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This document comprises a prospectus relating to JPMorgan Emerging Markets Investment Trust plc prepared in accordance with the Prospectus Rules made under section 84 of the Financial Services and Markets Act 2000 in order to make an offer of transferable securities to the public and to admit the transferable securities to trading on the London Stock Exchange. This document has been approved by and filed with the Financial Services Authority in accordance with the Prospectus Rules. This document and the information herein relates expressly to the Subscription Shares.

If you sell or have sold or otherwise transferred all of your Ordinary Shares, please send this document, together with the accompanying Circular, Form of Proxy and/or Voting Instruction Form at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom or by whom the sale or transfer was made, for delivery to the purchaser or transferee. The distribution of this document and/or the accompanying documents in jurisdictions other than the UK, including the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa, may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

Application will be made to the Financial Services Authority for the Subscription Shares to be admitted to the Official List. Application will also be made to the London Stock Exchange for all such Subscription Shares to be admitted to trading on the London Stock Exchange's market for listed securities.

Winterflood Securities, which is authorised and regulated by the Financial Services Authority, acting through its division Winterflood Investment Trusts, is acting for the Company in connection with the Bonus Issue and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Winterflood Securities or for advising any such person in connection with the Bonus Issue.

JPMorgan Emerging Markets Investment Trust plc

(Incorporated in England and Wales under the Companies Act 1985 with company number 02618994 and registered as an investment company under section 833 of the Companies Act 2006)

PROSPECTUS

Bonus issue of Subscription Shares

The Ordinary Shares are not, and the Subscription Shares will not be, registered under the Securities Act or under the relevant laws of any State of the United States or any state, province or territory of Australia, Canada, Japan, New Zealand or the Republic of South Africa. Subject to certain exceptions, the Subscription Shares issued under the Bonus Issue may not, directly or indirectly, be offered, sold, taken up, delivered or transferred in or into the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa or to, or for the account or benefit of, US Persons (as defined in Regulation S of the Securities Act). The Subscription Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Bonus Issue or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States. The attention of Overseas Shareholders and other recipients of this document who are residents or citizens of any country outside the EEA is drawn to the section entitled "Overseas Shareholders" in Part II of this document.

The whole text of this document should be read. The attention of potential investors is drawn in particular to the section of this document entitled "Risk Factors".

Prospective investors should inform themselves as to: (a) the possible tax consequences; (b) the legal requirements; and (c) any foreign exchange restrictions or exchange control requirements, which they might encounter under the laws of the countries of their citizenship, residence or domicile, and which might be relevant to the subscription, holding or disposal of Subscription Shares or the exercise of the Subscription Share Rights.

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SUMMARY

This summary section should be read as an introduction to the Prospectus which comprises the whole of this document and the information incorporated herein by reference. Any decision to invest in the Company's securities should be based on a consideration of the Prospectus as a whole by the investor.

Where a claim relating to the information contained in a prospectus is brought before a court, a plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating the prospectus before the legal proceedings are initiated.

Civil liability attaches to those persons who are responsible for this summary, including any translation of the summary, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

The Company

The Company is a UK investment trust, which was established in 1991 to take advantage of opportunities in less developed economies and markets.

Investment objective

The Company's objective is to achieve capital growth through investing in emerging markets worldwide.

Investment policy

In order to achieve the investment objective and to seek to manage risk, the Company invests in a well diversified spread of countries, industries and companies, concentrating on countries and shares with the most attractive prospects. The Company invests primarily in quoted securities in emerging stock markets but, where necessary or appropriate in the absence of suitable quoted securities, it may invest in unquoted securities. It may invest in other collective investment schemes, but usually only where legal restrictions prevent direct investment by foreigners or prudent diversification can best be achieved in this way. The Company conducts its affairs so as to achieve and maintain approved investment trust status in the UK.

The Company is managed to produce capital growth and not to produce any particular level of dividend and it will only pay dividends to the extent that it has profits available for that purpose.

The Company's investment policy allows the employment of gearing when the Manager believes it is appropriate to do so. The Board regularly reviews this policy. Should the Manager decide to employ gearing, the Company will remain invested in the range of 90-120 per cent. (investments expressed as a percentage of shareholders' funds) under normal market conditions.

The investment policy sets no minimum or maximum limits on the number of investments in the portfolio but it is a relatively concentrated portfolio consisting typically of between 60 and 90 investments.

The Company's investment policy seeks to manage the Company's risk by imposing various investment limits and restrictions:

- As an investment trust under Section 842 of the Taxes Act 1988, the Company cannot invest more than 15 per cent. of its assets in any one investment, at the time of acquisition. The Company will not invest more than 10 per cent. of its total assets in any one individual stock (excluding investment trusts) at the time of acquisition. In addition, the Company may not retain more than 15 per cent. of its eligible investment income nor may it distribute capital profits by way of a dividend.
- At least 70 per cent. of income must be eligible investment income, consisting of income deriving from shares and securities or eligible rental income but not bank deposit income.
- No more than 50 per cent. of the Company's assets may be invested in any one region.

- No more than an aggregate of 25 per cent. of the Company's assets (before deducting borrowings) may be invested in (i) securities not listed on any recognised investment exchange; and (ii) holdings in listed companies (other than investment trusts which have been approved by HM Revenue & Customs or which would qualify for such approval but for the fact that they are not listed) in which the Company's interest in an individual company amounts to 20 per cent. or more of the aggregate of that company's equity capital (including any capital having an element of equity).
- In accordance with the Listing Rules of the UK Listing Authority, the Company will not invest more than 10 per cent., in aggregate, of the value of its total assets (calculated at the time of any relevant investment) in other closed-ended investment funds admitted to the Official List (save to the extent that those closed-ended investment funds have stated investment policies to invest no more than 15 per cent. of their gross assets in such other closed-ended investment funds).
- The Company does not normally enter into derivative transactions. To the extent it does so, such transactions are entered into for the purposes of efficient portfolio management only and require prior Board approval.

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

Any material changes to the investment policy must be approved by Shareholders in accordance with the Listing Rules.

The Manager

The Company's manager is JPMorgan Asset Management (UK) Limited, the London based investment management business of J.P.Morgan Chase & Co., a leading global financial services firm with operations in more than 60 countries. The Manager also acts as company secretary and provides administrative support. The Manager is a wholly-owned subsidiary of J.P.Morgan Chase & Co.

The J.P.Morgan Asset Management group of companies provides investment management products and services to individual and institutional investors worldwide and had total funds under management of approximately US\$1.1 trillion as at 31 December 2008.

Investment outlook

Following a period of negative returns from May 2008, emerging markets (**EM**) posted a strong rally in the first quarter of 2009 as investor risk appetite returned. After a swathe of fiscal stimulus programs and increasingly unorthodox monetary policy, sentiment was buoyed by signs that the pace of decline in global economic activity was beginning to moderate.

The Board believes that the recent rebound in EM equity markets has done little to diminish the supportive fundamental valuations in historical terms. While downside risks to reported earnings remain, estimates are falling more slowly and implied growth is starting to benefit from easier comparisons. The sustainability of earnings will continue to be the key focus for stock selection in the Company; identifying companies that can deliver growth over the Company's long-term investment horizon and that are likely to benefit from a re-rating in valuation when market conditions revert to normal.

Good fundamentals and more stringent policies during the boom years are providing EM economies with an unusual amount of policy flexibility to restart growth. Strong macro positions allow much more leeway for EM policy to help re-start growth itself rather than depend on the developed world as in the past. Urbanisation, globalisation and infrastructure development will continue to be the key drivers of this economic restoration and domestic consumption will ultimately be a beneficiary of this.

As such, the thesis for EM economies remains intact, although there will be greater differentiation in relative performance on a regional and country-size basis. Large continental EM economies (such as Brazil, Russia, India and China) have significantly sized domestic markets with rapidly growing middle classes that provides a powerful impetus to sustain internal growth momentum and support recovery in

corporate earnings and equity valuations. Economies that depend more on exports to OECD countries, particularly in manufacturing, are likely to recover more gradually, and later in the cycle, as their growth will depend on recovery of consumption in major OECD economies.

Correspondingly, the Board, based on advice from the Manager, believes that not only are EM already 'too big to ignore' from an economic perspective; profit participation in the economic restoration means EM equity is increasingly becoming 'too big to ignore' from an investor perspective too.

The Board's primary concern, advised by the Manager, is largely external – namely that the recent global economic and market trauma does not prompt policymakers to reverse globalisation in its broadest sense.

The Bonus Issue

The Company is proposing to issue Subscription Shares to Qualifying Shareholders on the basis of one Subscription Share for every five Existing Ordinary Shares held on the Record Date for the reasons described below. The Bonus Issue is conditional on the approval of Shareholders at a General Meeting and on the admission of the Subscription Shares to the Official List and to trading on the main market of the London Stock Exchange.

Each Subscription Share will confer the right (but not the obligation) to subscribe for one Ordinary Share upon exercise of the Subscription Share Rights and on payment of the Subscription Price as set out below.

Notice of the exercise of the Subscription Share Rights may be given at any time from 1 August 2009 until 31 July 2014 (both dates inclusive) after which the Subscription Share Rights will lapse. The Ordinary Shares arising on conversion will be allotted within ten Business Days of the first Business Day of the calendar month following the month in which the relevant notices are received by the Registrars.

The Subscription Price will be equal to the published unaudited NAV per Ordinary Share as at 5.00 p.m. on 9 June 2009, plus a percentage premium to such amount, rounded up to the nearest whole penny as follows:

- a) if exercised on any day between and including 1 August 2009 and 31 July 2010 – a 1 per cent. premium to such NAV per Ordinary Share;
- b) if exercised on any day between and including 1 August 2010 and 31 July 2012 – a 10 per cent. premium to such NAV per Ordinary Share; and
- c) if exercised on any day between and including 1 August 2012 and 31 July 2014 – a 30 per cent. premium to such NAV per Ordinary Share.

The NAV for the purpose of calculating the Subscription Prices will be the unaudited value of the Company's assets calculated in accordance with the Company's accounting policies (including revenue items for the current financial year) less all prior charges and other creditors at their fair value (including the costs of the Bonus Issue). Prior charges include all loans and overdrafts that are to be used for investment purposes.

The New Articles provide that the Subscription Prices are subject to adjustment upon the occurrence of certain corporate events by or affecting the Company before 31 July 2014. The relevant corporate events include consolidations or sub-divisions of share capital, pre-emptive offers of securities to Ordinary Shareholders, takeover offers and the liquidation of the Company. Such adjustments serve to protect either the intrinsic value or the time value of the Subscription Shares, or both.

The percentage premia applying upon exercise and the resulting Subscription Prices reflect the Board's confidence in the Company's medium to long term prospects and its hope that holders of Subscription Shares will be able to exercise their Subscription Share Rights and acquire Ordinary Shares on favourable terms in the future.

It is expected that an announcement setting out the Subscription Prices will be made on 10 June 2009.

The Directors believe the Bonus Issue will have the following advantages:

- Qualifying Shareholders will receive securities which they may convert into Ordinary Shares at a predetermined price in order to benefit from any future growth in the Company;
- Qualifying Shareholders will receive securities with a monetary value which may be traded in a similar fashion to their existing Ordinary Shares or converted into Ordinary Shares;
- on any exercise of the Subscription Share Rights, the capital base of the Company will increase allowing operating costs to be spread across a larger number of Ordinary Shares and hence the total expense ratio to fall;
- following the exercise of any Subscription Share Rights, the Company will have an increased number of Ordinary Shares in issue, which may in due course improve the liquidity in the market for its Ordinary Shares; and
- Qualifying Shareholders will receive securities which are qualifying investments for the purposes of the stocks and shares component of an ISA and permitted investments for the purposes of a SIPP.

Costs of the Bonus Issue

The Company's expenses in connection with the Bonus Issue are estimated to amount to approximately £265,000 (inclusive of VAT).

General Meeting

The Bonus Issue is conditional on, amongst other things, the approval of Shareholders. A circular has today been despatched to Shareholders convening a General Meeting of the Company for 10 June 2009.

Risk factors

The principal risk factors affecting the Shares which are known to the Directors are the following:

General

- An investment in the Company is suitable only for investors capable of evaluating the risks and merits of such shareholding and who have sufficient resources to bear any loss (including total loss) which may result from the investment. Prospective investors, therefore, should consult an independent financial adviser authorised under FSMA before investing in the Company.
- Changes in general economic conditions including, for example, interest rates, exchange rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends, tax legislation and other factors can substantially and adversely affect equity investments and the Company's prospects.

Emerging markets

- The Company will invest primarily in the equity securities of emerging markets companies, which are subject to certain risks and special considerations that are not typically associated with more developed markets and economies.
- The risks inherent in emerging markets can generally be expected to result in increased volatility of the share prices of emerging markets companies and the values of portfolios that invest in them when compared to their counterparts in developed economies. As such, investment trusts investing in emerging markets can generally be expected to display greater share price and net asset value volatility than those investing in developed markets.

Foreign exchange rate risk

- The Company will invest primarily in the shares of emerging market companies that are denominated in currencies other than Sterling, the Company's base currency, and whose operations are conducted in currencies other than Sterling. The Company will therefore have an exposure to foreign exchange rate risk as a result of changes, both unfavourable and favourable, in exchange rates between those currencies and Sterling.
- Foreign exchange rate risk may increase the volatility of the Company's NAV per Share.

Subscription Shares

- The Subscription Shares represent a geared investment and the market price of the Subscription Shares may be volatile.
- Movements in the price of Subscription Shares may not be in line with the movement in the price of the Ordinary Shares.
- Although Subscription Shares are tradable securities, market liquidity of the Subscription Shares may be less than the market liquidity of Ordinary Shares.
- The Subscription Share Rights will lapse on 31 July 2014 and the Subscription Shares may have no value to holders after that date.
- The Subscription Shares, in so far as they give an entitlement to subscribe for Ordinary Shares, will be affected by the same risk factors as the Ordinary Shares.

Ordinary Shares

- The Ordinary Share price is likely to fluctuate and may represent a discount or a premium to the NAV per Ordinary Share. This discount or premium is itself variable as conditions for supply and demand for the Company's Ordinary Shares change. This can mean that the Ordinary Share price can fall when the NAV rises, or vice versa.
- The Company may employ gearing from time to time, which may lead to an amplification of returns both upwards and downwards. The Company's actual gearing range (investments expressed as a percentage of Shareholders' funds) may fluctuate between 90 per cent. and 120 per cent. invested in normal market conditions.
- Market liquidity in the shares of investment trusts is frequently inferior to the market liquidity in shares issued by larger companies traded on the London Stock Exchange.

Other

- As an investment trust the Company must comply with section 842 of the Income and Corporation Taxes Act 1988. Were the Company to breach section 842, it might lose investment trust status and, as a consequence, capital gains within the Company's portfolio might be subject to tax.
- Changes in taxation or the accounting policies of the Company could adversely affect Shareholders.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2009

Subscription Prices of Subscription Shares calculated	Close of business on 9 June
Record Date for the Bonus Issue	9 June
General Meeting to approve the Bonus Issue	11.00 a.m. on 10 June
Announcement of the Subscription Prices	10 June
Admission of the Subscription Shares to the Official List and dealings in the Subscription Shares commence	8.00 a.m. on 11 June
Crediting of CREST stock accounts in respect of the Subscription Shares	11 June
Share certificates despatched in respect of the Subscription Shares	week commencing 15 June

Notes:

- (1) The times and dates set out in the Expected Timetable of Principal Events above and mentioned throughout this document may be adjusted by the Company, in which event details of the new times and dates will be notified, as required, to the UK Listing Authority and the London Stock Exchange, and, where appropriate, to Shareholders.
- (2) All references to time in this document are reference to London time.

DEALING CODES

The dealing codes for the Subscription Shares will be as follows:

ISIN	GB00B3V4X029
SEDOL	B3V4X02
Ticker	JMGS

RISK FACTORS

The Directors consider the factors set out below to be those which are material at the date of this document. If Shareholders are in doubt as to the consequences of acquiring, holding or disposing of the Subscription Shares or exercising the Subscription Share Rights they should consult an independent financial advisor authorised under the FSMA.

The following risks are those material risks relating to the Company, an investment in the Ordinary Shares and the Subscription Shares and investing in the emerging markets sector of which the Directors are aware. Additional risks which are not currently known to the Directors, or that the Directors currently deem immaterial, may also have an effect on the Company.

General

A shareholding in the Company is suitable only for investors capable of evaluating the risks and merits of such a shareholding and who have sufficient resources to bear any loss (including total loss) which may result from the shareholding. Prospective shareholders, therefore, should consult an independent financial adviser authorised under the FSMA before investing.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's assets will occur or that the investment objective of the Company will be achieved. Investors may not get back the full amount invested. The price of Ordinary Shares and the income from Ordinary Shares may go down as well as up.

Changes in general economic conditions including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends, tax legislation and other factors can substantially and adversely affect equity investments and the Company's prospects.

Risks of investing in emerging markets

The Company will invest primarily in the equity securities of emerging markets companies. Emerging markets companies (and investments in their shares) are subject to certain risks and special considerations which are not typically associated with more developed markets and economies.

