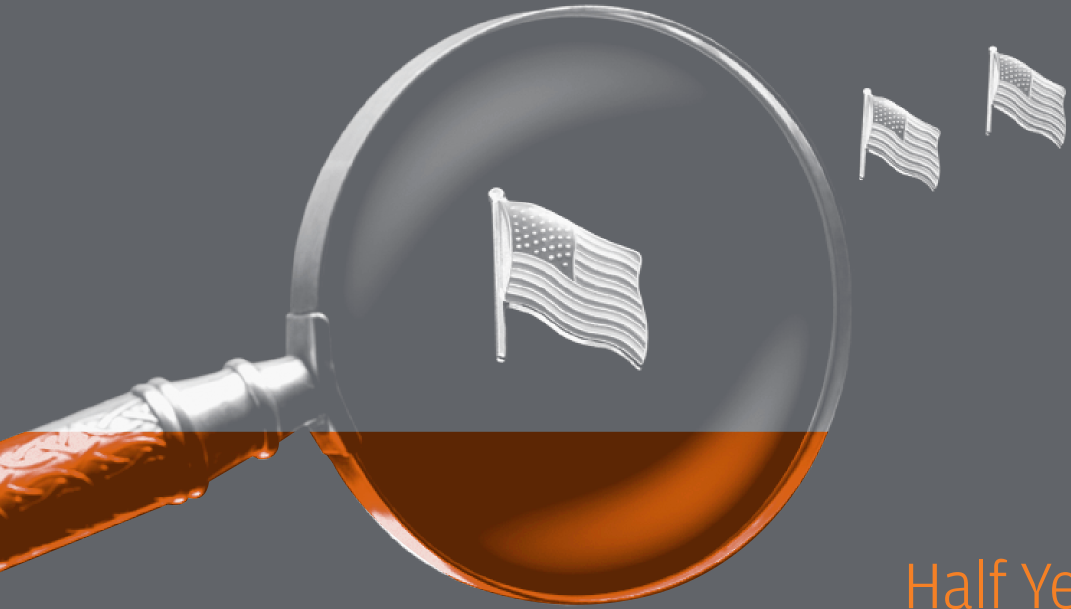

Half Year Report 09

JPMorgan US Discovery Investment Trust plc

Half Year Report & Accounts for the six months ended 30th June 2009

J.P.Morgan
Asset Management

Features

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Objective

Capital growth from investing in US small and micro cap companies.

Investment Philosophy

The portfolio is a product of the investment team's bottom-up investment approach and disciplined portfolio construction. The investment philosophy is simple and straightforward; to invest in companies that have a sustainable competitive advantage, run by competent management teams who have a track record of success and are good stewards of capital; and to focus on owning equity stakes in businesses that trade at a discount to their intrinsic value.

Investment Criteria

- To identify growth companies with a core competitive advantage.
- To focus intensively on the value-added of the business and the competence of management.
- To emphasise predictability and durability of business.
- To invest in companies where there is a minimum predicted rate of return of 15% per annum.

Benchmark

The Russell 2000 Index in sterling terms. Comparison of the Company's performance is made with this benchmark.

Capital Structure

The Company has an authorised share capital of 13,200,000 ordinary shares of 25p each, of which 5,935,367 were in issue at 30th June 2009, including 274,557 held in Treasury.

Management Company

The Company employs JPMorgan Asset Management ('JPMAM') to manage its assets and act as Secretary. The investment team is situated in New York. The investment manager, Glenn Gawronski, has been managing JPMAM's US active small cap core strategy since September 2004. He worked in JPMAM's micro cap investment team from 1999 to 2004. Mr Gawronski is supported by three experienced investment professionals dedicated to US micro and small cap strategies as well as the wider JPMAM investment management team.

AIC

The Company is a member of the Association of Investment Companies.

