquid, positions. Such 'illiquid' or less liquid companies, provide the Investment Managers with attractive opportunities to invest in 'undiscovered gems' which are typically overlooked by open-ended funds due to the liquidity limits under which such funds operate.

### Currency Hedging

The Company does not hedge the currency exposure of its portfolio assets. This policy is based on the view that the performance impact of foreign exchange rate fluctuations evens out over the longer term.

### Environment, Social and Governance (ESG) considerations

The Portfolio Managers consider financially material ESG factors as part of the investment process, specifically where they see related risks as a potential threat to the long-term earnings capacity of portfolio companies. Further details of the Investment Manager's approach to ESG integration and stewardship is set out in the ESG Report on pages 35 to 37. Two such stock examples are set out below:

#### Scout24

##### Stock overview

Scout24 is Germany's leading online property classifieds portal, providing services for real estate listings and related data solutions. Scout24 operates primarily in the German market, with a strong presence in both the B2B and B2C segments. The company offers a comprehensive suite of products, including professional memberships for real estate agents and subscription services for private users. Scout24's platform is designed to facilitate real estate transactions by connecting agents, seekers, and homeowners, leveraging its extensive data assets and innovative technology.

##### Investment thesis

We believe Scout24 is well-positioned for growth due to its market leadership, innovative product offerings, and strategic focus on interconnectivity. The company's business model benefits from high margins, low capital requirements, and strong pricing power, similar to its UK peer Rightmove. Scout24's ability to offer a unique three-sided marketplace ecosystem differentiates it from traditional classifieds platforms, providing a competitive advantage in the German real estate market.

Scout24's market should continue to grow as the company capitalises on the increasing digitisation of real estate transactions and the decline of the grey market. The company's focus on expanding its data assets and enhancing product offerings, such as the Homeowner Hub and LivingPlus subscriptions, positions it for continued market share gains. Additionally, Scout24's strategic acquisitions, like Sprengnetter and neubau kompass, enhance its data capabilities and broaden its service offerings, supporting long-term growth prospects.

As Scout24 expands its customer base and product suite, operational margins are expected to improve. The company's interconnectivity strategy drives efficiency gains and enhances profitability, with a focus on maintaining high customer satisfaction and engagement. Scout24's commitment to disciplined capital allocation, including share buybacks and dividends, further supports its growth trajectory. As the company continues to execute its strategy, we anticipate robust earnings growth and potential re-rating of the stock over time.

## Manager's Investment Process

### AlzChem

#### Stock Overview

AlzChem is a German speciality chemicals company. It is the sole Western producer of high-margin, niche chemical products such as creatine and nitroguanidine, both of which are based on the calcium carbide chemical chain.

#### Investment Thesis

One of AlzChem's growth drivers, creatine, the only sports supplement (other than protein powder) with definitive medical backing, will benefit from healthy lifestyle trends. AlzChem's second growth driver, nitroguanidine, is a powerful and stable explosive that can be used as a propellant and in defence. The recent increases in planned defence spending across Germany and Europe will drive demand for nitroguanidine.

AlzChem is vertically integrated and takes advantage of interconnected product flows. As creatine and nitroguanidine are based on the same chemical chain, production processes overlap, reducing reliance on external suppliers for raw materials, thereby creating significant efficiencies and operational leverage. This means that increases in capacity and production will improve profitability and margins. The company is expanding its nitroguanidine production capacity, with new units expected to come online in 2026.

Lastly, AlzChem is considering M&A activities to further expand its business, which will be supported by the company's strong balance sheet and will provide further upside to the investment case.

## Portfolio information

### Ten largest equity investments

At 31st March

Company	Country	2025 Valuation			2024 Valuation		
		Number of shares	£'000	% <sup>1</sup>	Number of shares	£'000	% <sup>1</sup>
<b>SPIE</b> SPIE is the independent European leader in multi-technical services in the areas of energy and communication.	France	590,708	19,388	3.2	743,826	22,143	2.7
<b>Lottomatica<sup>2</sup></b> Lottomatica is a leading gaming operator in Italy. The company operates across three business verticals – online, sports and gaming franchises via an omnichannel platform. Lottomatica Group serves customers worldwide.	Italy	1,134,352	17,638	2.9	–	–	–
<b>Bilfinger</b> Bilfinger SE provides industrial services, power services, building and facility services, construction and concessions.	Germany	309,550	17,098	2.8	534,878	19,810	2.4
<b>Storebrand<sup>2</sup></b> Storebrand ASA offers insurance, asset management, and banking services. The Company offers life insurance and pension plans, manages equity and fixed-income funds, and attracts deposits, as well as offers residential mortgages, other credit, and Internet and telephone banking services.	Norway	1,749,082	17,095	2.8	–	–	–
<b>BAWAG<sup>2</sup></b> BAWAG Group AG operates as a bank holding. The Bank, through its subsidiaries, offers financial products and services which includes retail banking, corporate lending, and direct banking, as well as distributes a range of insurance, investment, and other financial products. BAWAG Group serves customers in Austria.	Austria	196,325	15,600	2.5	–	–	–
<b>Unipol Assicurazioni<sup>2</sup></b> Unipol Assicurazioni S.p.A. operates as an insurance company. The Company offers business and production, agricultural, artisans, mobility, car and motorcycle, travel, home, accident, health, and life insurance products and services. Unipol Assicurazioni serves clients in Europe.	Italy	1,128,279	13,899	2.2	–	–	–
<b>Koninklijke Vopak<sup>2</sup></b> Koninklijke Vopak NV is an independent tank terminal operator. The Company provides conditioned storage facilities for bulk liquids such as oil products, gaseous chemicals, petrochemicals, biofuels and vegetable oils.	Netherlands	409,438	13,733	2.2	–	–	–
<b>Banco Comercial Portugues<sup>3</sup></b> Banco Comercial Portugues, S.A (BCP) attracts deposits and offers commercial and investment banking services. The Bank offers consumers loans, factoring, lease financing, mortgages, insurance, securities brokerage, investment funds, and credit cards. BCP operates offices in Europe, the Americas, Africa, and China.	Portugal	28,035,788	13,068	2.1	–	–	–
<b>AAK<sup>2</sup></b> AAK AB, manufactures and sells speciality vegetable oils and fats in Europe and the Americas. The Company operates in three segments: Chocolate and Confectionary Fats, Food Ingredients, and Technical Products and Feed.	Sweden	590,273	12,756	2.1	–	–	–
<b>De'Longhi</b> De'Longhi is a designer, manufacturer and distributor of small domestic appliances worldwide, with market shares in the espresso coffee makers, food preparation, comfort and home care segments.	Italy	494,629	12,609	2.0	696,397	19,088	2.3
<b>Total</b>			<b>152,884</b>	<b>24.8</b>			

<sup>1</sup> Based on total investments of £616.5m (2024: £829.7m).

<sup>2</sup> Not included in the ten largest investments at 31st March 2024.

<sup>3</sup> Not included in the list of investments at 31st March 2024.

At 31st March 2024, the value of the ten largest investments amounted to £193.4m representing 23.4% of total investments.

## Portfolio information

## Geographical analysis

	31st March 2025		31st March 2024	
	Portfolio % <sup>1</sup>	Benchmark %	Portfolio % <sup>1</sup>	Benchmark %
Germany	18.0	12.8	21.7	13.3
Italy	17.2	9.9	14.8	10.1
Sweden	15.0	17.2	12.1	17.3
France	12.1	10.4	20.2	11.0
Netherlands	7.2	4.2	5.8	5.0
Austria	6.3	3.5	3.9	2.8
Norway	6.2	6.7	3.9	6.9
Spain	4.1	5.5	4.1	5.7
Finland	3.2	3.6	1.9	3.4
Denmark	2.8	5.5	5.7	6.3
Switzerland	2.5	13.9	2.7	12.9
Portugal	2.3	1.1	—	0.9
Ireland	1.6	0.7	1.5	0.9
Belgium	1.5	5.0	1.7	3.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup> Based on total investments of £616.5m (2024: £829.7m).

## Sector analysis

	31st March 2025		31st March 2024	
	Portfolio % <sup>1</sup>	Benchmark %	Portfolio % <sup>1</sup>	Benchmark %
Industrials	27.9	25.7	32.7	29.0
Financials	14.9	15.2	13.3	14.6
Consumer Discretionary	11.2	8.7	19.7	11.8
Communication Services	8.2	5.0	1.5	1.7
Health Care	7.3	8.5	6.0	8.5
Materials	7.2	8.7	3.1	5.5
Information Technology	6.9	8.1	8.1	9.2
Real Estate	6.5	8.2	4.8	7.8
Energy	6.0	4.4	5.2	4.0
Consumer Staples	2.1	4.3	4.1	5.3
Utilities	1.8	3.2	1.5	2.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup> Based on total investments of £616.5m (2024: £829.7m).

## Portfolio information

### Investment activity

During the year ended 31st March 2025

	Value at 31st March 2024		Purchases £'000	Sales £'000	Change in value £'000	Value at 31st March 2025	
	£'000	% of Portfolio				£'000	% of Portfolio
Germany	179,034	21.7	54,321	(118,138)	(4,120)	111,097	18.0
Italy	123,153	14.8	51,285	(83,359)	14,729	105,808	17.2
Sweden	99,513	12.1	84,676	(89,918)	(1,528)	92,743	15.0
France	167,235	20.2	35,344	(105,520)	(22,779)	74,280	12.1
Netherlands	48,129	5.8	41,137	(38,756)	(5,854)	44,656	7.2
Austria	33,009	3.9	18,383	(20,137)	7,478	38,733	6.3
Norway	32,975	3.9	31,411	(26,486)	501	38,401	6.2
Spain	34,657	4.1	11,055	(23,174)	2,475	25,013	4.1
Finland	16,630	1.9	23,697	(16,500)	(3,925)	19,902	3.2
Denmark	46,825	5.7	9,079	(37,802)	(828)	17,274	2.8
Switzerland	22,040	2.7	11,247	(17,209)	(528)	15,550	2.5
Portugal	—	—	10,367	(425)	4,251	14,193	2.3
Ireland	12,388	1.5	7,501	(11,325)	1,348	9,912	1.6
Belgium	14,150	1.7	1,340	(7,100)	583	8,973	1.5
<b>Total investments</b>	<b>829,738</b>	<b>100.0</b>	<b>390,843</b>	<b>(595,849)</b>	<b>(8,197)</b>	<b>616,535</b>	<b>100.0</b>

## Portfolio Information

## List of investments

At 31st March 2025

Company	Valuation £'000	% of Portfolio	Company	Valuation £'000	% of Portfolio
<b>Germany</b>			<b>France</b>		
Bilfinger	17,098	2.8	SPIE	19,388	3.2
CTS Eventim	12,539	2.0	Gaztransport Et Technigaz	12,226	2.0
Freenet	12,313	2.0	Covivio	11,860	1.9
FUCHS Preference	11,917	1.9	Elis	8,025	1.3
TAG Immobilien	11,680	1.9	IPSOS	7,418	1.2
Scout24	9,528	1.5	Virbac	7,036	1.1
AlzChem	9,002	1.4	Nexans	5,567	0.9
SAF-Holland	7,983	1.3	Alten	2,257	0.4
Atoss Software	6,611	1.1	SEB	503	0.1
LEG Immobilien	4,776	0.8		<b>74,280</b>	<b>12.1</b>
Duerr	4,147	0.7	<b>Netherlands</b>		
KION	3,503	0.6	Koninklijke Vopak	13,733	2.2
	<b>111,097</b>	<b>18.0</b>	Koninklijke Heijmans, CVA	8,868	1.4
<b>Italy</b>			Koninklijke BAM Groep	8,756	1.4
Lottomatica	17,638	2.9	Arcadis	8,591	1.4
Unipol Assicurazioni	13,899	2.2	Aalberts	4,708	0.8
De'Longhi	12,609	2.0		<b>44,656</b>	<b>7.2</b>
A2A	11,170	1.8	<b>Austria</b>		
Reply	10,304	1.7	BAWAG	15,600	2.5
Saipem	8,974	1.5	DO & CO	10,379	1.7
BPER Banca	8,336	1.4	Wienerberger	6,428	1.1
Banca Monte dei Paschi di Siena	7,210	1.2	ANDRITZ	6,326	1.0
Iveco	5,511	0.9		<b>38,733</b>	<b>6.3</b>
Buzzi	5,112	0.8	<b>Norway</b>		
Danieli & C Officine Meccaniche	3,772	0.6	Storebrand	17,095	2.8
Sanlorenzo	1,273	0.2	Norconsult Norge	6,949	1.1
	<b>105,808</b>	<b>17.2</b>	Nordic Semiconductor	6,344	1.0
<b>Sweden</b>			Kitron	5,343	0.9
AAK	12,756	2.1	Protector Forsikring	1,994	0.3
AQ	10,619	1.7	NORBIT	676	0.1
BoneSupport	8,633	1.4		<b>38,401</b>	<b>6.2</b>
AcadeMedia	8,630	1.4	<b>Spain</b>		
BioGaia	8,447	1.4	Merlin Properties Socimi	11,680	1.9
Hexpol	7,155	1.1	Fluidra	9,752	1.6
Camurus	6,259	1.0	Tecnicas Reunidas	1,887	0.3
Alleima	5,962	0.9	Construcciones y Auxiliar de Ferrocarriles	1,694	0.3
Mycronic	5,406	0.9		<b>25,013</b>	<b>4.1</b>
Hemnet	4,916	0.8	<b>Finland</b>		
Proact IT	4,739	0.8	Puulo	9,334	1.5
Modern Times	4,554	0.7	Valmet	5,617	0.9
VBG	3,054	0.5	Terveystalo	4,951	0.8
Betsson	1,097	0.2		<b>19,902</b>	<b>3.2</b>
Asker Healthcare	516	0.1			
	<b>92,743</b>	<b>15.0</b>			

## Portfolio information

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### List of investments

At 31st March 2025

Company	Valuation £'000	% of Portfolio
<b>Denmark</b>		
Sydbank	10,095	1.6
Per Aarsleff	7,179	1.2
	<b>17,274</b>	<b>2.8</b>
<b>Switzerland</b>		
Accelleron Industries	10,557	1.7
Swissquote	4,993	0.8
	<b>15,550</b>	<b>2.5</b>
<b>Portugal</b>		
Banco Comercial Portugues	13,068	2.1
CTT-Correios de Portugal	1,125	0.2
	<b>14,193</b>	<b>2.3</b>
<b>Ireland</b>		
Cairn Homes	9,912	1.6
	<b>9,912</b>	<b>1.6</b>
<b>Belgium</b>		
Fagron	8,973	1.5
	<b>8,973</b>	<b>1.5</b>
<b>Total Investments</b>	<b>616,535</b>	<b>100.0</b>

# Environmental, Social and Governance (‘ESG’) Report

## How do we integrate ESG into our investment process?

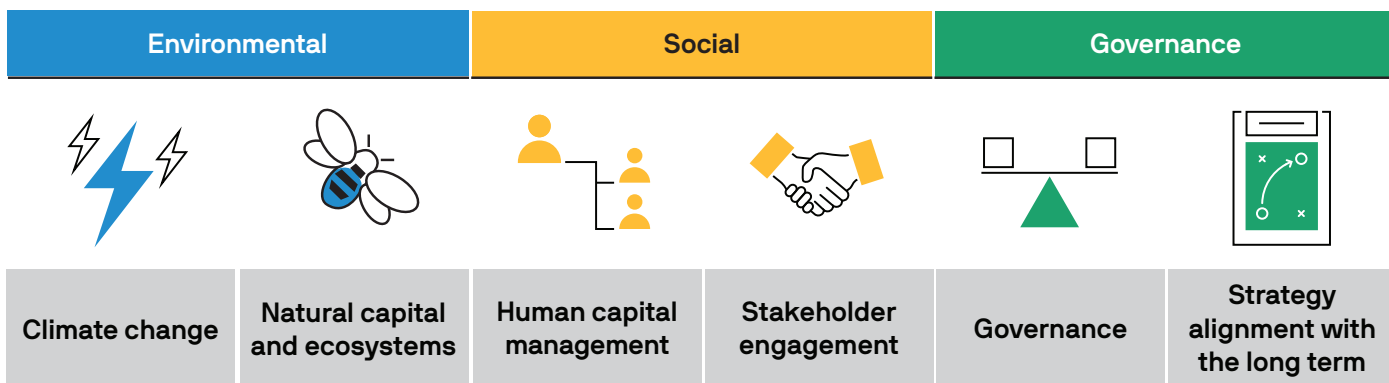
JPMorgan European Discovery Trust plc (‘Company’) is not a sustainable or ESG investment vehicle. However, in actively managed strategies deemed by J.P. Morgan Asset Management (UK) Limited (‘JPMAM’ or referred to as ‘we’ or ‘us’ below) to be ESG integrated under our governance process, we systematically assess financially material ESG factors (amongst other factors) in our investment analysis and investment decision-making where possible and consistent with the goals of managing risk and improving long-term returns. Essentially, we seek 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 does not change the Company’s investment objective, nor exclude specific types of companies, or constrain the Company’s investable universe. However, our assessment of financially material ESG factors may influence the investment decision. Consequently, it may impact the decision whether or not to purchase a company or impact the size of the position taken in a company.

## Engagement

As significant shareholders in investee companies, we recognise and embrace our wider stewardship responsibilities to investors in our Company. We use engagement to better understand and encourage portfolio companies to develop and adopt best practices to manage their risk and create long-term shareholder value. Active ownership in the context of ESG integration allows us to manage financially material ESG risks and systematically incorporate insights gained from engagement into our investment decisions. For further details on our engagement processes, please see JPMAM’s Annual Investment Stewardship Report Annual Investment Stewardship Report (<https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/sustainable-investing/investment-stewardship-report.pdf>).

In JPMAM’s International Equity Group (‘IEG’), 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 below.



## Environmental, Social and Governance ('ESG') Report

Examples of our engagement with investee companies in the Company's portfolio during the year:

### AAK

#### Swedish provider of plant-based solutions

Our investors met with the company During the engagement we discussed (i) what the company is doing to counter the impact of its use of palm oil (~50% of the input oils are palm-based) and (ii) what its views were on the health risks around ultra processed foods(UPFs).

AAK responded that they had a firm-wide commitment to improve the sourcing of palm oil and it seeks to tackle the issue in three ways. Firstly, it sets its own internal criteria for the sourcing of palm oil, which is above minimum industry standards. Secondly, in 2003 it founded and remains a key member of the Roundtable of Sustainable Palm Oil (RSPO). Thirdly, it targets NDPE verification (no-deforestation, no-development on peat, and no exploitation). By the end of 2025, the company aims to be verified as 100% deforestation free (it is currently at 71%), and to have 100% traceability to sustainable plantations (currently 87%). It also wants to ensure that it has science-based targets and human rights due diligence fully embedded into its procurement and production processes.

On UPFs, AAK commented that the term is currently very poorly defined and simply relates to how much processing a food has been through, but not how healthy they may be. Specifically, though some products that contain AAK solutions are UPFs being high in salt, saturated fat and sugar, and typically contain a number of preservatives. The company argued that these levels are not a result of AAK's production processes, as it only makes the oil ingredients, not the end product. Nevertheless the company's goal is to provide better alternatives to many of today's manufacturing processes. For example, by replacing animal-based fats and oils, which are less healthy and often derived from environmentally damaging sources.

### Merlin Properties

#### Spanish real estate company

Our IEG investors engaged with the company and discussed its strategic expansion plans for data centres and its approach to sustainability and corporate governance.

Earlier this year, Merlin Properties raised €920 million to develop its existing landbank into data centres. Noting that data centre growth is expected to lead to exponential increases in power and water demand, we engaged with the company specifically to understand how it is navigating the competing priorities of energy and water availability, low carbon credentials, and meeting the sustainability credentials of its hyperscaler clients, such as Meta and Microsoft. The company confirmed that using renewable power is a requirement for its clients but reported that these clients are unwilling to pay more for it, [thus placing the financial burden of realising this target onto Merlin]. The company's clients also require that their Power Usage Effectiveness (PUE) is low. Merlin's Spanish data centres have a market leading PUE of 1.15. Through a joint venture with Edged Energy, Merlin aims to be Net Zero for Scope 1 and 2 emissions by 2030. As part of its efforts to estimate and report its scope 3 emissions, the company includes green clauses in contracts to encourage tenants to share energy consumption data.

Unusually, Merlin's data centres consume no water for cooling. The cooling solution used is a closed-loop circuit. This is particularly important in a country like Spain, where water supplies are under constant stress.