Such risks may include:

- the risk of nationalisation or expropriation of assets or confiscatory taxation;
- social, economic or political uncertainty including war;
- inadequate financial supervision of capital market participants and other elements of the fiscal and financial infrastructure;
- dependence on exports and the corresponding importance of international trade and commodities prices;
- currency exchange rate fluctuations which affect both the Sterling value of share prices and the competitiveness and profitability of issuers;
- limitations on foreign investors or repatriation of invested capital and foreign exchange;
- potentially higher rates of inflation (including hyper inflation);
- a potential risk of substantial deflation;
- a higher degree of governmental involvement in and control over economies;
- arbitrary government decisions resulting from a lower level of democratic accountability than is typical of developed nations;
- differences in auditing and financial reporting standards or the application thereof which may result in the unavailability or unreliability of material information about economies and companies;

- poor oversight of securities markets;
- poor liquidity in securities markets;
- longer settlement periods for securities transactions;
- less stringent laws and practices in relation to the fiduciary duties of officers and directors and protection of investors;
- poor systems for the registration and custody of securities; and
- difficulty of bringing legal proceedings to enforce contractual rights.

The risks inherent in emerging markets can generally be expected to result in increased volatility of the share prices of emerging markets companies and the values of portfolios which invest in them when compared to their counterparts in developed markets. As such, investment trusts investing in emerging markets can generally be expected to display greater share price and net asset value volatility than those investing in developed markets.

Foreign exchange rate risk

The Company will primarily invest in the shares of emerging market companies which are denominated in currencies other than Sterling, the Company's base currency, and whose operations are conducted in currencies other than Sterling. The Company will therefore have an exposure to foreign exchange rate risk as a result of changes, both unfavourable and favourable, in exchange rates between those currencies and Sterling. Foreign exchange rate risk may increase the volatility of the NAV per Ordinary Share.

Subscription Shares

Investment in the Subscription Shares may not be suitable as a short-term investment. The value of a Subscription Share may go down as well as up.

Subscription Shares represent a geared investment, so a relatively small movement in the market price of the Ordinary Shares may result in a disproportionately large movement, unfavourable or favourable, in the market price of the Subscription Shares. The market price of the Subscription Shares may therefore be volatile.

Movements in the price of Subscription Shares may not be in line with the movement in the price of the Ordinary Shares. Although the prices of Subscription Shares and Ordinary Shares are linked, since they share common price factors such as Net Asset Value, the price of a Subscription Share may not move in line with that of an Ordinary Share because other factors contributing to their respective prices, for example supply and demand, are not directly related to one another and hence are unlikely to change at the same time and in the same manner. Further, the price of a Subscription Share is affected by factors that do not affect Ordinary Share price, such as the remaining duration of the Subscription Share Rights.

The Company will apply for the Subscription Shares to be admitted to trading on the London Stock Exchange's market for listed securities. The London Stock Exchange has the right to suspend or limit trading in a company's securities. Any suspension or limitation on trading in the Subscription Shares may affect the ability of Shareholders to realise their investment.

The published market price of the Subscription Shares will typically be their mid-market price. Due to the potential difference between the mid-market price of the Subscription Shares and the price at which Subscription Shares can be sold, there is no guarantee that the realisable value of the Subscription Shares will reflect their published market price.

In the case of any Subscription Shares whose Subscription Share Rights have not been exercised on or before the final date for exercising such rights, such Subscription Shares will cease to have any value unless a trustee appointed by the Company determines that the net proceeds of sale of the Ordinary Shares that would arise on the exercise of such rights after deduction of all the costs and expenses of sale (including the fee of the trustee) would exceed the costs of exercise of such rights. In such circumstances, the trustee will either exercise all the outstanding Subscription Share Rights and sell the

Ordinary Shares issued on such exercise in the market, or if it appears to the trustee that doing so is likely to raise greater net proceeds, it may accept any offer available to the Subscription Shareholders for the purchase of the outstanding Subscription Shares. The net proceeds of any such sale (after deducting the costs of exercising the Subscription Share Rights, if applicable, and any other costs and expenses incurred in relation to such sale, including the fee of the trustee) will be remitted to the Subscription Shareholders unless the amount to which a Subscription Shareholder is less than £5.00 in which case such sum shall be retained for the benefit of the Company.

Although Subscription Shares are tradable securities, market liquidity of Subscription Shares may be less than the market liquidity of Ordinary Shares.

The Subscription Shares, in so far as they give an entitlement to subscribe for Ordinary Shares, are affected by the same risk factors as the Ordinary Shares as set out in this section headed "Risk Factors".

Ordinary Shares

The Company is an investment trust. Investment trusts aim to generate returns for shareholders by investing in other companies. As an investment trust may invest in a range of different companies, sectors and geographic regions, it may represent a method for investors to gain a diversified investment exposure. However, Shareholders should be aware of certain factors which apply to the Company and to investment trusts generally.

Discounts

The price of shares in an investment trust is determined by the interaction of supply and demand for such shares in the market as well as the net asset value per share. The share price can therefore fluctuate and may represent a discount or premium to the net asset value per share. This discount or premium is itself variable as conditions for supply and demand for the shares change. This can mean that the share price can fall when the net asset value per share rises, or vice versa.

The Board regularly reviews its discount policy. The current discount policy is that in a stable market and with the Company performing well against its benchmark, the Company would buy back shares if the discount to NAV at which the Ordinary Shares trade is materially out of line with its peers and over 10 per cent. Repurchases will be made at the discretion of the Board and will only be made in the market at prices below the prevailing NAV per Ordinary Share as and when market conditions are appropriate. There can be no guarantee that the Board's discount policy will always be successful or capable of being implemented.

Gearing

Some investment trusts employ gearing, that is seeking to enhance returns to shareholders by borrowing funds for investment. Where an investment trust is geared, its net asset value and price performance would be expected to represent an amplification of any upward or downward movement in the investment trust's portfolio as a result of price changes of the investments contained therein.

The Articles limit the amount of gearing the Company may take on to a maximum of the Company's adjusted capital and reserves. The Company's actual gearing range (investments expressed as a percentage of Shareholders' funds) may fluctuate between 90 per cent. and 120 per cent. invested in normal market conditions, which may lead to an amplification of returns both upwards and downwards.

Liquidity

The Company is a closed-ended vehicle. Accordingly, Shareholders have no right to have their Ordinary Shares or Subscription Shares repurchased by the Company at any time. Shareholders wishing to realise their investment in the Company will therefore be required to dispose of their Ordinary Shares or Subscription Shares on the stock market.

Market liquidity in the shares of investment trusts is frequently inferior to the market liquidity in shares issued by larger companies traded on the London Stock Exchange. There can be no guarantee that a liquid market in the Ordinary Shares will be maintained or will exist for the Subscription Shares.

Accordingly, Shareholders may be unable to realise their Ordinary Shares at the quoted market price (or at the prevailing Net Asset Value per Ordinary Share) or their Subscription Shares at the quoted market price or, in either case, at all.

Interest rates

Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on the Company's variable rate cash borrowings.

Calculation of Net Asset Value

In calculating the Company's weekly unaudited Net Asset Value, the Manager may rely on estimates of the values of companies or their securities in which the Company invests. Such estimates may be unaudited or may be subject to little verification or other due diligence and may not comply with UK Generally Accepted Accounting Principles or other valuation principles.

Dividends and income

The Company's objective is to provide capital growth and not to provide any particular level of dividend. The Company may only pay dividends to the extent that it has distributable revenue profits available for that purpose. Under the Articles, the Company may not pay a dividend out of its capital reserves. The Company therefore does not expect that dividends will constitute a material element of the return it offers shareholders.

Dilution

The allotment of the Subscription Shares will mean that the equivalent of 20 per cent. of the Company's issued ordinary share capital is under option immediately following the Bonus Issue. On each occasion the Subscription Shares Rights are exercised this will dilute the ordinary shareholding of any Ordinary Shareholders who do not exercise a corresponding proportion of the Subscription Share Rights attaching to their Subscription Shares or who have sold their Subscription Shares. However, if a Shareholder continues to hold the Subscription Shares issued to him pursuant to the Bonus Issue and exercises his Subscription Share Rights before their expiry, that Shareholder's percentage interest in the ordinary share capital of the Company will not ultimately be reduced below his percentage interest in the ordinary share capital of the Company immediately prior to the Bonus Issue. If, as is likely, the NAV per Ordinary Share at the time of exercise of the Subscription Share Rights exceeds the applicable Subscription Price, the issue of the Ordinary Shares upon such exercise will also have a dilutive effect on the NAV per Ordinary Share. The extent of such dilution will depend on the number of Subscription Shares which are converted on each occasion and the difference between the applicable Subscription Price and the NAV per Ordinary Share prevailing at the time the new Ordinary Shares are issued pursuant to the exercise of the Subscription Share Rights. The perceived risk of dilution may cause the market price of the Ordinary Shares to reflect a lesser sensitivity to increases in the Net Asset Value per Ordinary Share than might otherwise be expected.

Rights of Subscription Shares on liquidation

In the event of the winding-up of the Company prior to the exercise of the Subscription Share Rights, Subscription Shareholders may receive a payment out of the assets which would otherwise be available for distribution amongst the Ordinary Shareholders.

Potential conflicts of interest

The Manager may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Company. In particular, it currently does, and may continue to, provide investment management, investment advice or other services in relation to a number of other companies, funds or accounts that may have similar investment objectives and/or policies to that of the Company and may receive *ad valorem* and/or performance-related fees for doing so.

As a result, the Manager may have conflicts of interest in allocating investments among the Company and other clients and in effecting transactions between the Company and other clients. The Manager may give advice or take action with respect to such other clients that differs from the advice given or actions taken with respect to the Company.

Taxation

Section 842 Income and Corporation Taxes Act 1988

In order to qualify as an investment trust, the Company must comply with Section 842 of the Income and Corporation Taxes Act 1988 (**Section 842**). Were the Company to breach Section 842, it might lose investment trust status and, as a consequence, capital gains within the Company's portfolio might be subject to tax.

Legal and Regulatory

The Company must also comply with the provisions of the Companies Acts 1985 and 2006 and, as its shares are admitted to the Official List, the UK Listing Authority Listing Rules. A breach of the Companies Acts 1985 or 2006 could result in the Company and/or the Directors being fined or the subject of criminal proceedings. Breach of the UK Listing Authority Listing Rules could result in the Company's shares being suspended from listing, which in turn would breach Section 842.

If Subscription Share Rights are exercised the number of Subscription Shares in issue will be reduced. This could lead to the outstanding Subscription Shares being concentrated in the hands of a small number of Subscription Shareholders over time. The continued listing on the Official List of each Share class is dependent on at least 25 per cent. of the Shares in that class being held in public hands (as defined in the Listing Rules). This means that if greater than 75 per cent. of the Shares in any class are held by, *inter alia*, the Directors, persons connected with the Directors, or persons interested in 5 per cent. or more of the relevant Shares, the listing of that class of Shares may be suspended or cancelled. The Listing Rules state that the UK Listing Authority will allow a reasonable period of time for the Company to restore the appropriate percentage if this rule is breached once the Shares are listed, but in the event that the listing is cancelled the Company would lose its investment trust status.

Exchange controls and withholding tax

The Company may from time to time purchase investments that will subject the Company to exchange controls or withholding taxes in various jurisdictions. In the event that exchange controls or withholding taxes are imposed with respect to any of the Company's investments, the effect will generally be to reduce the income received by the Company on such investments.

General taxation risks

Representations in this document concerning the taxation of Shareholders and the Company are based on current law and practice. These are, in principle, subject to change and Shareholders should be aware that such changes may affect the Company's ability to generate returns for Shareholders and/or the taxation of such returns to Shareholders. **If you are in any doubt as to your tax position you should consult an appropriate independent professional adviser.**

Any change in the taxation legislation or taxation regime applicable to the Company (including failure by the Company to satisfy the conditions of Section 842) could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders.

IMPORTANT NOTICES

Shareholders should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Shareholders should inform themselves as to: (a) the legal requirements within their own countries for the holding, transfer or other disposal of Subscription Shares and the exercise of the Subscription Share Rights; (b) any foreign exchange restrictions applicable to the holding, transfer or other disposal of Subscription Shares and the exercise of the Subscription Share Rights which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the holding, transfer or other disposal of Subscription Shares or the exercise of the Subscription Share Rights. Shareholders must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

Forward-looking statements

This Prospectus contains forward looking statements including, without limitation, statements containing the words “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or similar expressions. Such forward looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement of the Company, or industry results, to be materially different from future results, performance or achievements expressed or implied by such forward looking statements.

Given these uncertainties, Shareholders are cautioned not to place any undue reliance on such forward looking statements. These forward-looking statements apply only as at the date of this Prospectus. Subject to its legal and regulatory obligations (including under the Prospectus Rules), the Company expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based unless required to do so by law or any appropriate regulatory authority, including FSMA, the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules.

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement in paragraph 4 of Part III of this document.

DIRECTORS, MANAGER AND ADVISERS

Directors	Roy Reynolds (<i>Chairman</i>) David Gamble Anatole Kaletsky Nigel Kenny Percy Mistry Valentine Powell Alan Saunders
Registered Office	all of: Finsbury Dials 20 Finsbury Street London EC2Y 9AQ
Manager and Company Secretary	JPMorgan Asset Management (UK) Limited Finsbury Dials 20 Finsbury Street London EC2Y 9AQ
Financial Adviser and Sponsor	Winterflood Securities Limited The Atrium Building Cannon Bridge 25 Dowgate Hill London EC4R 2GA
Legal Advisers to the Company	Norton Rose LLP 3 More London Riverside London SE1 2AQ
Auditors	PricewaterhouseCoopers LLP Hay's Galleria 1 Hay's Lane London SE1 2RD
Registrars	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA
Custodian and Principal Banker	JPMorgan Chase Bank, National Association London Branch 125 London Wall London EC2Y 5AJ

PART I

THE PROPOSALS

The Proposals

The Company is proposing to issue Subscription Shares to Qualifying Shareholders on the basis of one Subscription Share for every five Existing Ordinary Shares held on the Record Date, subject to the passing of the Resolution set out in the Notice of General Meeting and Admission, for the reasons described below. The Subscription Shares will be issued by way of a bonus issue to Qualifying Shareholders.

Each Subscription Share will confer the right (but not the obligation) to subscribe for one Ordinary Share upon exercise of the Subscription Share Rights and on payment of the Subscription Price as set out below.

Notice of the exercise of the Subscription Share Rights may be given at any time from 1 August 2009 until 31 July 2014 (both dates inclusive) after which the Subscription Share Rights will lapse. The Ordinary Shares arising on conversion will be allotted within ten Business Days of the first Business Day of the calendar month following the month in which the relevant notices are received by the Registrars.

The Subscription Price will be equal to the published unaudited NAV per Ordinary Share as at 5.00 p.m. on 9 June 2009, plus a percentage premium to such amount, rounded up to the nearest whole penny as follows:

- a) if exercised on any day between and including 1 August 2009 and 31 July 2010 – a 1 per cent. premium to such NAV per Ordinary Share;
- b) if exercised on any day between and including 1 August 2010 and 31 July 2012 – a 10 per cent. premium to such NAV per Ordinary Share; and
- c) if exercised on any day between and including 1 August 2012 and 31 July 2014 – a 30 per cent. premium to such NAV per Ordinary Share.

The NAV for the purpose of calculating the Subscription Prices will be the unaudited value of the Company's assets calculated in accordance with the Company's accounting policies (including revenue items for the current financial year) less all prior charges and other creditors at their fair value (including the costs of the Bonus Issue). Prior charges include all loans and overdrafts that are to be used for investment purposes.

The New Articles provide that the Subscription Prices are subject to adjustment upon the occurrence of certain corporate events by or affecting the Company before 31 July 2014. The relevant corporate events include consolidations or sub-divisions of share capital, pre-emptive offers of securities to Ordinary Shareholders, takeover offers and the liquidation of the Company. Such adjustments serve to protect either the intrinsic value or the time value of the Subscription Shares, or both.

The percentage premia applying upon exercise and the resulting Subscription Prices reflect the Board's confidence in the Company's medium to long term prospects and its hope that holders of Subscription Shares will be able to exercise their Subscription Share Rights and acquire Ordinary Shares on favourable terms in the future.

It is expected that an announcement setting out the Subscription Prices will be made on 10 June 2009.

Benefits of the Bonus Issue

The Directors believe the Bonus Issue of Subscription Shares will have the following advantages:

- Qualifying Shareholders will receive securities which they may convert into Ordinary Shares at a predetermined price in order to benefit from any future growth in the Company;
- Qualifying Shareholders will receive securities with a monetary value which may be traded in a similar fashion to their existing Ordinary Shares or converted into Ordinary Shares;

- on any exercise of the Subscription Share Rights, the capital base of the Company will increase allowing operating costs to be spread across a larger number of Ordinary Shares and hence should cause the total expense ratio to fall;
- following the exercise of any Subscription Share Rights, the Company will have an increased number of Ordinary Shares in issue, which may in due course improve the liquidity in the market for its Ordinary Shares; and
- Qualifying Shareholders will receive securities which are qualifying investments for the purposes of the stocks and shares component of an ISA and permitted investments for the purposes of a SIPP.

Fractions of Subscription Shares will not be allotted or issued and entitlements will be rounded down to the nearest whole number of Subscription Shares.

The ISIN of the Subscription Shares is GB00B3V4X029 and the ticker is JMGS.

Conditions of the Bonus Issue

The Bonus Issue is conditional upon the following conditions being satisfied by 8.00 a.m. (London time) on 11 June 2009 (or such later date on or before 31 July 2009 as the Company and the Manager may determine):

- (a) the passing of the Resolution at the General Meeting or any adjournment thereof; and
- (b) Admission taking place by no later than 8.30 a.m. on 11 June 2009 (or such later date on or before 31 July 2009 as the Company and the Manager may determine).

