

THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED IN IT ARE NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO, THE UNITED STATES OF AMERICA (INCLUDING ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA), AUSTRALIA, CANADA, JAPAN, NEW ZEALAND, THE REPUBLIC OF SOUTH AFRICA, IN ANY MEMBER STATE OF THE EEA OR IN ANY OTHER JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL

This announcement is not an offer to sell, or a solicitation of an offer to acquire, securities in the United States or in any other jurisdiction in which the same would be unlawful. Neither this announcement nor any part of it shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or commitment whatsoever.

Legal Entity Identifier: 5493007C3I0O5PJKR078

5 August 2022

JPMorgan Global Growth & Income plc
Proposed combination with The Scottish Investment Trust PLC
Publication of Prospectus and Circular

The Board of JPMorgan Global Growth & Income plc (the "**Company**" or "**JGGI**") announced on 20 October 2021 that it had agreed heads of terms for a combination of the Company with The Scottish Investment Trust PLC ("**SCIN**") (the "**Transaction**"), to be implemented through a scheme of reconstruction (the "**Scheme**") of SCIN pursuant to section 110 of the Insolvency Act 1986 (the "**Proposals**").

The Board announces that the Company has today published a prospectus (the "**Prospectus**") in relation to the issue of new ordinary shares in the Company (the "**Issue**") pursuant to the Scheme ("**Scheme Shares**"), together with a circular to provide the Company's shareholders (the "**JGGI Shareholders**") with further details of the Proposals and to convene a general meeting of the Company (the "**General Meeting**") to seek approval from JGGI Shareholders for the implementation of the Proposals (the "**Circular**").

In connection with the issue of Scheme Shares pursuant to the Scheme, the Company is required by the Prospectus Regulation to publish a prospectus (the "**Prospectus**"). The Circular provides details of the Proposals and a notice of the General Meeting at which JGGI Shareholder approval will be sought for a number of matters in connection with the Proposals.

The Prospectus and Circular have been submitted to the Financial Conduct Authority and will shortly be available for inspection at the National Storage Mechanism which is located at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism> and on the Company's website at <http://www.jpmglobalgrowthandincome.co.uk>.

The Chairman of JGGI, Tristan Hillgarth, commented:

"The Proposals will create a combined entity that will have significant scale and both groups of shareholders will benefit from the cost savings derived from the enlarged asset base and future growth, alongside enhanced liquidity in the shares. The Company will continue to benefit from the strength and depth of the JPMorgan management team and an investment strategy that has provided strong results for shareholders notwithstanding the current challenging market environment."

Details of the Proposals

The combination, if approved by shareholders of each of the Company and SCIN, will be implemented through a scheme of reconstruction under section 110 of the Insolvency Act, resulting in the voluntary liquidation of SCIN and the rollover of its assets into the Company in exchange for the issue of Scheme Shares to Eligible SCIN Shareholders.

Subject to the passing of the SCIN Resolutions, and satisfaction of the other conditions of the Scheme (which are outlined below), the Scheme will take effect on the Effective Date, expected to be on or around 31 August 2022.

Under the Scheme, SCIN will be put into liquidation and its assets split into the following two pools:

- the pool of investments, cash and other assets (including assets with a value equal to the fair value of the SCIN Bonds (and accrued interest on the SCIN Bonds up to and including the Calculation Date) and the obligations of the Company in respect of the SIT Bonds (including interest accrued up to the Calculation Date)) (see below for further details on the SCIN Bonds) to be established under the Scheme and to be transferred to the Company, in consideration for the issuance of the Scheme Shares, pursuant to the Transfer Agreement (the "**Rollover Pool**"); and
- the pool of investments, cash and other assets to be retained by the Liquidators to meet all known and unknown liabilities of SCIN and other contingencies (the "**Liquidation Pool**").

Under the Scheme, each Eligible SCIN Shareholder will receive such number of Scheme Shares as have a value (at the FAV per JGGI Share) equal to the proportion of the Rollover Pool attributable to the number of SCIN Shares held.

Further details of the Proposals are included at the end of this announcement.

Benefits of the Proposals

The Proposals will create an enlarged entity with net assets in excess of £1.3 billion. The Board believes that the enlarged asset base resulting from the Proposals may have the following benefits for JGGI Shareholders:

- The combined entity is expected to benefit from an enhanced profile which has the potential to generate further interest in the JGGI Shares.
- The Proposals will result in a greater number of JGGI Shares in issue, which, in turn, will enlarge the free float and result in a broader Shareholder base, which should improve liquidity.
- The fixed costs of the Company will be spread over a larger asset base and so is expected to reduce the fixed costs per JGGI Share.
- Under the new Management Fee arrangements, the increase in net assets of the Company reduces the effective rate of the Management Fee which, in turn, should reduce the total expense ratio of the Company.

