



JPMorgan European Discovery Trust plc

Uncovering Europe's hidden gems

Half Year Report & Financial Statements
for the six months ended 30th September 2023

Key Features

Objective

Capital growth from smaller Continental European companies.

Investment Policies

- To invest in a diversified portfolio of high-quality smaller companies in Continental Europe.
- To emphasise capital growth rather than income. Therefore shareholders should expect the dividend to vary from year to year.
- To manage liquidity and borrowings to increase potential returns to shareholders. The Board's current gearing policy is to be between 20% net cash and 20% geared.
- To invest no more than 15% of gross assets in other UK listed investment companies (including investment trusts).

Risk

It should be noted that the Company invests in the shares of smaller companies, which tend to be more volatile than those of larger companies. The Company also employs gearing to generate greater returns. The Company's shares should therefore be regarded as carrying greater than average risk.

Benchmark

MSCI Europe (ex UK) small cap net total return index in sterling terms.

Capital Structure

At 30th September 2023, the Company's share capital comprised 157,424,931 ordinary shares of 5p each. There were 50,000 shares held in Treasury.

Management Company

The Company employs JPMorgan Funds Limited ('JPMF' or the 'Manager' or the 'Investment Manager') as its Alternative Investment Fund Manager. JPMF delegates the management of the Company's portfolio to JPMorgan Asset Management (UK) Limited ('JPMAM').

Association of Investment Companies ('AIC')

The Company is a member of the AIC.

Website

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

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Financial Highlights

Total returns (including dividends reinvested) to 30th September 2023

	6 months	3 years Cumulative	5 years Cumulative	10 years Cumulative
Return to shareholders ^{1,A}	-10.7%	-2.6%	+0.9%	+113.8%
Return on net assets ^{2,A}	-11.4%	-4.8%	+2.0%	+119.8%
Benchmark return ³	-5.7%	+10.9%	+20.1%	+124.7%
Shareholder return (under)/over performance compared to benchmark return	-5.0%	-13.5%	-19.2%	-10.9%
Net assets return (under)/over performance compared to benchmark return ^A	-5.7%	-15.7%	-18.1%	-4.9%
Interim dividend	2.5p			

¹ Source: Morningstar.

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

³ Source: Euromoney. The Company's benchmark is the MSCI Europe (ex UK) Small Cap Net Total Return Index.

^A Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 30 and 31.

Financial Highlights

Summary of results

	30th September 2023	31st March 2023	% change
Shareholders' funds (£'000)	684,083	785,062	-12.9
Number of shares in issue	157,424,931	157,474,931	
Net asset value per share	434.5p	498.5p	-12.8 ¹
Share price	370.0p	423.0p	-12.5 ²
Share price discount to net asset value per share ^A	14.8%	15.1%	
Gearing^A	3.8%	6.9%	
Ongoing charges^A	0.96%	0.94%	

¹ % change, excluding dividends paid. Including dividend the return is -11.4%.

² % change, excluding dividends paid. Including dividends the return is -10.7%.

^A Alternative performance measure ('APM').

A glossary of terms and APMs is provided on pages 30 and 31.



Chairman's Statement



Marc van Gelder
Chairman

Dear Shareholder,

I hereby present the Company's results for the half-year ended 30th September 2023.

Investment Performance

Investment companies have had a well-publicised 'tough year', with high inflation and global macro-uncertainty taking its toll on performance across many asset classes. Against this backdrop, the Trust underperformed its benchmark over the six months to end of September 2023. During the half year to 30th September 2023, the Company recorded a total return on net assets of -11.4%, with the Company's benchmark index, the MSCI Europe (ex UK) Small Cap NR Index, returning -5.7% over the same period. The total return to shareholders was -10.7%, slightly better than the reported return on NAV due moderate narrowing of the discount at which the Company's shares traded, from -15.1% to -14.8% over the six months.

The Company's longer-term performance has been mixed. Over the past five years, the total return on net assets was 2.0%, compared the benchmark total return of 20.1%. However, over the past ten years, the total return of 119.8% has been high in absolute terms and close to the benchmark return of 124.7%.

The Investment Managers' Report that follows provides a review of markets, and more detail on the performance drivers within the portfolio, along with some discussion of the market outlook.

Revenue and Dividends

Gross revenue return for the six months to 30th September 2023 was higher than the corresponding period in 2022, at 12.62 pence per share (2022: 12.32 pence). The Board has decided the interim dividend of 2.5 pence (2022: 1.2 pence) per share which will be paid on 5th February 2024 to shareholders on the register as at 29th December 2023 (the ex-dividend date will be 28th December 2023). The Board will keep this matter under review and take into account the income received and the level of the Company's revenue reserves when determining the final dividend for the year in 2024.