Authority to repurchase Subscription Shares

In order to allow the Company to repurchase Subscription Shares, the Resolution will grant the Company authority to buy back up to 14.99 per cent. of the issued Subscription Share capital.

Repurchases of Subscription Shares will be made at the discretion of the Board, and will only be made when market conditions are considered by the Board to be appropriate and in accordance with the Listing Rules. Purchases through the market will not exceed the higher of (i) 5 per cent. above the average of the middle market quotations (as derived from the Official List) for the 5 consecutive dealing days ending on the dealing day immediately preceding the date on which the purchase is made and (ii) the higher of the price quoted for (a) the last independent trade of, or (b) the highest current independent bid for, any number of Subscription Shares on the trading venue where the purchase is carried out.

It is anticipated that authorisation for repurchases of Subscription Shares will be sought at the Company's annual general meetings in 2009 and beyond.

Any Subscription Shares repurchased by the Company shall be cancelled and shall not be held in treasury for re-issue or resale.

New Articles of Association

If the Resolution is approved, the New Articles will be adopted to replace the Existing Articles. The New Articles will set out the rights attaching to the Subscription Shares, but otherwise will be identical to the Existing Articles which were adopted at the Company's annual general meeting held on 6 November 2008.

The New Articles will be on display at the registered office of the Company from the date of this document until the end of the General Meeting and at the General Meeting itself for the duration of the meeting and for at least 15 minutes prior to the meeting.

Continuation vote

Under the Company's Articles of Association, the Company is required to propose a continuation vote as an ordinary resolution at every third Annual General Meeting. If a continuation vote is not passed the Directors are required to convene a general meeting within four months of the relevant Annual General Meeting at which proposals for the winding up or other reconstruction of the Company will be considered.

The last continuation vote took place in November 2008 and the next is due at the Annual General Meeting to be held in 2011, when all or some of the Subscription Shares may still be outstanding. Subscription Shares do not carry the right to attend and vote at any general meeting of the Company, including any meeting convened to consider a continuation vote. In the event that the continuation vote is not passed and the Company is wound up or restructured, the entitlement of Subscription Shareholders will be calculated in accordance with the rights attaching to the Subscription Shares.

Broadly, this means that Subscription Shareholders as a whole will receive a proportionate amount of each and every payment made under a winding up or reconstruction, where such proportion is equal to not less than the market capitalisation of the Subscription Shares divided by the total assets available to ordinary shareholders calculated at the outset of winding up or reconstruction. This amount will be divided between the holders of the outstanding Subscription Shares *pro rata* to their holdings at the outset of winding up or reconstruction. The full rights attaching to the Subscription Shares are set out in Part IV of this Prospectus.

Admission and dealings

The Subscription Shares will be in registered form and may be issued either in certificated or uncertificated form. No temporary documents of title will be issued. Pending despatch of definitive certificates, transfers of Subscription Shares in certificated form will be certified against the Register. All documents or remittances sent by or to Shareholders will be sent through the post at the risk of the Shareholder.

Applications will be made to the UK Listing Authority for the Subscription Shares to be admitted to the Official List and to the London Stock Exchange for such Shares to be admitted to trading on its market for listed securities. It is expected that Admission will occur, and that dealings will commence, in respect of the Subscription Shares on 11 June 2009. On their Admission, the Subscription Shares will confer rights to subscribe for new Ordinary Shares representing, in aggregate, up to 20 per cent. of the then issued ordinary share capital of the Company.

Costs of the Proposals

The Company's expenses in connection with the Bonus Issue are estimated to amount to approximately £265,000 (inclusive of VAT).

Net Proceeds

Although there can be no certainty as to whether any or all of the Subscription Share Rights will be exercised, if the Bonus Issue proceeds and all of the Subscription Share Rights were exercised, the minimum net proceeds that could arise on such exercise would be approximately £90.7m and the maximum would be approximately £116.7m, based on a net asset value of 406.84 pence on 6 May 2009, the latest practicable date prior to the publication of this document, and assuming 22,060,748 Subscription Shares are issued pursuant to the Bonus Issue. It should be noted, however, that the Subscription Prices will be calculated on 9 June 2009 and the above figures are for illustrative purposes only.

Overseas Shareholders

The issue of the Subscription Shares to persons who have a registered or mailing address in countries outside of the EEA may be affected by the law or regulatory requirements of the relevant jurisdiction. The Board will allot any Subscription Shares due under the Bonus Issue to Overseas Shareholders to a market maker who will sell such Subscription Shares promptly at the best price obtainable. The proceeds of sale will be paid to the Overseas Shareholders entitled to them save that entitlements of less than £5 per Overseas Shareholder will be retained by the Company for its own account. Any Shareholder who is in any doubt as to his position should consult an appropriate independent professional adviser without delay.

The attention of Overseas Shareholders is drawn to page 25 of this document.

Taxation

The attention of Shareholders is drawn to the summary of United Kingdom tax matters set out in paragraph 12 of Part V of this document.

Shareholders should note that Subscription Shares are qualifying investments for the stocks and shares component of an ISA and will constitute permitted investments for the purposes of a SIPP. The exercise of Subscription Share Rights may affect the annual subscription limit available for further investment into an ISA in the relevant year. Any Shareholders who are in any doubt about their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should consult their professional adviser.

General Meeting

The Bonus Issue is conditional on, amongst other things, the approval by Shareholders of the Resolution to be proposed at a General Meeting of the Company which has been convened for 10 June 2009.

PART II

INFORMATION ON THE COMPANY AND INFORMATION FOR OVERSEAS SHAREHOLDERS

Introduction

The Company is a UK investment trust which was established in 1991 to take advantage of opportunities in less developed economies and markets.

The Company's objective is to achieve capital growth through investing in emerging markets worldwide.

The Company is publishing this document to allow it to issue the Subscription Shares pursuant to the Bonus Issue, subject to the granting of necessary Shareholder approval and Admission.

Investment policy

In order to achieve the investment objective and to seek to manage risk, the Company invests in a well diversified spread of countries, industries and companies, concentrating on countries and shares with the most attractive prospects. The Company invests primarily in quoted securities in emerging stock markets but, where necessary or appropriate in the absence of suitable quoted securities, it may invest in unquoted securities. It may invest in other collective investment schemes, but usually only where legal restrictions prevent direct investment by foreigners or prudent diversification can best be achieved in this way. The Company conducts its affairs so as to achieve and maintain approved investment trust status in the UK.

The Company is managed to produce capital growth and not to produce any particular level of dividend and it will only pay dividends to the extent that it has profits available for that purpose.

The Company's investment policy allows the employment of gearing when the Manager believes it is appropriate to do so. The Board regularly reviews this policy. Should the Manager decide to employ gearing, the Company will remain invested in the range of 90-120 per cent. (investments expressed as a percentage of shareholders' funds) under normal market conditions.

The investment policy sets no minimum or maximum limits on the number of investments in the portfolio but it is a relatively concentrated portfolio consisting typically of between 60 and 90 investments.

The Company's investment policy seeks to manage the Company's risk by imposing various investment limits and restrictions:

- As an investment trust under Section 842 of the Taxes Act 1988, the Company cannot invest more than 15 per cent. of its assets in any one investment, at the time of acquisition. The Company will not invest more than 10 per cent. of its total assets in any one individual stock (excluding investment trusts) at the time of acquisition. In addition, the Company may not retain more than 15 per cent. of its eligible investment income nor may it distribute capital profits by way of a dividend.
- At least 70 per cent. of income must be eligible investment income, consisting of income deriving from shares and securities or eligible rental income but not bank deposit income.
- No more than 50 per cent. of the Company's assets may be invested in any one region.
- No more than an aggregate of 25 per cent. of the Company's assets (before deducting borrowings) may be invested in (i) securities not listed on any recognised investment exchange; and (ii) holdings in listed companies (other than investment trusts which have been approved by HM Revenue & Customs or which would qualify for such approval but for the fact that they are not listed) in which the Company's interest in an individual company amounts to 20 per cent. or more of the aggregate of that company's equity capital (including any capital having an element of equity).

- In accordance with the Listing Rules of the UK Listing Authority, the Company will not invest more than 10 per cent., in aggregate, of the value of its total assets (calculated at the time of any relevant investment) in other closed-ended investment funds admitted to the Official List (save to the extent that those closed-ended investment funds have stated investment policies to invest no more than 15 per cent. of their gross assets in such other closed-ended investment funds).
- The Company does not normally enter into derivative transactions. To the extent it does so, such transactions are entered into for the purposes of efficient portfolio management only and require prior Board approval.

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

Any material changes to the investment policy must be approved by Shareholders in accordance with the Listing Rules.

Investment portfolio

As at the close of business on 6 May 2009 (being the latest practicable date prior to the publication of this document) the top twenty five investments of the Company by value and industrial sector, constituting 65.80 per cent. of the gross assets of the Company, were as follows:

Top twenty five investments*

<i>Security issuer</i>	<i>Geographical sector</i>	<i>Industrial sector</i>	<i>Book cost (£)</i>	<i>Market value (£)</i>	<i>% of total assets as at 6 May 2009</i>	<i>% of shares held</i>	<i>Exchange</i>
Petroleo Brasileiro SA Petrobras	Latin America	Oil & Gas	8,342,957	37,590,982	8.38%	0.10%	New York
Companhia Vale Do Rio Doce	Latin America	Basic Materials	7,580,677	23,898,282	5.33%	0.11%	New York
America Movil Sab De Cv	Latin America	Telecommunications	5,410,842	17,042,609	3.80%	0.00%	New York
MTN Group Ltd	Africa sub Sahara	Telecommunications	8,721,673	14,051,383	3.13%	0.08%	Johannesburg
China Merchants Bank	East Asia	Financials	15,122,316	13,806,323	3.08%	0.39%	Hong Kong
Sasol	Africa sub Sahara	Oil & Gas	13,040,333	12,893,387	2.87%	0.09%	Johannesburg
China Mobile Ltd	East Asia	Telecommunications	11,113,381	12,882,911	2.87%	0.01%	Hong Kong
Housing Development Finance Corp	South Asia	Financials	3,333,849	12,505,050	2.79%	0.19%	Natl India
Bharti Airtel	South Asia	Telecommunications	2,371,394	12,370,676	2.76%	0.06%	Natl India
Infosys Technologies	South Asia	Technology	5,705,244	12,101,969	2.70%	0.19%	Natl India
Taiwan Semiconductor Manufacturing	East Asia	Technology	7,963,246	11,869,791	2.65%	0.01%	New York
African Bank Investments	Africa sub Sahara	Financials	5,394,691	11,465,303	2.55%	0.67%	Johannesburg
Itau Unibanco Banco Multiplo	Latin America	Financials	3,078,226	11,133,198	2.48%	0.05%	Sao Paulo
Hon Hai Precision Industry	East Asia	Industrials	4,944,031	10,061,188	2.24%	0.06%	Taiwan
Anhui Conch Cement	East Asia	Industrials	1,515,581	9,149,040	2.04%	0.45%	Hong Kong
Li & Fung	East Asia	Consumer Goods	7,389,210	8,907,538	1.98%	0.13%	Hong Kong
Magnit OJSC	Emerging Europe	Consumer Services	7,383,757	8,789,195	1.96%	0.49%	Russia
Impala Platinum Hldgs	Africa sub Sahara	Basic Materials	3,900,513	8,034,798	1.79%	0.91%	Johannesburg
KT&G Corp	East Asia	Consumer Goods	2,162,863	7,707,313	1.72%	0.15%	Hong Kong
Wal-Mart De Mexico	Latin America	Consumer Services	3,812,569	7,551,799	1.68%	0.05%	Mexico
Teva Pharmaceutical Industries	Middle East	Consumer Goods	4,964,837	7,149,013	1.59%	0.03%	Nasdaq
Grupo Financiero Banorte	Latin America	Financials	6,263,864	7,061,266	1.57%	0.24%	Mexico
Esprit Hldgs	East Asia	Consumer Services	3,136,361	5,935,197	1.32%	0.10%	Hong Kong
Shinsegae Co	East Asia	Consumer Services	1,974,763	5,668,606	1.26%	0.12%	Hong Kong
Hyundai Mobis	East Asia	Consumer Goods	3,768,087	5,642,039	1.26%	0.13%	Hong Kong
Top twenty five investments total					65.80%		
Balance (61 investments)					34.11%		
Net current assets					0.09%		
Total assets					100.00%		

* - excludes holding of JPM Liquidity Fund

(source: the Company (unaudited))

Geographic analysis

	<i>% of total assets as at 6 May 2009</i>
East Asia	30.78
Latin America	29.29
South Asia	14.94
Africa sub Sahara	12.87
Emerging Europe	4.88
Middle East	4.52
Other	1.39
Europe	1.24
Sub-total	<u>99.91</u>
Cash	<u>0.09</u>
Total	<u><u>100.0</u></u>

Sector analysis

<i>Sector</i>	<i>% of total assets as at 6 May 2009</i>
Oil & Gas	11.25
Basic Materials	9.55
Industrials	10.58
Consumer Goods	12.45
Healthcare	1.77
Consumer Services	11.94
Telecommunications	15.04
Financials	21.99
Technology	5.34
Sub-total	<u>99.91</u>
Cash	<u>0.09</u>
Total	<u><u>100.00</u></u>

Currency analysis

	<i>% of total assets as at 6 May 2009</i>
Brazilian real	3.74
Egyptian pound	2.23
Euro	0.07
Sterling	1.05
Hong Kong dollar	19.64
Indonesian rupiah	1.34
Indian rupee	9.99
Korean won	7.10
Mexican peso	3.26
Malaysian ringgit	0.99
Pakistan rupee	0.01
Taiwan dollar	2.62
US dollar	35.28
South African rand	12.68
Total	<u><u>100.0</u></u>

Investment outlook

Following a period of negative returns from May 2008, emerging markets (**EM**) posted a strong rally in the first quarter of 2009 as investor risk appetite returned. After a swathe of fiscal stimulus programs and increasingly unorthodox monetary policy, sentiment was buoyed by signs that the pace of decline in global economic activity was beginning to moderate.

The Board believes that the recent rebound in EM equity markets has done little to diminish the supportive fundamental valuations in historical terms. While downside risks to reported earnings remain, estimates are falling more slowly and implied growth is starting to benefit from easier comparisons. The sustainability of earnings will continue to be the key focus for stock selection in the Company; identifying companies that can deliver growth over the Company's long-term investment horizon that are likely to benefit from a re-rating in valuation when market conditions revert to normal.

Good fundamentals and more stringent policies during the boom years are providing EM economies with an unusual amount of policy flexibility to restart growth. Strong macro positions allow much more leeway for EM policy to help re-start growth itself rather than depend on the developed world as in the past. Urbanisation, globalisation and infrastructure development will continue to be the key drivers of this economic restoration and domestic consumption will ultimately be a beneficiary of this.

As such, the thesis for EM economies remains intact, although there will be greater differentiation in relative performance on a regional and country-size basis. Large continental EM economies (such as Brazil, Russia, India and China) have significantly sized domestic markets with rapidly growing middle classes that provides a powerful impetus to sustain internal growth momentum and support recovery in corporate earnings and equity valuations. Economies that depend more on exports to OECD countries, particularly in manufacturing, are likely to recover more gradually, and later in the cycle, as their growth will depend on recovery of consumption in major OECD economies.

Correspondingly, the Board, based on advice from the Manager, believes that not only are EM already 'too big to ignore' from an economic perspective; profit participation in the economic restoration means EM equity is increasingly becoming 'too big to ignore' from an investor perspective too.

The Board's primary concern, advised by the Manager, is largely external – namely that the recent global economic and market trauma does not prompt policymakers to reverse globalisation in its broadest sense.

Management of the Company

The Board

The Directors are responsible for determining the Company's investment policy and have overall responsibility for the Company's activities.

The Board consists of seven non-executive Directors, all of whom are considered to be independent of the Manager, including the Chairman.

The Directors of the Company are as follows:

Roy Reynolds CMG (Chairman) was appointed a Director in 1999. He was formerly a director of Lasmo plc, the chief executive of the Commonwealth Development Corporation and managing director of Shell UK Oil. Mr Reynolds will be retiring from the Board at the Company's next annual general meeting, which is expected to be held in November 2009.

David Gamble was appointed a Director in 2006. He was formerly chief executive of British Airways Pension Investment Management and a director of F&C Emerging Markets Investment Trust plc. He is also a director and trustee of IBM (UK) Pension Trust and external investment adviser to the BBC Pension Trust Limited, chairman of the management committee of Hermes Property Unit Trust and a director of four other investment trusts and a number of other companies.

Anatole Kaletsky was appointed a Director in 2003. He is editor-at-large at the Times of London and he is also co-chairman of Gavekal Research, a Hong Kong based consultancy which provides advice to financial institutions around the world.

Nigel Kenny was appointed a Director in 2008. He is a founding partner of Sabre Capital, an emerging markets private equity company. He has held a number of senior positions in Standard Chartered Bank, including group head of strategy, operations and group finance director. Mr Kenny is a chartered accountant and has a PhD in theoretical physics.

Percy Mistry was appointed a Director in 2009. He has broad emerging markets experience having worked in senior positions with The World Bank and having been chief executive of businesses in India and Hong Kong. He is chairman and founder of Oxford International Group, which provides advice to governments and international companies and institutions operating in developing countries, and is particularly active in India.