Conditions of the Scheme

The Scheme is conditional on, among other things:

- the passing of the SCIN Resolution to be proposed at the First SCIN General Meeting and the SCIN Resolution to be proposed at the Second SCIN General Meeting or any adjournment of those meetings and such SCIN Resolutions becoming unconditional in all respects;
- approval of the Allotment Resolution by JGGI Shareholders at the General Meeting of the Company and such Resolution becoming unconditional in all respects;
- the approval of the FCA and the London Stock Exchange to the Admission of the Scheme Shares to listing on the premium listing category of the Official List and to trading on the Main Market of the London Stock Exchange, respectively occurring before 31 December 2022, or such other date as may be agreed between the Company and the Sponsor; and
- the SCIN Board resolving to proceed with the Scheme.

Board structure

It is intended that, following completion of the Scheme, four current directors of SCIN, being James Will, Jane Lewis, Mick Brewis and Neil Rogan, will be appointed as non-executive directors of the Company, such that the Board will initially consist of eight directors, comprising four directors from the current Board and four directors from the board of SCIN. It is intended currently that James Will and Gay Collins will subsequently retire from the Board at the Company's Annual General Meeting expected to be held in November 2022.

Each of the prospective directors is independent of the Manager and the Investment Manager.

Costs and Expenses of the Proposals

To the extent that the Company has already incurred or accrued costs in connection with the Scheme as at the Calculation Date, such costs will be added back to the Company's NAV for the purposes of calculating the JGGI FAV. In addition, any costs incurred or accrued by SCIN in connection with the Scheme will be added back to SCIN's net asset value for the purpose of calculating the SCIN FAV. Those costs and any other costs in respect of the Scheme will then be apportioned between the two companies on the following basis. The costs and expenses in connection with the Scheme will be split between the Company and SCIN so as to provide for an equitable apportionment of the costs incurred in implementing the Scheme between the two parties, having regard for, inter alia, the estimated respective expenses of the two companies and the relative benefits which the Scheme will provide to each set of shareholders. In summary:

- (i) The direct costs incurred by the two companies will (to the extent they do not exceed the limits set out in (ii) below) be aggregated with the SCIN Pension Costs and the SCIN Portfolio Realignment Costs. The Manager's Contribution (defined below) will then be deducted from the aggregate amount to determine the net costs of the Scheme to be apportioned (the "**Net Scheme Costs for Apportionment**"). The Net Scheme Costs for Apportionment will be borne by each of the Company and SCIN pro rata by reference to their respective FAVs (subject to the JGGI Cost Limit of £2.1 million, with SCIN bearing any Net Scheme Costs for Apportionment incurred or accrued by the Company in excess thereof).
- (ii) To the extent that:
 - a) SCIN's Direct Costs exceed £2.7 million, such SCIN Excess Costs will be borne solely by SCIN and will be reflected accordingly in the calculation of its FAV; and
 - b) the Company's direct costs exceed £1.2 million, such excess costs will be borne solely by the Company and will be reflected accordingly in the calculation of its FAV (such excess costs being the "**JGGI Excess Costs**").

The total costs that the Company will incur in relation to the Transaction will be equal to the JGGI Apportioned Costs (as apportioned pursuant to paragraph (i) above) and the JGGI Excess Costs (as defined in paragraph (ii)(b) above). On this basis: the costs to be borne by JGGI Shareholders, after the Manager's Contribution (as defined below) and cost apportionment, are estimated to be approximately £2.98 million (including VAT), equivalent to 0.41 per cent. of the Company's Net Asset Value as at 3 August 2022.

The costs to be borne by SCIN Shareholders, after the Manager's Contribution (as defined below) and cost apportionment, are estimated to be approximately £8.17 million (including VAT), equivalent to 1.36 per cent. of SCIN's net asset value as at 3 August 2022.

The Manager has agreed to make a contribution to the costs of the Scheme equal to the Contribution Amount (the "**Manager's Contribution**"). The "**Contribution Amount**" shall be calculated by reference to the Management Fee that would be payable by the Company to the Manager for the eight month period commencing on Admission based on the value of the net assets of the enlarged Company following completion of the Scheme (determined by reference to the FAVs of the Company and SCIN). In satisfaction of the Manager's Contribution, the Manager will waive its entitlement to be paid a Management Fee with effect from Admission until such time as the value of such waived Management Fee equals the Contribution Amount.