The company appears well-positioned to deliver low carbon, low water usage data centres to its hyperscaler clients in Spain and Portugal. We will monitor industry uptake of closed-loop cooling systems as the company delivers on its data centre growth plans and closely observe its plans to expand into new territories.

### 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 the investors in the Company. We aim to vote at all meetings called by the investee companies, unless there are any market restrictions or conflicts of interest.

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

## Environmental, Social and Governance ('ESG') Report

A summary of key voting activity for the Company during the year is set out below:

	For	Against	Abstain	Did Not Vote*	Total	Against/ Abstain (number)
Audit Related	70	5	0	1	76	6
Capitalisation	166	5	0	0	171	5
Company Articles	31	5	0	1	37	6
Compensation	235	40	0	4	279	44
Director Election	206	23	1	5	235	29
Director Related	204	4	0	4	212	8
Miscellaneous	26	1	0	0	27	1
Non-Routine Business	8	1	0	0	9	1
Routine Business	213	3	0	4	220	7
Environmental & Social	6	0	0	1	7	1
Strategic Transactions	10	0	0	0	10	0
Takeover Related	4	0	0	0	4	0
<b>Total</b>	<b>1,179</b>	<b>87</b>	<b>1</b>	<b>20</b>	<b>1,287</b>	<b>108</b>

\*Meetings may not be voted due to share blocking and/or conflicts of interest.

An example of our proxy voting activity over the last year is provided below.

### Thule Group

Swedish sports and outdoor goods company

#### Issue

At the 2024 Annual General Meeting shareholders were asked to approve the re-election of several board members, including the Chairman of the Board. The Chairman was first appointed in 2007, so questions were raised as to whether he could still be considered independent given his extended tenure. Generally, we are of the opinion that Boards should be headed by an independent Chair and that Audit Committees should be comprised entirely of independent directors, while Nomination Committees should consist of a majority of independent directors. At Thule, the Chairman sits on the Audit Committee and is the sole Board member on the Nomination Committee.

#### Action

In determining whether to support the re-election of the Chairman, we looked at the composition of the entire board, as well as the company's public disclosures. We noted that all the other board members were independent which gave us assurance that both the Board and the Audit Committee had a sufficient level of independent oversight. Regarding the Nomination Committee, while the Chairman is the only board member, Thule helpfully discloses that representatives of the four largest shareholders comprise the remainder of the committee members.

#### Outcome

Based on our evaluation, we considered that there remained a sufficient level of independent oversight and division of responsibilities and involvement, on the Board and on key committees. Following this extensive review of the Board's composition and company disclosures, we supported the re-election of the Chairman.

### J.P. Morgan Asset Management

18th June 2025

## Business Review

### The Company's Purpose, Values, Strategy and Culture

JPMorgan European Discovery Trust plc is an investment trust company that has a listing on the London Stock Exchange. It is a constituent of the FTSE 250 Index. The Company is incorporated in England and Wales.

The purpose of the Company is to provide a cost effective, investment vehicle for investors who seek capital growth from a portfolio of high-quality smaller companies in Continental Europe over the long term. To achieve this, the Board of Directors is responsible for employing and overseeing a company that has appropriate investment expertise, resources and controls in place to meet the Company's investment objective.

The Board comprises non-executive Directors from a diverse background, including gender and ethnicity, who have a breadth of relevant experience and contribute in an open and transparent boardroom culture. All Directors act with integrity, lead by example and seek to promote the Company's culture through ongoing dialogue and engagement with its stakeholders.

The Company is subject to legislation and regulations including UK company law, United Kingdom Accounting Standards, the FCA Listing, Prospectus, Disclosure Guidance and Transparency Rules, 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 approval will not continue to be retained. The Company is not a close company for taxation purposes.

### Investment Objective

The Company's objective is to provide shareholders with capital growth from smaller Continental European companies. It aims to outperform a benchmark, which is the MSCI Europe (ex UK) Small Cap Net Total Return Index in sterling terms. It aims to outperform this index.

In order to achieve this objective, the Company employs JPMorgan Funds Limited ('JPMF') which, in turn, delegates portfolio management to JPMorgan Asset Management (UK) Limited ('JPMAM') to actively manage the Company's assets. The Board both supports and challenges the Manager and its third party suppliers in this process.

The Board has determined an investment policy, related guidelines and limits that are described in the following paragraphs.

### Investment Policies and Risk Management

In order to achieve its investment objective and to seek to manage investment risks, the Company invests in

a diversified portfolio of high-quality smaller companies in Continental Europe. The investment universe is defined at the time of purchase by the countries and market capitalisation range of the constituents of the benchmark index which, at the end of March 2025, consisted of 627 companies with a free float adjusted market capitalisation range of GBP 273 million to GBP 9.2 billion.

The Company manages liquidity and borrowings with the aim of increasing potential Sterling returns to shareholders. The Company borrows in Euros in order to hedge the currency risk in respect of the geared portion of the portfolio. The Company does not normally hedge the foreign currency exposure of the remainder of the portfolio.

The investment policy emphasises capital growth rather than income and shareholders should therefore expect dividends to vary from year to year.

The Board has set no minimum or maximum limits on the number of investments in the portfolio but, in the year under review, the number of investments ranged between approximately 50-80. To gain the appropriate exposure, the investment managers are permitted to invest in collective investment schemes. On a day-to-day basis, the assets are managed by three investment managers based in London, supported by a team of over 99 equity professionals.

### Investment Restrictions and Guidelines

The Board seeks to manage the risks facing the Company by imposing various limits and restrictions;

- The Company will not invest more than 5% of its total assets in any one individual stock at the time of acquisition.
- No more than 25% of assets may be invested outside the benchmark. Any such investments must be in European ex UK companies or a UK investment company that invests in Europe.
- The Company does not normally invest in unquoted investments and to do so requires prior Board approval.
- No more than 25% of the Company's assets may be invested in the aggregate of: (i) securities not listed on a recognised exchange; and (ii) holdings in which the Company has 20% or more of the issued equities. It is unlikely that the Company would invest in companies that fall into either of these categories and did not do so in the year under review.
- In accordance with the UK Listing Rules, the Company will not invest more than 15% of its gross assets in other UK listed closed-ended investment funds and will not invest more than 10% of its gross assets in UK listed closed-ended investment funds that themselves may invest more than 15% of gross assets in UK listed closed-ended investment funds. It is very unlikely that the Company would wish to have substantial positions in such companies and had no such investments in the year under review.

## Business Review

- The Board has set a normal gearing range of 20% net cash to 20% geared.
- The Company does not normally enter into derivative transactions and to do so requires prior Board approval.

These limits and restrictions may be varied by the Board at any time at its discretion.

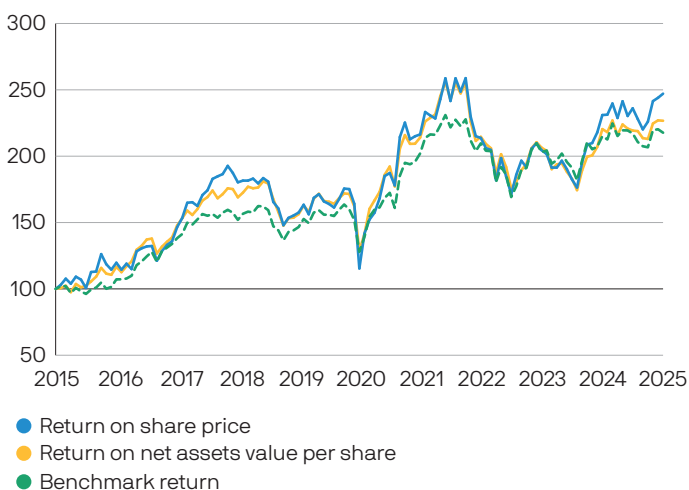
Compliance with the Board's investment restrictions and guidelines is monitored continuously by the Manager and is reported to the Board on a monthly basis.

## Performance

In the year ended 31st March 2025, the Company produced a share price total return of +7.0% and a net asset value total return of +2.9%. This compares with the total return on the Company's benchmark index of +1.3%. As at 31st March 2025 the value of the Company's investment portfolio was £616.5 million (2024: £829.7 million). The Investment Managers' Report on pages 16 to 24 includes a review of developments during the year as well as information on investment activity within the Company's portfolio.

## Ten Year Performance

Figures have been rebased to 100 since 31st March 2015



Source: Morningstar.

## Key Performance Indicators ('KPIs')

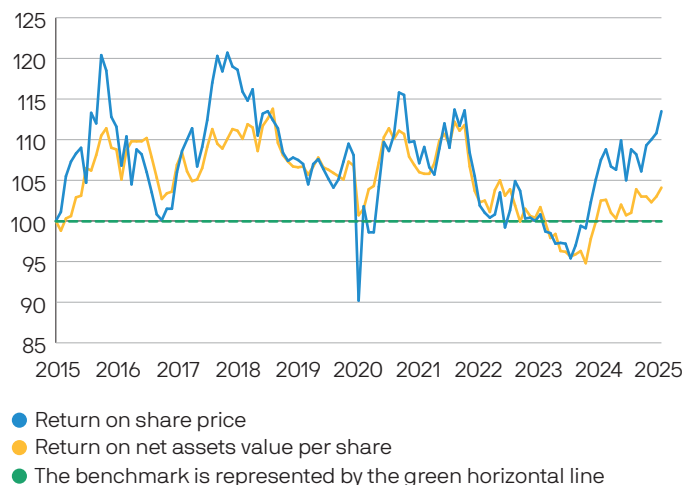
At each Board meeting the Directors consider a number of performance measures to assess the Company's success in achieving its objectives. The principal KPIs are performance relative to the benchmark index, performance against the Company's peers, performance attribution, share price discount to net asset value per share and ongoing charges. Unless there is a particular reason for the Board to change the KPIs (which would require an explanation to shareholders), consistency is maintained to provide continuity. Further details of the principal KPIs are given below.

## Performance relative to the benchmark index

This is the most important KPI by which performance is judged. Information on the Company's performance is given in the Chairman's Statement and the Investment Managers' Report on pages 12 to 24.

## Performance Relative to Benchmark Index

Figures have been rebased to 100 since 31st March 2015



## Performance against the Company's peers

The principal objective is to achieve capital growth relative to the benchmark. However, the Board also monitors the performance relative to a broad range of competitor funds with similar objectives.

## Performance attribution

The purpose of performance attribution analysis is to assess how the Company achieved its performance relative to its benchmark index, i.e. to understand the impact on the Company's relative performance of the various components such as stock selection and asset allocation. Details of the attribution analysis for the year ended 31st March 2025 are given in the Investment Managers' Report on page 17.

## Share price discount to net asset value ('NAV') per share

The Board recognises that the possibility of a short term widening of the discount can be a key disadvantage of investment trusts that can discourage investors, but is of the view that over the long term it is not a material factor in long term shareholder return. The Board has for several years operated a share repurchase programme which seeks to address imbalances in the supply of and demand for the Company's shares within the market and thereby seek to manage the volatility and absolute level of the discount to NAV per share at which the Company's shares trade. In the year ended 31st March 2025, the discount ranged between 7.1% and 12.5%. More information on the Board's share repurchase policy is given in the Chairman's Statement on page 13.

## Business Review

### Discount



● Discount (based on month-end data)

Source: Morningstar (month end data).

### ● Ongoing charges

The ongoing charges represent the Company’s management fee and all other operating expenses, excluding any finance costs, expressed as a percentage of the average daily net assets during the year. The ongoing charges for the year ended 31st March 2025 were 0.90% (2024: 0.92%). Each year the Board reviews an analysis which shows a comparison of the Company’s ongoing charges and its main expenses with those of its peers.

## Principal and Emerging Risks

The Directors confirm that they conduct a robust assessment of the principal and emerging risks facing the Company. It is with a focus on those risks that could materially adversely impact the Company's performance, share price, reputation or the viability of its business. The reviews are based on a risk matrix developed by the Audit Committee with the assistance of the Manager.

During the year, the Board discussed the risks and identified those that merit particular attention. At the current time these are – investment performance, discount control and the impact of geopolitical events. At the same time, they viewed that the threat of an imminent recession had receded and the adverse impact of further pandemics as having declined over the last two years.

The AIC Code of Corporate Governance requires the Audit Committee to put in place procedures to identify emerging risks facing the Company. The Committee has conducted horizon scanning and other than the exacerbation of geopolitical events in Ukraine & the Middle East along with impact of trade tariff policies from the new US Administration, growing usage of Artificial Intelligence and continuing evidence of Climate Change, it does not believe that there are any new emerging risks.

The risks together with how these are mitigated and managed, as far as practicable, are set out in the table below.

RISK DESCRIPTION	MITIGATION AND MANAGEMENT
<p><b>Investment Performance and Strategy</b></p> <p>Performance of the Company's investment portfolio is fundamental to the success of the company.</p> <p>An inappropriate investment strategy, or poor implementation of the strategy, for example relating to concentration of investments, asset allocation, the level of gearing or the degree of portfolio risk.</p>	<p>Ongoing performance measurement of the portfolio computed independently of the investment managers. This is shared within Investment Managers teams for ongoing oversight as well as to the Board.</p> <p>The Board reviews the overall strategy and structure of the Company and reports of comparison of the performance against benchmark, peer group and share activity. The Board holds a separate meeting devoted to strategy each year which includes consideration of whether the Company's objectives and structures are appropriate for the long-term interests of shareholders.</p> <p>Regular reports prepared by the Manager are received by the Board on stock selection, asset allocation, gearing, hedging and costs of running the Company and these are reviewed at each Board meeting.</p>
<p><b>Discount/Premium Control</b></p> <p>Share price premium volatility and deep discount to net asset value per share leads to a sense of uncertainty reducing shareholder confidence. Potentially triggering shareholder intervention.</p>	<p>The Board continuously monitors the level of the discount. Where deemed it prudent, seeks to address the imbalances in the supply of and demand for the Company's shares through share repurchases.</p>
<p><b>Geopolitical</b></p> <p>Market instability and declining investment opportunities from escalation of geopolitical conflicts, such as in Ukraine and in the Middle East. Along with the implications of trade and tariff policies emanating from the new US Administration.</p>	<p>The Company monitors global developments with the Manager and external experts on an ongoing basis.</p> <p>The Board can, with shareholder approval, amend the investment policy and objectives of the Company to mitigate the risks arising from geopolitical instability.</p>
<p><b>Market and Currency</b></p> <p>Uncertainty about the future prices and liquidity of the Company's investments arising from economic, social, fiscal, climate, inflationary and regulatory changes. This covers the impact of holding investments in the face of negative market movements.</p> <p>The company has an inherent risk exposure to the Euro/Sterling exchange rate. The majority of the Company's assets, liabilities and income are denominated in Euros, rather than in Sterling which is the Company's functional currency and in which it reports performance.</p>	<p>The Board manages these risks by diversification of investments and monitoring compliance with investment guidelines and policies with the Investment Manager.</p> <p>The Board includes an assessment of these risk factors at meetings and has placed investment restrictions and guidelines to limit these risks. The Board also reviews the level of liquidity in the portfolio.</p> <p>The Company borrows in Euros in order to hedge the currency risk in respect of the geared portion of the portfolio. The Company does not hedge the foreign currency exposure of the remainder of the portfolio.</p>

## Principal and Emerging Risks

RISK DESCRIPTION	MITIGATION AND MANAGEMENT
<p><b>Loss of Key Personnel</b></p> <p>Loss of one or more of the investment management team, particularly key individuals.</p>	<p>The Manager ensures appropriate performance reviews and benchmarked incentivisation and compensation. In addition, ongoing succession planning through a team-based approach.</p> <p>The Board also takes a keen interest in getting to know the individuals through attendance at Board meetings and their participation at the off-site Strategy meetings.</p>
<p><b>Shareholder Relations</b></p> <p>Failure to communicate effectively and regularly and appropriately with the different shareholder constituencies.</p>	<p>The Manager has a programme of visiting major institutional holders and providing presentations via various platforms to communicate more widely with its investors. Extensive range of investor information and nation-wide presentations are done by the Sales teams and feedback via brokers is reviewed for improvements.</p> <p>In addition, the Board arranges regular meetings with major institutional holders and responds to questions and matters raised at AGMs or in the interim by shareholders.</p>
<p><b>Operational and Cyber Crime</b></p> <p>In common with most investment trusts the Board delegates the operation of the business to third parties, the principal delegate being the Manager.</p> <p>Disruption to, failure of, or fraud in the Manager's accounting, dealing or payments systems or at its service providers (Custodian, Depository or Registrar) preventing timely implementation of investment decisions, and potentially shortfalls in the accuracy of reporting and monitoring of the Company's financial position.</p> <p>Cyber attack impacting business continuity, breaches of information security and integrity of data.</p>	<p>The Audit Committee receives independently audited reports on the Managers and other service providers' internal controls, as well as a report from the Manager's Compliance function.</p> <p>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 suppliers, of which one of the key protections is the Depository's indemnification for loss or misappropriation of the Company's assets held in custody.</p> <p>Details of how the Board monitors the services provided by JPMF and its associates and the key elements designed to provide effective risk management and internal control are included within the Risk Management and Internal Control section of the Corporate Governance Statement on page 57.</p> <p>The Board is kept up to date with the Manager's cyber security defences and its cyber security programme. The information technology controls around the physical security of data centres, security of its networks and trading applications are tested and reported on every six months against industry standards.</p>
<p><b>Accounting, Legal and Regulatory</b></p> <p>Failure to comply with existing and emerging accounting, fiscal regulatory rules. The Company operates in an environment with significant regulation including the UK Listing Rules, The UK Companies Act, the Corporation Taxes Act, Market Abuse Regulation, Disclosure Guidance and Transparency Regulations and the Alternative Investment Fund Managers Directive (AIFMD).</p> <p>An example is the breach of Section 1158 which would lead to a loss of investment trust status and, as a consequence, gains within the Company's portfolio would be subject to capital gains tax.</p>	<p>The Board relies on the services of its Company Secretary, the Manager (JPMF) and its service providers and professional advisers to ensure compliance. Relying on relevant processes reviewed on a regular basis including by Internal Audit and Risk &amp; Operational audits together with regular consultation with External Auditors and meetings of the Audit Committee.</p> <p>Specifically, the Section 1158 compliance is continually monitored by the Manager and the results reported to the Board each month.</p>

## Principal and Emerging Risks

RISK DESCRIPTION	MITIGATION AND MANAGEMENT
<p><b>Artificial Intelligence (AI)</b></p> <p>AI has become a powerful tool that will impact a huge range of areas. It could be a significant driver for new business as well as a disrupter to current business models and processes leading to emerging uncertainty in corporate valuations. There is also an increased potential risk from cyber related crime.</p>	<p>The Manager's investment process integrates financially material considerations of the impact of AI when taking investment decisions.</p> <p>The Board works with the Manager to monitor the developments concerning AI and its potential impact on the portfolio, our service providers and the wider market.</p>
<p><b>Climate Change</b></p> <p>Climate change has an increasingly significant impact on the business models, sustainability and even viability of individual companies, sectors and asset classes, impacting investment performance and valuations in the short and longer term.</p>	<p>The Manager's investment process integrates financially material considerations of environmental, social and governance (ESG) factors when taking investment decisions. This includes considering the approach investee companies take to recognising and mitigating climate change risks.</p> <p>This is outlined in Investment Manager's Report.</p> <p>The Board reviews ESG reports from the Manager on the way ESG considerations are integrated into the investment decision making.</p> <p>It also considers, where relevant, the direct impact on climate change from the nature of operations of the Manager and other service providers. At the level of the Company, as extreme weather events become more common, the resiliency, business continuity planning and location strategies of the Company's service providers will come under greater scrutiny.</p>

## Long Term Viability

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In the light of the Company's current position, the principal and emerging risks that it faces and their potential impact on its future, the Directors have assessed the prospects of the Company, to the extent that they are able to do so, over the next five years. They have made that assessment by considering, the risk of breaching the Company's debt covenants as a result of a reduction in its asset base, the Company's investment objective and strategy, the investment capabilities of the Manager and the current outlook for the European economies and equity markets. The Board has further considered the mitigation measures which key service providers, including the Manager, have in place to maintain operational resilience. In addition, the Company has carried out stress testing in connection with the Company's stated principal risks, encompassing 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.

Given the Company's objective of achieving long term capital 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 and confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over that period.