Valentine Powell was appointed a Director in 2006. He was formerly the senior partner of Pinchin Denny & Co., chairman of F&C Emerging Markets Investment Trust plc, a director of Morgan Grenfell Securities, chief executive of the Association of Lloyd's Members and of the Lloyd's Corporate Capital Association. He is also currently the chairman of The Rank Foundation and a director of the Foundation for Christian Communication. Mr Powell will be retiring from the Board at the Company's next annual general meeting, which is expected to be held in November 2009.

Alan Saunders was appointed a Director in 2002. He is an independent investment consultant with Allenbridge Group plc. Mr Saunders was formerly chief economist at Royal Dutch Shell and also held senior investment roles in both Lazards and the private banking division of UBS A.G. He is currently independent investment adviser to Dorset County Council Pension Scheme and independent trustee of two private section pension schemes. Mr Saunders will become chairman of the Company following Mr Reynolds' resignation at the Company's annual general meeting in 2009.

The Manager

The Company's manager is JPMorgan Asset Management (UK) Limited. The Manager is a wholly-owned subsidiary of J.P.Morgan Chase & Co.

The J.P.Morgan Asset Management group of companies provides investment management products and services to individual and institutional investors worldwide and had total funds under management of approximately US\$1.1 trillion as at 31 December 2008.

The portfolio manager with primary responsibility for the day-to-day management of the Company's portfolio is Austin Forey, who has 21 years' industry experience.

Performance

Total return performance in Sterling to 30 April 2009, per cent.

	<i>3 months</i>	<i>6 months</i>	<i>1 year</i>	<i>3 years</i>	<i>5 years</i>
NAV per Share ¹	19.81	25.05	-24.96	2.87	133.85
Price per Share ¹	21.15	23.97	-23.59	5.9	154.35
MSCI Emerging Markets Free Index (£) ¹	22.52	28.14	-23.43	4.42	105.83

¹ Source: Fundamental Data, unaudited

The above table represents the performance of the Company and its performance benchmark at a particular point in time. There can be no guarantee that the Company's performance will be replicated over future time periods, including both in the short-term and the long-term.

Dividend policy

The Company is managed to produce capital growth and not to produce any particular level of dividend and it will only pay dividends to the extent that it has profits available for that purpose. As an investment trust the Company is required by section 842 of the Taxes Act 1988 to distribute sufficient net income that it retains no more than 15 per cent. of its eligible investment income.

Administration and company secretarial arrangements

Under the Management Agreement, the Manager provides all services of a company secretarial, accounting and administrative nature (excluding registration services) to the Company (including the calculation of the NAV of the Ordinary Shares). The Manager receives an aggregate fee for all its services provided under the Management Agreement including the discretionary management of the Company's assets. Full details of the fees provided for by the Management Agreement are contained in paragraph 11.1 of Part V of this document.

Accounting policy

The Company prepares its accounts in accordance with the Companies Act 1985, United Kingdom Generally Accepted Accounting Practice and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies" issued by the Association of Investment Companies in December 2005.

Reports to Shareholders and Annual General Meetings

The Company's annual report and accounts are prepared up to 30 June each year and it is expected that copies will be sent to Shareholders in October. The Company's annual general meetings are usually held in November of each year.

Overseas Shareholders

The Subscription Shares to be issued under the Bonus Issue are not being issued to Overseas Shareholders. The Board will allot any Subscription Shares due under the Bonus Issue to Overseas Shareholders to a market maker who will sell such Subscription Shares promptly at the best price obtainable. The proceeds of sale will be paid to the Overseas Shareholders entitled to them save that entitlements of less than £5 per Overseas Shareholder will be retained by the Company for its own account.

Notwithstanding any other provision of this document the Company reserves the right to permit any Shareholder to take up Subscription Shares under the Bonus Issue if the Company, in its sole and absolute discretion, is satisfied at any time prior to the General Meeting that the transaction in question is exempt from, or not subject to the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who believe that they are entitled to take up Subscription Shares under the Bonus Issue should contact the Secretary as soon as possible to discuss the matter. The telephone number for the Secretary is +44 (0) 20 7742 6000 and a representative can be reached by email at jonathan.latter@jpmorgan.com.

PART III

FINANCIAL INFORMATION RELATING TO THE COMPANY

1 Statutory accounts for the three financial years ended 30 June 2006, 2007 and 2008

Statutory accounts of the Company for the three financial years ended 30 June 2006, 2007 and 2008, in respect of which the Company's auditors, PricewaterhouseCoopers LLP, have given unqualified opinions that the accounts give a true and fair view of the state of affairs of the Company and of its total return and cash flows for each of the three financial years ended 30 June 2006, 2007 and 2008 and have been properly prepared in accordance with the Companies Act 1985 and United Kingdom Generally Accepted Accounting Practice, have been incorporated into this document by reference. PricewaterhouseCoopers LLP is a member of the Institute of Chartered Accountants in England and Wales.

2 Published annual reports and accounts for the three financial years ended 30 June 2006, 2007 and 2008 and the unaudited half-yearly report for the six months ended 31 December 2008

2.1 *Historical financial information*

The published annual reports and audited accounts for the Company for the three financial years ended 30 June 2006, 2007 and 2008 and the unaudited half-yearly report for the six months ended 31 December 2007 and 2008, which have been incorporated in this document by reference, included, on the pages specified in the table below, the following information:

<i>Nature of Information</i>	<i>Annual report and accounts for the year ended 30 June (audited)</i>			<i>Six months ended 31 December (unaudited)</i>	
	<i>2006 Page No(s)</i>	<i>2007 Page No(s)</i>	<i>2008 Page No(s)</i>	<i>2007 Page No(s)</i>	<i>2008 Page No(s)</i>
Income statement	36	28	29	6	6
Statement of changes in equity	37	29	30	7	7
Balance sheet	38	30	31	8	8
Cash flow statement	39	31	32	9	9
Accounting policies	40-41	32-33	33-34	10	10
Notes to the accounts	40-51	32-42	33-47	10-11	10-11
Independent auditors' report	35	27	28	n/a	n/a
Chairman's statement	2	2-3	2-3	2	2
Investment Manager's report	4-8	4-6	4-6	3	3
Directors' report	18-24	16-20	16-21	n/a	n/a

2.2 Selected financial information

The key audited figures that summarise the Company's financial condition in respect of the three financial years ended 30 June 2006, 2007 and 2008 and from the six months ended 31 December 2007 and 2008, which have been extracted without material adjustment from the historical financial information referred to in paragraph 2.1 of this Part III, are set out in the following table:

	<i>As at or for the year ended</i>			<i>As at or for</i>	
	<i>30 June (audited)</i>			<i>six months ended</i>	
	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>31 December (unaudited)</i>	<i>2008</i>
Net assets (£'000)	360,881	507,958	518,430	600,775	378,245
Net asset value per share (pence)	327.2	460.5	470.0	544.7	342.9
<i>Revenue</i>					
Total income (£'000)	8,488	8,055	9,456	4,538	6,889
Net profit (£'000)	4,078	2,157	2,858	1,129	3,035
Earnings per share (pence)	4.30	1.96	2.59	1.02	2.75
Dividend per share (pence)	3.65	2.0	2.0	n/a	n/a
<i>Total</i>					
Total return/(loss) (£'000)	73,686	158,806	17,431	98,015	(134,989)
Net profit/(loss) (£'000)	67,938	148,732	12,678	95,023	(137,979)
Earnings per share (pence)	71.64	134.84	11.49	86.14	(125.09)

2.3 Operating and financial review

The Company's published annual reports and accounts for the three financial years ended 30 June 2006, 2007 and 2008 and the six months ended 31 December 2007 and 2008 included, on the pages specified in the table below: descriptions of the Company's financial condition (in both capital and revenue terms); details of the Company's investment activity and portfolio exposure; and changes in its financial condition for each of those years.

<i>Nature of Information</i>	<i>Annual report and accounts for the year ended 30 June (audited)</i>			<i>Six months ended 31 December (unaudited)</i>	
	<i>2006 Page No(s)</i>	<i>2007 Page No(s)</i>	<i>2008 Page No(s)</i>	<i>2007 Page No(s)</i>	<i>2008 Page No(s)</i>
Chairman's statement	2-3	2-3	2-3	2	2
Investment Manager's report	4-8	4-6	4-6	3	3
Portfolio analyses	12,14-15	11,13-14	11,13-14	5	5
Performance, discount and financial record	10,19	8-9	8-9	n/a	n/a

The causes of material changes in the capital value of the Company's assets in these three financial years can be summarised as follows:

- (i) in the year to 30 June 2006, the Company made a net capital gain of £63,860,000. £66,563,000 of this related to gains on investments, with an unrealised gain of £56,099,000 and a realised gain on £10,464,000; and
- (ii) in the year to 30 June 2007, the Company made a net capital gain of £146,575,000. £151,603,000 of this related to gains/losses on investments, with an unrealised gain of £146,285,000 and a realised gain of £5,318,000; and
- (iii) in the year to 30 June 2008, the Company made a net capital gain of £9,820,000. £8,538,000 of this related to gains on investments, with an unrealised loss of £2,980,000 and a realised gain of £11,518,000.

The issue of the Subscription Shares itself has no impact on the Company's assets, earnings or liabilities. Where Subscription Shares are converted into Ordinary Shares, the total assets of the Company will increase by the number of Ordinary Shares that are issued multiplied by the relevant Subscription Price. It is not expected that there will be any material impact on the earnings and liabilities per Ordinary Share as a result of any conversion as the net proceeds resulting from any conversion are expected to be invested in accordance with the investment objective and policy of the Company.

2.4 *Availability of annual reports and accounts for inspection*

Copies of the Company's annual reports and audited accounts for the three financial years ended 30 June 2006, 2007 and 2008 and the unaudited half-yearly report for the six months ended 31 December 2007 and 2008 are available for inspection at the address set out in paragraph 20 of Part V of this document.

3 **Capitalisation and indebtedness**

The following table, sourced from the Company's internal accounting records, shows the Company's unaudited indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as at 6 May 2009 (being the latest practicable date prior to the publication of this document) and the Company's unaudited capitalisation as at 31 December 2008 (being the last date in respect of which the Company has published financial information).

	<i>6 May 2009 (unaudited) £'000</i>
<i>Total Current Debt</i>	
Guaranteed Secured	0
Unguaranteed/unsecured ⁽¹⁾	4,004
<i>Total Non-Current Debt</i>	
Guaranteed Secured	0
Unguaranteed/unsecured	0
	<i>31 December 2008 (unaudited) £'000</i>
<i>Shareholder equity</i> ⁽²⁾	
Share capital	27,575
Share premium account	71,052
Other reserves ⁽³⁾	69,939
Capital reserves	344,862
Capital redemption reserve	1,665

(1) Unsecured debt comprises accruals for expenses, interest payable, amounts due to brokers, current tax provisions and any short-term loans.

(2) In accordance with CESR guidance retained revenue reserves of £3,337,000 have been excluded from Shareholders' equity.

(3) Redesignated as a distributable reserve for the purpose of share repurchases, following the cancellation of the share premium account.

As at 6 May 2009 (being the latest practicable date prior to the publication of this document), there has been no material change in the capitalisation of the Company since 31 December 2008 (being the last date in respect of which the Company has published financial information).

The following table shows the Company's unaudited net indebtedness as at 6 May 2009 (being the latest practicable date prior to the publication of this document).

	<i>6 May 2009</i> <i>(unaudited)</i> <i>£'000</i>
A. Cash	1,689
B. Cash equivalent	—
C. Trading securities	949
D. Liquidity (A+B+C)	2,638
E. Current financial receivable	1,764
F. Current bank debt	—
G. Current portion of non-current debt	—
H. Trading securities payable	3,692
I. Other current financial debt	312
J. Current financial debt (F+G+H+I)	4,004
K. Net current financial indebtedness (J-E-D)	(398)
L. Non-current bank loans	—
M. Bonds issued	—
N. Other non-current loans	—
O. Non-current financial indebtedness (L+M+N)	—
P. Net financial indebtedness (K+O)	(398)

4 Working capital

In the Company's opinion, the Company has sufficient working capital for its present requirements, that is, for at least the 12 months following the date of this document.

PART IV

PARTICULARS OF THE SUBSCRIPTION SHARES

Conditional upon the passing of the Resolution at the General Meeting and Admission, the Subscription Shares are expected to be issued on 11 June 2009 and will carry the rights described below. The Existing Articles will be replaced with the New Articles which will incorporate these rights.

1 Subscription Share Rights

- (a) A registered holder for the time being of a Subscription Share (a **Subscription Shareholder**) shall have a right (**Subscription Share Right**) exercisable on any Business Day between 1 August 2009 and 31 July 2014 (the **Final Subscription Date**), both dates inclusive, (any date on which exercise occurs being described as a **Subscription Date**) to subscribe for all or any of the Ordinary Shares to which his Subscription Shares relate at the price per Ordinary Share to be determined by the Company as being equal to the unaudited published Net Asset Value attributable to one Ordinary Share as at 5.00 p.m. on 9 June 2009 plus the applicable percentage premium of such amount set out below rounded up to the nearest whole penny (the **Subscription Price**):
- (i) if the Subscription Share Right is exercised on any day between and including 1 August 2009 and 31 July 2010 – a 1 per cent. premium to such NAV per Ordinary Share;
 - (ii) if the Subscription Share Right is exercised on any day between and including 1 August 2010 and 31 July 2012 – a 10 per cent. premium to such NAV per Ordinary Share; and
 - (iii) if the Subscription Share Right is exercised on any day between and including 1 August 2012 and 31 July 2014 – a 30 per cent. premium to such NAV per Ordinary Share.

The Subscription Price shall be payable in full in Sterling on subscription.

Each Subscription Share relates to one Ordinary Share, but the Subscription Price (and/or the number of Subscription Shares outstanding) will be subject to adjustment as provided in paragraph 2 below.

The **Net Asset Value** or NAV for the purpose of calculating the Subscription Prices means the unaudited value of all the Company's assets calculated in accordance with the Company's accounting policies (including revenue items for the financial year ending 30 June 2009) less all prior charges and other creditors at their fair value (including the costs of the Bonus Issue). Prior charges include all loans and overdrafts that are to be used for investment purposes. **Business Day** for this purpose means any day on which banks are open for business in London (excluding Saturdays, Sundays and public holidays).

It is expected that the Subscription Prices will be announced via a Regulatory Information Service on or around 10 June 2009.

- (b) Subscription Shares will be issued in registered form and may be held in either certificated form (**Certificated Subscription Shares**) or uncertificated form (**Uncertificated Subscription Shares**). In the case of:
- (A) Certificated Subscription Shares, a Subscription Shareholder will be entitled to a share certificate in respect of his holding of Subscription Shares; and
 - (B) Uncertificated Subscription Shares, a Subscription Shareholder's title to such Subscription Shares will be recorded in the relevant register as being held in such form as will by virtue of the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (**Regulations**) enable the transfer of title to the Subscription Shares to be effected without a written instrument by means of a relevant electronic system (a **Relevant Electronic System**).

- (c) In order to exercise, in whole or in part, the Subscription Share Rights which are conferred by any Certificated Subscription Shares, the Subscription Shareholder must lodge the relevant Subscription Share certificate(s) (or such other document(s) as the directors of the Company (the **Directors**) may, in their absolute discretion, accept) at the office of the registrars for the time being of the Company (the **Registrars**) by not later than 5.00 p.m. on any Business Day between 1 August 2009 and 31 July 2014 (both dates inclusive), having completed the notice of exercise of Subscription Share Rights thereon (or by giving such other notice of exercise of Subscription Share Rights as the Directors may, in their absolute discretion, accept), accompanied by a remittance for the aggregate Subscription Price for the Ordinary Shares in respect of which the Subscription Share Rights are being exercised. Any notice of exercise received after 5.00 p.m. on any Business Day will be treated as having been received on the following Business Day. Once lodged, a notice of exercise of Subscription Share Rights shall be irrevocable save with the consent of the Directors. To be effective, compliance must also be made with any statutory and regulatory requirements for the time being applicable.
- (d) The Subscription Share Rights which are conferred by any Uncertificated Subscription Shares on the relevant Subscription Date shall be exercisable, in whole or in part, (and treated by the Company as exercised) on the relevant Subscription Date if, not later than 5.00 p.m. on the relevant Subscription Date, (i) an Uncertificated Subscription Notice is received as referred to below and (ii) a remittance for the aggregate Subscription Price for the Ordinary Shares in respect of which the Subscription Share Rights are being exercised is received by the Company (or by such person as it may require for these purposes). For these purposes, an **Uncertificated Subscription Notice** shall mean a properly authenticated dematerialised instruction and/or other instruction or notification received by the Company (or by such person as it may require for these purposes) in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors (subject always to the regulations and the facilities, rules and requirements of the Relevant Electronic System). The Directors may, in addition but subject to the regulations and facilities and requirements of the Relevant Electronic System, determine when any such properly authenticated dematerialised instruction and/or other instruction or notification and any such remittance is to be treated as received by the Company or by such person as it may require for these purposes. Without prejudice to the generality of the foregoing, the effect of the Uncertificated Subscription Notice may be such as to divest the holder of the Subscription Shares concerned of the power to transfer such Subscription Shares to another person. Once lodged, an Uncertificated Subscription Notice shall be irrevocable save with the consent of the Directors. To be effective, compliance must also be made with any statutory and regulatory requirements for the time being applicable.
- (e) Not later than 30 days before the Final Subscription Date, the Company shall give notice in writing to the holders of the outstanding Subscription Shares reminding them of their Subscription Share Rights and, in relation to any Uncertificated Subscription Shares, stating the form of Uncertificated Subscription Notice prescribed by the Directors.
- (f) Ordinary Shares issued pursuant to the exercise of Subscription Share Rights which are conferred by any Certificated Subscription Shares will be allotted within ten Business Days of the first Business Day of the calendar month following the month in which the relevant notice of exercise of Subscription Share Rights is given in accordance with paragraph 1(c) above, save in the case of the Final Subscription Date when the relevant Ordinary Shares will be allotted not later than 14 days after from the Final Subscription Date. The Ordinary Shares arising on conversion shall be allotted with effect from the date of their allotment (and not the date upon which the notice of exercise is given or deemed given in accordance with paragraph 1(c) above). Certificates in respect of such Ordinary Shares, together, if applicable, with a new certificate for the balance of any Certificated Subscription Shares in respect of which the Subscription Share Rights have not been exercised, will be despatched (at the risk of the person(s) entitled thereto) not later than 28 days after the relevant allotment date to the person(s) in whose name(s) the Subscription Share is registered at the date of exercise (and, if more than one, to the first-named, which shall be sufficient despatch for all) or (subject as provided by law and to the payment of stamp duty

reserve tax or any other tax as may be applicable) to such other person(s) (not being more than four in number) as may be named in the form of nomination available for the purpose from the Registrars (and, if more than one, to the first-named, which shall be sufficient despatch for all).