Future dividends

Assuming that Admission of the Scheme Shares occurs on 1 September 2022, SCIN Shareholders who receive Scheme Shares will be entitled to receive the interim dividend in respect of the quarter ending 30 September 2022, which was announced on 1 July 2022 and will be paid to JGGI Shareholders on the Company's register of members at the close of business on 2 September 2022.

Investment Management Agreement

Pursuant to the Investment Management Agreement and with effect from 1 January 2022, the annual management fee payable by the Company to the Manager (the "**Management Fee**") is calculated, on a tiered basis by reference to the Net Asset Value of the Company, on the following basis:

- 0.55 per cent. on the first £750 million of the Company's Net Asset Value;
- 0.40 per cent. on the Company's Net Asset Value in excess of £750 million and up to £1.5 billion; and
- 0.30 per cent on the Company's Net Asset Value in excess of £1.5 billion.

The Manager has agreed to make the Manager's Contribution to the costs of the Scheme equal to the Contribution Amount pursuant to which the Manager will waive its entitlement to be paid a Management Fee with effect from Admission until such time as the value of such waived Management Fee equals the Contribution Amount. For further details, please see paragraph 9 (Costs and Expenses of the Proposals) of the Circular.

Details of the Issue

The number of Scheme Shares to be issued to Eligible SCIN Shareholders, and to the Liquidators appointed in respect of Overseas Excluded SCIN Shareholders, will be based on the FAV of the Company and of SCIN. FAVs will be calculated based on the Net Asset Values (cum income, debt at fair value) of a JGGI Share and of a SCIN Share, respectively. The FAV per JGGI Share and the FAV per SCIN Share will be calculated to six decimal places (with 0.0000005 rounded down) as at the Calculation Date in accordance with each company's respective normal accounting policies.

Eligible SCIN Shareholders will be issued Scheme Shares based on the FAV per SCIN Share divided by the FAV per JGGI Share, multiplied by the number of SCIN Shares owned by such Eligible SCIN Shareholder as at the Record Date.

The number of Scheme Shares which will be issued to Eligible SCIN Shareholders and the Liquidators appointed in respect of Overseas Excluded SCIN Shareholders is not known at the date of the Circular as it will be calculated in accordance with the formula stated above at the Calculation Date. The number of Scheme Shares to be issued will be announced through an RIS announcement as soon as practicable following the Calculation Date. The Issue is not being underwritten.

For illustrative purposes only, had the Calculation Date been 5.00 p.m. on 29 July 2022 and assuming that no SCIN Shareholders had exercised their right to dissent from participation in the Scheme and after deduction of the SCIN pre-liquidation interim dividend of 9.4 pence per SCIN Share, the FAV per SCIN Share would have been 876.20 pence. The FAV per SCIN Share may be compared with the SCIN share price and cum-income NAV per SCIN Share as at 29 July 2022 which, when adjusted on a pro forma basis for the deduction of the interim dividend of 9.4 pence per SCIN Share, were 840.6 pence and 886.86 pence respectively.

The FAV per JGGI Share would have been 437.505691 pence, which would have produced a conversion ratio of 2.002730 and, in aggregate, 132,526,986 Scheme Shares would have been issued to SCIN Shareholders under the Scheme, representing approximately 44.2 per cent. of the issued ordinary share capital of the enlarged Company.

Admission and Dealings

Applications will be made by the Company to the FCA for the Scheme Shares to be admitted to the premium listing category of the Official List and to the London Stock Exchange for the Scheme Shares to be admitted to trading on the premium segment of the Main Market. If the Proposals become effective, it is expected that the Scheme Shares will be admitted to the Official List and the first day of dealings in such shares on the Main Market will be 1 September 2022.

SCIN Bonds

On 17 April 2000, SCIN issued £150 million in aggregate principal amount of the SCIN Bonds (of which £82,827,000 in aggregate principal amount remain outstanding) The SCIN Bonds were constituted by the Existing Trust Deed and are governed by English law. In connection with the issuance of the SCIN Bonds and in accordance with the terms of the Existing Trust Deed, SCIN entered into the Existing Instrument of Floating Charge in favour of the Trustee as security for the payment of all sums due and that may become due in respect of the SCIN Bonds. The SCIN Bonds are listed and traded on the London Stock Exchange.