## Duty to Promote the Success of the Company

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

The Board is responsible for all decisions relating to the Company's investment objective and policies, gearing, discount management, corporate governance and strategy, and for monitoring the performance of the Company's third party service providers, including the Manager. The Board's philosophy is that the Company should foster a culture where all the Company's stakeholders are treated fairly and with respect and the Board recognises the importance of acting fairly between them, which is front of mind in its key decision making. As an externally managed investment company with no employees, the Board considers that the Company's key stakeholders are its shareholders, its Manager, its debt providers, and its other professional third party service providers (corporate broker, registrar, custodian and depository) and wider society. 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. As the Company acts through its service providers, its culture is represented by the values and behaviour of the Board and third parties to which it delegates. The Board aims to fulfill the Company's investment objective by encouraging a culture of constructive challenge with all key suppliers and openness with all stakeholders. The Board is responsible for embedding the Company's culture in the Company's

operations. The Board recognises the Company's responsibilities with respect to corporate and social responsibility and engages with its service providers to safeguard the Company's interests. As part of this ongoing monitoring, the Directors will receive regular reporting from service providers on matters such as their anti-bribery and corruption policies; Modern Slavery Act 2015 statements; diversity policies; and greenhouse gas and energy usage reporting. The Management Engagement Committee reviews the Company's service providers at least annually.

### The Company's Business Model

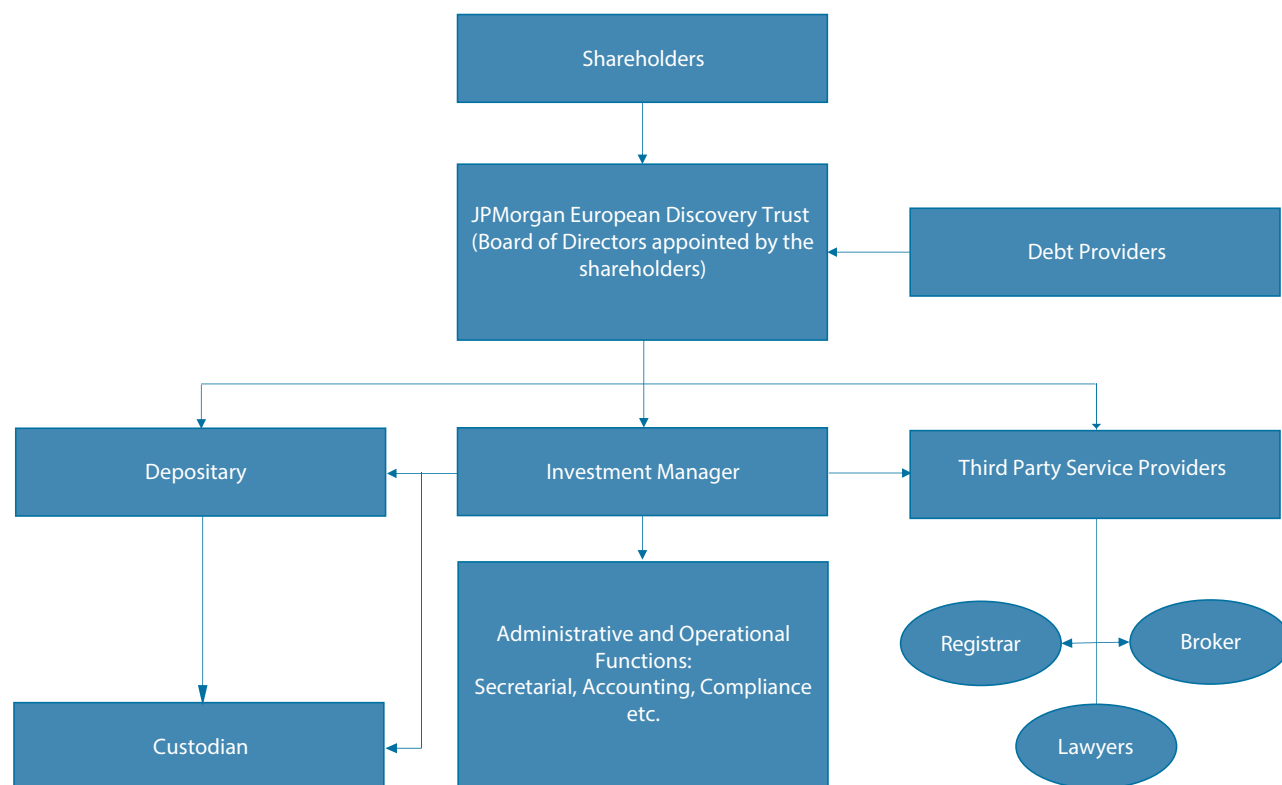
The Board is appointed by the Company's shareholders, who also approve the Company's investment objective. The Board appoints the investment manager to deliver the investment objective using its investment process. The Board oversees the Company's affairs by:

1. Ensuring the manager complies with the Investment Guidelines (see page 38).
2. Reviewing the Manager's performance against the benchmark index and Key Performance Indicators (see page 39).
3. Using gearing where the expected benefits outweigh the costs and risks (see page 13).
4. Monitoring the share price premium or discount and the use of share issuances and buybacks (see page 13).
5. Setting the dividend policy and level of revenue reserve.
6. Monitoring the principal and emerging risks (see page 41).
7. Appointing and monitoring other third party service providers, including the depository, registrar and broker.
8. Reviewing the Ongoing Charges Ratio (see page 40).
9. Ensuring compliance with governance codes and regulatory requirements (see page 54).
10. Overseeing the marketing and investor relations activities carried out by the Manager.

## Duty to Promote the Success of the Company

### Stakeholder Engagement

The following chart sets out the key stakeholders of the Company and how the Board engages with them.



The following sets out details of the Company's engagement with its key stakeholders:

#### Shareholders

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

The Board regularly monitors the shareholder profile of the Company. It seeks regular engagement with the Company's major shareholders to understand their views on governance and performance against the Company's investment objective and investment policy. This is done by engaging in discussions on an ongoing basis, either directly or through the Company's brokers, the Portfolio Managers or JPMF. In addition the Chairman and other Directors make themselves available as and when required to address any shareholder queries. The Directors may be contacted through the Company Secretary whose details are shown on page 112.

The Annual General Meeting (AGM) provides the key forum for the Board and Portfolio Managers to present to shareholders on the Company's performance, future plans and prospects. It also allows shareholders the opportunity to meet with the Board and Portfolio Managers to raise any questions or concerns. A recording of the Portfolio Managers' presentation is also available on the Company's website following the AGM.

#### Manager

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

## Duty to Promote the Success of the Company

The Board monitors the Company's investment performance at each Board Meeting in relation to its objective and also to its investment policy and strategy. The Board also maintains strong lines of communication with the Manager via its dedicated company secretary and client director which extend well beyond the formal business addressed at Board meetings.

### Investee companies

The Board is committed to responsible investing and actively monitors the activities of investee companies through its delegation to the Manager. In order to achieve this, the Manager has discretionary powers to exercise voting rights on behalf of the Company on all resolutions proposed by the investee companies.

In respect of the year under review, the Manager voted at the annual general meetings and extraordinary meetings held during the year by the Company's portfolio companies (full details can be found in the ESG report on page 35). The Board monitors investments made and divested and where appropriate, seeks the rationale for exposures taken and voting decisions made.

### Other Third Party Service Providers and Advisors

The Board ensures that it promotes the success of the Company by engaging specialist third party suppliers, with appropriate capability, performance records, resources and controls in place to deliver the services that the Company requires for meeting relevant obligations and safeguarding the Company's assets. For this reason, the Board consider the Company's Custodian, Depository, Registrar, Auditor and Broker to be stakeholders.

The Board maintains regular contact with its key external service providers, either directly, or via its dedicated company secretary or client director, and receives regular reporting from these providers at Board and Committee meetings. The Management Engagement Committee meets annually to review and appraise its key service providers.

### Debt Providers

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. This leads to pricing and term discussions including covenants with the selected debt provider. The Company, through its Manager, maintains the relationship and continued engagement with the debt providers which includes regular debt compliance reporting.

## Key Decisions

The Directors confirm that they have considered their duty under Section 172 when making decisions during the financial year under review. Some of the key decisions and actions during the year which have required the Directors to have regard to applicable section 172 factors include:

### Management Fee Changes

Following the Board's discussions with the Manager during the year, an agreement was reached to reduce the management fee. With effect from 1st April 2025, the fee is now charged on a tiered basis on the Company's net assets at an annual rate of 0.70% on the first £300 million and at 0.65% of net assets above that amount. This compares to that previously which was a flat fee of 0.75%.

The fee is calculated and paid monthly in arrears and an adjustment is made to exclude from the calculation investments in funds on which the Manager charges a management fee. Therefore there is no double charging of management fees on investment in JPM funds.

### Re-appointment of Manager

The Directors have reviewed the competitiveness of the management fee and the Company's other operating costs, held the Manager to account for investment performance and encouraged the Manager to enhance its sales and marketing efforts. A review of the Manager and its services was undertaken during the year. Post the review process, the Board re-appointed the Manager.

## Duty to Promote the Success of the Company

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### Share buybacks

The Board monitored the level of the discount during the year and actively used its ability to repurchase shares to minimise the short-term volatility and the absolute level of the discount when appropriate. As a result during the year 14,660,188 shares were repurchased, at a cost of £69.12 million representing 13.10% of the Company's issued share capital.

### Tender Offer

As previously announced, during the year, the Company undertook a Tender Offer providing shareholders with the opportunity to tender up to 15% of the issued share capital in the Company (excluding Shares held in Treasury). As a result, 21,160,028 shares were validly tendered pursuant to the Tender Offer.

### Dividends Payable

The Board decided to recommend a final dividend of 10.0p per share, making a total of 13.0p per share to the shareholders for the year 31st March 2025. This balances the Company's investment objective to provide capital growth together with the value placed by some investors on the receipt of a cash dividend.

### Change of Registrar

Following a competitive tender process, the Company transferred the management of its share register from Equiniti Financial Services Limited to Computershare Investor Services PLC ('Computershare'), with effect from 16th September 2024.

A notification letter from Computershare was sent to all registered shareholders advising of this change. The letter included an invitation to shareholders to create an online account which will provide access to the details of their shareholdings and an opportunity to participate in the Company's Dividend Reinvestment Plan (DRIP). Please visit [www.investorcentre.co.uk](http://www.investorcentre.co.uk) for further information.

### Board Succession

Shareholder interests are best served by ensuring a smooth and orderly succession for the Board which serves to provide both continuity and refreshment whilst ensuring diversity of both background and experience. The Board has commenced the recruitment process for a new Non-Executive Director, and the appointment is expected to take place in the latter part of this year.

In the normal course, the Chairman having served for nine years as a Director would step down from the Board at the forthcoming AGM. However, the Board is mindful of the changes over the last 18 months and in order to ensure ongoing stability and continuity the Board, in consultation with shareholders, believed that it was in the Company's best interests to extend the term to the AGM in 2026.

By order of the Board

**Marc van Gelder**

Chairman

18th June 2025



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## Board of Directors

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### **Marc van Gelder** (Chairman)

First appointed to the Board in August 2016.

Most recent reappointment was in 2024.

Marc has worked for over 30 years in business in Europe and is currently Chairman of the Supervisory Board of Incision, Member of the Supervisory Board of Action Service & Distributie BV and Member of the Board of the Netherland-America Foundation. He is also the Chairman of Heijmans NL. His former roles include CEO of Mediq, a Dutch listed pharmaceutical distributor, which was acquired by Advent in 2013 and President & CEO of Peapod, part of Ahold USA.

**Connections with the Manager:** None.

**Shared Directorships with other Directors:** None.

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### **Sarah Watters** (Senior Independent Director and Chair of Remuneration Committee)

First appointed to the Board in July 2021.

Most recent reappointment was in 2024.

Sarah Watters has extensive investment management experience gained over 30 years working for top tier institutions. She is currently Executive Director at Bellecapital UK heading up UK Portfolio Management and also a member of the Investment Committee of Churchill College at the University of Cambridge. Her recent roles include serving as the Head of Equities, UK, Europe and Emerging Markets at BP Investment Management Ltd.

**Connections with the Manager:** None.

**Shared Directorships with other Directors:** None.

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### **Suzy Ross**

First appointed to the Board in March 2022.

Most recent reappointment was in 2024.

Suzy has deep expertise in marketing and customer centric strategy gained over some 20 years. Suzy's current, full time executive role is at Google Cloud where she is Global Director for Private Equity partnerships. Her previous roles include Senior Retail Adviser to Accenture, Chief Customer Officer at Jaeger and Chief Marketing Officer at SpaceNK.

**Connections with the Manager:** None.

**Shared Directorships with other Directors:** None.

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### **Arun Sarwal** (Chairman of Audit Committee)

First appointed to the Board in July 2023.

Most recent reappointment was in 2024.

Arun is a Chartered Accountant and Chartered Marketer with broad experience of global equities and fund management over some 35 years in the UK, Europe, and Asia. He has an understanding of the European business having worked in Amsterdam, Dublin and Paris. He is currently Chairman of the Audit Committee of Dunedin Income Growth Investment Fund plc, strategic advisor to Tumelo and will be joining the Board of Invesco Bond Income Plus Limited in June 2025. His previous roles include CEO of Broadridge Fund Communication Solutions and DST Global Solutions, COO at Scottish Widows Investment Partnership and global roles at ABN AMRO and Societe Generale.

**Connections with the Manager:** None.

**Shared Directorships with other Directors:** None.

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### **James Will**

First appointed to the Board in July 2024.

James has extensive knowledge of the investment company sector having worked in the sector for over 20 years. He was Chairman of law firm Shepherd and Wedderburn WS where he was a corporate partner advising small and mid-cap quoted companies as well as heading the firm's financial sector practice. James is currently Chairman of BlackRock Throgmorton Trust plc and a non-executive director of Invesco Asia Dragon Trust plc. His prior directorships include Chairman at The Scottish Investment Trust plc (which combined with JP Morgan Global Growth and Income Trust plc ('JGGI') in 2022), Chairman at Asia Dragon Trust plc, Senior Independent Director at Herald Investment Trust plc and non-executive director at JGGI.

**Connections with the Manager:** None.

**Shared Directorships with other Directors:** None.

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All Directors are members of the Audit, Management Engagement, Nomination and Remuneration Committees and are considered by the Board to be independent of the Manager.

## Directors' Report

The Directors present their Annual Report & Financial Statements for the year ended 31st March 2025.

### Management of the Company

The Manager and Company Secretary is JPMorgan Funds Limited ('JPMF'). JPMF is employed under a contract which can be terminated on six months' notice, without penalty. If the Company wishes to terminate the contract on shorter notice, the balance of remuneration is payable by way of compensation. The active management of the Company's assets is delegated by JPMF to an affiliate, JPMorgan Asset Management (UK) Limited ('JPMAM'). The Manager is a wholly owned subsidiary of JPMorgan Asset Management International Limited which, together with the other subsidiaries, provides accounting, banking, dealing and custodian services to the Company.

A dedicated Company Secretary is nominated by JPMF to service the Board.

The Management Engagement Committee conducts a formal evaluation of the Manager on an annual basis. The evaluation include a consideration of the management fees and whether the service received represents value for money for shareholders. The Committee has thoroughly reviewed the performance of the Manager over the course of the year. The review covered consideration of the investment strategy and process of the Manager, resources and risk controls, performance against the benchmark over the long term and the quality of support that the Company received including the marketing support provided. As a result of that process, the Board confirms that it is satisfied that the continuing appointment of the Manager is in the interests of shareholders as a whole.

### 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. 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.jpmeuropeandiscovery.co.uk](http://www.jpmeuropeandiscovery.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 96.

### Management fee

As mentioned in the Chairman's Statement, with effect from 1st April 2025, the management fee is charged on a tiered basis on the Company's net assets. An annual rate of 0.70% on the first £300 million and at 0.65% of net assets above that amount, compared to the previous flat fee of 0.75%. The fee is calculated and paid monthly in arrears. An adjustment is made to exclude from the calculation investments in funds on which the Manager charges a management fee and therefore there is no double charging of management fees on investment in JPM funds.

### Directors

All Directors of the Company who held office at the end of the period under review are detailed on page 50. Details of their beneficial shareholdings in the Company may be found in the Directors' Remuneration Report on page 62.

In accordance with corporate governance best practice, all Directors, who will be retiring at the forthcoming Annual General Meeting, will offer themselves for re-appointment. James Will was appointed to the Board in July 2024 and therefore, will be standing for his election at the forthcoming AGM. The Board is satisfied that all Directors remain independent from the Manager. The Nomination Committee, having considered their qualifications, performance and contribution to the Board and its committees, confirms that each Director continues to be effective and demonstrates commitment to the role and the Board recommends to shareholders that they be re-appointed.

### 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. For the Directors who served during the year under review, these indemnities were in place throughout the year and remains in place at the date of this report.

An insurance policy is maintained by the Company which insures the Directors of the Company against certain liabilities arising in the conduct of their duties. There is no cover against fraudulent or dishonest actions.

### Disclosure of information to auditor

In the case of 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 Auditors are unaware, and

## Directors' Report

(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 Auditors are aware of that information.

The above confirmation is given and should be interpreted in accordance with the provision of Section 418(2) of the Companies Act 2006.

### Independent auditor

Ernst & Young LLP were appointed as Auditors in 2019 and have expressed their willingness to continue in office as the Auditors. A resolution to reappoint Ernst & Young LLP for the ensuing year is being put to shareholders at the forthcoming Annual General Meeting and to authorise the Directors to determine their remuneration.

### Total Return, Revenue and Dividends

Gross return for the year amounted to £20.3 million (2024: Gross gain £51.8 million) and net total return after deducting the management fee, other administrative expenses, finance costs and taxation amounted to £6.5 million (2024: £39.6 million). Net revenue return after taxation for the year amounted to £15.9 million (2024: £18.7 million). An interim dividend of 3.0p per share (2024: 2.5p) was paid during the year, costing £3.5 million (2024: £3.8 million). The Directors have proposed a final dividend of 10.0p (2024: 8.0p) per share. This dividend will amount to £9.6 million and the total revenue reserve will amount to £12.3 million after the payment of this dividend. Further details are set out in note 10 to the financial statements.

### Share Repurchases

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

During the financial year, the Company repurchased 14,660,188 shares, for a total consideration of £69.12 million. Since the year end, the Company has purchased 16,347,505 shares.

As mentioned in the Company's 2024 Half Year Report, the Company undertook a Tender Offer in August 2024. A total of 21,160,028 shares were validly tendered pursuant to the Tender Offer.

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

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.

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

### Voting Rights in the Company's shares

Details of the voting rights in the Company's shares as at the latest practicable date are given in note 16 to the Notice of Annual General Meeting on page 104.

### Borrowings

The Company has a EUR 125 million unsecured loan facility with Scotiabank. This agreement was renewed in March 2024 for a further two year term.

### Notifiable Interests in the Company's Voting Rights

At the end of the financial year, the following had declared a notifiable interest in the Company's voting rights:

Shareholders	Number of voting rights	% voting
Saba Capital Management, L.P. <sup>1</sup>	15,931,765	13.98
Allspring Global Investments Holdings	15,075,648	12.86
City of London Investment Management Company Limited	12,577,324	10.95
JPMorgan Chase & Co.	6,367,237	5.44
Bank of Montreal	2,690,506	2.24

Since the year end, the following shareholders have disclosed their interests:

Shareholders	Number of voting rights	% voting
Allspring Global Investments Holdings	14,516,849	15.05
City of London Investment Management Company Limited	10,448,210	10.94
Quilter Plc	5,352,516	5.04
Saba Capital Management, L.P. <sup>1</sup>	NIL	NIL

<sup>1</sup> Including shares held through Total Return Swaps.

### UK Listing Rule 6.6.4R

UK Listing Rule 6.6.4R requires the Company to include certain information in the identifiable section of the Annual Report & Financial Statements or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures to be made in this respect.

## Directors' 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. The full text of the resolutions is set out in the Notice of Meeting on pages 101 to 104.

**(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 or by way of a sale of Treasury shares up to an aggregate nominal amount of £681,575, such amount being equivalent to approximately 10% of the issued share capital (excluding Treasury shares) as at the latest practicable date before the publication of this document or, if different, the number of ordinary shares which is equal to 10% of the Company's issued share capital (excluding Treasury shares) as at the date of the passing of the resolution. This authority will expire at the conclusion of the Annual General Meeting of the Company in 2026 unless renewed at a prior general meeting.