Discount Management and Share Repurchases

The Board continues to monitor closely the level of the discount and believes that its ability to repurchase shares to minimise the short-term volatility and the absolute level of the discount is of prime importance. A total of 50,000 shares were repurchased in the six months to 30th September 2023. A further 3,384,539 shares have been repurchased since the period end. At the time of writing, the share price discount had narrowed to 11.3%.

The Board

In line with the Board's succession planning and the retirement of Ashok Gupta at the 2023 Annual General meeting, the Board undertook a search to identify a new Director. Following the successful conclusion of this search, and as announced on 9th May 2023, Arun Sarwal was appointed as an independent non-executive director with effect from the conclusion of the Annual General Meeting 2023. Arun has extensive experience developing technology businesses and working in financial services, across a range of industry segments including commercial & investment banking, and asset and wealth management across the globe. Some of his previous roles include his position as the CEO of Fund Communication Solutions at Broadridge.

Environmental, Social and Governance ('ESG')

As highlighted in the 2023 Annual Report, the Board has continued to engage with the Manager on the integration of ESG factors into its investment process. These issues are considered at every stage of the investment decision. The Board shares the Investment Managers' view of the significance of ESG factors, both when making initial investment decisions and during ongoing engagement with investee companies throughout the period of the investment. For more details, please refer to pages 23 to 26 of the 2023 Annual Report, which can be found on the Company's website at: www.jpmeuropeandiscovery.co.uk.

Chairman's Statement

TCFD

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 31 December 2022 on 30th June 2023. The report is designed to provide investors with transparency into the portfolio's 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 Financial Disclosures (TCFD) Recommendations. The report is available on the Company's website under the ESG documents section www.jpmeuropeandiscovery.co.uk.

Outlook

Higher interest rates are beginning to bite and economic activity seems to be slowing, which is likely to put earnings and share prices under pressure as we head into 2024. However, there are reasons to be optimistic; rates are at, or near, their peaks in the major developed economies and may begin to fall next year.

The Manager has made changes to the investment process and has enhanced risk management to protect the portfolio on the downside in volatile markets and better position it to capture the upside. Relative performance has improved in recent months, suggesting that these recent portfolio changes are beginning to pay off. The Board welcomes the Managers' ongoing efforts to further enhance returns by taking advantage of current low valuations to acquire other interesting hidden gems, at attractive prices.

History shows that while European markets have been through challenging periods, performance has subsequently rebounded strongly as these challenges abate. European small cap companies tend to outperform as the broader market rallies. Looking ahead, any signs that central banks are considering lower interest rates should provide a significant boost to investor confidence and equity markets. If history is any guide, European small caps in general, and your Company in particular, should do even better. On this basis, the Board is optimistic about the Company's prospects over 2024 and beyond.

Marc van Gelder
Chairman

13th December 2023



Investment Managers' Report



Francesco Conte
Investment Manager

Review

Investor sentiment remained risk adverse as government bond yields continued to move higher. While inflationary pressures began to ease, concerns around unsustainably large government fiscal deficits grew. European small caps underperformed large caps, as small caps are particularly sensitive to such 'risk off' conditions.

The benchmark MSCI Europe (ex UK) Small Cap NR Index fell by 5.7 per cent over the review period versus the large cap MSCI Europe (ex UK) NR Index that fell 2.0 per cent.

Portfolio performance

The portfolio's NAV declined by 11.4 per cent, underperforming its benchmark by 5.7 percentage points, as the Company's investment process tends to struggle during periods of high volatility. A detailed overview of the Company's investment process follows this report.

Contributors to performance included French professional installations company, **Spie**, due to continued high demand driven by the energy transition towards electrification. **Scout24**, the leading German real estate digital classifieds platform, contributed due to strong growth even as the real estate market remained under pressure. Dutch engineering services provider, **Arcadis**, outperformed due to increasing demand driven by climate change, the energy transition, and urbanisation.

Over the period, detractors from performance included **Bravida**, the Swedish commercial building installation company. Its share price came under pressure as cost inflation depressed margins, even though orders held up well. **Melexis**, a Belgium provider of semiconductor chips primarily for the automotive end market, underperformed due to concerns that high inventories at their customers could temporarily depress demand. Swedish engineering services provider, **AFRY**, detracted as weaker demand impacted their utilisation rate which depressed margin.

Portfolio changes

During the year, we have made some important enhancements to our process and risk management in the portfolio, seeking to minimise downside risk during periods of volatility and capture upside risk when volatility reduces. The changes made have led to improved portfolio construction and include an increase in the number of holdings, thereby reducing thematic and sector concentration during periods of global stress.