On 29 July 2022, the SCIN Bondholders voted in favour of the SCIN Bonds Extraordinary Resolution to, among other things, substitute the Company as issuer of the SCIN Bonds with effect on the Effective Date.

On the Effective Date:

- the Company will be substituted as issuer of the SCIN Bonds and will assume the rights and obligations of SCIN under the SCIN Bonds and the Amended and Restated Trust Deed; and
- the Company and the Security Trustee will enter into the Instrument of Floating Charge to replace the Existing Instrument of Floating Charge.

Following the substitution on the Effective Date it is intended that the SCIN Bonds will remain listed and traded on the London Stock Exchange.

The terms and conditions of the SCIN Bonds contain customary events of default and include certain covenants, which restrict the ability of the Company to, among other things, incur certain liens and redeem or repurchase capital stock. The Amended and Restated Trust Deed includes the SCIN Bonds Financial Covenant.

JGGI Notes

On 9 January 2018, the Company entered into the 2018 Note Purchase Agreement, pursuant to which the Company issued the 2018 Loan Notes. On 12 March 2021, the Company entered into the 2021 Note Purchase Agreement, pursuant to which the Company issued the 2021 Series A Loan Notes and authorised the issue of additional notes from time to time after the date of the 2021 Note Purchase Agreement up to the Available Facility Amount (as defined in the 2021 Note Purchase Agreement).

The Note Purchase Agreements include a number of customary covenants, which restrict the ability of the Company and its subsidiaries to, among other things, incur certain liens, merge or consolidate, enter into transactions with affiliates and sell or transfer assets, in each case subject to certain permissions and exceptions.

The Note Purchase Agreements also contain a "most favoured lender" covenant, pursuant to which any financial covenant that is included in a Principal Financing Agreement (as defined in the Note Purchase Agreements), but:

- is not included in the Note Purchase Agreements; or
- is in any respect more beneficial to the holders of the JGGI Notes than any similar financial covenant included in the Note Purchase Agreements,

will be deemed to be automatically incorporated into the Note Purchase Agreements as of the date such financial covenant became effective under such Principal Financing Agreement. The Amended and Restated Trust Deed, which qualifies as a Principal Financing Agreement, includes the SCIN Bonds Financial Covenant. On completion of the substitution of the Company as issuer of the SCIN Bonds which is expected to occur on the Effective Date, the SCIN Bonds Financial Covenant will be deemed to be automatically incorporated into the Note Purchase Agreements.

The terms of the Note Purchase Agreements restrict the Company from granting security in respect of the indebtedness evidenced by the SCIN Bonds unless the obligations of the Company under the Note Purchase Agreements and the JGGI Notes are concurrently secured equally and rateably with the SCIN Bonds. Accordingly, on the Effective Date, the Company and the Security Trustee will enter into the Instrument of Floating Charge and the Company, the Trustee, the holders of the JGGI Notes and the Security Trustee (acting on behalf of the Secured Parties) will enter into the Security Trust and Intercreditor Agreement.

Security Trust and Intercreditor Agreement

On the Effective Date, the Company, the Trustee, the holders of the JGGI Notes and the Security Trustee (on behalf of the Secured Parties) will enter into the Security Trust and Intercreditor Agreement. The Security Trust and Intercreditor Agreement governs the intercreditor relationship between the holders of the JGGI Notes and the SCIN Bondholders and regulates the enforcement of the security created pursuant to the Instrument of Floating Charge.

SCIN Pension Fund

The trustees of the SCIN Pension Fund ("**SPF Trustees**") have entered into a transaction with an insurance company which secures in full the benefits for and in respect of all members and beneficiaries of the SCIN Pension Fund through a policy in the name of the SPF Trustees (the "**SCIN Buy-in**"). The SCIN Buy-in policy contains the option (exercisable at the trustees' discretion, and subject to the terms of the SCIN Buy-in policy) to move to "buy-out" (being a transaction between the trustee and the insurance company which secures in full the benefits for and in respect of all members and beneficiaries of the SCIN Pension Fund through individual annuities).

Following SCIN entering into liquidation, the SCIN Pension Fund will be placed into winding up with effect from the date of the liquidation and the SPF Trustees will proceed with converting the SCIN Buy-in policy into a buy-out policy (the "**SCIN Buy-out**"). To ensure that the SCIN Pension Fund can be wound up and the buyout achieved, there will be retained in the Liquidation Pool for the benefit of the SCIN Pension Fund (in addition to the assets which the Liquidators would otherwise have retained) cash in the amount of £5,000,000 (the "**SCIN Pension Buffer**").