Half Year Performance

+12.1%
Total return to shareholders[1]

+7.6%
Total return on net assets[2,3]

-10.5%
Benchmark total return[4,5]

Financial Data

	30th June 2009	31st December 2008	% change
Total net assets (£'000)	**35,744**	34,475	+3.7
Number of shares in issue[6]	**5,660,810**	5,881,367	-3.8
Net asset value per share	**631.4p**	586.2p	+7.7
Net asset value per share assuming reissue of Treasury shares[3]	**630.0p**	585.5p	+7.6
Share price	**567.0p**	506.0p	+12.1
Share price discount to net asset value[3]	**10.0%**	13.6%	
Actual gearing factor	**96.4%**	93.2%	

A glossary of terms and definitions is provided on page 17.

[1]Source: Morningstar.

[2]Source: J.P. Morgan.

[3]Net asset value assuming all shares held in Treasury have been reissued in accordance with the Board's policy on the reissurance of Treasury shares.

[4]Source: Russell – www.russell.com

[5]The Company's benchmark is the Russell 2000 Index in sterling terms.

[6]Excludes 274,557 (2008: 150,000) shares held in Treasury.

Chairman's Statement

Performance

I am pleased to report that the Company's new investment management team has made a strong start in turning round the Company's performance, especially given the challenging markets and the negative effects of the weak dollar. In the six month period to 30th June 2009 the Company's net asset value (NAV) rose by 7.6% which compares with a fall of 10.5% in the Russell 2000 Index in sterling terms. The share price rose by 12.1% over the period under review which reflected a narrowing of the discount to NAV. In dollar terms the NAV rose by 23.2% which compares with a rise of only 2.6% for the Russell 2000 Index.

2009 has been one of the trickiest periods experienced by the current generation of investors. The financial crisis of 2008 has turned into a full blown global economic crisis with huge consequences for stock markets. Governments have been forced to provide substantial economic stimulus in an attempt to stem the sharp rises in unemployment and the fall in growth. In the Investment Manager's Report, Glenn Gawronski describes how he and his team have met these challenges over the six month reporting period together with the changes that have been made to the portfolio and how it is now positioned.

Share Buybacks

At the Annual General Meeting held in April 2009, the authority to repurchase up to 14.99% of the Company's issued share capital was renewed. Over the six months to 30th June 2009, 220,557 shares were repurchased into Treasury at an average discount of 14.0%.

Shareholders also gave the Board authority to allot new ordinary shares in the Company and reissue ordinary shares from Treasury. During the reporting period, no shares were allotted or reissued. Where necessary, Treasury shares will be re-issued at a limited discount to net asset value to manage any imbalance between supply and demand and hence improve liquidity in the Company's shares. In accordance with the Company's policy that shares held in Treasury be cancelled after one year, 96,000 shares were cancelled from Treasury during the period.

Over the past six months volatile stock markets, the fluctuating dollar and the strong move in our underlying assets have combined to make it hard to keep the discount in line with our stated policy of under 9% on a daily basis. Despite these factors our discount to NAV has averaged 9.6% over the past twelve months, well below the current average of 19.5% for the AIC North American Smaller Companies sector.

Gearing

At the end of January 2009 our gearing facility expired and the Company has been unable to renew this borrowing. The good news is that your Board and the Investment Manager have not wanted to be geared at this time given the uncertainties that prevail in the market. We will, however, continue to work on getting a borrowing arrangement in place so that when the opportunities arise, your Investment Manager will be able to take advantage of them in order to enhance returns to shareholders.

Outlook

It would be premature to talk about signs of recovery and to cite a positive outlook for the US small cap market given the levels of uncertainty that exist. Uncertainty does, however, create investment opportunities especially in the riskier asset classes such as smaller cap equities. The recent rally in small cap from the March lows has been concentrated in the riskier, low quality end of the market which has produced some interesting valuations in higher quality companies which in turn should produce some good investment opportunities in the coming months.

Davina Walter
Chairman

21st August 2009

Investment Manager's Report

Glenn Gawronski

Glenn Gawronski has been with JPMorgan for 11 years and worked for 6 years as a senior analyst in the US micro cap team until 2004 when he was promoted to be the investment manager for JPMorgan Asset Management's US small cap core active strategy. Glenn's investment philosophy was honed during his time as an analyst in the US micro cap team and is consistent with the investment process that had made the strategy successful in prior years.