Among other things, we increased the portfolio's exposure to the Consumer Discretionary sector. Valuations are attractive, inventory levels are normalising, and there is potential for real wage growth as wage increases feed through and inflation moderates. Falling input costs are a further tailwind to earnings. For instance, we added **Technogym**, the Italian manufacturer of premium gym equipment, and **De'Longhi**, a leading producer of espresso machines for households and businesses. We increased the portfolio's Financials holdings, including French reinsurer, Scor, as operational momentum began to improve following a business restructuring, and Italian bank, **BPER Banca**, due to its very attractive valuation and better-than-expected profit growth.

To fund these purchases, we reduced our exposure to construction related industrials, as high bond yields are adversely impacting demand for new construction, and cost inflation is putting pressure on margins. For example, we sold Swiss listed **Georg Fischer** and Dutch **Aalberts**. We also sold or reduced companies whose market caps had risen due to outperformance to the point where they were no longer small caps. These sales included **D'ieteren**, a Belgium holding company focused primarily on automotive related end markets, and **Prysmian**, an Italian manufacturer of high voltage cables which are vital to support the transition towards renewable energy.

As a result of these changes Consumer Discretionary became the portfolio's largest sector overweight and Financials became the second largest overweight. Healthcare and Real Estate remained the largest underweights due to a combination of poor momentum and expensive valuations. France and Italy remained the two largest country overweights, while Norway and Switzerland remained the two most significant underweights.

At the end of September 2023, portfolio gearing was 3.8%.

Investment Managers' Report

Outlook

The long-anticipated global slowdown appears to have finally arrived, and with it the likelihood that central bank rates have peaked. This makes the near-term outlook for equities very hard to anticipate. On the one hand, company earnings are slowing, on the other, the headwinds created by higher rates are starting to show signs of abating. We suspect that earnings will dominate in the near term, keeping equities under pressure, while expectations of lower interest rates may play an increasingly supportive role next year.

Top-down macroeconomic uncertainty has been dominating the performance of stock markets for some time. As a result we have transitioned towards a more diversified portfolio comprising companies that are benefitting from the current high interest rate environment, while adding attractively valued companies that should do well as interest rates begin to fall. While this is a difficult balancing act, the Trust's performance has improved over recent months as portfolio adjustments are beginning to pay off. Looking to next year, the combination of extremely low valuations for European small caps, and possible central bank easing around the world, should be very positive for markets in general and even more so for our asset class.

Francesco Conte

Edward Greaves

Investment Managers

13th December 2023

Manager's Investment Process

Investment Process

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 Net Total Return Index.

The Investment 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. The process begins with idea generation, then proceeds to fundamental research, before the Investment Managers construct a portfolio of companies they deem to be best suited to prevailing market conditions. 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 and portfolio construction.

Idea Generation

The primary source of investment ideas is JPMorgan's proprietary quantitative investment screening process 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 and discounted cash flow analysis. Quality is judged on characteristics such as return on capital, the sustainability of earnings, and capital discipline, while Momentum is considered in terms of factors such as whether a company is exceeding the market's earnings estimates.

Fundamental Research

After identifying companies with the characteristics the Investment Managers are seeking, the investment process progresses to in-house fundamental research. The Investment Managers evaluate each investment opportunity using their own expertise, in addition to JP Morgan's extensive analytical and technological resources. The Continental European small cap team is part of the wider International Equity Group at JP Morgan, so the Investment Managers have access to the extensive expertise of close to 100 investment professionals who comprise this group.

Portfolio Construction

The Investment Managers draw on this research to construct a concentrated best ideas portfolio of Europe's hidden gems. There are no sectors or countries in which the Investment Managers will not invest as a matter of policy. Rather, the Investment Managers invest in the best opportunities for the prevailing market environment. This is determined on a bottom-up basis, rather than following a top-down view.

The Investment Managers utilise JPMorgan's proprietary risk tools to ensure that the portfolio's risk exposures are identified and evaluated, whether they be stock, sector, country, style or macroeconomic.

The Board has set a liquidity range of between 20 per cent cash and 20 per cent gearing within which the Investment Managers may operate. The Company does not hedge the currency exposure of its portfolio assets.

Sell Discipline

The Investment Managers employ a strict sell discipline. A portfolio holding will be sold if it meets any of the following conditions:

- 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.

Manager's Investment Process

Performance

The investment process enables the Investment Managers to identify and invest early in companies experiencing improving operational performance. This strategy works best when markets are trending but tends to struggle during periods of high volatility caused by global crises. However, historically, once these periods of stress end, portfolio performance has bounced back strongly.