- (g) Ordinary Shares issued pursuant to the exercise of Subscription Share Rights which are conferred by any Uncertificated Subscription Shares will be allotted within ten Business Days of the first Business Day of the calendar month following the month in which the relevant Uncertificated Subscription Notice is given in accordance with paragraph 1(d) above, save in the case of the Final Subscription Date when the relevant Ordinary Shares will be allotted not later than 14 days after the Final Subscription Date. The Ordinary Shares arising on conversion shall be allotted with effect from the date of their allotment (and not the date upon which the Uncertificated Subscription Notice is given in accordance with paragraph 1(d) above). The Company shall procure that the appropriate instructions are given to enable such Ordinary Shares to be credited in uncertificated form to the relevant account within the Relevant Electronic System of the person(s) in whose name(s) the Subscription Shares in respect of which Subscription Share Rights have been exercised were registered as at the date of such exercise or (subject as provided by law, to the payment of stamp duty reserve tax or any other tax as may be applicable, to such terms and conditions as the Directors may from time to time prescribe for this purpose, to the regulations, and the facilities, rules and requirements of the Relevant Electronic System) to such other person(s) (not being more than four in number) as may be named in the properly authenticated dematerialised instruction and/or other instruction or notification in such form.
- (h) For the avoidance of doubt, unless the Directors otherwise determine or unless the regulations or the facilities, rules or requirements of the Relevant Electronic System otherwise require, the Ordinary Shares issued on the exercise of any Subscription Share Rights shall be issued in certificated form where such Subscription Share Rights were conferred by Certificated Subscription Shares and in uncertificated form where such Subscription Share Rights were conferred by Uncertificated Subscription Shares.
- (i) Ordinary Shares allotted pursuant to the exercise of Subscription Share Rights will not rank for any dividends or other distributions declared, paid or made on the Ordinary Shares by reference to a record date prior to the relevant allotment date but, subject thereto, will rank in full for all dividends and other distributions declared, paid or made on the Ordinary Shares and otherwise will rank *pari passu* in all other respects with the Ordinary Shares in issue at the relevant allotment date.
- (j) For so long as the Company's Ordinary Shares are admitted to the Official List and to trading on the London Stock Exchange's market for listed securities, it is the intention of the Company to apply (i) to the UK Listing Authority for the Ordinary Shares allotted pursuant to any exercise of Subscription Share Rights to be admitted to the Official List and (ii) to the London Stock Exchange for such shares to be admitted to trading on the London Stock Exchange's market for listed securities. The Ordinary Shares arising pursuant to any exercise of Subscription Share Rights will be allotted subject to admission to the Official List and to trading on the London Stock Exchange's market for listed securities. **Official List** for this purpose means the official list of the UK Listing Authority. **UK Listing Authority** for this purpose means the Financial Services Authority of the United Kingdom acting in its capacity as the competent authority for the purposes of Part V of the Financial Services and Markets Act 2000.
- (k) Each notice of exercise of Subscription Share Rights and each Uncertificated Subscription Notice will be deemed to contain a representation that at the time of submission to the Company, the holder of the Subscription Shares concerned is not a US Person (as defined in paragraph 1(l) below) or a person in Canada, Australia, Japan, New Zealand or the Republic of South Africa or, if he is such a person, his exercise of Subscription Share Rights is permitted by, and will not infringe, the securities laws of the relevant jurisdiction.
- (l) Without prejudice to the generality of the final sentences of paragraphs 1(c) and 1(d) above, the exercise of Subscription Share Rights by any Subscription Shareholder or beneficial owner of the Subscription Shares who is a US Person or a person in Canada, Australia, Japan, New Zealand or

the Republic of South Africa or the right of such a Subscription Shareholder or beneficial owner to receive the Ordinary Shares falling to be issued to him following the exercise of his Subscription Share Rights, will be subject to such requirements, conditions, restrictions, limitations or prohibitions as the Company may at any time impose, in its sole discretion, for the purpose of complying with (or for avoiding any requirement which would otherwise arise to comply with) the securities laws of the United States (including, without limitation, the United States Securities Act of 1933, as amended, the United States Investment Company Act of 1940, as amended, and any rules or regulations promulgated under such Acts) and the laws of Canada, Australia, Japan, New Zealand and the Republic of South Africa. As used herein, **US Person** means any person or entity defined as such in Rule 902 (o) under the United States Securities Act of 1933, as amended and, without limiting the generality of the foregoing, US Person includes a natural person resident in the United States, a corporation, partnership or other entity created, organised or incorporated under the laws of the United States (including any State thereof) and an estate or trust, if any executor, administrator or trustee is a US Person, but shall not include a branch or agency of a US Person located outside the United States if such agency or branch operates for valid business reasons and is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located and **United States** means the United States of America (including the States thereof and the District of Columbia), its territories and possessions or other areas subject to its jurisdiction.

2 Adjustments of Subscription Share Rights

The Subscription Price (and/or the number of Subscription Shares outstanding) shall from time to time be adjusted in accordance with the provisions of this paragraph 2:

- (a) If and whenever there shall be an alteration on a date (or by reference to a record date) on or before the Final Subscription Date in the nominal amount of the Ordinary Shares as a result of a consolidation or sub-division, the Subscription Price in force immediately prior to such alteration shall be adjusted by multiplying it by a fraction of which (x) the numerator shall be the nominal amount of one such Ordinary Share immediately after such alteration and (y) the denominator shall be the nominal amount of one such Ordinary Share immediately prior to such alteration, and such adjustment shall become effective on the date the alteration takes effect.
- (b) If and whenever the Company shall allot to holders of Ordinary Shares any Ordinary Shares credited as fully paid by way of capitalisation of reserves or profits (other than Ordinary Shares paid up out of distributable reserves and issued in lieu of a cash dividend) on a date (or by reference to a date) on or before the Final Subscription Date, the Subscription Price in force immediately prior to such allotment shall be adjusted by multiplying it by a fraction of which (x) the numerator shall be the aggregate nominal amount of the issued Ordinary Shares immediately before such allotment and (y) the denominator shall be the aggregate nominal amount of the issued and allotted Ordinary Shares immediately after such allotment and such adjustment shall become effective as at the date of allotment of such Ordinary Shares.
- (c) If on a date (or by reference to a record date) on or before the Final Subscription Date, the Company makes any offer or invitation (whether by way of rights issue, open offer or otherwise but not being an offer made in connection with scrip dividend arrangements) to the holders of the Ordinary Shares (subject to such exclusions as may be necessary to deal with legal, regulatory or practical problems in any jurisdiction) to subscribe for new Ordinary Shares or for securities convertible into or exchangeable for Ordinary Shares or conferring rights to subscribe for Ordinary Shares, or any offer or invitation (not being an offer to which paragraph 3(g) below applies) is made to such holders otherwise than by the Company, then the Company shall, so far as it is able, procure that at the same time the same offer or invitation is made to the then Subscription Shareholders as if their Subscription Share Rights had been exercised on the date immediately preceding the record date for such offer or invitation on the terms (subject to any adjustment made previously pursuant to paragraphs 2(a) to (f)) on which the same could have been exercised on that date, provided that, if the Directors so resolve in the case of any

such offer or invitation made by the Company, the Company shall not be required to procure that the same offer or invitation is made to the then Subscription Shareholders but the Subscription Price shall be adjusted:

- (i) in the case of an offer of new Ordinary Shares for subscription (by way of a rights issue or open offer) at a price less than the net asset value per Ordinary Share as at the close of business on the Business Day immediately preceding the date of announcement of the terms (including the pricing) of the offer (the **Pricing Date**) (a **Dilutive Ordinary Share Offer**), by multiplying the Subscription Price in force immediately before the Pricing Date by a fraction of which (x) the numerator is the Fully Diluted NAV per Ordinary Share as at the close of business on the Business Day immediately preceding the Pricing Date and (y) the denominator is the Diluted NAV per Ordinary Share as at the close of business on the Business Day immediately preceding the Pricing Date; and
- (ii) in the case of an offer under which securities convertible into, or exchangeable for, Ordinary Shares or conferring rights of subscription for Ordinary Shares are offered by the Company (by way of a rights issue or open offer) and the price at which such securities are convertible into or exchangeable for Ordinary Shares or the price at which Ordinary Shares may be subscribed pursuant to the rights conferred by such securities (as the case may be) is less than the net asset value per Ordinary Share as at the close of business on the Business Day immediately preceding the Pricing Date (a **Dilutive Alternative Securities Offer**), by multiplying the Subscription Price in force immediately before the Pricing Date by a fraction of which (x) the numerator is the Fully Diluted NAV per Ordinary Share as at the close of business on the business day immediately preceding the Pricing Date and (y) the denominator is the Diluted NAV per Ordinary Share as at the close of business on the business day immediately preceding the Pricing Date; and
- (iii) in any other case, in such manner as the independent financial advisers appointed by the Board (the **Financial Advisers**) shall report in writing to be fair and reasonable.

For the purposes of this paragraph 2(c):

- (I) **Relevant Securities** means any securities of the Company (including the Subscription Shares) in issue as at the relevant date which are convertible into, or exchangeable for, Ordinary Shares or which confer rights of subscription for Ordinary Shares or which otherwise could result in the issue of new Ordinary Shares, in each case at a price less than the then prevailing net asset value per Ordinary Share;
- (II) the **Diluted NAV per Ordinary Share** shall be the amount calculated in accordance with the following formula:

$$\text{DNAV} = \frac{(A + B)}{(C + D)}$$

where:

DNAV = the Diluted NAV per Ordinary Share;

A = the net assets of the Company as at the close of business on the Business Day immediately preceding the Pricing Date;

B = an amount equal to the product of (x) the number of new Ordinary Shares which would fall to be issued by the Company if the rights conferred by all Relevant Securities were exercisable and had been exercised in full on the Business Day immediately preceding the Pricing Date at the conversion, exchange or subscription price (as the case may be) applicable on the next occasion on which such rights are then capable of exercise (disregarding, in the case of the Subscription Shares, any adjustment required by reason of the relevant offer or invitation under this paragraph 2(c)) and (y) such conversion, exchange or subscription price (as the case may be);

- C = the number of Ordinary Shares in issue as at the Pricing Date;
- D = the number of new Ordinary Shares that would result from the exercise in full (on the basis set out in B above) of all the rights conferred by the Relevant Securities; and

(III) the **Fully Diluted NAV per Ordinary Share** shall be the amount calculated in accordance with the following formula:

$$\text{FDNAV} = \frac{(A + B + E)}{(C + D + F)}$$

where:

FDNAV = the Fully Diluted NAV per Ordinary Share;

A = the net assets of the Company as at the close of business on the Business Day immediately preceding the Pricing Date;

B = an amount equal to the product of (x) the number of new Ordinary Shares which would fall to be issued by the Company if the rights conferred by all Relevant Securities were exercisable and had been exercised in full on the Business Day immediately preceding the Pricing Date at the conversion, exchange or subscription price (as the case may be) applicable on the next occasion on which such rights are then capable of exercise (disregarding, in the case of the Subscription Shares, any adjustment required by reason of the relevant offer or invitation under this paragraph 2(c)) and (y) such conversion, exchange or subscription price (as the case may be);

C = the number of Ordinary Shares in issue as at the Pricing Date;

D = the number of new Ordinary Shares that would result from the exercise in full (on the basis set out in B above) of all the rights conferred by the Relevant Securities;

E = (i) in the case of a Dilutive Ordinary Share Offer, an amount equal to the number of new Ordinary Shares offered for subscription multiplied by the issue price less the expenses of the offer and (ii) in the case of a Dilutive Alternative Securities Offer, an amount equal to the aggregate of (a) the product of (x) the number of new Ordinary Shares which would fall to be issued by the Company if the rights to be conferred by all the securities the subject of the offer were exercisable and had been exercised in full on the business day immediately preceding the Pricing Date at the initial conversion, exchange or subscription price (as the case may be) and (y) such conversion, exchange or subscription price (as the case may be), less the expenses of the Dilutive Alternative Securities Offer and (b) the net proceeds of such offer to be received by the Company to the extent (if any) not reflected in (a); and

F = (i) in the case of a Dilutive Ordinary Share Offer, the number of new Ordinary Shares the subject of the offer assuming the same had been issued on the Business Day immediately preceding the Pricing Date and (ii) in the case of a Dilutive Alternative Securities Offer, the number of new Ordinary Shares that would result from the exercise in full of the rights conferred by all the securities the subject of the offer if such rights were exercisable and had been exercised in full on the Business Day immediately preceding the Pricing Date.

(d) No adjustment will be made to the Subscription Price pursuant to paragraphs 2(a), (b) or (c) above (other than by reason of a consolidation of Ordinary Shares as referred to in paragraph 2(a) above) if it would result in an increase in the Subscription Price and, in any event, no adjustment will be made if such adjustment would (taken together with the amount of any adjustment carried forward under the provisions of this paragraph 2(d)) be less than 1 per cent. of the Subscription Price then in force and on any adjustment the adjusted Subscription Price

will be rounded down to the nearest whole penny. Any adjustment not so made and any amount by which the Subscription Price is rounded down will be carried forward and taken into account in any subsequent adjustment.

- (e) Whenever the Subscription Price is adjusted as provided in accordance with paragraphs 2(a) to (d) above (other than by reason of and to reflect a consolidation of Ordinary Shares as referred to in paragraph 2(a) above), the Company shall issue, for no payment, additional Subscription Shares to each Subscription Shareholder at the same time as such adjustment takes effect and the nominal value of such shares shall be paid up in full in accordance with paragraph 8(i)(v). The number of additional Subscription Shares to which a holder of Subscription Shares will be entitled shall be the number of existing Subscription Shares held by him before such adjustment multiplied by the following fraction:

$$\frac{X - Y}{Y}$$

where:

X = the Subscription Price (for the next Subscription Date) immediately before the adjustment of the Subscription Price; and

Y = the Subscription Price (for the next Subscription Date) immediately after the adjustment of the Subscription Price.

Fractions of Subscription Shares will not be allotted to holders of Subscription Shares but all such fractions will be aggregated and, if practicable, sold in the market. The net proceeds will be paid to the Subscription Shareholders entitled thereto at the risk of such persons, save that amounts of less than £5.00 will be retained for the benefit of the Company. Subscription Share certificates relating to such additional Certificated Subscription Shares will be issued within 21 days of the said adjustment taking effect or the Company will procure that appropriate instructions are given to enable such additional Uncertificated Subscription Shares to be credited to the relevant account within the Relevant Electronic System of the person(s) in whose name(s) the Subscription Shares are registered as at the date of the adjustment.

- (f) Whenever the Subscription Price is adjusted in accordance with this paragraph by reason of a consolidation of Ordinary Shares as referred to in paragraph 2(a) above, the number of Ordinary Shares into which each holder of Subscription Shares is entitled to convert such Subscription Shares will be reduced accordingly.
- (g) The Company shall give notice to holders of Subscription Shares within 28 days of any adjustment made pursuant to paragraphs 2(a) to (f) above.
- (h) If a holder of Subscription Shares shall become entitled to exercise his Subscription Share Rights pursuant to paragraph 3(g) below, the Subscription Price payable on such exercise (but not otherwise) shall be reduced by an amount determined by the Financial Advisers in accordance with the following formula:

$$A = (B + C) - D$$

where:

A = the reduction in the Subscription Price;

B = the Subscription Price which would, but for the provisions of this paragraph 2(h), be applicable (having taken into account any adjustments previously made pursuant to paragraphs 2(a) to (f) above) on the date on which the Company shall become aware as provided in paragraph 3(g) below;

C = the average of the middle market quotations (as derived from the London Stock Exchange Daily Official List) for one Subscription Share for the 10 consecutive dealing days ending on the dealing day immediately preceding the date of the announcement of the offer

referred to in paragraph 3(g) below (or, where such offer is a revised offer, the original offer) or, if applicable and earlier, the date of the first announcement of the intention to make such offer or original offer or of the possibility of the same being made; and

D = the average of the middle market quotations (as derived from the London Stock Exchange Daily Official List) for one Ordinary Share for the 10 consecutive dealing days ending on the dealing day immediately preceding the date of the announcement of the offer referred to in paragraph 3(g) below (or, where such offer is a revised offer, the original offer) or, if applicable and earlier, the date of the first announcement of the intention to make such offer or original offer or of the possibility of the same being made,

provided that:

- (i) the Subscription Price shall not be reduced so as to cause the Company to be obliged to issue Ordinary Shares at a discount to nominal value and, if the application of the above formula would, in the absence of this proviso (i), have reduced the Subscription Price to below the nominal value of an Ordinary Share, the number of Ordinary Shares for which a holder of a Subscription Share may subscribe pursuant to paragraph 3(g) below shall be adjusted in such manner as the Financial Advisers shall report to be appropriate to achieve the same economic result for the Subscription Shareholders as if the Subscription Price had been reduced without regard to this proviso (i); and
- (ii) no adjustment shall be made to the Subscription Price where the value of D exceeds the aggregate value of B and C in the above formula.