Resolution 12 will enable the allotment of ordinary shares otherwise than by way of a pro rata issue to existing shareholders. It is advantageous for the Company to be able to issue new shares (or to reissue shares from Treasury) to investors when the Directors consider that it is in the best interests of shareholders to do so. Any such issues would only be made at prices greater than the net asset value ('NAV'), thereby increasing the NAV per share and spreading the Company's administrative expenses, other than the management fee which is charged on the value of the Company's net assets, over a greater number of shares. The issue proceeds would be available for investment in line with the Company's investment policies. No issue of shares will be made which would effectively alter the control of the Company without the prior approval of shareholders in a general meeting.

**(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 2024 Annual General Meeting, will expire on 23rd January 2026 unless renewed at the forthcoming Annual General Meeting. The Directors consider that the renewal of this 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 gives the Company authority to repurchase its own issued ordinary shares in the market as permitted by the Companies Act 2006 (the 'Act'). The authority limits the number of shares that could be purchased to a maximum number of ordinary shares, representing approximately 14.99% of the Company's issued ordinary shares as at the latest practicable date before the publication of this document or, if less, the number of ordinary shares which is equal to 14.99% of the Company's issued share capital (excluding Treasury shares) as at the date of the passing of the resolution. The authority also sets minimum and maximum prices.

If resolution 13 is passed at the Annual General Meeting, the Board may repurchase the shares for cancellation or hold them in Treasury pursuant to the authority granted to it for possible reissue at a premium to NAV. Repurchases will be made at the discretion of the Board and will only be made in the market at prices below the prevailing NAV per share, thereby enhancing the NAV of the remaining shares as and when market conditions are appropriate. This authority will expire in January 2027, or when the whole of the 14.99% has been acquired, whichever is the earlier, however it is the Board's intention to seek renewal of the authority at the 2026 Annual General Meeting.

**(iii) Resolution 14**, which will be proposed as a special resolution, seeks shareholder approval to call a general meeting, other than an Annual General Meeting, on no less than 14 clear days' notice. The Company will only use the shorter notice period where it is merited by the purpose of the meeting.

**(iv) Resolution 15**, which will be proposed as a special resolution, seeks shareholder approval to adopt new Articles of Association (the '**New Articles**') in order to update the Company's current Articles of Association (the '**Existing Articles**'). The proposed amendments being introduced in the New Articles primarily relate to changes in law and regulation, developments in market practice and other developments since the Existing Articles were adopted. It also includes a proposed increase in the maximum aggregate annual limit on Directors' fees.

Please see the Appendix section in the Annual Report on page 105 for further details on the changes made to the Articles of Association.

### Recommendation

The Board considers that Resolutions 1 to 15 are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions as they intend to do, where voting rights are exercisable, in respect of their own beneficial holdings which, as at the year end, amounted in aggregate to 228,000 shares representing less than 1% of the voting rights in the Company.

## Corporate Governance Statement

### Compliance

During the year, the Company was subject to UK legislation and regulations including UK company law, UK Financial Reporting Standards, the UK Listing Rules, Prospectus, Disclosure Guidance and Transparency Rules, the 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 approval will not continue to be retained. The Company is not a close company for taxation purposes.

By virtue of the Company's listing on the London Stock Exchange, the Board is required to report on how the principles of the 2018 UK Corporate Governance Code (the 'UK Code') have been applied. The 2019 Association of Investment Companies Code of Corporate Governance (the 'AIC Code') addresses the principles and provisions of the UK Code as well as additional provisions of specific relevance to investment companies, and has been endorsed by the Financial Reporting Council.

This enables investment company boards to report against the AIC Code and still meet their obligations under the UK Code and associated disclosure requirements under paragraph 6.6.6 of the UK Listing Rules.

The Board has chosen to report under the AIC Code, as it considers reporting against the AIC Code provides more relevant information to the Company's shareholders about its governance arrangements. The Board has fully adopted the recommendations of the 2019 AIC Code.

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

In January 2024, the Financial Reporting Council updated the UK Corporate Governance Code ('Code'). This new Code will apply to financial years beginning on or after 1st January 2025. The Company will report on these changes next year.

### Role of the Board

A management agreement between the Company and JPMF sets out the matters which have been delegated to the Manager. 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 the 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.

At each Board meeting, Directors' interests are considered. These are reviewed carefully, taking into account the circumstances surrounding them, and, if considered appropriate, are approved. It was resolved that there were no actual or indirect interests of a Director which conflicted with the interests of the Company which arose during the year.

Following the introduction of The Bribery Act 2010, the Board 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 five times 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, 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, who is responsible to the Board for ensuring that Board procedures are followed and for compliance with applicable rules and regulations.

### Board composition

The Board, chaired by Marc van Gelder, currently comprises five non-executive Directors, all of whom, including the Chairman, are regarded by the Board as independent of the Company's Manager. The Directors have a breadth of investment knowledge, business, marketing and financial skills and experience relevant to the Company's business. Brief biographical details of each Director are set out on page 50.

During the year, as part of the Board succession planning process, Trust Associates, a recruitment consultancy firm, were appointed to undertake a non-executive director search. After a short list for interview, the decision was made to appoint James Will as a Director. Trust Associates has no other connection with the Company.

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. Ms Sarah Watters as the Senior Independent Director of the Company, and in line with corporate governance practice, led the Chairman's review and may be contacted by shareholders if they have concerns that cannot be resolved through discussions with the Chairman.

### Board Diversity

When recruiting a new Director, the Board's policy is to appoint individuals on merit. Diversity is important in bringing an appropriate range of skills and experience to the Board

## Corporate Governance Statement

and an assessment is made of the qualities and skills of the existing Board before appointing new directors.

Following completion of a review of the skills and experience of Directors, the Board feels that they are equipped with the necessary attributes required for the sound stewardship of the Company and that their knowledge sets allow for lively and engaging debates. Full details of the skills and experience of the Directors can be found on page 55.

As at 31st March 2025, there were three male Directors and two female Directors on the Board, which was also in compliance with the Parker Review recommendations on diversity in the UK boardroom. Please refer to page 56 for more information on the workings of the Nomination Committee.

UK Listing Rule 6.6.6 (9) requires listed companies to include a statement in their annual reports and accounts in respect of certain targets on board diversity, or if those new targets have not been met to disclose the reasons for this.

### Diversity Table<sup>1</sup>

Gender	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	3	60	2	NA	NA
Women	2	40	1	NA	NA
[Other Categories]	0	0	0	NA	NA
Not specified/prefer not to say	NA	NA	NA	NA	NA

Ethnicity <sup>2</sup>	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British (or any other white background)	4	80	3	NA	NA
Asian or Asian British	1	20	0	NA	NA

<sup>1</sup> Data as at 31st March 2025.

<sup>2</sup> Categorisation of ethnicity is stated in accordance with the Office of National Statistics classification.

The information in the above table was provided by individual Directors in response to a request from the Company. The Company is pleased to report that, as at the date of approval of this Annual Report, it meets FCA's target on the below:

- At least 40% of the board should be women.
- At least one senior board position should be held by a woman.
- At least one member of the board should be from an ethnic minority background, excluding white ethnic groups (using Office of National Statistics (ONS) categories).

### Reappointment of Directors

The Directors of the Company standing for re-appointment and their brief biographical details are set out on page 50. The skills and experience that each Director brings to the Board, and hence why their contributions are considered important to the long term success of the Company, are summarised below.

**Resolution 5** relates to the reappointment of Marc van Gelder. Marc has over 30 years working knowledge of European business.

**Resolution 6** relates to the reappointment of Sarah Watters. Sarah has extensive investment management experience gained over 25 years of having worked with top tier institution.

**Resolution 7** relates to the reappointment of Suzy Ross. Suzy has deep expertise of marketing and retail customer centric strategy gained over some 20 years.

**Resolution 8** relates to the reappointment of Arun Sarwal. Arun is a Chartered Accountant and has broad experience of global equities and fund management over some 35 years.

**Resolution 9** relates to the appointment of James Will. James is a former lawyer and has significant investment trust experience and in an environment of increasingly complex legal and regulatory framework, his counsel is a valued contribution to the Board.

For details of current directorships of the Directors, please refer to page 50.

### Tenure

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

## Corporate Governance Statement

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 UK Corporate Governance Code and the AIC Code, including the need to refresh the Board and its Committees periodically.

As mentioned in the Chairman's Statement, to ensure ongoing stability and continuity of the Board, the Chairman will be extending his term for an additional year and plans to retire at the AGM in 2026. The Board has commenced the recruitment process for a new Non-Executive Director.

The terms and conditions of Directors' appointments are set out in formal letters of appointment, copies of which are available for inspection on request at the Company's registered office and at the Annual General Meeting.

A schedule of interests for each Director is maintained by the Company and reviewed at every Board meeting. New interests are considered carefully, taking into account the circumstances surrounding them and, if considered appropriate, are approved.

### Induction and training

On appointment, the Manager and Company Secretary provide all Directors with induction training. Thereafter, regular briefings are provided on changes in law and regulatory requirements that affect the Company and 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 on page 56.

### Meetings and committees

The Board delegates certain responsibilities and functions to Committees. Details of the membership of these Committees are shown with the Directors' profiles on page 50.

The table below details the number of formal Board and Committee meetings attended by each Director. During the year there were six Board meetings, three Audit Committee meetings, one Management Engagement Committee meeting, one Nomination and one Remuneration Committee meeting. These meetings were supplemented by additional meetings held to cover procedural matters and formal approvals. There is also regular contact between the Directors and the Manager and Company Secretary throughout the year.

### Meetings Attended

Director	Board	Management			
		Audit Committee	Engagement Committee	Remuneration Committee	Nomination Committee
Marc van Gelder	6	3	1	1	1
Nicholas Smith <sup>1</sup>	2	1	—	—	—
Sarah Watters	6	3	1	1	1
Suzy Ross	6	3	1	1	1
Arun Sarwal	6	3	1	1	1
James Will <sup>2</sup>	3	2	1	1	1

<sup>1</sup> Resigned from the Board on 24th July 2024.

<sup>2</sup> Appointed to the Board on 24th July 2024.

### Board committees

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

#### Nomination committee

The Nomination Committee, currently chaired by Marc van Gelder, consists of all Directors and meets at least annually. The Nomination Committee reviews the composition, structure and diversity of the Board, succession planning, the independence of the Directors and whether each Director has sufficient time available to discharge their duties effectively.

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

The Committee conducts an annual performance evaluation of the Board, its committees and individual Directors to ensure that all Directors have devoted sufficient time and contributed adequately to the work of the Board and its Committees. The evaluation of the Board also considers the balance of experience, skills, independence, corporate knowledge, its diversity, and how it works together. The evaluation of the individual Directors is led by the Chairman and the Senior Independent Director leads the evaluation of the Chairman's performance, which includes an appraisal of his Board leadership and effectiveness in the role. During the year, the Board undertook an externally facilitated board evaluation using an independent advisory firm, Lintstock. The evaluation was based on the collation and analysis of detailed questionnaires completed by each Director and then discussed by the Committee.

Having completed the annual evaluation process, the Committee confirms that it believes that the Board and its Committees have an appropriate balance of skills and experience, all Directors should be considered as

## Corporate Governance Statement

Independent in accordance with the provisions of the AIC Code and all Directors have the time available to discharge their duties effectively.

### Remuneration Committee

The Board has established a Remuneration Committee for the purpose of reviewing Directors' fees. It makes recommendations to the Board as and when appropriate, in relation to remuneration policy and implementation. All Directors are members of the Remuneration Committee and the Chair is Sarah Watters.

### Management Engagement Committee

The membership of the Management Engagement Committee consists of all independent Directors and is chaired by Marc van Gelder. The Committee meets at least once a year to review the terms of the management agreement between the Company and the Manager, the performance of the Manager and fees, the notice period that the Board has with the Manager and to make recommendations to the Board on the continued appointment of the Manager following these reviews.

### Audit committee

The Report of the Audit Committee is set out on pages 59 and 60.

### Annual General Meeting ('AGM')

As mentioned in the Chairman's statement, this year's Annual General Meeting will be held on 23rd July 2025 at 12.30 p.m. at 60 Victoria Embankment, London EC4Y 0JP. Apart from the formal business of the meeting, the shareholders will have the opportunity to hear a presentation from our three portfolio managers, Jon Ingram, Jack Featherby and Jules Bloch followed by a question and answer session. Shareholders are invited to attend the meeting and raise any questions they have, either by asking questions at the meeting, or in advance by writing to the Company Secretary at the address on page 112, or via email to [jpmam.investment.trusts@jpmorgan.com](mailto:jpmam.investment.trusts@jpmorgan.com).

As is normal practice, all voting on the resolutions will be conducted on a poll. The Board strongly encourages all shareholders to exercise their votes by completing and returning their proxy forms in accordance with the notes to the Notice of Meeting on pages 102 to 104.

The Company's Annual Report and Financial Statements are published in time to give shareholders at least 20 working days' notice of the Annual General Meeting. Shareholders wishing to raise questions in advance of the meeting are encouraged to do so via the Company's website or write to the Company Secretary at the address shown on page 112.

A formal process is in place for all letters to the Directors to be immediately forwarded to them. As part of this process, any other feedback from shareholders is also communicated to the Board. 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 AIC Code requires the Directors to review the effectiveness of the Company's system of risk management and internal control and to report this to shareholders at least annually. This encompasses a review of all controls which the Board has identified as relating to 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 risks entirely 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 controls established to ensure they meet the Company's business objectives.

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company (see Principal and Emerging Risks on pages 41 to 43). 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, and it accords with the Financial Reporting Council's guidance. 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 suppliers have security systems in place to protect the Company's information. Information technology controls are tested and reported on regularly by independent third parties.

## Corporate Governance Statement

### • Management Agreement

Evaluation and appointment of a manager and custodian, regulated by the FCA, whose responsibilities are clearly defined in documented agreements.

### • 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 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 control and the operations of its Custodian, JPMorgan Chase Bank, N.A., which is itself independently reviewed; and
- reviews every six months an independent report on the risk management and internal control and the operations of the Manager.

By means of the procedures set out above, the Board confirms that it has reviewed the effectiveness of the Company's system of risk management and internal control for the year ended 31st March 2025 and to the date of approval of this Annual Report and Financial Statements.

The Board confirms that any failings or weaknesses identified during the course of its review of the system of risk management and internal control were not significant and did not materially affect the Company.

### Employees, Social, Community, Environmental, Human Rights Issues and Greenhouse Gas Emissions

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

The Board notes JPMAM's global policy statements in respect of Social, Community and Environmental and Human Rights issues. More details on this can be found on page 110.

The Company also has no premises, consumes no electricity, gas or diesel fuel and consequently does not have a measurable carbon footprint and therefore qualifies as a low energy user and is exempt from reporting under the Streamlined Energy & Carbon Reporting requirements.

The Board's policy is to offset the carbon emissions from any air travel it undertakes on Company business. The Manager arranges most of such travel for the Board, and has been offsetting 100% of air travel emissions from flights booked through its travel agency since 2008.

Details on financially material Environmental, Social and Governance considerations are included in the Manager's Investment Process on pages 25 to 29.

### The Modern Slavery Act 2015 (the 'MSA')

The MSA requires companies to prepare a slavery and human trafficking statement for each financial year of the organisation.

As the Company has no employees and does not supply goods and services, the MSA does not apply directly to it. The MSA requirements more appropriately relate to JPMF and JPMAM.

More information can be found on page 110.

### 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.

### Corporate Governance and Voting Policy

The Company delegates responsibility for voting to JPMAM through the Manager. JPMAM's policy statements on corporate governance, voting policy and social and environmental issues has been reviewed and noted by the Board and can be found on page 110.

By order of the Board

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

18th June 2025

# Audit Committee Report

## Audit Committee Report

I am pleased to present my formal report to shareholders as chairman of the Audit Committee for the year ended 31st March 2025.

### Composition

Membership of the Audit Committee consists of all the Directors and the Committee meets at least three times each year. The members of the Audit Committee consider that they have the requisite skills and experience to fulfil the responsibilities of the Audit Committee and have a combination of financial, investment and other experience gained throughout their careers. Given the size of the Board, it has been determined that the Chairman of the Board, Marc van Gelder should be a member of the Audit Committee. This is permitted under the AIC Code because the Chairman was deemed to be independent on appointment. As a Chartered Accountant, I have recent and relevant experience, and the Committee as a whole has competence relevant to the sector.

### Role and Responsibility

The Committee is responsible for monitoring and reviewing the principles, policies and practices adopted in the preparation and audit of the accounts of the Company and the integrity of the financial statements. The Committee is also responsible for monitoring the effectiveness of the internal controls and the risk management framework. The Audit Committee reviews the actions and judgements of the Manager in relation to the Half Year and Annual Report and Financial Statements and the Company's compliance with the AIC Code.

The Audit Committee keeps under review its Terms of Reference and recommends any necessary changes to the Board.

### Financial Statements and Significant Accounting Matters

During its review of the Company's financial statements for the year ended 31st March 2025, the Audit Committee considered the following significant issues, including those communicated by the Auditors during their reporting:

Significant issue	How the issue was addressed
Valuation, existence and ownership of investments	The valuation of investments and derivatives are undertaken in accordance with the accounting policies, disclosed in note 1(b) and (g) to the accounts on pages 77 and 78. 100% of the portfolio can be verified against daily published prices. Controls are in place to ensure valuations are appropriate and existence is verified through custodian and depository reconciliations. The Board monitors controls and significant movements in the underlying portfolio by reviewing reports regularly in Board Meetings.
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. The Board regularly reviews subjective elements of income such as special dividends and agrees their accounting treatment.
Compliance with Sections 1158 and 1159 of the Corporation Tax Act 2010	Approval for the Company as an investment trust under Sections 1158 and 1159 for financial years commencing on or after 1st April 2013 has been obtained and ongoing compliance with the eligibility criteria is monitored on a regular basis.
Going Concern/ Long Term Viability	The Audit Committee has reviewed the appropriateness of the adoption of the Going Concern basis in preparing the financial statements. The Audit Committee recommended that the adoption of the Going Concern basis is appropriate (see Going Concern statement on page below).  The Audit Committee also assessed the Long Term Viability of the Company and recommended to the Board its expectation that the Company would remain in operation for the five year period of the assessment.

The Board is required to be made fully aware of any significant financial reporting issues and judgements made in connection with the preparation of the Financial Statements.

## Audit Committee Report

### 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 market volatility arising from geopolitical risks, including the crisis in Ukraine and Russia and the Middle East, and does not believe the Company's going concern status is affected. The Company's assets, the vast majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly under all stress test scenarios reviewed by the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. The Directors have also assessed the ability of the Company to repay the amount drawn down under its revolving credit facility, which expires in March 2026, and are satisfied as to its ability to do so on account of the ability of the Company to raise new finance via loans or share issuances, or alternatively through the realisation of investments in the Company's liquid quoted securities. Furthermore, the Directors are satisfied that the Company's key third party service providers have in place appropriate business continuity plans to ensure their operational resilience and the performance of these service providers is reviewed at least annually by the Management Engagement Committee.

In preparing the financial statements, the Directors have reviewed the Company's ability to continue operating as a going concern. This review took into consideration the principal and emerging risks described on pages 41 to 43.

Accordingly, the financial statements have been prepared on the going concern basis as it is the Directors' reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. The Company's longer-term viability is considered in the Viability Statement on page 44.

### Risk and Internal Control

The Audit Committee also examines the effectiveness of the Company's internal control systems and receives information from the Manager's compliance department. The Directors' statement on the Company's system of Risk Management and Internal Control is set out on page 57. The Audit Committee also reviews the scope and results of the external audit, its cost effectiveness, the balance of audit and non-audit services and the independence and objectivity of the external Auditors. In the Directors' opinion the Auditors are independent.

The Audit Committee considers the key risks facing the Company and the adequacy and effectiveness of the risk management process.

The Company is in Compliance with the provisions of 'The Statutory Audit Services for Large Companies Market Investigation' (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 as issued by the Competition & Markets Authority.

### Auditor Appointment and Tenure

The Audit Committee also has a primary responsibility for making recommendations to the Board on the reappointment and removal of external Auditors. Representatives of the Company's Auditors attend the Audit Committee meeting at which the draft Annual Report and Financial Statements are considered and also engage with the Directors as and when required.

As part of its review of the continuing appointment of the Auditors, the Audit Committee considered the length of tenure of the audit firm, its fee, its quality of service and its independence from JPMF and the Investment Managers and any matters raised during the audit.

A formal tender exercise was undertaken in 2019, as a result of which Ernst & Young LLP was appointed in place of PricewaterhouseCoopers LLP. This is the Audit Partner's (Sarah Langston) first of a five year maximum term. Details of the fees paid for audit services are included in note 6 on page 80.