In recent years, the market has experienced an unprecedented number of global crises in a short period of time: the Covid-19 pandemic, global supply chain disruption, conflict on Europe's eastern border and the unexpected resurgence of inflation. The market volatility resulting from these events has been a headwind to the Company's performance. Nevertheless, if history is a guide, performance should recover as markets normalise. In the meantime, the Investment Managers have evolved the investment process to better manage risk exposures during volatile periods by adding more diversification to the portfolio, at the stock, sector and country levels.

Stock Examples

The following examples are included to give shareholders an insight into how the Investment Managers consider portfolio companies.

Spie

Stock overview

- Spie is a European leader in the provision of various technical services to the energy and communications sectors.
- The company supports its customers in the design, operation and maintenance of their energy and digital networks.
- Spie employs over 48,000 people in six major European countries – France, Germany, the Netherlands, Belgium, the United Kingdom and Switzerland – as well as in Central Europe.

Investment thesis

- Spie is attractively valued, with a high free cash flow yield.
- It is a high quality, asset light business with strong cash conversion and a management team with a proven track record of accretive capital allocation.
- The Investment Managers expect Spie to continue to beat market growth expectations due to its very high exposure to the electrification of the region's energy infrastructure and efforts to create sustainable urban ecosystems. For example, Spie plays a key role in building and upgrading the energy grids that transport renewable energy to end users. Spie also provides clean energy storage solutions and smart, energy-saving solutions to industry and the government.
- In addition to this organic growth potential, Spie has a strong track record of consolidating its fragmented markets via selective acquisitions.

Sanlorenzo

Stock overview

- Sanlorenzo is a global leader in high-end, custom-built yachts.
- Since its IPO in December 2019, the company has executed very well, and its order book is growing. It has launched some impressive new products and continues its regional diversification.
- Sanlorenzo is a great example of the successful marriage of European manufacturing excellence and luxury branding expertise.
- The Company has held Sanlorenzo since its IPO.

Manager's Investment Process

Investment thesis

- Sanlorenzo is attractively valued, with a high free cash flow yield.
- The company generates an extremely high return on capital due to its pricing power and extensive use of outsourced manufacturing.
- Sanlorenzo's large order backlog provides good visibility on future earnings and the Investment Managers believe the company's growth potential continues to be underappreciated by the market.
- The business also benefits from its investments in environmentally friendly technologies, which have given it a market leading position in sustainable vessels.
- Finally, the company has a strong track record of making very selective, attractively valued acquisitions and has firepower to continue this strategy.

Portfolio Information

List of investments

At 30th September 2023

	Value £'000		Value £'000
France		Germany	
Alten	21,153	CTS Eventim	13,350
SPIE	20,864	Stabilus	12,292
SEB	16,307	FUCHS Preference	11,395
SCOR	14,913	Scout24	11,327
Elis	14,684	TAG Immobilien	9,382
Sopra Steria	12,742	AIXTRON	9,159
Verallia	12,425	Bilfinger	8,636
Forvia	9,088	KION	7,966
Cie Plastic Omnium	7,915	Fielmann	7,549
IPSOS	6,121	Elmos Semiconductor	7,000
	136,212	Freenet	6,835
		Bechtle	6,699
			111,590
Italy		Netherlands	
Sanlorenzo	19,191	Royal Vopak	17,665
BPER Banca	15,505	Arcadis	11,610
Technogym	14,706	ASR Nederland	7,379
Brembo	12,469	TKH, CVA	5,456
Interpump	12,196		42,110
Intercos	11,477	Switzerland	
BFF Bank	9,795	Helvetia	14,450
Banco BPM	8,061	Inficon	10,545
Prysmian	6,959	Kardex	7,829
Unipol Gruppo	6,797	Cembra Money Bank	7,002
MARR	6,485		39,826
De' Longhi	6,398	Denmark	
Iren	3,447	Sydbank	12,784
Ariston Holding NV	117	Royal Unibrew	8,094
	133,603	ISS	5,484
			26,362
Sweden		Belgium	
Bravida	16,478	Melexis	13,446
Thule	14,486	Fagron	12,719
AAK	13,356		26,165
Sweco	10,837	Spain	
Hexpol	10,715	Banco de Sabadell	15,102
Husqvarna	8,580	Viscofan	3,558
Electrolux Professional	7,956		18,660
Castellum	7,659	Norway	
Trelleborg	7,561	Storebrand	8,943
Loomis	7,159	Bakkafrost	7,964
AFRY	7,138		16,907
Kindred, SDR	5,917		
JM	5,830		
Nordnet	4,984		
Munters	3,838		
	132,494		