Glenn is supported by a team of three investment professionals:

Don San Jose

Don has been with JPMorgan for 8 years, first as a research analyst and for the past 5 years as Glenn's partner on the US small cap core active strategy.

Justin Howell

An employee since 2003, Justin aids in the management of the JPMorgan small cap active core strategy. He was previously a research associate covering healthcare services, biotech and industrial cyclical companies.

Dan Percella

An employee since 2008, Dan was previously a member of institutional investor-ranked equity research teams covering the transportation sector at other investment firms. Prior to equity research, Dan worked as an analyst at an economic consulting firm.

Market Review

The first half of 2009 was a period of contrast. During the period from January through early March, US equity markets retested lows, as economic data provided few causes for optimism. There was sobering news in terms of US unemployment, manufacturing activity, continued pressure on housing prices and uncertainty relating to the sustainability of the entire financial system. Investors responded by reducing their appetite for risk and markets ultimately reached new cyclical lows on March 9th.

Subsequently, US equity markets surged. On March 10th the Russell 2000 Index rose 7.1% and the Chicago Board Options Exchange Volatility Index (VIX) fell 11%, as investors' appetite for risk returned. The rally from mid-March through June was largely sparked by positive pre-announcements from large cap financial companies regarding their profitability, which took the possibility of a systematic failure of the financial system off the table. The rally continued through March and into June driven by optimism regarding worldwide government stimuli and a deceleration in the pace of economic deterioration. Investors considered the equity market oversold and began to embrace risk with economically sensitive businesses, highly leveraged companies and lower quality stocks leading the rally.

Investment Performance

For the six months to 30th June 2009, the total return on net assets was +7.6%, a strong performance relative to the benchmark, the Russell 2000 Index, which fell by 10.5%, both in sterling terms. The Company's outperformance was primarily due to superior stock selection in the financial services and consumer discretionary sectors.

Portfolio Positioning

We took responsibility for management of the Company's portfolio in mid November 2008 and have reshaped the portfolio, while remaining true to our bottom-up fundamental analysis. During the period, we have expanded the number of stocks in the portfolio from 65 to 83 (as at 30th June), reducing concentration, while upgrading the quality of the portfolio. We have materially reduced our sector overweight positions in the Consumer Discretionary, Technology and Auto & Transportation sectors, though we continue to remain overweight in those sectors. On the other hand, the portfolio remains underweight in the Producer Durables, Energy and Materials & Processing sectors. Finally, the portfolio's significant underweight position in the Financial Services and Utilities sectors has been significantly reduced and at the end of June we were modestly underweight in those sectors.

Our sector weights are a by-product of our bottom-up investment analysis and disciplined approach to portfolio construction. We maintain a consistent investment strategy that focuses on companies that possess a sustainable competitive advantage and that are overseen by a management team with a track record of success. Finally, we seek to acquire equity stakes in those businesses when they trade at a discount to their intrinsic value.

For the six months ended 30th June 2009, our strategy outperformed the Russell 2000 Index. The majority of out-performance resulted from stock selection, though sector weights contributed positively as well. As we repositioned the portfolio, we shifted away from companies that contained severe enterprise risk due to impaired balance sheets and/or inconsistent cash flows and we moved towards companies that generate sustainable earnings and more consistent cash flows. This is illustrated by the change in the portfolio tilts since November 2008, as the portfolio now has lower earnings variation, lower volatility and a higher earnings yield. We have accomplished this without sacrificing the growth bias of the portfolio; the portfolio remains more growth orientated than the benchmark as high quality growth stocks remain more attractive.