### Provision on non-audit services

The Board reviews and approves any non-audit services provided by the independent Auditors and assesses the impact of any non-audit work on the ability of the Auditors to remain independent. No such work was undertaken during the year.

### Fair, Balanced and Understandable

The Audit Committee has considered all available information and discussed the content of the Annual Report and Financial Statements with the AIFM, the Investment Managers, the Company Secretary and other third party service providers. On this basis the Audit Committee has concluded that the Annual Report and Financial Statements for the year ended 31st March 2025, taken as a whole, is fair, balanced and understandable. It provides the information necessary for shareholders to assess the Company's performance, business model and strategy and has reported on any findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 64.

**Arun Kumar Sarwal**

Chairman of the Audit Committee

18th June 2025

## Directors' Remuneration Report

### Directors' Remuneration Report

The Board presents the Directors' Remuneration Report for the year ended 31st March 2025 which has been prepared in accordance with the requirements of Section 421 of the Companies Act 2006 as amended.

The law requires the Company's Auditors to audit certain disclosures provided. Where disclosures have been audited they are indicated as such. The Auditors' opinion is included in their report on pages 66 to 71.

### Directors' Remuneration Policy

The Directors' Remuneration Policy is subject to a triennial binding vote. However, the Board has decided to seek binding approval annually, 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.

The Board's policy for this and subsequent years is that Directors' fees should properly reflect the time spent by the Directors on the Company's business and should be at a level to ensure that candidates of a high calibre are recruited to the Board 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 time commitment involved in fulfilling those roles.

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

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

In the year under review, Directors' fees were paid at the following rates: Chairman £48,500; Chairman of the Audit Committee £40,000; and other Directors £32,500. With effect from 1st April 2025, the fees have been increased to the following rates: Chairman £50,000; Chairman of the Audit Committee £41,250; and other Directors £33,500. The Senior Independent Director would be paid a fee of £35,000.

The Company's Articles of Association provide that any increase in the maximum aggregate annual limit on Directors' fees, currently £225,000, requires both Board and shareholder approval. To provide additional flexibility and to accommodate the appointment of a new Director later this year, the Directors are recommending that the aggregate maximum level of fees payable to Directors be increased to £250,000. This change will be effected if shareholders approve Resolution 15 relating to amendment of the Company's Articles of Association. The full text of the resolution is set out in the Notice of Meeting on page 102.

The Company has no Chief Executive Officer and no employees. Therefore, no consultation with employees is required and nor is there any 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.

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 55.

### Directors' Remuneration Policy Implementation

The Directors' Remuneration Report, which includes details of the Directors' remuneration policy and its implementation, is subject to an annual advisory vote and therefore an ordinary resolution to approve this report will be put to shareholders at the forthcoming Annual General Meeting. There have been no changes to the policy compared with the year ended 31st March 2024 and no changes are proposed for the year ending 31st March 2026.

At the Annual General Meeting held on 24th July 2024, of votes cast in respect of the Remuneration Policy, 99.8% were in favour (or granted discretion to the Chairman who voted in favour) and less than 0.2% were against. Of the votes cast in respect of the Remuneration Report, 99.8% were in favour (or granted discretion to the Chairman who voted in favour) and less than 0.2% were against.

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.

## Directors' Remuneration Report

### Single total figure table<sup>1</sup>

Directors' Name	2025			2024		
	Fees £	Taxable expenses <sup>2</sup> £	Total £	Fees £	Taxable expenses <sup>2</sup> £	Total £
Marc van Gelder	48,500	—	48,500	46,500	—	46,500
Nicholas Smith <sup>5</sup>	12,609	—	12,609	38,250	404	38,654
Sarah Watters	32,500	—	32,500	31,000	56	31,056
Suzy Ross	32,500	—	32,500	31,000	—	31,000
Arun Sarwal <sup>4</sup>	38,125	658	38,783	21,649	—	21,649
Ashok Gupta <sup>3</sup>	—	—	—	9,351	—	9,351
James Will <sup>6</sup>	22,344	2,303	24,647	—	—	—
<b>Total</b>	<b>186,578</b>	<b>2,961</b>	<b>189,539</b>	<b>177,750</b>	<b>460</b>	<b>178,210</b>

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

<sup>2</sup> Taxable travel and subsistence expenses incurred in attending Board and Committee meetings (gross, including tax and NI).

<sup>3</sup> Resigned on 19th July 2023.

<sup>4</sup> Appointed on 19th July 2023.

<sup>5</sup> Resigned on 24th July 2024.

<sup>6</sup> Appointed on 24th July 2024.

A table showing the total remuneration for the Chairman over the five years ended 31st March 2025 is below:

### Remuneration for the Chairman over the five years ended 31st March 2025

Year ended 31st March	Fees
2025	£48,500
2024	£46,500
2023	£45,000
2022	£43,000
2021	£42,000

### Directors' Shareholdings

There are no requirements pursuant to the Company's Articles of Association 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	31st March <sup>1</sup> 2025	1st April' 2024 or date of appointment
Marc van Gelder	200,000	110,000
Sarah Watters	5,000	5,000
Suzy Ross	3,000	3,000
Arun Sarwal	10,000	10,000
James Will <sup>2</sup>	10,000	—

<sup>1</sup> Audited information.

<sup>2</sup> Appointed on 24th July 2024.

As at the latest practicable date before the publication of this document, there have been no other changes to the Directors' shareholdings.

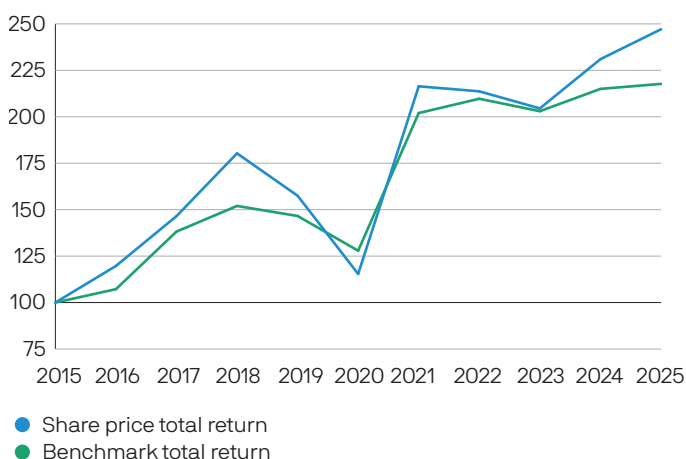
The Directors have no other share interests or share options in the Company and no share schemes are available.

## Directors' Remuneration Report

In accordance with the Companies Act 2006, a graph showing the Company's share price total return compared with its benchmark, (until 31st March 2020 the Euromoney Smaller European Companies (ex UK) Index), over the last ten years is shown below. The Board believes that the current benchmark of the Company; the MSCI Europe (ex UK) Small Cap Net Total Return Index (the 'Index') is the most representative comparator for the Company, because the Company's investment universe is defined at the time of purchase by the countries and market capitalisation range of the constituents of the Index.

### Ten Year Share Price and Benchmark Total Return Performance to 31st March 2025

Figures were rebased to 100 on 31st March 2015



Source: Morningstar/Euromoney.

### Annual Percentage Change in Directors' Remuneration

The following table sets out the annual percentage change in Directors' fees (excluding taxable expenses) for the last three financial years:

Directors' Name	% change for the year to 31st March				
	2025	2024	2023	2022	2021
Ashok Gupta <sup>1</sup>	NA	NA	5%	4%	4%
James Will <sup>6</sup>	NA	NA	NA	NA	NA
Marc van Gelder	4%	3%	5%	2%	15%
Nicholas Smith <sup>5</sup>	NA	3%	6%	3%	5%
Sarah Watters <sup>2</sup>	5%	3%	NA	NA	NA
Suzy Ross <sup>3</sup>	5%	3%	NA	NA	NA
Arun Sarwal <sup>4</sup>	76%	NA	NA	NA	NA

<sup>1</sup> Retired on 19th July 2023.

<sup>2</sup> As Sarah Watters was appointed on 1st July 2021, the fees paid in 2022 was not representative of the full year, hence the percentage increase on directors fees paid would not be meaningful for 2022 and 2023 and is therefore shown as NA. On a full year basis, the increase is 5%.

<sup>3</sup> As Suzy Ross was appointed on 1st March 2022, the directors fees paid in 2022 was not representative of the full year, hence the percentage increase on directors fees paid would not be meaningful and is shown as NA. On a full year basis, the increase is 5%.

<sup>4</sup> Appointed to the Board on 19th July 2023 and assumed the role of Audit Chair on 24th July 2024.

<sup>5</sup> Retired on 24th July 2024.

<sup>6</sup> Appointed on 24th July 2024.

A table showing actual expenditure by the Company on remuneration and distributions to shareholders for the year and the prior year is below:

### Expenditure by the Company on remuneration and distribution to shareholders

	Year ended 31st March	
	2025 £	2024 £
Remuneration paid to all Directors	189,539	178,210
Distribution to shareholders		
— by way of dividends paid	14,895,000	15,976,000 <sup>1</sup>
— by way of share repurchases and tender offer	174,023,000	40,278,000 <sup>2</sup>

<sup>1</sup> Net of unclaimed dividends returned to the Company of £120,000.

<sup>2</sup> No Tender offer was made in 2024.

For and on behalf of the Board

**Sarah Watters**

Chair of the Remuneration Committee

18th June 2025

## Statement of Directors' Responsibilities

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

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

and the Directors confirm that they have done so.

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

The financial statements are published on the [www.jpmeuropeandiscovery.co.uk](http://www.jpmeuropeandiscovery.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 Auditors does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditors accept 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.

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

Each Director, whose names and functions are listed on page 50 confirm that, to the best of their knowledge:

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

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

For and on behalf of the Board  
**Marc Van Gelder**  
 Chairman

18th June 2025



## Independent Auditor's Report

### Independent auditor's report to the members of JPMorgan European Discovery Trust Plc

#### Opinion

We have audited the financial statements of JPMorgan European Discovery Trust Plc ('the Company') for the year ended 31st March 2025 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows, and the related notes 1 to 24, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('United Kingdom Generally Accepted Accounting Practice').

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31st March 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Independence

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

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Confirmation of our understanding of the Company's going concern assessment process and discussed with the Directors and the Company Secretary those factors they considered important in their assessment.

- Inspection of the Directors' assessment of going concern, including the revenue forecast, for the period to 30th June 2026 which is at least 12 months from the date these financial statements were authorised for issue. In preparing the revenue forecast, the Company has concluded that it is able to continue to meet its ongoing costs as they fall due.
- Review of the factors and assumptions, including the impact of the current economic environment and other significant events that could give rise to market volatility, as applied to the revenue forecast and the liquidity assessment of the investments and determined, through testing of the methodology and calculations, that the methods, inputs, and assumptions utilised are appropriate to be able to make an assessment for the Company.
- Assessment of the risk of breaching the debt covenants as a result of a reduction in the value of the Company's portfolio. We calculated the Company's compliance with debt covenants and performed reverse stress testing in order to identify what factors would lead to the Company breaching the debt covenants.
- Consideration of the mitigating factors included in the revenue forecasts that are within the control of the Company. We reviewed the Company's assessment of the liquidity of investments held and evaluated the Company's ability to sell those investments in order to cover working capital requirements should revenue decline significantly.
- Review of the Company's going concern disclosures included in the annual report in order to assess that the disclosures were consistent with the financial statements and our understanding of the Company and in conformity with the reporting standards.

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 assessed by the Directors, being the period to 30th June 2026 which is at least 12 months from when these financial statements are authorised for issue.

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

# Independent Auditor's Report

## Overview of our audit approach

<b>Key audit matters</b>	<ul style="list-style-type: none"> <li>● Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Statement of Comprehensive Income.</li> <li>● Risk of incorrect valuation or ownership of the investment portfolio.</li> </ul>
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<b>Materiality</b>	● Overall materiality of £5.86 million which represents 1% of shareholders' funds.
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## An overview of the scope of our audit

### Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, the potential impact of climate change and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

### Climate change

Stakeholders are increasingly interested in how climate change will impact companies. The Company has determined that the most significant future impacts from climate change on its operations will be from how climate change could affect the Company's investments and overall investment process. This is explained on page 43 in the principal and emerging risks section. All of these disclosures form part of the 'Other information,' rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on 'Other information'.

Our audit effort in considering climate change was focused on the adequacy of the Company's disclosures in the financial statements as set out in Note 1a and conclusion that there was no further impact of climate change to be taken into account as the investments are valued based on market pricing as required by FRS102. We also challenged the Directors' considerations of climate change in their assessment of viability and associated disclosures.

### Key audit matters

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

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p><b>Incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Statement of Comprehensive Income</b> (as described on page 59 in the Audit Committee Report and as per the accounting policies set out on page 78).</p> <p>The total revenue for the year to 31st March 2025 was £22.65 million (2024: £23.98 million), consisting primarily of dividend income from listed equity investments.</p>	<p><b>We performed the following procedures:</b></p> <p>We obtained an understanding of the Administrator's processes and controls surrounding revenue recognition by performing walkthrough procedures.</p> <p>For all dividends received and accrued, we recalculated the dividend income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend per share, which was agreed to an independent data vendor. We also agreed all exchange rates to an external source and, for all the dividends received and dividends accrued, we agreed the amounts to bank statements.</p>	<p>The results of our procedures identified no material misstatements in relation to the risk of incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital items in the Statement of Comprehensive Income.</p>

# Independent Auditor's Report

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>The Company received four special dividends amounting to £5.50 million (2024: £1.08 million). Three special dividends amounting to £0.54 million classified as revenue, and one special dividend amounting to £4.96 million classified as capital.</p> <p>There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment.</p> <p>In addition, the Directors may be required to exercise judgement in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Statement of Comprehensive Income.</p>	<p>To test completeness of recorded income, we tested that expected dividends for each investee company held during the year had been recorded as income with reference to an external source.</p> <p>For all dividends accrued at the year end, we reviewed the investee company announcements to assess whether the entitlement arose prior to 31st March 2025.</p> <p>For all investments held during the year, we inspected the type of dividends paid with reference to an external data source to identify those which were special dividends. We confirmed four special dividends, amounting to £5.50 million, were received during the year. We tested two special dividends (amounting to £5.35 million; £4.96 million classified as capital and £0.39 million classified as revenue), which were above our testing threshold, by recalculating the amount received and assessing the appropriateness of the classification as revenue or capital by reviewing the underlying circumstances of the special dividend received.</p>	
<p><b>Incorrect valuation or ownership of the investment portfolio</b> (as described on page 59 in the Audit Committee's Report and as per the accounting policy set out on page 77).</p> <p>The valuation of the investment portfolio at 31st March 2025 was £616.54 million (2024: £829.74 million) consisting primarily of listed equities.</p> <p>The valuation of investments held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment pricing, or failure to maintain proper legal title of the investments held by the Company, could have a significant impact on the portfolio valuation and the return generated for shareholders.</p>	<p><b>We performed the following procedures:</b></p> <p>We obtained an understanding of the Administrator's processes and controls surrounding investment valuation and legal title by performing walkthrough procedures.</p> <p>For all listed investments, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year end.</p> <p>We inspected the stale pricing reports produced by the Administrator to identify prices that have not changed within one business day and verified whether the listed price is a valid fair value. We did not identify any investments with stale pricing.</p> <p>We compared all of the Company's investment holdings at 31st March 2025 to independent confirmations received directly from the Company's Custodian and Depository.</p>	<p>The results of our procedures identified no material misstatements in relation to the risk of incorrect valuation or ownership of the investment portfolio.</p>

# Independent Auditor's Report

## Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

### Materiality

*The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.*

We determined materiality for the Company to be £5.86 million (2024: £7.69 million), which is 1% (2024: 1%) of shareholders' funds. We believe that shareholders' funds provides us with a materiality basis aligned to the key measure of the Company's performance.

### Performance materiality

*The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.*

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2024: 75%) of our planning materiality, namely £4.40 million (2024: £5.77 million). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for investment trusts, we also applied a separate testing threshold for the revenue column of the Statement of Comprehensive Income of £0.95 million (2024: £1.01 million), being 5% of the net revenue return before taxation.

### Reporting threshold

*An amount below which identified misstatements are considered as being clearly trivial.*

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.29 million (2024: £0.38 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

## Other information

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

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

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

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

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

## Independent Auditor's Report

- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

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 or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 60;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 44;
- Director's statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on page 60;
- Directors' statement on fair, balanced and understandable set out on page 60;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 41;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 57; and
- The section describing the work of the audit committee set out on page 59.

### Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 64, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006, the UK Listing Rules, the UK Corporate Governance Code, the Association of Investment Companies' Code and Statement of Recommended Practice and Section 1158 of the Corporation Tax Act 2010.
- We understood how the Company is complying with those frameworks through discussions with the Audit Committee and Company Secretary, and review of Board minutes and papers provided to the Audit Committee.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to incomplete or inaccurate revenue recognition through incorrect classification of special dividends as

## Independent Auditor's Report

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revenue or capital items in the statement of comprehensive income. Further discussion of our approach is set out in the key audit matter above.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the Company Secretary's reporting to the Directors with respect to the application of the documented policies and procedures, and review of the financial statements to ensure compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Other matters we are required to address

- Following the recommendation from the Audit Committee, we were appointed by the Company at its annual general meeting on 10th July 2019 to audit the financial statements for the year ending 31st March 2020 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments is six years, covering the period from our appointment through to the period ending 31st March 2025.

- The audit opinion is consistent with the additional report to the Audit Committee.

### Use of our report

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

**Sarah Langston** (Senior statutory auditor)

for and on behalf of

Ernst & Young LLP, Statutory Auditor

London

18th June 2025



## Statement of Comprehensive Income

For the year ended 31st March

	Notes	2025			2024		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments and derivatives held at fair value through profit or loss	3	—	(8,236)	(8,236)	—	25,759	25,759
Foreign exchange losses on JPMorgan EUR Liquidity Fund		—	(1,490)	(1,490)	—	(172)	(172)
Net foreign currency gains		—	2,367	2,367	—	2,225	2,225
Income from investments	4	21,033	4,956	25,989	23,050	—	23,050
Interest receivable and similar income	4	1,620	—	1,620	932	—	932
<b>Gross return/(loss)</b>		<b>22,653</b>	<b>(2,403)</b>	<b>20,250</b>	<b>23,982</b>	<b>27,812</b>	<b>51,794</b>
Management fee	5	(1,510)	(3,524)	(5,034)	(1,732)	(4,041)	(5,773)
Other administrative expenses	6	(900)	—	(900)	(860)	—	(860)
<b>Net return/(loss) before finance costs and taxation</b>		<b>20,243</b>	<b>(5,927)</b>	<b>14,316</b>	<b>21,390</b>	<b>23,771</b>	<b>45,161</b>
Finance costs	7	(1,162)	(2,721)	(3,883)	(1,227)	(2,861)	(4,088)
<b>Net return/(loss) before taxation</b>		<b>19,081</b>	<b>(8,648)</b>	<b>10,433</b>	<b>20,163</b>	<b>20,910</b>	<b>41,073</b>
Taxation	8	(3,189)	(701)	(3,890)	(1,493)	—	(1,493)
<b>Net return/(loss) after taxation</b>		<b>15,892</b>	<b>(9,349)</b>	<b>6,543</b>	<b>18,670</b>	<b>20,910</b>	<b>39,580</b>
<b>Return/(loss) per share</b>	9	<b>12.36p</b>	<b>(7.27)p</b>	<b>5.09p</b>	<b>12.04p</b>	<b>13.49p</b>	<b>25.53p</b>

A final dividend of 10.0p per share (2024: 8.0p per share) is proposed in respect of the year ended 31st March 2025, costing £9,552,000 (2024: £11,815,000). More details can be found in note 10(a) on page 82.

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

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

The net return/(loss) on ordinary activities after taxation represents the profit for the year and also Total Comprehensive Income.

The notes on pages 77 to 94 form an integral part of these financial statements.