The notice required to be given by the Company under paragraph 3(g) below shall give details of any reduction in the Subscription Price pursuant to this paragraph 2(h).

- (i) Notwithstanding the provisions of paragraphs 2(a) to 2(h) above, in any circumstances, where the Directors shall consider that an adjustment to the Subscription Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Subscription Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or with a different time from that provided under the said provisions, the Company may appoint the Financial Advisers to consider whether for any reason whatsoever the adjustment to be made (or the absence of adjustment) would or might not appropriately reflect the relative interests of the persons affected thereby and, if the Financial Advisers shall consider this to be the case, the adjustment shall be modified or nullified, or another adjustment made instead, or no adjustment made, in such manner including without limitation making an adjustment calculated on a different basis and /or to take effect from such other date and/or time as shall be reported by the Financial Advisers to be in their opinion appropriate.

3 Other provisions

So long as any Subscription Share Rights remain capable of exercise:

- (a) the Company shall not (except with the sanction of a special resolution of the Subscription Shareholders):
 - (i) make, pay or declare any distribution of capital profits or capital reserves except by means of a capitalisation issue in the form of fully paid Ordinary Shares;
 - (ii) issue securities by way of capitalisation of profits or reserves except fully paid Ordinary Shares issued to the holders of its Ordinary Shares or the issue of further Subscription Shares to the Subscription Shareholders in accordance with the rights attaching to the Subscription Shares; or

- (iii) on or by reference to a record date falling within the period of six weeks ending on the Final Subscription Date, make any such allotment as is referred to in paragraph 2(b) above or any such offer or invitation as is referred to in paragraph 2(c) above (except by extending to the Subscription Shareholders any such offer or invitation as may be made by a third party);
- (b) the Company shall not (except with the sanction of a special resolution of the Subscription Shareholders) in any way modify the rights attached to its existing Ordinary Shares as a class, or create or issue any new class of equity share capital (as defined in section 744 of the Companies Act 1985 or section 548 of the Companies Act 2006 as applicable) except for shares which carry, as compared with the rights attached to the existing Ordinary Shares, rights which are not more advantageous as regards voting, dividend or return of capital (save as to the date from which such shares shall rank for dividends or distributions), provided that nothing herein shall restrict the right of the Company to increase, consolidate or sub-divide its share capital or to issue further Ordinary Shares which carry, as compared to the rights attached to the existing Ordinary Shares, rights which are not more advantageous as regards voting, dividends or return of capital;
- (c) the Company shall not issue any Ordinary Shares credited as fully paid by way of capitalisation of profits or reserves nor make any such offer as is referred to in paragraph 2(c) if, in either case, the Company would on any subsequent exercise of the Subscription Share Rights be obliged to issue Ordinary Shares at a discount to nominal value;
- (d) the Company shall not (except with the sanction of a special resolution of the holders of the Subscription Shares or in connection with a purchase of shares made in accordance with paragraph 3(j) below or for a reduction not involving any payment to Shareholders) reduce any of its share capital or any uncalled or unpaid liability in respect of any of its share capital;
- (e) the Company shall keep available for issue sufficient authorised but unissued share capital to satisfy in full all Subscription Share Rights remaining exercisable;
- (f) except in the circumstances where paragraph 2(c) applies, the Company shall not grant (or agree to grant) any option in respect of, or create any rights of subscription for, or conversion into, any Ordinary Shares, the nominal amount of which, together with the aggregate nominal amount of any Ordinary Shares over which options or rights of subscription or conversion (including those of the Subscription Shares) shall be subsisting at the date of such grant or creation, would exceed in the aggregate 20 per cent. of the nominal amount of the Ordinary Shares (excluding any treasury shares) then in issue, nor (except with the sanction of a special resolution of the Subscription Shareholders) will the Company grant (or offer or agree to grant) any such option in respect of, or create any such rights of subscription for, or issue any securities or loan capital carrying rights of conversion into, Ordinary Shares if the price at which any such option or right is exercisable is lower than the Subscription Price for the time being;
- (g) subject as provided in paragraph 3(h) below, if at any time an offer is made to all Shareholders (or all such holders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued ordinary share capital of the Company and the Company becomes aware on or before the Final Subscription Date that as a result of such offer the right to cast a majority of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror and/or such companies or persons as aforesaid, the Company shall give notice to the Subscription Shareholders of such vesting or pending vesting within 14 days of its becoming so aware, and each such Subscription Shareholder shall be entitled, at any time within the period of 30 days immediately following the date of such notice, to exercise his Subscription Share Rights on the terms (having taken into account any adjustments pursuant to paragraphs 2(a) to (f) and 2(h) above) on which the same could have been exercised if they had been exercised on the date on which the Company shall become aware as aforesaid. The publication of a scheme of arrangement under section 425 of the Companies Act 1985 or sections 895 to 901 of the Companies Act 2006 providing for the acquisition by any person of the whole or any part of the issued ordinary share capital of the Company shall be deemed to be the making of an offer for the purposes of this paragraph 3(g) and reference herein to such an offer shall be read and construed accordingly;

- (h) if under any offer as referred to in paragraph 3(g) above the consideration shall consist solely of the issue of ordinary shares of the offeror and the offeror shall make available an offer of securities to subscribe for ordinary shares in the offeror in exchange for the Subscription Shares, which offer the financial advisers to the Company (acting as experts and not as arbitrators) shall consider to be fair and reasonable (having regard to the terms of the offer and any other circumstances which may appear to such financial advisers to be relevant), then a Subscription Shareholder shall not have the right to exercise his Subscription Share Rights on the basis referred to in paragraph 3(g) above and, subject to the offer as referred to in paragraph 3(g) above becoming or being declared wholly unconditional and the offeror being in a position to acquire compulsorily the whole of the then issued ordinary share capital of the Company not already owned by it or its associates (as defined in section 988 of the Companies Act 2006), any Director shall be irrevocably authorised as attorney for the holders of Subscription Shares who have not accepted the offer of securities to subscribe for ordinary shares in the offeror in exchange for the relevant Subscription Shares and who have not exercised the Subscription Share Rights attaching to their Subscription Shares before such offer becomes or is declared unconditional and the offeror being in a position to acquire compulsorily the whole of the then issued ordinary share capital of the Company not already owned by it or its associates:
- (i) to execute a transfer of the Subscription Shares held by such holders in favour of the offeror in consideration of the issue of securities to subscribe for ordinary shares in the offeror as aforesaid, whereupon all the Subscription Share Rights shall lapse; and
 - (ii) to do such acts and things as may be necessary or appropriate in connection therewith;
- (i) if an order is made or an effective resolution is passed for winding-up the Company (except for the purpose of reconstruction, amalgamation or unitisation on terms sanctioned by a special resolution of the Subscription Shareholders), each Subscription Shareholder shall be entitled to receive out of the assets available in the liquidation, *pari passu*, with the holders of the Ordinary Shares and *pro rata* to their holding of Subscription Shares as at the commencement of the liquidation, such proportion of the assets available for distribution and distributed in the liquidation as is equal to the greater of:
- (i) the proportion produced by the following formula:

$$\frac{MP \times N}{SA}$$

where:

MP = the average of the middle market quotations (as derived from the London Stock Exchange Daily Official List) for one Subscription Share for the 10 consecutive dealing days ending on the dealing day immediately preceding the date of the presentation of the petition for such order or of the notice convening the meeting at which such resolution shall be passed (as the case may be) or, if applicable and earlier, the date of the first announcement of the presentation of such petition or the convening of a meeting (as the case may be) or that the same is proposed

N = the number of Subscription Shares in issue immediately prior to the commencement of the liquidation

SA = the surplus assets available in the liquidation; and

- (ii) the proportion produced by the following formula:

$$\frac{IV \times N}{SA}$$

where:

IV = the excess of the Diluted NAV per Ordinary Share over the Subscription Price immediately prior to the commencement of the liquidation

N = the number of Subscription Shares in issue immediately prior to the commencement of the liquidation

SA = the surplus assets available in the liquidation

For the avoidance of doubt, the entitlement of Subscription Shareholders pursuant to this paragraph 3(i) shall be payable out of the assets available in the liquidation without the Subscription Shareholders having to make any subscription or payment. Subject to the foregoing, all Subscription Share Rights shall lapse on liquidation of the Company.

Notwithstanding the foregoing provisions of this paragraph 3(i), where the Directors, in their reasonable opinion, shall consider that the economic result produced by the application of such provisions would or might not fairly and appropriately reflect the relative interests of the persons affected thereby, the Directors may appoint the Financial Advisers to consider and report on what (if any) adjustments should be made to such provisions so as to produce an economic result which, in the opinion of the Financial Advisers, fairly and appropriately reflects the relative interests of the persons affected thereby, and in the event of any such report by the Financial Advisers the provisions of this paragraph 3(i) shall be deemed to be varied and take effect accordingly;

- (j) notwithstanding paragraphs 3(a) to (i) above, the Company may, without the sanction of special resolution of the Subscription Shareholders:
 - (i) purchase any of its own equity share capital (whether by tender, by private treaty or through the market);
 - (ii) hold its Ordinary Shares in treasury (for the purposes of The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003) and sell any such Ordinary Shares held in treasury; and
 - (iii) effect a reduction in its share premium account or capital redemption reserve in accordance with the provisions of the Companies Act 1985 or the Companies Act 2006.

4 Issue of C Shares

- (a) Notwithstanding the provisions of paragraph 3 above, a Qualifying C Share Issue (as defined in (b) below) shall not constitute an alteration or abrogation of the rights attached to the Subscription Shares (and shall not require the sanction of a special resolution of the Subscription Shareholders) even though it may involve modification of the rights attached to the existing Ordinary Shares of the Company or the creation or issue of a new class of equity share capital if the Directors are of the opinion (having regard to all the circumstances) that such issue should not have any material dilutive effect on the Net Asset Value per Ordinary Share.
- (b) For this purpose, a **Qualifying C Share Issue** means an issue by the Company of shares which will, within one year of the date of issue thereof, be converted into Ordinary Shares ranking *pari passu* in all respects with the Ordinary Shares then in issue (other than, if the case requires, as regards dividends or other distributions declared, paid or made in respect of the financial year in which the conversion takes place) and may include the issue in connection therewith of subscription shares or warrants (whether on the same terms and conditions as the Subscription Shares or otherwise) and any matters reasonably incidental to the process by which such shares are converted into Ordinary Shares, including but not limited to the creation, issue, sub-division, consolidation, redesignation, purchase, redemption or cancellation of any share capital of the Company, including share capital with preferred or deferred rights.

5 Modification of Rights

All or any of the rights for the time being attached to the Subscription Shares and any of these terms and conditions may from time to time (whether or not the Company is being wound up) be altered or abrogated with the sanction of a special resolution of the Subscription Shareholders.

6 Purchase

Subject to the provisions of the Companies Act 1985 and the Companies Act 2006, as applicable, the Company (or any of its subsidiaries) shall have the right to purchase Subscription Shares in the market, by tender or by private treaty but:

- (a) such purchases will be limited to a maximum price per Subscription Share which (other than in the case of purchases by tender) will not exceed the higher of (i) 5 per cent. above the average of the middle market quotations (as derived from the London Stock Exchange Daily Official List) for a Subscription Share for the 10 consecutive dealing days ending on the dealing day immediately preceding the date on which the purchase is made and (ii) the value of a Subscription Share calculated on the basis of the higher of the price quoted for (a) the last independent trade of, or (b) the highest current independent bid for, any number of Subscription Shares on the trading venue where the purchase is carried out; and
- (b) if such purchases are by tender, such tender will be available to all Subscription Shareholders alike.

All Subscription Shares so purchased shall forthwith be cancelled and shall not be available for re-issue or resale.

7 Transfer

Each Subscription Share will be in registered form and will be transferable:

- (a) in the case of Certificated Subscription Shares, by an instrument of transfer in any usual or common form, or in any other form which may be approved by the Directors; and
- (b) in the case of Uncertificated Subscription Shares, by giving the appropriate instructions for transfer by means of the Relevant Electronic System.

No transfer of a fraction of a Subscription Share may be effected.

8 General

- (a) The Company will, concurrently with the issue of the same to the holders of the Ordinary Shares, send to each Subscription Shareholder (or, in the case of joint holders, to the first named) a copy of each published annual report and accounts of the Company (or such abbreviated or summary financial statement sent to holders of Ordinary Shares in lieu thereof), together with all documents required by law to be annexed thereto, and a copy of every other statement, notice or circular issued by the Company to holders of Ordinary Shares.
- (b) For the purposes of the rights attaching to Subscription Shares, a **special resolution of the Subscription Shareholders** means a resolution proposed at a meeting of the Subscription Shareholders duly convened and passed by a majority consisting of not less than three-fourths of the votes cast, whether on a show of hands or on a poll.
- (c) Any determination or adjustment made pursuant to the rights attaching to Subscription Shares by the Financial Advisers shall be made by them as experts and not as arbitrators and any such determination or adjustment made by them shall be final and binding on the Company and each of the Subscription Shareholders.
- (d) Any references in the rights attaching to Subscription Shares to a statutory provision shall include that provision as from time to time modified or re-enacted.
- (e) Subject and without prejudice to paragraph 3(i) above Subscription Shares carry no right to any dividend or other distribution by the Company and (save to the extent that the Directors elect in connection with an exercise of Subscription Share Rights as provided in paragraph 8(i) below) no right to be redeemed (although the Company may elect to purchase Subscription Shares pursuant to paragraph 6). Subscription Shareholders are not entitled to attend or vote at meetings of Ordinary Shareholders and have no right to share in any surplus in the event of liquidation beyond the right to be repaid the sum of one penny, being the nominal value of each Subscription Share

(in respect of which Subscription Share Rights have not been exercised) held (which right ranks immediately after the right of the Ordinary Shareholders to be repaid the nominal value of 25p for each Ordinary Share), but subject and without prejudice to paragraph 3(i) above.

- (f) If, immediately after any Subscription Date (other than the Final Subscription Date) and after taking account of any Subscription Share Rights exercised on that date, Subscription Share Rights shall have been exercised or cancelled in respect of 75 per cent. or more of the Subscription Shares originally issued (subject to the adjustment of the number of Subscription Shares in accordance with paragraph 2 above (excluding any Ordinary Shares to which Subscription Share Rights attached to Subscription Shares purchased by the Company or any of its subsidiaries relate but including any further Subscription Shares issued in accordance with the Articles)), the Company shall be entitled at any time within the next following 14 days to serve notice in writing on the holders of the Subscription Shares then outstanding of its intention to appoint a trustee for the purposes set out in this paragraph 8(f) (the **Early Subscription Trustee**) upon the expiry of 21 days from the date of such notice (the **Notice Period**) and for this purpose the Notice Period shall expire at 3.00 p.m. on the 21st day from the date of such notice. Such notice shall set out the Final Subscription Date and will include all necessary details and instructions to enable the exercise of the Subscription Share Rights. Forthwith after the expiry of the Notice Period, the Company shall appoint the Early Subscription Trustee who, provided that in such trustee's opinion the net proceeds of sale after deduction of all costs and expenses incurred by, and any fee payable to, such trustee will exceed the costs of exercising the Subscription Share Rights, shall within the period of 14 days following the expiry of the Notice Period either:
- (i) exercise all the Subscription Share Rights which shall not have been exercised on the terms on which the same could have been exercised immediately prior to the expiry of the Notice Period and had been exercised (having taken into account any adjustments previously made pursuant to paragraph 2 above) and sell in the market the Ordinary Shares resulting from such exercise; or
 - (ii) (if it appears to the Early Subscription Trustee that doing so is likely to realise greater net proceeds for Subscription Shareholders) accept any offer available to Subscription Shareholders for the purchase of the outstanding Subscription Shares.

The Early Subscription Trustee shall distribute *pro rata* the net proceeds of any such sale or acceptance of any such offer less, in either case, such costs of exercising the Subscription Share Rights and such other fees, costs and expenses to the persons entitled thereto at the risk of such persons as soon as practicable after such sale and in any event within 28 days after the expiry of the Notice Period, provided that entitlements of under £5.00 shall be retained for the benefit of the Company. Following the expiry of the Notice Period, if the Early Subscription Trustee shall not exercise the Subscription Share Rights then outstanding within the period of 14 days following such expiry as set out in this paragraph 8(f) (and such trustee's decision in respect thereof shall be final and binding on all holders outstanding Subscription Shares), all Subscription Share Rights shall lapse on the expiry of such period of 14 days.