Portfolio Highlights

The top three contributors to performance were Calamos Asset Management, Youbet.com and Switch & Data. Calamos Asset Management contributed positively with a return of 93% during the period and a contribution of +263bps to our relative outperformance. Calamos is an asset manager with $23.8 billion in assets under management and a strong long-term track record in growth investing. Shares of Calamos rallied in conjunction with a significant rebound in the equity market. Youbet.com produced a return of 279% during the period and a contribution of +149bps. Youbet is an internet gambling website and provider of pari-mutuel horse racing content. Youbet's new management team continues to implement a successful operational turnaround, reducing costs and improving the company's profitability and cash flow generation, while at the same time adding new racetrack content. Finally, Switch & Data produced a return of 59% during the period and a contribution of +107bps. Switch & Data provides network neutral interconnection and collocation services to internet dependent business. The company continues to post strong revenue and earnings growth, driven by new bookings from existing customers, its recent capacity expansion which added more billable cabinets and stable pricing trends. Capacity utilisation at its new facilities is progressing ahead of plan, while the near-term order trends and pipeline remain solid.

The top three detractors to performance were Zep, RLI Corp. and GMX Resources. Zep, a specialty chemical manufacturer, detracted from our performance with a return of -37% during the period and a contribution of -58bps. Broad-based weakness in Zep's end-markets has put pressure on volumes, offsetting the benefit of internal initiatives and improved pricing. As a result, the company delivered disappointing results and was forced to lower expectations for this fiscal year. Management has since made progress on sustainable cost improvements and margin improvement, and is well-positioned for a recovery. RLI, an excess and surplus lines property-casualty insurance underwriter, returned -26% during the period and made a contribution of -44bps. Shares of RLI have suffered from poor investment results in their securities portfolio and a weak insurance pricing environment. We believe that RLI's securities portfolio will benefit from the recent rebound in equity markets, which should translate into book value growth, a key driver of share performance in the insurance space. Meanwhile, RLI's management team is taking the right steps to address the soft insurance rate environment, namely not chasing market share and maintaining focus on achieving underwriting profitability. Finally, GMX Resources is an exploration and production company that acquires and develops oil and gas properties. GMX Resources returned -74% during the period, detracting -43bps from our outperformance. We sold out of GMX Resources because of the company's impaired balance sheet and the low commodity price environment's impact on cash flows.

Investment Manager's Report continued

Market Outlook

Financial markets are forward looking. In 2008, markets discounted future economic problems well in advance and punished smaller, less liquid, micro cap stocks. In the last few months, however, equity markets have rebounded sharply as aggressive monetary policy actions and government stimuli have bolstered investor confidence that we will avert financial collapse. As investors adjusted their desire for risk, the smallest, least liquid stocks have rallied.

While certain leading economic indicators, such as the Institute of Supply Management ('ISM') manufacturing index, have begun to show signs of improvement from very low levels, the economy remains in the early stages of the healing process. We remain concerned by weak job markets, unrelenting declines in the US housing market and continued de-leveraging by financial institutions and consumers alike. We expect that the economic recovery will be gradual. That said, we must balance our predilection for caution against the objective fact that even after a strong rally from March through June, the Russell 2000 Index has only increased 2.6% in the first half of this year and remains approximately 26% off its 52-week high. With the yield on the ten year Treasury bonds hovering around 3.5% versus the earnings yield on the Russell 2000 Index of more than 6%, investors may continue to increase their risk appetite despite the potential for a slow, uneven economic recovery. As a result, we plan to remain disciplined with regards to our investment strategy: identifying companies with a sustainable competitive advantage, durable business models and solid management teams, and buying these companies at a discount to their intrinsic value.

Glenn Gawronski
Investment Manager　　21st August 2009

Ten Largest Investments[1]

at 30th June 2009

Company[2]	Sector	Valuation £'000	Portfolio %[3]	Benchmark %	Active Position* %
American Physicians Service	Healthcare	875	2.5	-	2.5
Proassurance	Financial Services	829	2.3	0.2	2.1
PharMerica	Healthcare	797	2.2	0.1	2.1
Shuffle Master	Consumer Discretionary	728	2.0	0.1	1.9
Catalyst Health Solutions	Healthcare	684	1.9	0.1	1.8
Myriad Genetics	Healthcare	677	1.9	-	1.9
Micros Systems	Technology	649	1.8	-	1.8
Forward Air	Industrials	646	1.8	0.1	1.7
Optionsxpress	Financial Services	640	1.8	0.1	1.7
E-Health	Financial Services	605	1.7	0.1	1.6
Total[4]		**7,130**	**19.9**	**0.8**	**19.1**

[1] Does not include the Company's investment in the JPMorgan US Dollar Liquidity Fund.