## Statement of Changes in Equity

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserves <sup>1</sup> £'000	Revenue reserve <sup>1</sup> £'000	Total £'000
<b>At 31st March 2023</b>	<b>7,874</b>	<b>1,312</b>	<b>7,762</b>	<b>749,999</b>	<b>18,115</b>	<b>785,062</b>
Repurchase of shares into Treasury	—	—	—	(40,278)	—	(40,278)
Proceeds from unclaimed shares forfeited <sup>2</sup>	—	—	—	658	—	658
Net return after taxation on ordinary shares	—	—	—	20,910	18,670	39,580
Dividends paid in the year (note 10)	—	—	—	—	(15,976)	(15,976)
<b>At 31st March 2024</b>	<b>7,874</b>	<b>1,312</b>	<b>7,762</b>	<b>731,289</b>	<b>20,809</b>	<b>769,046</b>
Tender offer shares acquired and cancelled	(1,058)	—	1,058	(104,897)	—	(104,897)
Cost in relation to Tender offer	—	—	—	(421)	—	(421)
Repurchase of shares into Treasury	—	—	—	(69,126)	—	(69,126)
Net (loss)/return after taxation on ordinary shares	—	—	—	(9,349)	15,892	6,543
Dividends paid in the year (note 10)	—	—	—	—	(14,895)	(14,895)
<b>At 31st March 2025</b>	<b>6,816</b>	<b>1,312</b>	<b>8,820</b>	<b>547,496</b>	<b>21,806</b>	<b>586,250</b>

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

<sup>2</sup> The Company undertook an Asset Reunification Program for its shareholders. As a result, shares that could not be traced to shareholders for more than 12 years, were forfeited. In accordance with the Company's Articles of Association, these shares were sold in the open market and the proceeds returned to the Company.

The notes on pages 77 to 94 form an integral part of these financial statements.

## Statement of Financial Position

At 31st March

	Notes	2025 £'000	2024 <sup>1</sup> £'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss <sup>1</sup>		591,594	776,749
Investments on loan held at fair value through profit or loss <sup>1</sup>		24,941	52,989
<b>Total investments held at fair value through profit or loss</b>	11	<b>616,535</b>	<b>829,738</b>
<b>Current assets</b>			
Debtors	12	7,728	6,815
Current asset investments <sup>1</sup>		23,039	7,242
Cash at bank <sup>1</sup>		662	312
		31,429	14,369
<b>Creditors: amounts falling due within one year</b>	13	<b>(61,714)</b>	<b>(2,391)</b>
<b>Net current (liabilities)/assets</b>		<b>(30,285)</b>	<b>11,978</b>
<b>Total assets less current liabilities</b>		<b>586,250</b>	<b>841,716</b>
<b>Creditors: amounts falling due after more than one year</b>	14	<b>—</b>	<b>(72,670)</b>
<b>Net assets</b>		<b>586,250</b>	<b>769,046</b>
<b>Capital and reserves</b>			
Called up share capital	15	6,816	7,874
Share premium account	16	1,312	1,312
Capital redemption reserve	16	8,820	7,762
Capital reserves	16	547,496	731,289
Revenue reserve	16	21,806	20,809
<b>Total shareholders' funds</b>		<b>586,250</b>	<b>769,046</b>
<b>Net asset value per share</b>	17	<b>524.0p</b>	<b>520.7p</b>

<sup>1</sup> Prior year comparatives have been restated as explained further in note 1(a).

The financial statements on pages 73 to 76 were approved and authorised for issue by the Directors on 18th June 2025 and were signed on their behalf by:

**Marc van Gelder**  
Director

The notes on pages 77 to 94 form an integral part of these financial statements.

JPMorgan European Discovery Trust plc  
Company registration number: 2431143

## Statement of Cash Flows

For the year ended 31st March

	Notes	2025 £'000	2024 £'000
<b>Cash flows from operating activities</b>			
Net return before finance costs and taxation		14,316	45,161
Adjustment for:			
Net losses/(gains) on investments held at fair value through profit or loss	3	8,236	(25,759)
Foreign exchange losses on JPMorgan EUR Liquidity Fund		1,490	172
Net foreign currency gains		(2,367)	(2,225)
Dividend income	4	(25,989)	(23,050)
Interest income		(1,159)	(801)
Realised gain/(loss) on foreign exchange transactions		451	(486)
Realised foreign exchange losses on JPMorgan EUR Liquidity Fund		(1,483)	(267)
Increase in accrued income and other debtors		(1)	(37)
Increase/(decrease) in accrued expenses		50	(31)
Net cash outflow from operations before dividends, interest and taxation		(6,456)	(7,323)
Dividends received		22,390	23,751
Interest received		1,212	748
Overseas withholding tax recovered/(paid)		(252)	(2,881)
<b>Net cash inflow from operating activities</b>		<b>16,894</b>	<b>14,295</b>
Purchases of investments		(389,557)	(683,947)
Sales of investments		594,797	723,852
<b>Net cash inflow from investing activities</b>		<b>205,240</b>	<b>39,905</b>
Dividends paid	10	(14,895)	(15,976)
Tender offer shares acquired and cancelled		(104,897)	—
Repurchase of shares into Treasury		(69,319)	(39,592)
Cost in relation to Tender offer		(421)	—
Proceeds from unclaimed shares forfeited		—	658
Repayment of Bank loan		(33,562)	(34,447)
Drawdown of Bank loan		21,377	—
Interest paid		(3,881)	(4,770)
<b>Net cash outflow from financing activities</b>		<b>(205,598)</b>	<b>(94,127)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>16,536</b>	<b>(39,927)</b>
Cash and cash equivalents at start of year		7,160	47,000
Exchange movements		5	87
<b>Cash and cash equivalents at end of year</b>		<b>23,701</b>	<b>7,160</b>
<b>Cash and cash equivalents consist of:</b>			
Cash at bank		662	312
JPMorgan EUR Liquidity Fund		23,039	7,242
Cash at bank and current asset investments per the Statement of Financial Position		23,701	7,554
Bank overdraft (included as part of current liabilities in note 13)		—	(394)
<b>Total cash and cash equivalents</b>		<b>23,701</b>	<b>7,160</b>

The notes on pages 77 to 94 form an integral part of these financial statements.

# Notes to the Financial Statements

For the year ended 31st March 2025

## 1. Accounting policies

### (a) Basis of accounting

The financial statements are prepared under the historical cost convention, modified to include fixed asset investments at fair value, and in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ('UK GAAP'), including 'the Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') 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. In preparing these financial statements the Directors have considered the impact of climate change risk as a principal risk as set out on page 43, and have concluded that it does not have a material impact on the Company's investments. In line with FRS 102 investments are valued at fair value, which for the Company are quoted bid prices for investments in active markets at the 31st March 2025 and therefore reflect market participants view of climate change risk. All of the Company's operations are of a continuing nature.

In the Statement of Financial Position, the value of investments on loan, previously included within the total value of investments held at fair value through profit or loss, has been disclosed separately this year. Prior year figures have been restated accordingly. These changes do not impact the Company's Net assets, Statement of Comprehensive Income, or Statement of Cash Flows.

The 'Cash and cash equivalents' line item in the Statement of Financial Position has been revised to 'Cash at bank' and 'Current asset investments'. This adjustment separately reports the investment in the JPMorgan EUR Liquidity Fund as 'Current asset investments' and 'Cash at bank', in compliance with the statutory format required by the Companies Act 2006. This change does not affect any other line items in the Statement of Financial Position or the total current assets.

### Going Concern

The financial statements have been prepared on a going concern basis. The Board has, in particular, considered the impact of market volatility arising from geopolitical risks, including the crisis in Ukraine and Russia and the Middle East, and does not believe the Company's going concern status is affected. They have considered the potential impact and the mitigation measures which key service providers including Managers, have in place to maintain operational resilience and believe the adverse impact of further pandemics has declined. The Directors have reviewed income and expense projections to 30th June 2026 and the liquidity of the investment portfolio in making their assessment. Further details of Directors' considerations regarding this are given in the Chairman's Statement, Investment Managers' report, Going Concern Statement, Viability Statement and Principal Risks section of this Annual Report.

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 classified by the Company as held at fair value through profit or loss. They are included initially at transaction price which is taken to be their cost, excluding expenses incidental to purchase which are recognised in the capital column of the Statement of Comprehensive Income, 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. Investments that are subject to securities lending arrangements are recognised in the Statement of Financial Position.

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

### (c) Accounting for Reserves

#### Capital reserve – realised gains and losses

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

## Notes to the Financial Statements

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### (c) Capital reserves (continued)

#### Capital reserve – investment holding gains and losses

Increases and decreases in the valuation of investments held at the year end including the related foreign exchange gains and losses, plus unrealised gains and losses on foreign currency contracts or foreign currency loans are included in the Statement of Comprehensive Income and accounted for in capital reserves within 'Investment holding gains and losses'.

#### Share premium account

Amounts received in excess of the par value of issued shares are held in Share premium. For shares that have been reissued from Treasury, the excess amount of the sales proceeds over the purchase price of those shares, will be transferred to share premium.

#### Capital redemption reserve

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

#### Revenue reserve

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

### (d) Income

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

Overseas dividends are included gross of any withholding tax.

Special dividends are looked at individually to ascertain the reason behind the payment. This will determine whether they are treated as revenue or capital. The Directors may exercise judgement in assessing the classification of special dividends as revenue or capital income.

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.

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

Securities lending income is taken to revenue on a receipts basis which is not considered to be materially different to the accruals basis.

### (e) Expenses

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

- The management fee is allocated 30% to revenue and 70% 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 of an investment are charged to capital. These expenses are commonly referred to as transaction costs and mainly comprise brokerage commission.

### (f) Finance costs

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

Finance costs are allocated 30% to revenue and 70% 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

Financial instruments are recognised only when the Company becomes a party to contractual provisions of the instruments. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or are settled. Financial liabilities are derecognised when the obligation specified in the contract is discharged, is cancelled or expires.

Cash at bank comprises cash held with the custodian and demand deposits, which are short term.

Current asset investments include highly liquid short term investments that are subject to an insignificant risk of change in value. The Company invests in the JPMorgan EUR Liquidity Fund, a money market fund, which is considered a current asset

## Notes to the Financial Statements

investment. This investment features a low volatility net asset value, is held for short-term cash management purposes as an alternative to cash, and can be readily converted into a known amount of cash.

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.

Bank loans and overdrafts are recorded initially at the proceeds received net of direct issue costs. Loans are subsequently recorded at amortised cost using the effective interest method. Interest payable on the bank loan and overdraft is accounted for on an accruals basis in the Statement of Comprehensive Income.

### (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) Foreign 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 rounded to the nearest thousand, except where otherwise indicated.

Transactions denominated in foreign currencies are converted at actual exchange rates at the date of the transaction. Monetary assets, 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 in the Statement of Comprehensive Income as an exchange gain or loss in revenue or capital, depending on whether the gain or loss is of a revenue or capital nature.

### (k) Dividends paid

Final dividends are included in the financial statements once approved by shareholders and interim dividends are included in the financial statements in the year in which they are paid.

### (l) Repurchase of ordinary shares for cancellation and tender offer

The cost of repurchasing ordinary shares including the related stamp duty and transactions 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. The nominal value of ordinary share capital repurchased and cancelled is transferred out of 'Called up share capital' and into 'Capital redemption reserve'. Shares acquired from the tender offer are accounted for in the same way as shares repurchased for cancellation.

### (m) Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board. The Directors are of the opinion that the Company is engaged in a single segment of investment business. The Directors manage the business in this way.

## Notes to the Financial Statements

### 2. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements on occasion requires management 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 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. (Losses)/gains on investments held at fair value through profit or loss

	2025 £'000	2024 £'000
Realised gains on sale of investments	20,036	14,211
Net change in unrealised losses and gains on investments	(28,233)	11,597
Other capital charges	(39)	(49)
<b>Total capital (losses)/gains on investments held at fair value through profit or loss</b>	<b>(8,236)</b>	<b>25,759</b>

### 4. Income

	2025			2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Income from investments</b>						
Overseas dividends	20,494	—	20,494	21,967	—	21,967
Special dividends	539	4,956	5,495	1,083	—	1,083
	<b>21,033</b>	<b>4,956</b>	<b>25,989</b>	<b>23,050</b>	<b>—</b>	<b>23,050</b>
<b>Interest receivable and similar income</b>						
Securities lending income	461	—	461	131	—	131
Deposit interest	5	—	5	118	—	118
Income from JPMorgan EUR Liquidity Fund	1,154	—	1,154	683	—	683
	1,620	—	1,620	932	—	932
<b>Total income</b>	<b>22,653</b>	<b>4,956</b>	<b>27,609</b>	<b>23,982</b>	<b>—</b>	<b>23,982</b>

### 5. Management fee

	2025			2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fee	1,510	3,524	5,034	1,732	4,041	5,773

Details of the management fee are given in the Directors' Report on page 51.

### 6. Other administrative expenses

	2025 £'000	2024 £'000
Administration expenses	588	538
Directors' fees <sup>1</sup>	187	178
Depositary fee	71	91
Auditors' remuneration for audit services	54	53
	<b>900</b>	<b>860</b>

<sup>1</sup> Full disclosure is given in the Directors' Remuneration Report on pages 61 to 63. Excludes taxable expenses paid to Directors which are included in administration expenses.

## Notes to the Financial Statements

## 7. Finance Costs

	2025			2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest on bank loans and overdrafts	1,162	2,721	3,883	1,227	2,861	4,088
	<b>1,162</b>	<b>2,721</b>	<b>3,883</b>	<b>1,227</b>	<b>2,861</b>	<b>4,088</b>

## 8. Taxation

## (a) Analysis of tax charge for the year

	2025			2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Overseas withholding tax	3,189	701	3,890	1,493	—	1,493
<b>Total tax charge for the year</b>	<b>3,189</b>	<b>701</b>	<b>3,890</b>	<b>1,493</b>	<b>—</b>	<b>1,493</b>

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

The tax charge for the year is higher (2024: lower) than the Company's applicable effective rate of corporation tax of 25% (2024: 25%). The factors affecting the total tax charge for the year are as follows:

	2025			2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net return/(loss) before taxation	19,081	(8,648)	10,433	20,163	20,910	41,073
Net return/(loss) before taxation multiplied by the Company's applicable rate of corporation tax of 25% (2024: 25%)	4,770	(2,162)	2,608	5,041	5,227	10,268
Effects of:						
Non taxable capital losses/(gains)	—	1,840	1,840	—	(6,953)	(6,953)
Non taxable overseas dividends	(5,258)	(1,239)	(6,497)	(5,737)	—	(5,737)
Overseas withholding tax	3,189	701	3,890	1,493	—	1,493
Tax attributable to expenses and finance costs charged to capital	(1,381)	1,381	—	(1,500)	1,500	—
Unutilised expenses carried forward to future periods	1,868	—	1,868	2,100	—	2,100
Disallowed interest	1	180	181	96	226	322
<b>Total tax charge for the year</b>	<b>3,189</b>	<b>701</b>	<b>3,890</b>	<b>1,493</b>	<b>—</b>	<b>1,493</b>

## (c) Deferred taxation

The Company has an unrecognised deferred tax asset of £33,547,000 (2024: £31,679,000) in respect of cumulative excess management expenses and interest on loans totalling £134,187,000 (2024: £126,715,000). This is based on a prospective corporation tax rate of 25% (2024: 25%) as enacted by the Finance Act 2021. The deferred tax asset has arisen due to the cumulative excess of deductible total 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 per share

	2025 £'000	2024 £'000
Revenue return	15,892	18,670
Capital (loss)/return	(9,349)	20,910
<b>Total return</b>	<b>6,543</b>	<b>39,580</b>
Weighted average number of shares in issue during the year	128,544,579	155,063,487
Revenue return per share	12.36p	12.04p
Capital (loss)/return per share	(7.27)p	13.49p
<b>Total return per share</b>	<b>5.09p</b>	<b>25.53p</b>

### 10. Dividends

#### (a) Dividends paid and declared

	2025		2024	
	Pence	£'000	Pence	£'000
<b>Dividends paid</b>				
Unclaimed dividends returned to the Company	—	—	—	(120)
Final dividend in respect of the prior year	8.0	11,383	7.8	12,283
Interim dividend	3.0	3,512	2.5	3,813
<b>Total dividends paid in the year</b>	<b>11.0</b>	<b>14,895</b>	<b>10.3</b>	<b>15,976</b>
<b>Dividend proposed</b>				
Final dividend	10.0	9,552 <sup>1</sup>	8.0	11,815

<sup>1</sup> Based on prevailing number of shares as on the report date.

All dividends paid and declared in the period have been funded from the revenue reserve.

The final dividend proposed in respect of the year ended 31st March 2024 amounted to £11,815,000. However, the amount paid amounted to £11,383,000 due to ordinary shares repurchased after the balance sheet date but prior to the record date.

The final dividend has been proposed in respect of the year ended 31st March 2025 and is subject to approval at the forthcoming Annual General Meeting. In accordance with the accounting policy of the Company, this dividend will be reflected in the financial statements for the year ending 31st March 2026.

#### (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 £15,892,000 (2024: £18,670,000). The revenue reserve after payment of the final dividend will amount to £12,254,000 (2024: £8,994,000).

	2025		2024	
	Pence	£'000	Pence	£'000
Interim dividend	3.0	3,512	2.5	3,813
Final dividend	10.0	9,552	8.0	11,815
<b>Total</b>	<b>13.0</b>	<b>13,064</b>	<b>10.5</b>	<b>15,628</b>

## Notes to the Financial Statements

**11. Total investments held at fair value through profit or loss**

	2025 £'000	2024 £'000
Total Investments listed on a recognised stock exchange:		
Investments held at fair value through profit or loss	591,594	776,749
Investments on loan held at fair value through profit or loss	24,941	52,989
<b>Total investments held at fair value through profit or loss</b>	<b>616,535</b>	<b>829,738</b>
Opening book cost	708,134	729,575
Opening investment holding gains	121,604	110,007
Opening valuation	829,738	839,582
Movements in the year:		
Purchases at cost	390,843	678,199
Sales proceeds	(595,849)	(713,851)
(Losses)/gains on investments	(8,197)	25,808
	616,535	829,738
Closing book cost	523,164	708,134
Closing investment holding gains	93,371	121,604
<b>Total investments held at fair value through profit or loss</b>	<b>616,535</b>	<b>829,738</b>

Transaction costs on purchases during the year amounted to £427,000 (2024: £904,000) and on sales during the year amounted to £226,000 (2024: £297,000). These costs comprise mainly brokerage commission.

The Company received £595,849,000 (2024: £713,851,000) from investments sold in the year. The book cost of these investments when they were purchased was £575,813,000 (2024: £699,640,000). 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.

The Company participates in securities lending arrangements and further details can be found in note 21 (c), Credit risk, on page 92. At the year end, investments on loan amounted to £24,941,000 (2024: £52,989,000) which form part of the total investments held at fair value through profit or loss.

**12. Current assets**

	2025 £'000	2024 £'000
<b>Debtors</b>		
Securities sold awaiting settlement	3,071	2,067
Overseas tax recoverable	4,186	4,323
Dividends and interest receivable	337	292
VAT recoverable	76	78
Other debtors	58	55
	<b>7,728</b>	<b>6,815</b>

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

## Notes to the Financial Statements

### 13. Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Bank loan	58,581	—
Securities purchased awaiting settlement	2,361	1,075
Loan interest payable	73	71
Bank overdraft	—	394
Repurchases of the Company's own shares awaiting settlement	493	686
Other creditors and accruals	206	165
	<b>61,714</b>	<b>2,391</b>

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

The bank overdraft at the year end is as a result of timing on the settlement of trades at the year end. The overdraft is available to the Company for short term settlement purposes only.

For details concerning the bank loan please refer to note 14.

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

	2025 £'000	2024 £'000
Bank loan	—	72,670
	<b>—</b>	<b>72,670</b>

The Company has a Euro 140 million (2024: Euro 140 million) multicurrency revolving credit facility with The Bank of Nova Scotia. This facility was renewed in January 2024 for two years and expires on 26th March 2026. At the year end, this loan is shown under current liabilities, in note 13.

At the year end the Company had drawn down Euro 70 million of the credit facility (2024: Euro 85 million). Interest on the credit facility is payable at a margin above the prevailing EURIBOR plus commitment fee for the period of the credit facility.

### 15. Called up share capital

	2025		2024	
	Number of Shares	£'000	Number of Shares	£'000
<b>Authorised ordinary shares allotted and fully paid:</b>				
Opening balance of ordinary shares of 5p each	147,692,459	7,385	157,474,931	7,874
Repurchase of Ordinary shares into Treasury	(14,660,188)	(733)	(9,782,472)	(489)
Tender offer shares acquired and cancelled	(21,160,028)	(1,058)	—	—
<b>Closing balance of ordinary shares of 5p each excluding shares held in Treasury</b>	<b>111,872,243</b>	<b>5,594</b>	<b>147,692,459</b>	<b>7,385</b>
Shares held in Treasury	24,442,660	1,222	9,782,472	489
<b>Closing balance of ordinary shares of 5p each including shares held in Treasury</b>	<b>136,314,903</b>	<b>6,816</b>	<b>157,474,931</b>	<b>7,874</b>

Further details of transactions in the Company's shares are given in the Strategic Report on page 48.