Portfolio Information

List of investments (continued)

At 30th September 2023

	Value £'000
Austria	
BAWAG	7,267
DO & CO	4,590
	11,857
Finland	
TietoEVERY	6,675
Tokmanni	3,463
	10,138
Ireland	
Glanbia	4,159
	4,159
TOTAL INVESTMENTS	710,083

Portfolio Information

Geographical analysis

	at 30th September 2023		at 31st March 2023	
	Portfolio % ¹	Benchmark %	Portfolio % ¹	Benchmark %
France	19.2	11.4	20.0	10.8
Italy	18.8	10.4	19.2	9.7
Sweden	18.7	15.2	15.7	16.6
Germany	15.7	14.0	12.4	13.7
Netherlands	5.9	5.0	9.9	6.0
Switzerland	5.6	13.1	8.6	13.5
Denmark	3.7	5.9	1.9	5.9
Belgium	3.7	3.8	7.4	4.1
Spain	2.6	5.8	1.2	5.3
Norway	2.4	7.2	0.9	6.4
Austria	1.7	2.7	1.1	2.7
Finland	1.4	3.5	1.7	3.8
Ireland	0.6	0.9	—	0.7
Portugal	—	1.0	—	0.8
Romania	—	0.1	—	—
Total	100.0	100.0	100.0	100.0

¹ Based on total investments of £710.1m (31st March 2023: £839.6m).

Sector analysis

	at 30th September 2023		at 31st March 2023	
	Portfolio % ¹	Benchmark %	Portfolio % ¹	Benchmark %
Industrials	30.4	29.6	48.5	30.1
Consumer Discretionary	23.6	11.5	17.2	11.8
Financials	18.7	14.4	11.7	14.0
Information Technology	12.4	9.6	15.2	9.9
Consumer Staples	6.1	5.6	1.9	5.4
Materials	3.1	5.6	3.4	6.1
Real Estate	2.4	7.4	1.7	7.1
Health Care	1.8	7.8	0.1	7.4
Communication Services	1.0	1.8	0.3	2.1
Utilities	0.5	2.9	—	2.8
Energy	—	3.8	—	3.3
Total	100.0	100.0	100.0	100.0

¹ Based on total investments of £710.1m (31st March 2023: £839.6m).



Condensed Statement of Comprehensive Income

For the six months ended 30th September 2023

	(Unaudited) Six months ended 30th September 2023			(Unaudited) Six months ended 30th September 2022			(Audited) Year ended 31st March 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on investments held at fair value through profit or loss	—	(102,583)	(102,583)	—	(164,778)	(164,778)	—	(45,535)	(45,535)
Foreign exchange gains on liquidity fund	—	235	235	—	1,819	1,819	—	2,265	2,265
Net foreign currency gains/(losses)	—	1,166	1,166	—	(1,455)	(1,455)	—	(2,366)	(2,366)
Income from investments	19,519	—	19,519	19,359	—	19,359	22,389	—	22,389
Interest receivable and similar income	351	—	351	70	—	70	113	—	113
Gross return/(loss)	19,870	(101,182)	(81,312)	19,429	(164,414)	(144,985)	22,502	(45,636)	(23,134)
Management fee	(944)	(2,202)	(3,146)	(989)	(2,308)	(3,297)	(1,925)	(4,491)	(6,416)
Other administrative expenses	(355)	—	(355)	(312)	—	(312)	(690)	—	(690)
Net return/(loss) before finance costs and taxation	18,571	(103,384)	(84,813)	18,128	(166,722)	(148,594)	19,887	(50,127)	(30,240)
Finance costs	(657)	(1,532)	(2,189)	(138)	(321)	(459)	(530)	(1,237)	(1,767)
Net return/(loss) before taxation	17,914	(104,916)	(87,002)	17,990	(167,043)	(149,053)	19,357	(51,364)	(32,007)
Taxation	(1,509)	—	(1,509)	(1,548)	—	(1,548)	(1,845)	—	(1,845)
Net return/(loss) after taxation	16,405	(104,916)	(88,511)	16,442	(167,043)	(150,601)	17,512	(51,364)	(33,852)
Return/(loss) per share (note 3)	10.42p	(66.62)p	(56.20)p	10.43p	(105.95)p	(95.52)p	11.11p	(32.60)p	(21.49)p