[2] All companies shown are registered in the USA.

[3] Based on total assets less current liabilities of £35.8m.

[4] As at 31st December 2008, the value of the ten largest investments amounted to £8.5m representing 24.6% of total assets less current liabilities.

* A definition is given in the glossary of terms on page 17.

Portfolio Analysis

Sector Analysis

	30th June 2009			31st December 2008		
	Portfolio %	Benchmark %	Active Position* %	Portfolio %	Benchmark %	Active Position* %
Technology	**22.4**	**19.7**	**2.7**	27.0	15.7	11.3
Healthcare	**18.1**	**15.1**	**3.0**	17.9	15.3	2.6
Financial Services	**17.0**	**19.5**	**(2.5)**	15.5	23.4	(7.9)
Consumer Discretionary	**16.8**	**13.0**	**3.8**	16.4	11.0	5.4
Industrials	**11.0**	**16.5**	**(5.5)**	14.8	17.3	(2.5)
Telecommunication Services	**4.1**	**1.3**	**2.8**	1.5	1.2	0.3
Oils & Other Energy	**2.6**	**4.1**	**(1.5)**	2.8	4.1	(1.3)
Materials & Processing	**2.1**	**3.8**	**(1.7)**	1.6	3.7	(2.1)
Consumer Staples	**1.9**	**3.4**	**(1.5)**	2.5	3.9	(1.4)
Utilities	**1.5**	**3.6**	**(2.1)**	-	4.4	(4.4)
Liquidity Funds	**2.5**	**-**	**2.5**	-	-	-
	100.0	**100.0**	**-**	100.0	100.0	-

Based on investments at fair value of £35.3m (2008: £32.1m).

*A definition is given in the glossary of terms on page 17.

Income Statement

for the six months ended 30th June 2009

	(Unaudited) Six months ended 30th June 2009			(Unaudited) Six months ended 30th June 2008			(Audited) Year ended 31st December 2008		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss	–	2,818	2,818	–	(13,652)	(13,652)	–	(20,814)	(20,814)
Net foreign currency (losses)/gains	–	(179)	(179)	–	(12)	(12)	–	5	5
Income from investments	112	–	112	80	–	80	130	–	130
Other interest receivable and similar income	3	–	3	6	–	6	167	–	167
Gross return/(loss)	115	2,639	2,754	86	(13,664)	(13,578)	297	(20,809)	(20,512)
Management fee	(16)	(149)	(165)	(27)	(244)	(271)	(48)	(430)	(478)
Performance fee (charge)/ writeback	–	(91)	(91)	–	431	431	–	431	431
VAT recovered	–	–	–	–	–	–	228	13	241
Other administrative expenses	(119)	–	(119)	(151)	–	(151)	(287)	–	(287)
Net (loss)/return on ordinary activities before finance costs and taxation	(20)	2,399	2,379	(92)	(13,477)	(13,569)	190	(20,795)	(20,605)
Finance costs	(1)	(6)	(7)	(3)	(26)	(29)	(5)	(43)	(48)
Net (loss)/return on ordinary activities before taxation	(21)	2,393	2,372	(95)	(13,503)	(13,598)	185	(20,838)	(20,653)
Taxation	(17)	–	(17)	(12)	–	(12)	(19)	–	(19)
Net (loss)/return on ordinary activities after taxation	(38)	2,393	2,355	(107)	(13,503)	(13,610)	166	(20,838)	(20,672)
(Loss)/return per share (note 3)	(0.66)p	41.51p	40.85p	(1.52)p	(192.30)p	(193.82)p	2.53p	(317.85)p	(315.32)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 Total column represents all the information that is required to be disclosed in a Statement of Total Recognised Gains and Losses ('STRGL'). For this reason a STRGL has not been presented.