## Notes to the Financial Statements

## 16. Capital and reserves

	Capital reserves <sup>1</sup>						Total £'000
	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Realised gains and losses £'000	Investment holding gains and losses £'000	Revenue reserve <sup>1</sup> £'000	
2025							
Opening balance	7,874	1,312	7,762	607,087	124,202	20,809	769,046
Net foreign currency losses on cash at bank and current asset investments	—	—	—	(1,027)	—	—	(1,027)
Realised gains on investments	—	—	—	20,036	—	—	20,036
Unrealised losses on investments	—	—	—	—	(28,233)	—	(28,233)
Tender offer shares acquired and cancelled	(1,058)	—	1,058	(104,897)	—	—	(104,897)
Costs in relation to Tender offer	—	—	—	(421)	—	—	(421)
Repurchase of shares into Treasury	—	—	—	(69,126)	—	—	(69,126)
Unrealised gains on loans	—	—	—	—	702	—	702
Realised gains on repayment of loans	—	—	—	1,202	—	—	1,202
Management fee and finance costs allocated to capital	—	—	—	(6,245)	—	—	(6,245)
Special Dividend received	—	—	—	4,956	—	—	4,956
Withholding tax on special dividend	—	—	—	(701)	—	—	(701)
Other capital charges	—	—	—	(39)	—	—	(39)
Retained revenue for the year	—	—	—	—	—	15,892	15,892
Dividends paid in the year	—	—	—	—	—	(14,895)	(14,895)
<b>Closing balance</b>	<b>6,816</b>	<b>1,312</b>	<b>8,820</b>	<b>450,825</b>	<b>96,671</b>	<b>21,806</b>	<b>586,250</b>

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

	Capital reserves <sup>1</sup>						Total £'000
	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Realised gains and losses £'000	Investment holding gains and losses £'000	Revenue reserve <sup>1</sup> £'000	
2024							
Opening balance	7,874	1,312	7,762	639,631	110,368	18,115	785,062
Net foreign currency losses on cash at bank and current asset investments	—	—	—	(666)	—	—	(666)
Realised gains on investments	—	—	—	14,211	—	—	14,211
Unrealised losses on investments	—	—	—	—	11,597	—	11,597
Repurchase of shares into Treasury	—	—	—	(40,278)	—	—	(40,278)
Unrealised gains on loans	—	—	—	—	2,237	—	2,237
Proceeds from unclaimed shares forfeited	—	—	—	658	—	120	778
Realised gains on repayment of loans	—	—	—	482	—	—	482
Management fee and finance costs allocated to capital	—	—	—	(6,902)	—	—	(6,902)
Other capital charges	—	—	—	(49)	—	—	(49)
Retained revenue for the year	—	—	—	—	—	18,670	18,670
Dividends paid in the year	—	—	—	—	—	(16,096)	(16,096)
<b>Closing balance</b>	<b>7,874</b>	<b>1,312</b>	<b>7,762</b>	<b>607,087</b>	<b>124,202</b>	<b>20,809</b>	<b>769,046</b>

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

## Notes to the Financial Statements

### 17. Net asset value per share

	2025	2024
Net assets (£'000)	586,250	769,046
Number of shares in issue	111,872,243	147,692,459
<b>Net asset value per share</b>	<b>524.0p</b>	<b>520.7p</b>

### 18. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2024: none).

### 19. Transactions with the Manager and related parties

Details of the management contract are set out in the Directors' Report on page 51. The management fee payable to the Manager for the year was £5,034,000 (2024: £5,773,000), of which £nil (2024: £nil) was outstanding at the year end.

Included in administration expenses in note 6 on page 80 are safe custody fees payable to JPMorgan Chase Bank N.A amounting to £91,000 (2024: £79,000) excluding VAT of which £12,000 (2024: £8,000) 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 £3,000 (2024: £44,000) of which £nil (2024: £nil) was outstanding at the year end.

Securities lending income amounting to £461,000 (2024: £131,000) were receivable by the Company during the year. JPMorgan Chase Bank N.A commissions in respect of such transactions amounted to £51,000 (2024: £15,000).

Handling charges on dealing transactions amounting to £39,000 (2024: £49,000) were payable to JPMorgan Chase Bank N.A. during the year of which £8,000 (2024: £17,000) was outstanding at the year end.

At the year end, the Company held cash of £662,000 (2024: cash held of £312,000 and £394,000 overdraft) with JPMorgan Chase Bank N.A. A net amount of interest of £5,000 (2024: £118,000) was receivable by the Company during the year from JPMorgan Chase Bank N.A of which £nil (2024: £nil) was outstanding at the year end.

The Company also invests in JPMorgan EUR Liquidity Fund, which is managed by JPMorgan Asset Management (Europe) S.à r.l. At the year end, this was valued at £23.0 million (2024: £7.2 million). Interest amounting to £1,154,000 was receivable (2024: £683,000) during the year of which £nil (2024: £53,000) was outstanding at the year end.

Full details of Directors' remuneration and shareholdings can be found on page 62.

### 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 comprise its investment portfolio and derivative financial instruments.

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

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

**Level 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**

**Level 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.

## Notes to the Financial Statements

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

	2025		2024	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	616,535	—	829,738	—
<b>Total</b>	<b>616,535</b>	<b>—</b>	<b>829,738</b>	<b>—</b>

There have been no transfers between Levels 1, 2 or 3 during the year (2024: nil).

## 21. Financial instruments' exposure to risk and risk management policies

As an investment trust, the Company invests in equities 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 currency risk, interest rate risk and other price risk), liquidity risk and credit risk.

The Directors' policy for managing these risks is set out below. The Company Secretary, in close cooperation with the Board and the Manager, coordinates the Company's risk management policy.

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 European equity shares, which are held in accordance with the Company's investment objective;
- investment within a liquidity fund;
- short term debtors, creditors and cash arising directly from its operations; and
- loan facilities, the purpose of which are to finance the Company's operations.

### (a) Market risk

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

#### (i) Currency risk

Certain of the Company's assets, liabilities and income are denominated in currencies other than sterling which is the Company's functional currency and the currency in which it reports. As a result, movements in exchange rates may affect the sterling value of those items.

#### Management of currency risk

The Manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board, which meets on at least five occasions each year. The Manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed. Foreign currency borrowing may be used to limit the Company's exposure to anticipated changes in exchange rates which might otherwise adversely affect the sterling value of the portfolio of investments. This borrowing is limited to currencies and amounts commensurate with the asset exposure to those currencies. Income denominated in foreign currencies is converted to sterling on receipt. The Company may use short term forward currency contracts to manage working capital requirements.

## Notes to the Financial Statements

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

#### (a) Market risk (continued)

##### (i) Currency risk (continued)

###### Foreign currency exposure

The carrying values of the Company's monetary items that have foreign currency exposure at 31st March are shown below. Where the Company's equity investments (which are not monetary items) are fair valued in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

	2025					Total £'000
	Euro £'000	Swiss francs £'000	Danish krone £'000	Swedish krona £'000	Norwegian krone £'000	
Current assets	27,161	1,022	355	1,503	768	30,809
Creditors	(59,388)	—	—	(640)	(987)	(61,015)
Foreign currency exposure on net monetary items	(32,227)	1,022	355	863	(219)	(30,206)
Total Investments held at fair value through profit or loss	452,568	15,550	17,274	92,743	38,400	616,535
<b>Total net foreign currency exposure</b>	<b>420,341</b>	<b>16,572</b>	<b>17,629</b>	<b>93,606</b>	<b>38,181</b>	<b>586,329</b>

	2024					Total £'000
	Euro £'000	Swiss francs £'000	Danish krone £'000	Swedish krona £'000	Norwegian krone £'000	
Current assets	11,723	1,229	273	1,913	—	15,138
Creditors	(74,339)	—	—	(903)	—	(75,242)
Foreign currency exposure on net monetary items	(62,616)	1,229	273	1,010	—	(60,104)
Total Investments held at fair value through profit or loss	628,386	22,040	46,825	99,512	32,975	829,738
<b>Total net foreign currency exposure</b>	<b>565,770</b>	<b>23,269</b>	<b>47,098</b>	<b>100,522</b>	<b>32,975</b>	<b>769,634</b>

In the opinion of the Directors, the above year end amounts are broadly representative of the exposure to foreign currency risk throughout the year.

###### Foreign currency sensitivity

The following table illustrates the sensitivity of return after taxation for the year and net assets with regard to the Company's financial assets and financial liabilities and exchange rates. The sensitivity analysis is based on the Company's currency financial instruments held at each balance sheet date and the income receivable in foreign currency and assumes a 10% (2024: 10%) appreciation or depreciation in sterling against the Euro, Swiss francs, Danish krone, Swedish krona and Norwegian krone to which the Company is exposed. This is considered to be a reasonable illustration based on the volatility of exchange rates during the year.

## Notes to the Financial Statements

## Foreign currency sensitivity (continued)

	2025		2024	
	If sterling strengthens by 10% £'000	If sterling weakens by 10% £'000	If sterling strengthens by 10% £'000	If sterling weakens by 10% £'000
Statement of Comprehensive Income – return after taxation				
Revenue return <sup>1</sup>	(2,219)	2,219	(2,373)	2,373
Capital return	3,021	(3,021)	6,010	(6,010)
Total return after taxation for the year	802	(802)	3,637	(3,637)
<b>Net assets</b>	<b>802</b>	<b>(802)</b>	<b>3,637</b>	<b>(3,637)</b>

<sup>1</sup> The sensitivity is calculated on the income received during the year.

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

**(ii) Interest rate risk**

Interest rate movements may affect the level of income receivable on cash deposits, the liquidity fund and the interest payable on variable rate borrowings when interest rates are reset.

**Management of interest rate risk**

The Company does not normally hold significant cash balances. Short term borrowings are used when required. The Company may finance part of its activities through borrowings at levels approved and monitored by the Board.

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 floating rate loan facility. However, amounts drawn down on this facility are for short term periods and therefore there is limited exposure to interest rate risk.

Derivatives are not used to hedge against the exposure to interest rate risk.

**Interest rate exposure**

The Company has a loan carrying a variable rate of interest and the exposure is therefore already quantifiable. The exposure of financial assets and liabilities to floating interest rates using the year end figures, giving cash flow interest rate risk when rates are reset, is shown below.

	2025 £'000	2024 £'000
Exposure to floating interest rates:		
Cash at bank	662	312
Bank overdraft	—	(394)
JPMorgan EUR Liquidity Fund	23,039	7,242
Bank loan	(58,581)	(72,670)
<b>Total exposure</b>	<b>(34,880)</b>	<b>(65,510)</b>

Interest receivable on cash balances, or paid on overdrafts, is at a margin below or above SONIA respectively (2024: Interest receivable on cash balances, or paid on overdrafts, is at a margin below or above SONIA respectively) Interest payable on the Bank loan is at a margin above EURIBOR (2024: margin above EURIBOR).

## Notes to the Financial Statements

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

#### (a) Market risk (continued)

##### (ii) Interest rate risk (continued)

###### Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 1% (2024: 1%) increase or decrease in interest rates with regard to the Company's monetary financial assets and financial liabilities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's monetary financial instruments held at the balance sheet date, with all other variables held constant.

	2025		2024	
	1% Increase in rate £'000	1% Decrease in rate £'000	1% Increase in rate £'000	1% Decrease in rate £'000
Statement of Comprehensive Income – return after taxation				
Revenue return	61	(61)	(146)	146
Capital return	(410)	410	(509)	509
Total return after taxation	(349)	349	(655)	655
<b>Net assets</b>	<b>(349)</b>	<b>349</b>	<b>(655)</b>	<b>655</b>

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

##### (iii) Other price risk

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

###### Management of other price risk

The Board meets on at least five occasions each year to consider the asset allocation of the portfolio and the risk associated with particular industry sectors. The investment management team has responsibility for monitoring the portfolio selected in accordance with the Company's investment objectives and seeks to ensure that individual stocks meet an acceptable risk/reward profile. At the same time ensuring that the portfolio is in compliance with the agreed investment guidelines and policies.

###### Other price risk exposure

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

	2025 £'000	2024 £'000
Total investments held at fair value through profit or loss	616,535	829,738
	<b>616,535</b>	<b>829,738</b>

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

###### Concentration of exposure to market price risk

An analysis of the Company's investments is given on pages 30 to 32. This shows that all of the investments' value is in European companies and there is no concentration of exposure to any one country. 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.

## Notes to the Financial Statements

**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% (2024: 10%) in the market value of equity investments. 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.

	2025		2024	
	10% Increase in fair value £'000	10% Decrease in fair value £'000	10% Increase in fair value £'000	10% Decrease in fair value £'000
Statement of Comprehensive Income – return after taxation				
Revenue return	(139)	139	(187)	187
Capital return	61,330	(61,330)	82,538	(82,538)
Total return after taxation	61,191	(61,191)	82,351	(82,351)
<b>Net assets</b>	<b>61,191</b>	<b>(61,191)</b>	<b>82,351</b>	<b>(82,351)</b>

**(b) Liquidity risk**

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

**Management of the risk**

Liquidity risk is mitigated 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.

**Liquidity risk exposure**

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

	2025			Total £'000
	Three months or less £'000	More than three months but not more than one year £'000	More than one year £'000	
<b>Creditors</b>				
Securities purchased awaiting settlement	2,361	—	—	2,361
Repurchase of the Company's own shares	493	—	—	493
Other creditors	206	—	—	206
Bank loan, including interest	583	60,332	—	60,915
	<b>3,643</b>	<b>60,332</b>	<b>—</b>	<b>63,975</b>

## Notes to the Financial Statements

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

#### (b) Liquidity risk (continued)

##### Liquidity risk exposure (continued)

	2024			Total £'000
	Three months or less £'000	More than three months but not more than one year £'000	More than one year £'000	
<b>Creditors</b>				
Securities purchased awaiting settlement	1,075	—	—	1,075
Repurchase of the Company's own shares	686	—	—	686
Bank overdraft	394	—	—	394
Other creditors	165	—	—	165
Bank loan, including interest	994	2,821	77,306	81,121
	<b>3,314</b>	<b>2,821</b>	<b>77,306</b>	<b>83,441</b>

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

#### (c) Credit risk

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

##### Management of credit risk

###### Portfolio dealing

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

###### Cash at bank and current asset investments

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. The JPMorgan EUR Liquidity Fund has a AAA rating.

###### Exposure to JPMorgan Chase Bank, N.A

JPMorgan Chase Bank, N.A. is the custodian of the Company's assets. The Company's assets are segregated from JPMorgan Chase's own trading assets. Therefore these assets are designed to be protected from creditors in the event that JPMorgan Chase were to cease trading. The Depository, 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, cash at bank and current asset investments represent the maximum exposure to credit risk at the current and comparative year ends.

## Notes to the Financial Statements

**Securities Lending**

The aggregate value of investments on loan at 31st March 2025 amounted to £24.9 million (2024: £53.0 million) and the maximum value of stock on loan during the year amounted to £95.6 million (2024: £66.6 million). Collateral is obtained by JPMorgan Chase Bank, N.A, and is called in on a daily basis to a minimum value of 102% (2024: 102%) of the value of the securities on loan if that collateral is denominated in the same currency as the securities on loan and a minimum of 105% (2024: 105%) if it is denominated in a different currency. At the year end the amount of collateral held was £27.7 million (2024: £58.2 million). Full details of the collateral is disclosed on pages 96 to 99.

**(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 which is a reasonable approximation of fair value.

**22. Capital management policies and procedures**

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

	2025 £'000	2024 £'000
<b>Debt</b>		
Bank loan	58,581	72,670
<b>Total debt</b>	<b>58,581</b>	<b>72,670</b>
<b>Equity</b>		
Called up share capital	6,816	7,874
Reserves	579,434	761,172
<b>Total equity</b>	<b>586,250</b>	<b>769,046</b>
<b>Total debt and equity</b>	<b>644,831</b>	<b>841,716</b>

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

The Board's policy is to limit gearing within the range of 20% net cash to 20% geared.

	2025 £'000	2024 £'000
Investments held at fair value through profit or loss	616,535	829,738
Net assets	586,250	769,046
<b>Gearing</b>	<b>5.2%</b>	<b>7.9%</b>

The Board, with the assistance of the 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 Manager's views on the market;
- the need to buy back equity shares, either for cancellation or to hold in Treasury, which takes into account the share price discount or premium;
- the 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.

## Notes to the Financial Statements

### 23. Analysis of Changes in Net Debt

	As at 31st March 2024 £'000	Cash flows £'000	Exchange movements £'000	As at 31st March 2025 £'000
<b>Cash at bank and current asset investments</b>				
Cash at bank	312	338	12	662
Cash held in JPMorgan EUR Liquidity Fund	7,242	15,804	(7)	23,039
Bank overdraft	(394)	394	—	—
	7,160	16,536	5	23,701
<b>Borrowings</b>				
Bank loan	(72,670)	12,185	1,904	(58,581)
	(72,670)	12,185	1,904	(58,581)
<b>Net debt</b>	<b>(65,510)</b>	<b>28,721</b>	<b>1,909</b>	<b>(34,880)</b>

Further details on the bank loan can be found in Notes 13 and 14 on page 84.

### 24. Subsequent events

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



## Regulatory Disclosures

### Alternative Investment Fund Managers' Directive ('AIFMD') Disclosures (Unaudited)

#### Leverage

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

The Company's maximum and actual leverage levels at 31st March 2025 are shown below:

	Gross Method	Commitment Method
<b>Leverage exposure</b>		
Maximum limit	200%	200%
Actual	110.1%	110.0%

#### AIFMD Remuneration Disclosures

JPMorgan Funds Limited (the '**Management Company**') is the authorised manager of JPMorgan European Discovery 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 currently applying to the Management Company (the 'Remuneration Policy Statement') can be found at <https://am.jpmorgan.com/gb/en/asset-management/gim/per/legal/emea-remuneration-policy>.

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 2024 Performance Year in July 2024 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 2024 Performance Year and the number of beneficiaries. These figures include the remuneration of all staff of JP Morgan Asset Management (UK) Ltd (the relevant employing entity) and the number of beneficiaries, both apportioned to the Management Company on an Asset Under Management ('AUM') weighted basis.

Due to the Firm's structure, the information needed to provide a further breakdown of remuneration attributable to the Company is not readily available and would not be relevant or reliable. However, for context, the Management Company manages 24 Alternative Investment Funds (with 4 sub-funds) and 2 UCITS (with 42 sub-funds) as at 31st December 2024, with a combined AUM as at that date of £25,574 million and £21,277 million respectively.

## Regulatory Disclosures

	Fixed remuneration	Variable remuneration	Total remuneration	Number of beneficiaries
All staff of the Management Company (US\$'000s)	25,131	17,434	42,565	150

The aggregate 2024 total remuneration paid to AIFMD Identified Staff was US\$143,431,000 of which US\$7,910,000 relates to Senior Management and US\$135,521,000 relates to other Identified Staff.<sup>1</sup>

<sup>1</sup> The AIFMD identified staff disclosures include employees of the companies to which portfolio management has been formally delegated in line with the latest ESMA guidance.

## Securities Financing Transactions Regulation ('SFTR') Disclosures (Unaudited)

The Company engages 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). In accordance with Article 13 of the Regulation, the Company's involvement in and exposures related to SFTR for the accounting period ended 31st March 2025 are detailed below.

### Global Data

#### Amount of securities on loan

The total value of securities on loan as a proportion of the Company's total lendable assets, as at the balance sheet date, is 4.05%. Total lendable assets represents the aggregate value of assets types forming part of the Company's securities lending programme

#### Amount of assets engaged in securities lending

The following table represents the total value of assets engaged in securities lending:

	Value £'000	% of AUM
Securities lending	24,941	4.25

## Concentration and Aggregate Transaction Data

### Counterparties

The following table provides details of the counterparties (based on gross volume of outstanding transactions with exposure on a gross absolute basis) in respect of securities lending as at the balance sheet date:

Collateral	Country of Incorporation	Value £'000
BNP	France	8,780
HSBC	United Kingdom	7,363
UBS	Switzerland	2,944
Goldman Sachs	United States of America	2,343
Morgan Stanley	United States of America	1,944
Citigroup	United States of America	995
JP Morgan	United States of America	335
Barclays	United Kingdom	195
Merrill Lynch	United States of America	42
<b>Total</b>		<b>24,941</b>

### Maturity tenure of security lending transactions

The Company's securities lending transactions have open maturity.