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

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

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

Condensed Statement of Changes in Equity

For the six months ended 30th September 2023

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserves ¹ £'000	Revenue reserve ¹ £'000	Total £'000
Six months ended 30th September 2023 (Unaudited)						
At 31st March 2023	7,874	1,312	7,762	749,999	18,115	785,062
Repurchase of shares into Treasury	—	—	—	(185)	—	(185)
Net (loss)/return on ordinary shares	—	—	—	(104,916)	16,405	(88,511)
Dividends paid in the period (note 4)	—	—	—	—	(12,283)	(12,283)
At 30th September 2023	7,874	1,312	7,762	644,898	22,237	684,083
Six months ended 30th September 2022 (Unaudited)						
At 31st March 2022	7,924	1,312	7,712	805,617	11,154	833,719
Repurchase and cancellation of Company's own shares	(50)	—	50	(4,254)	—	(4,254)
Net (loss)/return on ordinary shares	—	—	—	(167,043)	16,442	(150,601)
Dividends paid in the period (note 4)	—	—	—	—	(8,661)	(8,661)
At 30th September 2022	7,874	1,312	7,762	634,320	18,935	670,203
Year ended 31st March 2022 (Audited)						
At 31st March 2022	7,924	1,312	7,712	805,617	11,154	833,719
Repurchase and cancellation of Company's own shares	(50)	—	50	(4,254)	—	(4,254)
Net (loss)/return on ordinary activities	—	—	—	(51,364)	17,512	(33,852)
Dividends paid in the year (note 4)	—	—	—	—	(10,551)	(10,551)
At 31st March 2023	7,874	1,312	7,762	749,999	18,115	785,062

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

Condensed Statement of Financial Position

At 30th September 2023

	(Unaudited) 30th September 2023 £'000	(Unaudited) 30th September 2022 £'000	(Audited) 31st March 2023 £'000
Fixed assets			
Investments held at fair value through profit or loss	710,083	642,346	839,582
Current assets			
Debtors	5,966	5,482	16,100
Cash and cash equivalents	43,530	57,729	47,000
	49,496	63,211	63,100
Current liabilities			
Creditors: amounts falling due within one year	(75,496)	(35,354)	(117,620)
Net current (liabilities)/assets	(26,000)	27,857	(54,520)
Total assets less current liabilities	684,083	670,203	785,062
Net assets	684,083	670,203	785,062
Capital and reserves			
Called up share capital	7,874	7,874	7,874
Share premium	1,312	1,312	1,312
Capital redemption reserve	7,762	7,762	7,762
Capital reserves	644,898	634,320	749,999
Revenue reserve	22,237	18,935	18,115
Total shareholders' funds	684,083	670,203	785,062
Net asset value per share (note 5)	434.5p	425.6p	498.5p

The financial statements on pages 20 to 24 were approved and authorised for issue by the Directors on 13th December 2023 and signed on their behalf by:

Marc van Gelder
Director

The notes on pages 25 to 26 form an integral part of these financial statements.

The Company's registration number is 2431143.

Condensed Statement of Cash Flows

For the six months ended 30th September 2023

	(Unaudited) Six months ended 30th September 2023 £'000	(Unaudited) Six months ended 30th September 2022 ¹ £'000	(Audited) Year ended 31st March 2023 £'000
Cash flows from operating activities			
Net loss before finance costs and taxation	(84,813)	(148,594)	(30,240)
Adjustment for:			
Net losses on investments held at fair value through profit or loss	102,583	164,778	45,535
Foreign exchange gains on liquidity fund	(235)	(1,819)	(2,265)
Net foreign currency (gains)/losses	(1,166)	1,455	2,366
Dividend income	(19,519)	(19,171)	(22,201)
Interest income	(246)	—	—
Scrip dividends received as income	—	(188)	(188)
Realised loss on foreign exchange transactions	(494)	(59)	(567)
Realised exchange loss/(gains) on liquidity	(123)	738	2,897
Decrease/(increase) in accrued income and other debtors	23	(2)	(40)
Increase/(decrease) in accrued expenses	32	(20)	17
Net cash outflow from operations before dividends and interest	(3,958)	(2,882)	(4,686)
Dividends received	16,517	16,084	17,806
Interest received	147	—	1
Overseas withholding tax recovered	1,227	531	820
Net cash inflow from operating activities	13,933	13,733	13,941
Purchases of investments	(350,432)	(258,862)	(733,345)
Sales of investments	381,566	282,414	675,882
Settlement of forward currency contracts	—	184	2
Net cash inflow/(outflow) from investing activities	31,134	23,736	(57,461)
Equity dividends paid	(12,283)	(8,661)	(10,551)
Repurchase and cancellation of the Company's own shares	—	(4,412)	(4,412)
Repayment of bank loans	(34,447)	(42,528)	(42,528)
Drawdown of bank loans	—	—	74,509
Interest paid	(2,169)	(536)	(1,184)
Net cash (outflow)/inflow from financing activities	(48,899)	(56,137)	15,834
Decrease in cash and cash equivalents	(3,832)	(18,668)	(27,686)
Cash and cash equivalents at start of period/year	47,000	75,318	75,318
Exchange movements	362	1,079	(632)
Cash and cash equivalents at end of period/year	43,530	57,729	47,000
Cash and cash equivalents consist of:			
Cash and short term deposits	497	266	447
Cash held in JPMorgan Euro Liquidity Fund	43,033	57,463	46,553
Total	43,530	57,729	47,000