- (g) Within seven days following the Final Subscription Date the Company shall appoint a trustee (the **Final Subscription Trustee**) who, provided that in such trustee's opinion the net proceeds of sale after deduction of all costs and expenses incurred by, and any fee payable to, such trustee will exceed the costs of exercising the Subscription Share Rights, shall within the period of 14 days following the Final Subscription Date, either:
- (i) exercise all the Subscription Share Rights which shall not have been exercised on the terms on which the same could have been exercised on the Final Subscription Date (having taken into account any adjustments previously made pursuant to paragraph 2 above) and sell in the market the Ordinary Shares resulting from such exercise; or
 - (ii) (if it appears to the Final Subscription Trustee that doing so is likely to realise greater net proceeds for Subscription Shareholders) accept any offer available to Subscription Shareholders for the purchase of the outstanding Subscription Shares.

The Final Subscription Trustee shall distribute *pro rata* the net proceeds of any such sale or acceptance of any such offer less, in either case, such costs of exercising the Subscription Share Rights and such other fees, costs and expenses to the persons entitled thereto at the risk of such persons within 56 days of the Final Subscription Date, provided that entitlements of under £5.00 shall be retained for the benefit of the Company. If the Final Subscription Trustee shall not exercise the Subscription Share Rights within the period of 14 days following the Final Subscription Date as set out in this paragraph 8(g) (and such trustee's decision in respect thereof shall be final and binding on all holders of outstanding Subscription Shares), all Subscription Share Rights shall lapse.

- (h) The Early Subscription Trustee or the Final Subscription Trustee (as appropriate) shall have no liability of any nature whatsoever where such trustee has acted honestly and reasonably and shall have no responsibility for the safe custody of, or to earn any interest on, any unpaid or unclaimed money.
- (i) The exercise of the Subscription Share Rights shall be effected in accordance with this paragraph 8(i) or in such manner as may be authorised by law. For the purposes of this paragraph 8(i) the **Relevant Shares** shall mean those Subscription Shares in respect of which Subscription Share Rights are exercised.

- (i) To enable such subscription to be effected, the Directors may determine to redeem at par the Relevant Shares on any Subscription Date out of profits of the Company which would otherwise be available for distribution. In the event that the Directors determine to redeem the same at par out of such profits, a Relevant Share shall confer upon the holder thereof the right to subscribe for, and such holder shall be deemed to have appointed the secretary of the Company (or any other person appointed for the purpose by the Directors) to subscribe as agent on such holder's behalf for, one Ordinary Share at such price as shall represent the aggregate of:

- (a) the Subscription Price; and
- (b) the amount of the redemption moneys to which the holder is entitled;

and in any such case, the Subscription Notice given by such holder shall be deemed irrevocably to authorise and instruct such agent to apply the redemption moneys payable to such holder in subscribing for such Ordinary Shares at such price.

- (ii) To enable such subscription to be effected, the Directors may determine to redeem at par the Relevant Shares on any Subscription Date out of the proceeds of a fresh issue of Ordinary Shares. In the event that the Directors determine to redeem the same at par out of such proceeds, a Relevant Share shall confer upon the holder thereof the right to subscribe for, and such holder shall be deemed to have authorised the secretary of the Company (or any other person appointed for the purpose by the Directors) to subscribe as agent on such holder's behalf for, one Ordinary Share at such price as shall represent the aggregate of:

- (a) the Subscription Price; and
- (b) the amount of the redemption moneys to which the holder is entitled;

and in any such case, the Subscription Notice given by such holder shall be deemed irrevocably to authorise and instruct such agent to apply the redemption moneys payable to such holder in subscribing for such Ordinary Shares at such price.

- (iii) To enable such subscription to be effected, the Directors may determine to effect such subscription by means of a consolidation and sub-division of the Relevant Shares. In such case the requisite consolidation and sub-division shall be effected pursuant to the authority given by the resolution adopting the New Articles by consolidating into one share all the Relevant Shares held by any holder or joint holders and in respect of which a Subscription Notice shall have been given in respect of the relevant Subscription Date (treating holdings of the same holders or joint holders in certificated form and uncertificated form as separate holdings, unless the Directors otherwise determine) and, if the Directors so determine, any

shares allotted to such holder or joint holder pursuant to paragraph 8(i)(v) and converting (and, if necessary, sub-dividing) such consolidated share into shares of 25p each (or such other nominal amount as may be appropriate as a result of any consolidation or sub-division of Ordinary Shares) of which one share for every complete 25p (or such other nominal amount as may be appropriate as a result of any consolidation or sub-division of Ordinary Shares) of the nominal amount of the consolidated share shall be Ordinary Shares (fractional entitlements to an Ordinary Share being disregarded) and the balance (if any) of such consolidated share shall be deferred shares which shall carry the limited rights set out in the Articles but in particular will be capable of being redeemed by the Company without further authorisation.

- (iv) In relation to any Relevant Shares that are to be redeemed in accordance with paragraph 8(i)(i) or 8(i)(ii) and that are, on the Subscription Date concerned, in uncertificated form, the Directors shall be entitled in their absolute discretion to determine the procedures for the redemption of such Relevant Shares (subject always to the regulations and the facilities, rules and requirements of the Relevant Electronic System). Without prejudice to the generality of the foregoing, the procedures for the redemption of any such Relevant Shares may involve or include the sending by the Company or by any person on its behalf of an issuer instruction to the operator of the Relevant Electronic System requesting or requiring the deletion of any computer based entries in the relevant system concerned that relate to the holding of the Relevant Shares concerned, and/or the Company may, if the Directors so determine (by notice in writing to the holder concerned), require the holder of the Relevant Shares concerned to change the form of the Relevant Shares from uncertificated form to certificated form prior to the allotment date concerned (and in each case the Directors shall determine the procedure for such redemption).
- (v) To enable any subscription to be effected in accordance with paragraph 8(i)(i) or 8(i)(ii) above or the issue of any additional Subscription Shares pursuant to paragraph 2(e) above the resolution adopting the New Articles will authorise the Directors to capitalise any part of the amount then standing to the credit of any of the Company's reserve accounts (whether or not the same would lawfully be distributable by way of cash dividend) or to the credit of the share premium account, capital redemption reserve, profit and loss account or otherwise available for the purpose and the same shall be applied in paying up in full at par shares to be allotted and issued, credited as fully paid, to and amongst the holders of the Subscription Shares exercising their Subscription Share Rights in accordance with their respective entitlements or otherwise to the holders of Subscription Shares in accordance with paragraph 2(e). The restrictions and limitations in the New Articles relating to capitalisation issues generally shall not apply to any capitalisation or creation or issue of shares pursuant to paragraph 8(i) or paragraph 2(e) which shall instead be effected pursuant to the authority given by the resolution adopting the New Articles.

PART V
GENERAL INFORMATION

1 Responsibility

The Company, whose registered office appears at paragraph 2.1.6 of this Part V, and the Directors, whose names and functions appear on pages 23 and 24 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

2 The Company and the Manager

2.1 Incorporation

2.1.1 The Company was incorporated in the UK with an unlimited life on 10 June 1991. The Company was incorporated as The Fleming Emerging Markets Investment Trust plc, changed its name to the JPMorgan Fleming Emerging Markets Investment Trust plc on 7 November 2002 and adopted its current name on 9 November 2005. The Company is registered as an investment company under Section 833 of the 2006 Act with registered number 02618994.

2.1.2 The Company has at all times conducted its affairs so as to enable it to qualify as an investment trust for the purposes of Section 842 of the Income and Corporation Taxes Act 1988.

2.1.3 The Company is not regulated as a collective investment scheme by the Financial Services Authority. However, as a company listed on the Official List, it is subject to the Listing Rules of the UK Listing Authority.

2.1.4 The Company's Ordinary Shares are listed on the Official List and admitted to trading on the London Stock Exchange's market for listed securities. The ISIN of the Ordinary Shares is GB0003418950.

2.1.5 The principal legislation under which the Company operates is the Companies Acts and regulations promulgated thereunder. The Company is domiciled in the UK.

2.1.6 The registered office of the Company is Finsbury Dials, 20 Finsbury Street, London EC2Y 9AQ, with telephone number +44 (0) 20 7742 6000.

2.2 Principal activities of the Company

The Memorandum of Association of the Company provides that a principal object of the Company is to carry on business as an investment trust company and to undertake all kinds of trust and agency business.

2.3 The Manager

The Manager is a private limited company, incorporated in England and Wales on 27 February 1974 under company number 01161446. The Manager is regulated by the Financial Services Authority. The principal legislation under which the Manager operates is the Companies Acts. The address of the registered office of the Manager is 125 London Wall, London EC2Y 5AJ with telephone number 020 7742 6000.

3 Share capital

3.1 The following table shows the authorised and issued share capital of the Company as at 31 December 2008 (being the last date in respect of which the Company has published financial information) and as at 6 May 2009 (being the latest practicable date prior to the publication of this document):

	31 December 2008		6 May 2009	
	Nominal Value (£)	Number of Ordinary Shares	Nominal Value (£)	Number of Ordinary Shares
Issued share capital (fully paid)	27,575,935.50	110,303,742	27,575,935.50	110,303,742
Authorised share capital	74,000,000	296,000,000	74,000,000	296,000,000

3.2 Save for the proposed bonus issue of Subscription Shares described in this document, no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

3.3 With effect from Admission, all of the Subscription Shares will be in registered form and, subject to the Subscription Shares being admitted to and accordingly enabled for settlement in CREST, the Subscription Shares will be capable of being held in both certificated and uncertificated form. No temporary documents of title will be issued.

3.4 The Company's issued share capital history during the last three financial years and since 30 June 2008 is as follows:

- (i) in the financial year ended 30 June 2006, the Company issued 20,109,524 Ordinary Shares in connection with the merger with F&C Emerging Markets Investment Trust plc. It did not repurchase any Ordinary Shares (into treasury or otherwise). As at 30 June 2006, the Company had 110,303,742 Ordinary Shares in issue, none of which were held in treasury;
- (ii) in the financial year ended 30 June 2007, the Company did not issue any new Ordinary Shares nor did it repurchase any Ordinary Shares (into treasury or otherwise). As at 30 June 2007, the Company had 110,303,742 Ordinary Shares in issue, none of which were held in treasury;
- (iii) in the financial year ended 30 June 2008, the Company did not issue any new Ordinary Shares nor did it repurchase any Ordinary Shares (into treasury or otherwise). As at 30 June 2008, the Company had 110,303,742 Ordinary Shares in issue, none of which were held in treasury; and
- (iv) in the period from 30 June 2008 to 6 May 2009, the Company did not issue any new Ordinary Shares nor did it repurchase any Ordinary Shares (into treasury or otherwise). As at 6 May 2009 (being the latest practicable date prior to publication of this document), the Company had 110,303,742 Ordinary Shares in issue, none of which were held in treasury.

3.5 The Company did not repurchase any Ordinary Shares during the three financial years ended 30 June 2006, 2007 and 2008 or between 30 June 2008 and 6 May 2009 (being the latest practicable date prior to the publication of this document).

3.6 At the General Meeting Shareholders will be asked to pass the Resolution, which contains the following operative provisions, some of which will, if the Resolution is passed, affect the Company's share capital:

- (i) to adopt the New Articles to provide for the rights attaching to the Subscription Shares;
- (ii) to increase the Company's share capital from £74,000,000 to £74,250,000 by the creation of 25,000,000 Subscription Shares of one penny each;
- (iii) to authorise the Directors to allot shares pursuant to the Bonus Issue (including pursuant to the exercise of the Subscription Share Rights);

- (iv) to authorise the Directors to capitalise any amount standing to the credit of any of the share premium account, the capital redemption reserve, the other reserve and any other reserve (other than the profit and loss account) otherwise available in order to pay up up to 25,000,000 Subscription Shares to be issued pursuant to the Bonus Issue and any Ordinary Shares to be issued upon the exercise of the Subscription Share Rights or any additional Subscription Shares required to be issued in accordance with the rights attaching to the Subscription Shares; and
- (v) to authorise the Company to make market purchases of the Subscription Shares up to 14.99 per cent. of the issued subscription share capital.

3.7 The Subscription Shares will have the rights described in Part IV of this document. The Subscription Shares will be denominated in Sterling.

4 Memorandum and Articles of Association

The Memorandum of Association and the Existing Articles contain, *inter alia*, material provisions as summarised in paragraphs 4.1 and 4.2 below. If the Resolution is passed at the General Meeting the New Articles will be adopted, incorporating the rights attaching to the Subscription Shares (these rights are summarised in Part IV of this document) and otherwise to make any necessary amendments in connection with the Bonus Issue and the Subscription Share Rights, but otherwise the New Articles will be identical to the Existing Articles.

4.1 Memorandum of Association

One of the Company's principal objects is to carry on the business of an investment trust company and to undertake all kinds of trust and agency business. The objects of the Company are set out in full in clause 4 of the Memorandum of Association which is available for inspection at the address specified in paragraph 20 of this Part V.

4.2 Articles of Association

Set out below is a summary of the provisions of the Existing Articles. If the Resolution is passed at the General Meeting the New Articles, which contain the rights attaching to the Subscription Shares, will be adopted. The rights attaching to the Subscription Shares are set out in Part IV of this document.

4.2.1 Share capital

The Company's authorised share capital consists of Ordinary Shares.

The Ordinary Shares have such rights, preferences and restrictions attached to them as are set out in the Articles.

The Articles do not confer any additional rights for the holders of ordinary shares to share in any surplus in the event of the liquidation of the Company other than rights provided by legislation.

4.2.2 Variation of rights

Subject to the provisions of the Act as amended and every other statute for the time being in force concerning companies and affecting the Company (the **Statutes**), if at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class may be varied either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class (but not otherwise) and may be so varied either whilst the Company is a going concern or during or in contemplation of a winding-up. At every such separate general meeting the necessary quorum shall be at least two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (but at any adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum), any holder of shares of the class present in person or by proxy may demand a poll and every such holder shall on a poll have one vote for every share of the class held by him. Where

the rights of some only of the shares of any class are to be varied, the foregoing provisions apply as if each group of shares of the class differently treated formed a separate class whose rights are to be varied.

4.2.3 *Alteration of share capital*

The Company may from time to time by ordinary resolution:

- (i) increase its share capital by new shares of such amount as the resolution shall prescribe;
- (ii) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
- (iii) sub-divide its shares, or any of them, into shares of a smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes), and by the same resolution may confer special rights or restrictions on any of the shares resulting from the sub-division; and
- (iv) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled.

Subject to the provisions of the Statutes, the Company may purchase any of its own shares (including any redeemable shares) and may hold such shares as treasury shares or cancel them.

Subject to the provisions of the Statutes, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

4.2.4 *Issue of shares*

Subject to the provisions of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in general meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot, grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think fit.

4.2.5 *Transfer of shares*

Any member may transfer all or any of his shares by instrument of transfer in writing in any usual or common form or in any other form which the Directors may approve and need not be under seal. The instrument of transfer shall be signed by or on behalf of the transferor and, except in the case of fully-paid shares, by or on behalf of the transferee. The registration of transfers either generally or in respect of any class of shares may be suspended by the Directors at any time, provided that the register of members may not be closed for more than thirty days in any year. Where any class of shares is, for the time being, a participating security, title to shares of that class which are recorded on a register of members as being held in uncertificated form may be transferred by means of the relevant system concerned. The transfer may not be in favour of more than four transferees.

The Directors may refuse to recognise an instrument of transfer unless:

- (a) it is in respect of only one class of share;
- (b) it is lodged, duly stamped, at the transfer office accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer; and
- (c) it is in favour of not more than four transferees.

The Directors may in their absolute discretion refuse to register any transfer of shares other than fully-paid shares provided that, where such shares are admitted to the Official List, such discretion shall not be exercised so as to prevent dealings in shares of that class from taking place on an open and proper basis.

4.2.6 *General meetings*

Annual general meetings of the Company shall be held at least once each year. Other meetings of the Company shall be called general meetings.

Subject to the provisions of the Statutes, the notice period for annual general meetings and all other general meetings of the Company shall be at least such minimum period of notice as is prescribed under the Statutes. Notices of general meetings shall specify the date, place and time of the meeting. In every notice there should appear a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a member.

The quorum for a general meeting shall be two members present in person or by proxy and entitled to vote. Two persons who are proxies for the same member or representatives of the same body corporate can constitute a quorum. If within five minutes after the time appointed for the meeting a quorum is not present, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such date, time and place as the Directors may determine. The chairman of the Board or, in his absence the senior independent director, or in the absence of both of them some other Director nominated prior to the meeting by the Directors shall preside as chairman at a general meeting of the Company, subject to the right of the Directors present at any meeting to appoint a chairman if neither the chairman nor deputy chairman of the Board is present within fifteen minutes after the time appointed for holding the meeting, and subject to the right of the members present to appoint a chairman from among their number should no Director be present or should all of the Directors present decline to act as chairman.