## Regulatory Disclosures

### Collateral issuers

The following table lists the issuers by value of non-cash collateral received by the Company by way of title transfer collateral arrangement across securities lending transactions, as at the balance sheet date.

Issuer	Collateral Value £'000
French Republic Government	9,648
United States of America Treasury	7,225
United Kingdom Treasury	6,785
Republic of Austria Government	2,176
Federal Republic of Germany Government	958
Kingdom of Belgium Government	637
Kingdom of Netherlands Government	172
Republic of Finland Government	120
<b>Total</b>	<b>27,721</b>

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, re-invested or pledged.

### Type, quality and currency of collateral

The following table provides an analysis of the type, quality and currency of collateral received by the Company in respect of securities lending transactions as at the balance sheet date.

Type	Quality	Currency	Value £'000
Sovereign Debt	Investment Grade	EUR	13,454
Sovereign Debt	Investment Grade	GBP	5,998
Treasury Notes	Investment Grade	USD	5,095
Treasury Bonds	Investment Grade	USD	1,984
Sovereign Debt	Investment Grade	USD	1,044
Treasury Bills	Investment Grade	USD	146
<b>Total</b>			<b>27,721</b>

### Maturity tenure of collateral

The following table provides an analysis of the maturity tenure of collateral received in relation to securities lending transactions as at the balance sheet date.

Maturity	Value £'000
1 day to 1 week	—
1 to 4 weeks	—
1 to 3 months	228
3 to 12 months	643
More than 1 year	26,850
<b>Total</b>	<b>27,721</b>

### Settlement and clearing

The Company's securities lending transactions including related collaterals are settled and cleared either bi-laterally, tri-party or through a central counterparty.

## Regulatory Disclosures

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### Re-use of collateral

#### Share of collateral received that is reused and reinvestment return

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, re-invested or pledged.

Cash collateral received in the context of securities lending transactions may be reused in accordance with the provisions contained within the securities lending agreement. The Company currently reinvests cash collateral received in respect of securities lending transactions in the overnight cash market.

#### Safekeeping of collateral

All collateral received by the Company in respect of securities lending transactions as at the balance sheet date is held by the Custodian.

#### Return and cost

JPMorgan Chase Bank, N.A, the lending agent, receives a fee of 10% of the gross revenue for its services related to the Securities Lending Transactions. The remainder of the revenue, 90%, is received by the Company i.e. for the benefit of Shareholders.



## Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of JPMorgan European Discovery Trust plc will be held at 60 Victoria Embankment, London EC4Y 0JP on Wednesday, 23rd July 2025 at 12.30 p.m. for the following purposes:

1. To receive the Directors' Report, the Financial Statements and the Auditors' Report for the year ended 31st March 2025.
2. To approve the Directors' Remuneration Policy.
3. To approve the Directors' Remuneration Report for the year ended 31st March 2025.
4. To declare a final dividend of 10.0 pence per share.
5. To reappoint Marc van Gelder as a Director of the Company.
6. To reappoint Sarah Watters as a Director of the Company.
7. To reappoint Suzy Ross as a Director of the Company.
8. To reappoint Arun Sarwal as a Director of the Company.
9. To appoint James Will as a Director of the Company.

To consider the following resolution as an ordinary resolution:

10. THAT Ernst & Young be reappointed as Auditor of the Company and that their remuneration be fixed by the Directors.

### Special Business

To consider the following resolutions:

#### Authority to allot new Ordinary 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 for the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ('Rights') up to an aggregate nominal amount of £681,575 or, if different the aggregate nominal amount representing approximately 10% of the Company's issued ordinary share capital (excluding Treasury shares) as at the date of the passing of this resolution, provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2026 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 shares to be allotted or Rights to be granted after such expiry and so that the Directors of the Company may allot shares and grant Rights in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

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

12. THAT subject to the passing of Resolution 11 set out above, 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 £477,624 or, if different, the aggregate nominal amount representing approximately 10% of the issued share capital 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 above, 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 in the capital of the Company 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 the number of ordinary shares which is equal to 14.99% of the Company's issued share capital (less shares held in Treasury) as at the date of the passing of this Resolution;
- (ii) the minimum price which may be paid for an ordinary share shall be the nominal value of such ordinary share;
- (iii) the maximum price which may be paid for an ordinary share shall be an amount equal to the highest of:
  - (a) 105% of the average of the middle market quotations for an ordinary 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 ordinary share is contracted to be purchased; or
  - (b) the price of the last independent trade; or
  - (c) the highest current independent bid;

## Notice of Annual General Meeting

- (iv) any purchase of ordinary shares will be made in the market for cash at prices below the prevailing net asset value per ordinary share (as determined by the Directors);
- (v) the authority hereby conferred shall expire on 23rd January 2027 unless the authority is renewed at the Company's Annual General Meeting in 2026 or at any other general meeting prior to such time; and
- (vi) the Company may make a contract to purchase ordinary 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 ordinary shares pursuant to any such contract.

### Authority to hold general meetings – Special Resolution

- 14. THAT a general meeting, other than an Annual General Meeting, may be called on no less than 14 clear days' notice.

### Adoption of New Articles of Association – Special Resolution

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

By order of the Board

**Priyanka Vijay Anand**

for and on behalf of JPMorgan Funds Limited,  
Company Secretary

18th June 2025

### 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 12.30 p.m. 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 (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same Meeting, the one which is last received (regardless of its date or the date of its signature) shall be treated as replacing and revoking the other or others as regards that share; if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.
6. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members as at 6.30 p.m. two business days prior to the Meeting

## Notice of Annual General Meeting

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

7. A corporation, which is a shareholder, may appoint individuals to act as its representatives and to vote in person at the meeting (see instructions given on the proxy form). In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the company, provided that they do not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.

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

8. Members that satisfy the thresholds in Section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to: (a) the audit of the Company's accounts (including the Auditors' report and the conduct of the audit) that are to be laid before the Meeting; or (b) any circumstances connected with Auditors of the Company ceasing to hold office since the previous Meeting, 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 Auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the Meeting 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 Meeting any question relating to the business being dealt with at the Meeting 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 of Meeting 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 cannot 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 Meeting, the total voting rights members are entitled to exercise at the Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice of Meeting will be available on the Company's website [www.jpmeuropeandiscovery.co.uk](http://www.jpmeuropeandiscovery.co.uk)

## Notice of Annual General Meeting

13. The register of interests of the Directors and connected persons in the share capital of the Company and the Directors' letters of appointment are available for inspection at the Company's registered office during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted). They will also be available for inspection at the Meeting. 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.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). You will need the Control Number, Shareholder Reference Number and PIN which are set out on your proxy form or the electronic broadcast you received from Computershare.
16. As at 16th June 2025 (being the latest business day prior to the publication of this Notice), the Company's issued share capital consists of 95,524,738 ordinary shares (excluding Treasury Shares), carrying one vote each. Therefore, the total voting rights in the Company are 95,524,738.
17. The full terms of the proposed amendments to the Company's articles of association are available at the offices of JPMorgan Funds Limited at 60 Victoria Embankment, London EC4Y 0JP between the hours of 9.00 a.m. and 5.00 p.m. (Saturdays, Sundays and public holidays excepted) and on the Company's website, from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM. The New Articles will also be available for inspection on the National Storage Mechanism located at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>, from the date of the AGM Notice.

### Electronic appointment – CREST members and Proxymity

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.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's Registrar (CREST ID is 3RA50) by the latest time(s) for receipt of proxy appointments specified in the notice of the meeting.

For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's agent is liable to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io). Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

## Amendments to the Articles of Association of the Company

### Adoption of new Articles of Association

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

The following principal amendments will be made to the Company's Existing Articles through the adoption of the New Articles if Resolution 15 is approved by shareholders at the AGM:

- i. clarifying that any shares issued or created out of or in respect of any uncertificated shares (being shares held through the CREST system) shall be uncertificated shares and any shares issued or created out of or in respect of any certificated shares shall be certificated shares, and that the Company shall be entitled to assume that the entries on any record of securities maintained by it in accordance with the Uncertificated Securities Regulations 2001 and regularly reconciled with the relevant register maintained by Euroclear (as operator of the CREST system) are a complete and accurate reproduction of the details entered in the operator's register, and the Company shall not be liable in respect of any act or thing done, or omitted to be done, by or on behalf of the Company in reliance on such assumption;
- ii. clarifying that the Company may use any permitted means of executing or authenticating share certificates;
- iii. clarifying that the Company is permitted to purchase its own shares and to reduce its share capital, any capital redemption reserve and any share premium account in any manner permitted by, and in accordance with, the Companies Act 2006;
- iv. removing the existing provisions relating to the retirement of Directors by rotation and inserting provisions which require all Directors to retire at each AGM (and, if they wish, to offer themselves for re-election) in line with the recommended corporate governance regime in the UK;
- v. providing for an increase in the limit on aggregate annual Directors' fees from £225,000 to £250,000, in order to provide the Board with sufficient flexibility and headroom;
- vi. clarifying that the Directors may use video or web conferencing applications and other appropriate communications devices to conduct meetings of the Board and its committees;
- vii. clarifying that all dividends or other sums payable on or in respect of any shares which remain unclaimed by shareholders may be invested or otherwise made use of by the Board for the benefit of the Company until claimed; and
- viii. providing the Directors with the power to (i) request certain information from shareholders, (ii) refuse to register a transfer of shares in the Company or (iii) require the transfer of shares to an eligible transferee, in circumstances where the Directors believe a failure to do so may result in a breach of, or give rise to onerous obligations on the Company under, certain US securities laws.

Other proposed amendments which are of a minor, technical, typographical or clarifying nature, or which seek to make the Articles gender neutral, have not been summarised above.

The summary above is intended only to highlight the principal amendments which are likely to be of interest to shareholders. It is not intended to be comprehensive and cannot be relied upon to identify amendments or issues which may be of interest to all shareholders. The summary is not a substitute for reviewing the full terms of the New Articles which will be available for inspection at the offices of JPMorgan Funds Limited at 60 Victoria Embankment, London EC4Y 0JP between the hours of 9.00 a.m. and 5.00 p.m. (Saturdays, Sundays and public holidays excepted), and on the Company's website, [www.jpmorganeuropeandiscovery.co.uk](http://www.jpmorganeuropeandiscovery.co.uk), from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM. The New Articles will also be available for inspection on the National Storage Mechanism located at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>, from the date of the AGM Notice.

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

### Alternative Performance Measure (APM)

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 on Share Price (APM)

Total return on share price, 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.

	Page	Year ended 31st March 2025	Year ended 31st March 2024	
<b>Total return calculation</b>				
Opening share price (p)	7	465.5	423.0	(a)
Closing share price (p)	7	486.0	465.5	(b)
Total dividend adjustment factor <sup>1</sup>		1.024501	1.026517	(c)
Adjusted closing share price (p) (d = b x c)		497.9	477.8	(d)
<b>Total return on share price (e = (d/a) - 1)</b>		<b>+7.0%</b>	<b>+13.0%</b>	(e)

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

### Return on Net Assets (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.

	Page	Year ended 31st March 2025	Year ended 31st March 2024	
<b>Total return calculation</b>				
Opening cum-income NAV per share (p)	7	520.7	498.5	(a)
Closing cum-income NAV per share (p)	7	524.0	520.7	(b)
Total dividend adjustment factor <sup>1</sup>		1.022115	1.022423	(c)
Adjusted closing cum-income NAV per share (p) (d = b x c)		535.6	532.4	(d)
<b>Total return on net assets (e = (d/a) - 1)</b>		<b>+2.9%</b>	<b>+6.8%</b>	(e)

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

### Benchmark 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.

### Net asset value per share

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.

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

### Gearing/(Net cash) (APM)

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

		31st March 2025 £'000	31st March 2024 £'000	
<b>Gearing calculation</b>	<b>Page</b>			
Investments held at fair value through profit or loss	83	616,535	829,738	(a)
Net assets	7	586,250	769,046	(b)
<b>Gearing (c = (a/b) - 1)</b>		<b>5.2%</b>	<b>7.9%</b>	<b>(c)</b>

### Ongoing charges (APM)

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

		Year ended 31st March 2025	Year ended 31st March 2024	
<b>Ongoing charges calculation</b>	<b>Page</b>			
Management fee (£'000)	80	5,034	5,773	
Other administrative expenses (£'000)	80	900	860	
Total management fee and other administrative expenses (£'000)		5,934	6,633	(a)
Average daily cum-income net assets (£'000)		661,004	717,766	(b)
<b>Ongoing charges (c = a/b)</b>		<b>0.90%</b>	<b>0.92%</b>	<b>(c)</b>

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

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

The opposite of a discount is a premium. It is more common for an investment trust's shares to trade at a discount than at a premium.

		Year ended 31st March 2025	Year ended 31st March 2024	
	<b>Page</b>			
Share price (p)	7	486.0	465.5	(a)
Net assets value per share with debt at par value (p)	7	524.0	520.7	(b)
<b>Share price discount to net asset value per share, with debt at par value (c = (a-b)/b)</b>		<b>(7.3%)</b>	<b>(10.6%)</b>	<b>(c)</b>

## Investing in JPMorgan European Discovery Trust plc

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

### 1. Via a third party provider

Third party providers include:

AJ Bell Investcentre	Halifax Share Dealing
Barclays Smart investor	Hargreaves Lansdown
Charles Stanley Direct	Interactive investor
Fidelity Personal Investing	

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.

### 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](https://www.unbiased.co.uk).

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

To familiarise yourself with the Financial Conduct Authority (FCA) adviser charging and commission rules, visit [fca.org.uk](https://www.fca.org.uk).

### 3. Voting on Company Business and Attending the AGM

The Board encourages its shareholders to exercise their rights by voting at general meetings and attending if able to do so. If you hold your shares on the Company's main register, please refer to the notes to the AGM on page 102 and your form of proxy. If your shares are held through a platform, platform providers often provide shareholders with the ability to receive company documentation, to vote their shares and to attend general meetings, at no cost. Please refer to your investment platform for more details, or visit the Association of Investment Companies' ('AIC') website at [www.theaic.co.uk/aic/shareholder-voting-consumer-platforms](https://www.theaic.co.uk/aic/shareholder-voting-consumer-platforms) for information on which platforms support these services and how to utilise them.

## Share Fraud Warning

## Investment and pension scams are often sophisticated and difficult to spot



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](http://www.actionfraud.police.uk)



**Be ScamSmart and visit**  
[www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)

## Information About the Manager

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### Manager's Policies regarding Employees, Social, Community, Environment and Human Rights Issues

JPMAM are committed to becoming the world's most diverse and inclusive asset manager. We know diverse perspectives create differentiated thinking. We know our client relationships are stronger when our teams mirror the communities in which we work and invest. We reflect these beliefs in our hiring, development and promotion practices, and by nurturing a culture in which everyone is judged on their merits and empowered to hold each other accountable. Beyond our firm, we put our people and assets to work to help advance equity and economic opportunities – and influence other companies to do the same. We continually reinvest in our communities to close opportunity gaps wherever they exist.

We're working to support the transition to a low-carbon economy by scaling green solutions, balancing environmental, social and economic needs, and managing our operational footprint. We help clients navigate the challenges and realise the economic opportunities of the transition to a low-carbon economy. We believe supporting our clients, through advice and capital, to accelerate their low-carbon transition objectives creates positive environmental benefits and generates long-term financial returns for our shareholders. We seek to deliver stronger financial outcomes, including by focusing on the most financially material environmental, social and governance (ESG) issues that we believe impact the long-term performance of companies in which we invest.

Additionally, we advocate for robust corporate governance and sound business practices. We believe that understanding financially material ESG factors plays an important role in delivering long-term value creation for our clients.

JPMorgan Chase supports fundamental principles of human rights across all our lines of business and in each region of the world in which we operate. JPMorgan Chase's respect for the protection and preservation of human rights is guided by the principles set forth in the United Nations Universal Declaration of Human Rights. JPMorgan Chase believes it is the role of government in each country to protect the human rights, including the safety and security, of its citizens. However, we believe we can play a constructive role in helping to promote respect for human rights by our own actions and by seeking to engage with the governments of the countries with and in which we operate.

#### The Modern Slavery Act 2015 ('MSA')

JPMorgan's statement on the MSA can be found on the following website:

<https://www.jpmorganchase.com/about/ourbusiness/human-rights>

#### Corporate Governance

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

#### Proxy Voting

JPMAM votes on shares held in the clients' portfolios in a prudent and diligent manner, based on reasonable judgement of what will best serve the long-term interests of our clients. To help ensure that proxies are voted in the best interests of clients, JPMAM has adopted detailed, regional, proxy voting guidelines that incorporate comprehensive guidelines for voting proxies on specific types of issues, and these are publicly available on our websites. JPMAM aims to keep abstentions to a minimum. In certain instances, however, it may be in a client's best interests to intentionally refrain from voting. Engaging investee companies in dialogue and encouraging sound environmental, social and governance (ESG) practices is an important component of how we deliver our investment stewardship strategy. Our engagement is based on our in-depth investment research on companies, alongside our assessment of macroeconomic drivers, sector-specific factors and financially material ESG themes. This research insight enables us to act proactively and encourage investee companies to acknowledge issues and improve practices before risks are realised and opportunities are missed. This is how we seek to drive impact in our investment stewardship activity and advocate for sound practices at our investee companies. We believe this will ultimately preserve and enhance asset value.

#### 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 JPMAMs 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 JPMAMs investee companies through investment-led stewardship has been a vital component of JPMAMs active management heritage.

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

## Information About the Manager

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;
- human capital management;
- natural capital and ecosystems;
- 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://am.jpmorgan.com/content/dam/jpm-am-aem/americas/us/en/supplemental/proxy-information/global-procedures-and-guidelines.pdf> and at <https://www.jpmorganchase.com/about/governance/corporate-governance-principles>

### 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.

### Task Force on Climate-related Financial Disclosures

As a regulatory requirement, JPMorgan Asset Management (JPMAM) published its first UK Task Force on Climate-related Financial Disclosures ('TCFD') Report for the Company in respect of the year ended 31st December 2023 in June 2024. The report discloses estimates of the Company's portfolio climate-related risks and opportunities according to the Financial Conduct Authority (FCA) Environmental, Social and Governance (ESG) Sourcebook and the Task Force on Climate-related Disclosures (TCFD). The report is available on the Company's website under the ESG documents section:

<https://am.jpmorgan.com/content/dam/jpm-am-aem/emea/regional/en/regulatory/esg-information/jpm-european-discovery-trust-plc-fund-tcf-d-report.pdf>

## Information About the Company

### History

On 24th April 1990, the Company acquired the undertaking and assets of Fleming European Fledgeling Fund Limited (the 'Fund') in exchange for the issue of its shares and warrants. That Fund was an open-ended, unquoted investment company based in Jersey with the same objectives and investment policies as the Company. The Company changed its name from JPMorgan European Smaller Companies Trust plc to JPMorgan European Discovery Trust plc on 15th June 2021. It is a constituent of the FTSE 250 index.

### Company Numbers

Company registration number: 2431143  
 London Stock Exchange number: 0341969  
 ISIN: GB00BMTS0Z37  
 Bloomberg code: JEDT LN  
 LEI: 54930049CEWDI46Y3U28

### Market Information

The Company's net asset value ('NAV') 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 in the Financial Times and on the Company's website at [www.jpmeuropeandiscovery.co.uk](http://www.jpmeuropeandiscovery.co.uk), where the share price is updated every 15 minutes during trading hours.

### Website

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

### Share Transactions

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

### Manager and Company Secretary

JPMorgan Funds Limited.

### Company's Registered Office

60 Victoria Embankment  
 London EC4Y 0JP  
 Telephone: 0800 20 40 20 or +44 1268 44 44 70  
 email: [jpmam.investment.trusts@jpmorgan.com](mailto:jpmam.investment.trusts@jpmorgan.com)

For company secretarial and administrative matters, please contact Priyanka Vijay Anand.

### Depository

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

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

### Registrars

Computershare Investor Services PLC  
 The Pavilions  
 Bridgwater Rd  
 Bristol  
 BS99 6ZZ  
 United Kingdom  
 Telephone: + 44 0370 707 1417

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

### Independent Auditors

Ernst & Young LLP  
 Statutory Auditor  
 25 Churchill Place  
 London E14 5EY

### Brokers

Cavendish Financial plc  
 One Bartholomew Close  
 London EC1A 7BL

**aic**

The Association of  
 Investment Companies

A member of the AIC

## CONTACT

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ASSET MANAGEMENT