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

Condensed Statement of Cash Flows

Analysis of change in net debt

	As at 31st March 2023 £'000	Cash flows £'000	Other non-cash charges £'000	As at 30th September 2023 £'000
Cash and cash equivalents:				
Cash	447	46	4	497
Cash equivalents	46,553	(3,878)	358	43,033
	47,000	(3,832)	362	43,530
Borrowings				
Debt due within one year	(109,836)	34,447	1,657	(73,732)
	(109,836)	34,447	1,657	(73,732)
Net debt	(62,836)	30,615	2,019	(30,202)

Notes to the Condensed Financial Statements

For the six months ended 30th September 2023

1. Financial statements

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

The figures and financial information for the year ended 31st March 2023 are extracted from the latest published financial statements of the Company and do not constitute statutory accounts for that year. Those financial statements have been delivered to the Registrar of Companies, including the report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting policies

The condensed financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' of the United Kingdom Generally Accepted Accounting Practice ('UK GAAP') and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the revised 'SORP') issued by the Association of Investment Companies in July 2022.

FRS 104, 'Interim Financial Reporting', issued by the Financial Reporting Council ('FRC') in March 2015 has been applied in preparing this condensed set of financial statements for the six months ended 30th September 2023.

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

The accounting policies applied to this condensed set of financial statements are consistent with those applied in the financial statements for the year ended 31st March 2023.

3. Return/(loss) per share

	(Unaudited) Six months ended 30th September 2023 £'000	(Unaudited) Six months ended 30th September 2022 £'000	(Audited) Year ended 31st March 2023 £'000
Return per share is based on the following:			
Revenue return	16,405	16,442	17,512
Capital loss	(104,916)	(167,043)	(51,364)
Total loss	(88,511)	(150,601)	(33,852)
Weighted average number of shares in issue	157,474,385	157,662,663	157,569,054
Revenue return per share	10.42p	10.43p	11.11p
Capital loss per share	(66.62)p	(105.95)p	(32.60)p
Total loss per share	(56.20)p	(95.52)p	(21.49)p

Notes to the Financial Statements

4. Dividends paid

	(Unaudited) Six months ended 30th September 2023 £'000	(Unaudited) Six months ended 30th September 2022 £'000	(Audited) Year ended 31st March 2023 £'000
2023 final dividend of 7.8p (2022: 5.5p) per share	12,283	8,661	8,661
2023 interim dividend of 1.2p per share	—	—	1,890
Total dividends paid in the period/year	12,283	8,661	10,551

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

An interim dividend of 2.5p (2022:1.2p) has been declared in respect of the six months ended 30th September 2023, amounting to £3,937,000.

5. Net asset value per share

	(Unaudited) Six months ended 30th September 2023	(Unaudited) Six months ended 30th September 2022	(Audited) Year ended 31st March 2023
Net assets (£'000)	684,083	670,203	785,062
Number of shares in issue	157,424,931	157,474,931	157,474,931
Net asset value per share	434.5p	425.6p	498.5p

6. Fair valuation of investments

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

	(Unaudited) Six months ended 30th September 2023		(Unaudited) Six months ended 30th September 2022		(Audited) Year ended 31st March 2023	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	710,083	—	642,346	—	839,582	—
Total	710,083	—	642,346	—	839,582	—



Interim Management Report

The Company is required to make the following disclosures in its half year report:

Principal Risks and Uncertainties

The principal and emerging risks and uncertainties faced by the Company fall into the following broad categories: investment underperformance and strategy; market and currency; accounting, legal and regulatory; operational; cyber-crime, financial, corporate governance and shareholder relations, climate change, pandemic risk, artificial intelligence, geopolitical and global recession. The Board has reviewed the principal risks and uncertainties, reported in the Annual Report and Financial Statements for the year ended 31st March 2023, and concluded that it does not believe that currently there are any emerging risks facing the Company. In the view of the Board, these principal risks and uncertainties are as much applicable to the remaining six months of the financial year as they were to the six months under review.