Reconciliation of Movements in Shareholders' Funds

Six months ended 30th June 2009 (Unaudited)	Called up share capital £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31st December 2008	1,508	1,634	36,028	(4,695)	**34,475**
Repurchase of shares into Treasury	–	–	(1,086)	–	**(1,086)**
Cancellation of shares in Treasury	(24)	24	–	–	**–**
Net return/(loss) on ordinary activities	–	–	2,393	(38)	**2,355**
At 30th June 2009	1,484	1,658	37,335	(4,733)	**35,744**

Six months ended 30th June 2008 (Unaudited)	Called up share capital £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31st December 2007	2,098	1,044	69,630	(4,861)	**67,911**
Repurchase and cancellation of shares	(450)	450	(9,100)	–	**(9,100)**
Repurchase of shares into Treasury	–	–	(1,055)	–	**(1,055)**
Net loss on ordinary activities	–	–	(13,503)	(107)	**(13,610)**
At 30th June 2008	1,648	1,494	45,972	(4,968)	**44,146**

Year ended 31st December 2008 (Audited)	Called up share capital £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31st December 2007	2,098	1,044	69,630	(4,861)	**67,911**
Repurchase and cancellation of shares	(442)	442	(11,429)	–	**(11,429)**
Repurchase of shares into Treasury	–	–	(1,335)	–	**(1,335)**
Cancellation of shares in Treasury	(148)	148	–	–	**–**
Net loss on ordinary activities	–	–	(20,838)	(166)	**(20,672)**
At 31st December 2008	1,508	1,634	36,028	(4,695)	**34,475**

Balance Sheet
at 30th June 2009

	(Unaudited) 30th June 2009 £'000	(Unaudited) 30th June 2008 £'000	(Audited) 31st December 2008 £'000
Fixed assets			
Investments held at fair value through profit or loss	**34,448**	43,915	32,121
Investments in liquidity funds held at fair value through profit or loss	**880**	–	–
	35,328	43,915	32,121
Current assets			
Debtors	**330**	547	951
Cash and short term deposits	**229**	139	2,132
	559	686	3,083
Creditors: amounts falling due within one year	**(52)**	(455)	(729)
Net current assets	**507**	231	2,354
Total assets less current liabilities	**35,835**	44,146	34,475
Provisions for liabilities and charges	**(91)**	–	–
Total net assets	**35,744**	44,146	34,475
Capital and reserves			
Called up share capital	**1,484**	1,648	1,508
Capital redemption reserve	**1,658**	1,494	1,634
Capital reserves	**37,335**	45,972	36,028
Revenue reserve	**(4,733)**	(4,698)	(4,695)
Shareholders' funds	**35,744**	44,146	34,475
Net asset value per share (note 4)	**631.4p**	695.6p	586.2p

Cash Flow Statement

for the six months ended 30th June 2009

	(Unaudited) Six months ended 30th June 2009 £'000	(Unaudited) Six months ended 30th June 2008 £'000	(Audited) Year ended 31st December 2008 £'000
Net cash (outflow)/inflow from operating activities (note 5)	**(59)**	(194)	195
Net cash outflow from returns on investments and servicing of finance	**(6)**	(29)	(49)
Net cash (outflow)/inflow from capital expenditure and financial investment	**(573)**	12,356	16,924
Net cash outflow from financing	**(1,086)**	(12,856)	(15,905)
(Decrease)/increase in cash for the period	**(1,724)**	(723)	1,165
Reconciliation of net cash flow to movement in net funds/debt			
Net cash movement	**(1,724)**	(723)	1,165
Loans drawn down in the period	**–**	(440)	–
Exchange movements	**(179)**	(33)	(15)
Changes in net funds/debt arising from cash flows	**(1,903)**	(1,196)	1,150
Net funds at the beginning of the period	**2,132**	982	982
Net funds/(debt) at the end of the period	**229**	(214)	2,132
Represented by:			
Cash and short term deposits	**229**	139	2,132
Debt falling due within one year	**–**	(353)	–
	229	(214)	2,132

Notes to the Accounts

for the six months ended 30th June 2009

1. Financial Statements

The information contained within the Financial Statements in this Half Year Report has not been audited or reviewed by the Company's auditors.