For the avoidance of doubt, the Liquidators cannot distribute or otherwise utilise the SCIN Pension Buffer until the winding up of the SCIN Pension Fund has been completed and the SCIN Pension Buffer will be solely available to meet the costs and expenses of securing benefits in the SCIN Buy-out and of winding up the SCIN Pension Fund until that time. Further, the Liquidators will not distribute or otherwise utilise any part of the non-SCIN Pension Buffer assets of the Liquidation Pool, including in particular the Liquidators' Retention, otherwise than to meet SCIN's actual liabilities identified for the purposes of the Scheme or contingent liabilities plus the Liquidators' own costs and expenses, until such time as the winding up of the SCIN Pension Fund has been completed.

SCIN has agreed to indemnify the SPF Trustees in respect of any claim or liability which the SPF Trustees incur or suffer or are liable to pay, directly or indirectly in any way whatsoever from or relating to the SCIN Buy-in, the SCIN Buy-out or the winding up of the SCIN Pension Fund, subject to a cap equal to the SCIN Pension Buffer plus the remaining Liquidation Pool (being aggregate value (as determined by the Liquidators, acting reasonably) of the Liquidation Pool remaining in the control of the Liquidators at the relevant time). As is common in transactions where the buyer is acquiring an entity which operates a defined benefit pension scheme similar to the SCIN Pension Fund, the Company is providing support for the SCIN Pension Fund by way of entering into SCIN Indemnity Letter, pursuant to which it has agreed to indemnify SCIN in respect of any claims against SCIN by the SPF Trustee, but only if and to the extent that such liability cannot be met in full from the SCIN Pension Buffer and any other assets in the remaining Liquidation Pool. Due to the size of the Pension Buffer, the Board does not consider it likely that the indemnity from the Company to SCIN will be called upon at all. The Company's indemnity pursuant to the SCIN Indemnity Letter ceases on completion of the winding up of the SCIN Pension Fund. It is expected that the SCIN Pension Fund will be wound up within approximately five months of SCIN entering liquidation (although this is indicative timing only and depends on a variety of factors). Details of the SCIN Indemnity Letter are summarised in paragraph 12.6 of Part VI (Additional Information on the Company) of the Prospectus.

General Meeting

The Proposals are subject to JGGI Shareholder approval. The GM Notice convening the General Meeting, to be held at 3.30 p.m. on 30 August 2022 at 60 Victoria Embankment, London, EC4Y 0JP, is set out on page 29 of the Circular. The GM Notice includes the full text of the Resolutions.

Expected Timetable

GENERAL MEETING

Posting of Circular and Forms of Proxy for the General Meeting	5 August 2022
Latest time and date for receipt of Forms of Proxy for the General Meeting	3.30 p.m. on 25 August 2022
General Meeting	3.30 p.m. on 30 August 2022
Announcement of results of the General Meeting	30 August 2022

SCHEME

Publication of the Circular and the Prospectus	5 August 2022
First SCIN General Meeting	11.00 a.m. on 22 August 2022
Record Date for entitlements under the Scheme	6.00 p.m. on 22 August 2022
SCIN Shares disabled in CREST	6.00 p.m. on 22 August 2022
Calculation Date for the Scheme	5.00 p.m. on 25 August 2022
Suspension of listing of SCIN Shares and SCIN's register of members closes	7.30 a.m. on 31 August 2022
Second SCIN General Meeting	9.30 a.m. on 31 August 2022
Effective Date for implementation of the Scheme	31 August 2022
Announcement of results of Scheme and respective FAVs per share	31 August 2022
Admission and dealings in Scheme Shares commence	8.00 a.m. on 1 September 2022
CREST accounts credited to SCIN Shareholders in respect of Scheme Shares in uncertificated form	8.00 a.m. on 1 September 2022
Certificates despatched by post in respect of Scheme Shares	9 September 2022 (or as soon as practicable thereafter)
Cancellation of listing of SCIN Shares	as soon as practicable after the Effective Date

All times are UK times. Times and dates are subject to change.

Capitalised terms used but not defined in this announcement will have the same meaning as set out in the Circular.

For further information:

JPMorgan Global Growth & Income plc

Tristan Hillgarth

Contact via Company Secretary

JPMorgan Funds Limited

020 7742 4000

Simon Crinage

Fin Bodman

JPMorgan Funds Limited (Company Secretary)

020 7742 4000

Divya Amin

Winterflood Investment Trusts

020 3100 0000

Neil Langford

Chris Mills

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.