Related Parties Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or the performance of the Company.

Going Concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. More specifically, that there are no material uncertainties pertaining to the Company that would prevent its ability to continue in such operational existence for at least 12 months from the date of the approval of this half yearly financial report. For these reasons, they consider that there is reasonable evidence to continue to adopt the going concern basis in preparing the financial statements.

Directors' Responsibilities

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

- (i) the condensed set of financial statements contained within the half-yearly financial report has been prepared in accordance with FRS 104 'Interim Financial Reports' and gives a true and fair view of the state of affairs of the Company and of the assets, liabilities, financial position and net return of the Company, as at 30th September 2023, as required by the UK Listing Authority Disclosure Guidance and Transparency Rules 4.2.4R; and

- (ii) the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure Guidance and Transparency Rules.

In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

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

and the Directors confirm that they have done so.

For and on behalf of the Board

Marc van Gelder

Chairman

13th December 2023



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

Return to Shareholders (APM)

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

		Six months ended 30th September 2023	Year ended 31st March 2023	
Total return calculation	Page			
Opening share price (p)	6	423.0	450.0	(a)
Closing share price (p)	6	370.0	423.0	(b)
Total dividend adjustment factor ¹		1.020392	1.018071	(c)
Adjusted closing share price (d = b x c)		377.5	430.6	(d)
Total return to shareholders (e = d / a - 1)		-10.7%	-4.3%	(e)

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

Return on Net Assets (APM)

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

		Six months ended 30th September 2023	Year ended 31st March 2023	
Total return calculation	Page			
Opening NAV per share (p)	6	498.5	526.1	(a)
Closing NAV per share (p)	6	434.5	498.5	(b)
Total dividend adjustment factor ¹		1.017060	1.014844	(c)
Adjusted closing NAV per share (d = b x c)		441.9	505.9	(d)
Total return on net assets (e = d / a - 1)		-11.4%	-3.8%	(e)

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

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

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.

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

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.

		30th September 2023 £'000	31st March 2023 £'000	
Gearing calculation	Page			
Investments held at fair value through profit or loss	22	710,083	839,582	(a)
Net assets	22	684,083	785,062	(b)
Gearing/(net cash) (c = a / b - 1)		3.8%	6.9%	(c)

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.

The figure as at 30th September 2023 is an estimated annualised figure based on the numbers for the six months ended 30th September 2023.

		30th September 2023 £'000	31st March 2023 £'000	
Ongoing charges calculation	Page			
Management Fee	20	6,292	6,416	
Other administrative expenses	20	710	690	
Total management fee and other administrative expenses		7,002	7,106	(a)
Average daily cum-income net assets		731,288	753,063	(b)
Ongoing charges (c = a / b)		0.96%	0.94%	(c)

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

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

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

Where to buy JPMorgan European Discovery Trust plc

You can invest in JPMorgan European Discovery Trust plc through the following:

1. Via a third party provider

Third party providers include:

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

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

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

2. Through a professional adviser

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

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

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

Be ScamSmart

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

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

If so, you might have been contacted by fraudsters.

Avoid investment fraud

1 Reject cold calls

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

2 Check the FCA Warning List

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

3 Get impartial advice

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

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

Report a Scam

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

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

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



Information about the Company

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

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

Consumer Duty Value Assessment

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

Information about the Company

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
Dividend	February/August

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.

Directors

Marc van Gelder (Chairman)
Nicholas Smith (Audit Committee Chairman)
Sarah Watters
Suzy Ross
Arun Sarwal

Company Numbers

Company registration number: 2431143
London Stock Exchange number: 0341969
ISIN: GBO0BMTSOZ37
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, where the share price is updated every fifteen minutes during trading hours.

Website

www.jpmeuropeandiscovery.co.uk

Share Transactions

The Company's shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf.

Manager and Company Secretary

JPMorgan Funds Limited.

Company's Registered Office

60 Victoria Embankment
London EC4Y 0JP
Telephone: 0800 20 40 20 or +44 1268 44 44 70
email: invtrusts.cosec@jpmorgan.com

For company secretarial issues and administrative matters, please contact Priyanka Vijay Anand at the above address.

aic

The Association of
Investment Companies A member of the AIC

Depository

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

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

Registrars

Equiniti Limited
Reference 1083
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone: 0371 384 2325

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

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1083.

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

Independent Auditors

Ernst & Young LLP
Statutory Auditor
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144 Morrison Street
Edinburgh EH3 8EB

Brokers

Cavendish Financial;
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J.P.Morgan
ASSET MANAGEMENT