The figures and financial information for the year ended 31st December 2008 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included 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 accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice ('UK GAAP') and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' issued in January 2009.

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

The accounting policies applied to these half year accounts are consistent with those applied in the accounts for the year ended 31st December 2008.

3. (Loss)/return per share

	(Unaudited) Six months ended 30th June 2009 £'000	(Unaudited) Six months ended 30th June 2008 £'000	(Audited) Year ended 31st December 2008 £'000
(Loss)/return per share is based on the following:			
Revenue (loss)/return	**(38)**	(107)	166
Capital return/(loss)	**2,393**	(13,503)	(20,838)
Total return/(loss)	**2,355**	(13,610)	(20,672)
Weighted average number of shares in issue	**5,765,035**	7,021,963	6,555,908
Revenue (loss)/return per share	**(0.66)p**	(1.52)p	2.53p
Capital return/(loss) per share	**41.51p**	(192.30)p	(317.85)p
Total return/(loss) per share	**40.85p**	(193.82)p	(315.32)p

4. Net asset value per share

Net asset value per share is based on the net assets attributable to ordinary shareholders of £35,744,000 (30th June 2008: £44,146,000 and 31st December 2008: £34,475,000) and on the 5,660,810 (30th June 2008: 6,346,453 and 31st December 2008: 5,881,367) shares in issue at the period end, excluding shares held in Treasury.

Notes to the Accounts continued

5. Reconciliation of net return/(loss) on ordinary activities before finance costs and taxation to net cash (outflow)/inflow from operating activities

	(Unaudited) Six months ended 30th June 2009 £'000	(Unaudited) Six months ended 30th June 2008 £'000	(Audited) Year ended 31st December 2008 £'000
Net return/(loss) on ordinary activities before finance costs and taxation	**2,379**	(13,569)	(20,605)
Add back capital (return)/loss before finance costs and taxation	**(2,399)**	13,477	20,795
Decrease in net debtors and accrued income	**127**	154	441
VAT recovered included in capital	**–**	–	13
Expenses charged to capital	**(149)**	(244)	(430)
Overseas withholding tax	**(17)**	(12)	(19)
Net cash (outflow)/inflow from operating activities	**(59)**	(194)	195

Interim Management Report

The Company is required to make the following disclosures in its Half Year Report:

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company fall into five broad categories: investment and strategy; accounting, legal and regulatory; corporate governance and shareholder relations; operational; and financial. Information on each of these areas is given in the Business Review within the Annual Report and Accounts for the year ended 31st December 2008.

During the market turmoil in the second half of 2008, JPMAM reacted with heightened management scrutiny of counterparty risk. In addition, reviews were initiated of exposures, policies, procedures and legal arrangements applicable to the major sources of counterparty exposure.

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 during the period.

Directors' Responsibilities

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

i) the condensed set of financial statements contained within the half yearly financial report has been prepared in accordance with the Accounting Standards Board's Statement 'Half-Yearly Financial Reports'; and

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

For and on behalf of the Board

Davina Walter
Chairman 21st August 2009

Information about the Company

Financial Calendar

Financial year end	31st December
Half year results announced	August
Full year results announced	February/March
Interim Management Statements	April and October
Annual General Meeting	April

History

JPMorgan US Discovery Investment Trust plc was incorporated in 1955 as Atomic Securities Trust Limited. It was dormant until 1962 when it changed its name to Fledgeling Investments Limited and began operations as an unquoted investment company.

The trust was wholly owned by a number of JPMorgan investment trusts and invested in listed and unlisted companies in the UK and US which for reasons of small size, illiquidity or risk, were unsuitable for direct investment. In 1982, with assets of £9.2 million, it obtained a listing on the London Stock Exchange and gained investment trust status. At that time it changed its name to The Fleming Fledgeling Investment Trust plc and gradually broadened its investment scope into Europe and the Asian markets. In April 1998, the Company changed its name to The Fleming US Discovery Investment Trust plc and then again to JPMorgan Fleming US Discovery Investment Trust plc in May 2002. The Company adopted its present name in April 2006.

Continuation Vote

At the Annual General Meeting of the Company held in April 2005 a resolution of the shareholders approved the continuation of the Company until the Annual General Meeting to be held in 2010.

Directors

Davina Walter (Chairman)
Mark Ansell
Christopher Galleymore
Alan Kemp

Company Numbers

Company registration number: 552775
London Stock Exchange Code: JPU LN
ISIN: GB0003417101
Bloomberg: JPU LN
Reuters: JPU.L

Market Information

The shares are listed on the London Stock Exchange and are quoted daily in the Financial Times, The Times, The Daily Telegraph, The Scotsman, The Independent and The Herald and on the JPMorgan internet site at www.jpmusdiscovery.co.uk, where the share price is updated every 15 minutes during trading hours.

Website

www.jpmusdiscovery.co.uk

Share Transactions

The shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf. They may also be purchased and held through the JPMorgan Investment Trust Share Plan and Individual Savings Account (ISA).

Manager and Company Secretary

JPMorgan Asset Management (UK) Limited

Company's Registered Office

Finsbury Dials
20 Finsbury Street
London EC2Y 9AQ
Telephone: 020 7742 6000

For company secretarial and administrative matters please contact Jonathan Latter.

Registrars

Equiniti
Reference 1084
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone: 0871 384 2326

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1084.

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

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Brokers

Cenkos Securities plc
6, 7, 8 Tokenhouse Yard
London EC2R 7AS

Savings Product Administrators

For queries on the JPMorgan ISA, Share Plan or Pension Account, see the contact details on the reverse of this report.

aic
The Association of Investment Companies
A member of the AIC

Glossary of Terms

Total return to shareholders

Total return to the investor, on a mid-market price to mid-market price basis, assuming that any dividends paid by the Company were reinvested in shares of the Company at the time the shares were quoted ex-dividend.

Total return on net assets

Total return on net asset value ('NAV') per share, on a bid value to bid value basis, assuming that any dividends paid by the Company were reinvested in shares of the Company at the NAV per share at time the shares were quoted ex-dividend.

Benchmark total return

Total return on the benchmark assuming that all dividends paid by those companies that comprise the benchmark were reinvested in shares of those 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 stated index.

Net asset value per share assuming reissue of Treasury shares

The resulting 'diluted' NAV per share assuming all shares held in Treasury have been reissued in accordance with the Board's policy on the reissuance of Treasury shares. It is the Board's policy not to reissue Treasury shares when the market price is less than 95% of the NAV per share. Hence the diluted NAV per share assumes all shares held in Treasury have been reissued at a price equal to 95% of the NAV per share.

Discount

If the share price of an investment company is lower than the NAV per share, the Company's shares are said to be trading at a discount. The discount is shown as a percentage of the NAV. The opposite of a discount is a premium. It is more common for an investment company's shares to trade at a discount than a premium.

Actual gearing factor

Investments, excluding holdings in liquidity funds, expressed as a percentage of shareholders' funds. This shows the effect of gearing on the NAV if the market value of the portfolio was to increase by 100%.

Active Position

The active position shows the difference between the Company's holding of an individual stock or sector compared with that stock or sector's weighting in the Company's benchmark index. A positive number indicates an active decision by the Investment Manager to own more of (i.e. be overweight) a particular stock or sector versus the benchmark and a negative number indicates a decision to hold less of (i.e. be underweight) a particular stock versus the benchmark.

JPMorgan Helpline
Freephone 0800 20 40 20 or 0207 742 9999
9.00 am to 5.30 pm Monday to Friday

Your telephone call may be recorded for your security

www.jpmusdiscovery.co.uk