4.2.7 *Votes of members*

Subject to any special rights or restrictions as to voting attached to any shares, every member who is present in person or by proxy shall have one vote for each share of which he is the holder. No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a general meeting or a meeting of the holders of any class of shares either personally or by proxy or to exercise any other right conferred by membership in relation to such meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid or if that member or any other person appearing to be interested in shares held by him in the Company shall have been served with a notice under Section 793 of the 2006 Act and be in default for a period of 14 days from such service in supplying the information thereby required. No objection may be raised to the qualification of any person voting at a general meeting or on a poll except at the meeting, the adjourned meeting or at the time the poll is taken at which the vote objected to is tendered.

4.2.8 *Dividends*

- (i) The Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no such dividend shall exceed the amount recommended by the Directors. The Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. If the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.
- (ii) No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. Any surplus over the book value derived from the sale or realisation of any capital asset and any other sums representing capital profits within the meaning of Section 833(2)(c) of the 2006 Act or other accretions to capital assets shall not be available for dividend or other distribution within the

meaning ascribed thereto by Section 829(1) of the 2006 Act otherwise than by way of the redemption or purchase of any of the Company's own shares in accordance with Chapters 3 and 4 of Part 18 of the 2006 Act.

- (iii) Any dividend unclaimed after a period of 12 years from the date of declaration of such dividend shall, if the Directors so resolve, be forfeited and revert to the Company.

4.2.9 *Untraced members*

The Company shall be entitled to sell at the best price reasonably obtainable the shares of a member or the shares to which a person is entitled by transmission if, during a period of 12 years, no communication has been received by the Company from the member or the person entitled by transmission and no cheque or warrant or other method of payment has been cashed, in respect of the share sent by the Company through the post in a pre-paid letter addressed to the member or person entitled by transmission at his address on the register of members or other last known address given by such person and at least three dividends have become payable in relation to such shares during those 12 years and no such dividend has been claimed and within a further period of three months from the date of newspaper advertisements giving notice of its intention to sell such shares placed after the expiry of the period of 12 years the Company has not received any communication from the member or the person entitled by transmission (provided that notice has been given by the Company to the London Stock Exchange of its intention to make such sale). The Company shall be obliged to account to the former member or other person entitled by transmission for an amount equal to the net proceeds of the sale of such shares but no trust shall be created in respect of the debt and no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds.

4.2.10 *Suspension of share rights*

If a member or any person appearing to be interested in shares held by such member has been duly served with a notice pursuant to Section 793 of the 2006 Act and the Company has not received the information required within the prescribed period, then, unless the Directors otherwise determine, the member shall not be entitled to attend or vote (personally or by proxy) at a general meeting or to exercise any other right conferred by membership in relation to general meetings.

Where the shares in respect of which the Company has not received the information required represent 0.25 per cent. or more of the issued shares of the class unless the Directors otherwise determine:

- (i) any dividend or other monies otherwise payable in respect of such shares shall be retained by the Company; and/or
- (ii) no transfer other than an excepted transfer of any of the shares held in certificated form by the member shall be registered unless:
 - (a) the member is not himself in default in supplying the required information; and
 - (b) the member proves to the satisfaction of the Directors that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer.

4.2.11 *Directors*

- (i) Unless otherwise determined by ordinary resolution of the Company, the Directors shall not be less than three nor more than eight in number.
- (ii) Directors shall not be required to hold any shares in the Company by way of qualification. A Director who is not a member shall nevertheless be entitled to attend and speak at any general meeting.

- (iii) The ordinary remuneration of the Directors, other than alternate Directors, shall from time to time be determined by the Directors but shall not in aggregate exceed £175,000 per annum or such larger amount as may from time to time be determined by an ordinary resolution of the Company. Such remuneration shall be divisible among the Directors as they may agree or, failing agreement equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings or otherwise in connection with the business of the Company. Any Director who holds any executive office or who serves on any committee of the Directors or who otherwise performs services which in the opinion of the Directors go beyond the ordinary duties of a Director may be paid such extra remuneration by way of salary, commission or otherwise or may receive such other benefits as the Directors may determine. The Directors shall have power to pay and agree to pay gratuities, pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director or former Director and for the purpose of providing any such gratuities, pensions or other benefits to contribute to any scheme or fund or to pay premiums.
- (iv) The Directors may from time to time appoint one or more of their body to any executive office (including, where considered appropriate, the office of Chairman or Deputy Chairman) on such terms and for such periods as the Directors may (subject to the provisions of the Statutes) think fit and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke or vary the terms of any such appointment.
- (v) Subject to the provisions of the Statutes, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director, notwithstanding his office, may be party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is otherwise interested and he may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is interested, and (i) he shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate; (ii) he shall not infringe his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company as a result of any such office or employment or any such transaction or arrangement or any interest in any such body corporate; (iii) he shall not be required to disclose to the Company, or use in performing his duties as a Director, any confidential information relating to such office or employment if to make such a disclosure or use would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that office or employment, (iv) he may absent himself from discussions, whether in meetings of the directors or otherwise and exclude himself from information, which will or may relate to that office, employment, transaction, arrangement or interest, and (v) no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- (vi) Save as otherwise provided in the Articles, a Director shall not vote at a meeting of the Directors on any resolution concerning a matter in which he has, directly or indirectly, a material interest otherwise than by virtue of his interest in shares or debentures or other securities of, or otherwise in or through, the Company. Subject to

the provisions of the Statutes, a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:

- (a) the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;
 - (b) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (c) his interest arises by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any shares in or debentures or other securities of the Company for subscription, purchase or exchange;
 - (d) an arrangement for the benefit of the employees and Directors and/or former employees and Directors or any of its subsidiary undertakings, and/or the members of their families (including a spouse or civil partner and a former spouse and former civil partner) or any person who is or was dependent on such persons, including but without being limited to a retirement benefits scheme and an employees' share scheme, which does not accord to any Director any privilege or advantage not generally accorded to the employees and/or former employees to whom the arrangement relates;
 - (e) any proposal concerning any other company in which he is interested, directly or indirectly, provided that he is not the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of that company (or of any other company through which his interest is derived) and not entitled to exercise one per cent. or more of the voting rights available to members of the relevant company (and for the purpose of calculating the said percentage there shall be disregarded (i) any shares held by the Director as a bare or custodian trustee and in which he has no beneficial interest; (ii) any shares comprised in any authorised unit trust scheme in which the Director is interested only as a unit holder; and (iii) any shares of that class held as treasury shares; or
 - (f) the purchase or maintenance for any director or directors of insurance against any liability.
- (vii) At each annual general meeting, all directors who held office at the time of the two preceding annual general meetings and did not retire by rotation or otherwise pursuant to the Articles at either of them shall retire from office by rotation. Subject to the provisions of the Statutes, the Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election. A retiring Director shall be eligible for re-election.
- (viii) Any person who is or was a director, or a director of any associated company, may be indemnified directly or indirectly by the Company against any loss or liability in connection with any proven or alleged negligence, default, breach of duty or trust in relation to the Company or any associated company.

The Company will also indemnify any person who is or was a director of an associated company that is a trustee of an occupational pension scheme directly or indirectly against any liabilities incurred by such person in connection with the Company's activities as trustee of an occupational pension scheme.

The Company may purchase and maintain insurance for any person who is or was a director, or a director of any associated company against any loss or liability incurred in relation to the Company or any associated company.

5 Mandatory bids, squeeze-out and sell-out rules relating to the Ordinary Shares

5.1 Mandatory bid

The City Code on Takeovers and Mergers (the **City Code**) applies to the Company. Under Rule 9 of the City Code, if:

- (i) a person acquires an interest in shares in the Company which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- (ii) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested,

the acquiror and, depending on the circumstances, his concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for any interests in the Ordinary Shares by the acquiror or his concert parties during the previous 12 months.

5.2 Compulsory acquisition

Under sections 974 – 991 of the 2006 Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares not assented to the offer. It would do so by sending a notice to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the 2006 Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the 2006 Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

The offeror would be required to give any holder of shares notice of his right to be bought out within one month of that right arising. Sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises his/her rights, the offeror is bound to acquire those shares on the terms of the takeover offer or on such other terms as may be agreed.

6 Valuation policy

The NAV per Ordinary Share is calculated each Business Day by the Manager. For the purposes of calculating the NAV per Ordinary Share, the Company's listed investments are valued at bid prices. Where trading in the securities of an investee company is suspended, the investment is valued at the Board's estimate of its net realisable value. Where premiums are payable by foreign investors, the market value, for the purpose of the accounts, includes the premium. Unlisted investments are valued by the Board. In making their valuations, the Board takes into account, where appropriate, latest dealing prices, valuations from reliable sources, asset values and other relevant factors.

The calculation of the NAV per Ordinary Share will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained. Details of any suspension in making such calculations will be announced through a Regulatory Information Service.

As at 6 May 2009 (being the latest practicable date prior to the publication of this document), the unaudited NAV per Ordinary Share was 406.84 pence per Ordinary Share and the unaudited NAV of the Company was £448.8 million (as provided by the Manager).

7 Borrowing

Subject to the Companies Acts, the Memorandum of Association of the Company and the Articles and to any directions given to the Company in general meeting, the Directors shall manage the Company's business and can use all the Company's powers. In particular, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property (present and future) and uncalled capital or any part or parts thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The Directors shall restrict the borrowings of the Company and exercise all voting and other rights, powers of control or rights of influence exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (so far, as regards subsidiary undertakings, as by such exercise they can secure) that the aggregate amount for the time being remaining outstanding of all moneys borrowed by the group and for the time being owing to persons outside the group shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to the adjusted capital and reserves (as defined in the Articles).

8 Interests of directors, major shareholders and related party transactions

8.1 Directors' interests

As at 6 May 2009 (being the latest practicable date before the publication of this document), the Directors had a beneficial interest in the following number of Ordinary Shares and will, if the Bonus Issue is approved, have a beneficial interest in the following number of Subscription Shares:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>% of issued ordinary share capital</i>	<i>Number of Subscription Shares to be issued under the Bonus Issue</i>	<i>% of subscription share capital</i>
Roy Reynolds	17,000	0.02	3,400	0.02
David Gamble	3,781	0.00	756	0.00
Anatole Kaletsky	4,203	0.00	840	0.00
Nigel Kenny	—	0.00	0	0.00
Percy Mistry	—	0.00	0	0.00
Valentine Powell	11,344	0.01	2,268	0.01
Alan Saunders	5,000	0.00	1,000	0.00

8.2 Save as disclosed in paragraph 8.1 above, immediately following Admission, no Director will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.

8.3 Directors' contracts with the Company

8.3.1 None of the Directors provides his services to the Company pursuant to a service contract with the Company. Their appointments are subject to the terms of their letters of appointment.

Roy Reynolds is engaged by the Company as a non-executive director. Mr Reynolds commenced in that office on 16 December 1999.

David Gamble is engaged by the Company as a non-executive director. Mr Gamble commenced in that office on 25 April 2006.

Anatole Kaletsky is engaged by the Company as a non-executive director. Mr Kaletsky commenced in that office on 5 September 2003.

Nigel Kenny is engaged by the Company as a non-executive director. Mr Kenny commenced in that office on 1 September 2008.

Percy Mistry is engaged by the Company as a non-executive director. Mr Mistry commenced in that office on 1 January 2009.

Valentine Powell is engaged by the Company as a non-executive director. Mr Powell commenced in that office on 25 April 2006.

Alan Saunders is engaged by the Company as a non-executive director. Mr Saunders commenced in that office on 20 May 2002.

8.3.2 In the financial year ended 30 June 2008, Roy Reynolds received a Director's fee of £27,500, Alan Saunders received a Director's fee of £22,000 and David Gamble, Anatole Kaletsky and Valentine Powell each received a Director's fee of £18,800. The Directors were not paid any amount of remuneration by way of benefits in kind, pension contributions and any contingent or deferred compensation by the Company for their services in all capacities to the Company. Accordingly, there are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits to the Directors.

8.3.3 The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively.

8.4 *Other interests*

Over the five years preceding the date hereof, the Directors have held the following directorships (apart from their directorships of the Company) and/or partnerships:

8.4.1 Mr Reynolds is not currently a director or partner of any other company or partnership and has not had any such appointments in the five years prior to the date of this document.

8.4.2 Mr Gamble is currently also a director of Barrie & Hibbert Limited, Dawnay Day Brokers Limited, Dunedin Enterprise Investment Trust plc, Heartwood Wealth Group Limited, Heartwood Wealth Management Limited, IBM United Kingdom Pensions Trust Limited, Montanaro UK Smaller Companies Investment Trust plc, PCT Finance Limited, Polar Capital Technology Trust plc, Strathdon Investments plc and Vencap International plc. In the five years prior to the date of this document, Mr Gamble was also a director of Itronix Limited, F&C Emerging Markets Investment Trust plc (in liquidation), John Lewis Partnership Pensions Trust Limited, Dawnay Day Investment Banking Limited, New Star Asset Management Group Holdings Limited, New Star Asset Management Group plc, Symetric Associates Limited, Dunedin Enterprise Limited, Capital Insurance Holdings plc and Indianola Technology LLP.

8.4.3 Mr Kaletsky is currently also a director of Gavekal Research Limited. In the five years prior to the date of this document, Mr Kaletsky has not held any other directorships or partnerships.

8.4.4 Mr Kenny is currently also a director of FCMB (UK) Limited, First City Monument Bank plc, Intermarket Banking Corporation Zambia Limited and UC Rusal Limited. He is a founding partner of Sabre Capital. In the five years prior to the date of this document, Mr Kenny has not held any other directorships or partnerships.

8.4.5 Mr Mistry is currently also a director of Oxford International Associates Limited. In the five years prior to the date of this document, Mr Mistry has not held any other directorships or partnerships.

8.4.6 Mr Powell is currently also a director of CTVC Limited, The Foundation for Christian Communication Limited, Hillside Studios Limited, Pro-active Securities Limited and The Rank Foundation Limited. In the five years prior to the date of this document, Mr Powell was also a director of F&C Emerging Markets Investment Trust plc (in liquidation) and Pro-active Securities Limited.

- 8.4.7 Mr Saunders is currently also a director of Fujitsu Comparable Pension Trust Limited, I C L Pension Trust Limited, Allenbridgeepic Investment Advisers Limited and Hays Pension Trustee Limited. In the five years prior to the date of this document, Mr Saunders was also a director of Richmond Housing Partnership Limited and SVM Global Fund plc.
- 8.4.8 None of the Directors has any conflict of interest between any duties to the Company and to his private interest or to any other duties.
- 8.5 Save as disclosed in paragraph 8.4 above, in the five year period prior to the date of this document none of the Directors:
- 8.5.1 had any convictions in relation to fraudulent offences;
- 8.5.2 were associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
- 8.5.3 received any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management of supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

8.6 **Major shareholders**

- 8.6.1 As at 6 May 2009 (being the latest practicable date before publication of this document) insofar as known to the Company, the following persons had declared a notifiable interest in the Company's voting rights (under the Disclosure and Transparency Rules):

<i>Shareholder</i>	<i>Number of Ordinary Shares</i>	<i>% of voting rights</i>
Lazard Asset Management, L.L.C.	17,280,210	15.66
J.P.Morgan Chase*	8,569,069	7.77
City of London Investment Management Co. Ltd.	7,076,607	6.42
Sarasin & Partners LLP	6,769,573	6.14
Royal Skandia Life Assurance Limited	6,089,708	5.52
Legal & General Investment Management Ltd. (UK)	4,533,336	4.11
National Grid UK Pension Scheme	4,333,777	3.93

* includes shares held on behalf of investors in the JPMorgan Investment Trust Share Plan

- 8.6.2 All Shareholders have the same voting rights in respect of the share capital of the Company.
- 8.6.3 The Company and the Directors are not aware of any person, who directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
- 8.6.4 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

8.7 **Related party transactions**

The Company was not a party to, nor had any interest in, any related party transaction (as defined in the Standards adopted according to the Regulation (EC) No 1606/2002) at any time during the three financial years to 30 June 2006, 2007 and 2008 or during the period 1 July 2008 to 6 May 2009 (being the latest practicable date before publication of this document) other than it being a party to the Management Agreement (described in paragraph 11 of this Part V).

8.8 **Other material interests**

The Company is receiving legal and financial advice from Norton Rose LLP and Winterflood Securities respectively, in addition to certain administrative services from third parties in connection with the Bonus Issue. The legal and financial advisers act for many other clients, including others in the investment funds sector and, on occasion, the professional advisers may

face conflicts of interest as a result of acting both for the Company and such other clients. In the event of a conflict of interest, the legal and financial advisers will take such reasonable steps to ensure it is resolved fairly.

None of the directors has any conflict of interest between any duties to the Company and his private interests and any other duties. The Manager, its respective directors, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an **Interested Party**) may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, Interested Parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, an Interested Party may acquire on behalf of a client an investment in which the Company may invest.

9 Share options and share scheme arrangements

Subject to the Subscription Share Rights attaching to the Subscription Shares, no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

10 Investment restrictions

The Company is subject to the UK Listing Rules which apply to closed-ended investment funds.

As required under Listing Rule 15.4.2, the Company will at all times invest and manage its assets in a way which is consistent with its objective of spreading investment risk and in accordance with its published investment policy as set out on pages 21 and 22 of this document.

In accordance with Listing Rule 15.2.3A, the Company (and, if applicable, its subsidiary undertakings) must not conduct any trading activity which is significant in the context of its group as a whole, but this rule does not prevent the businesses forming part of the Company's investment portfolio from conducting trading activities themselves.

In addition, in order to comply with the Listing Rule 15.2.5, the Company will not invest more than 10 per cent., in aggregate, of the value of its total assets (calculated at the time of any relevant investment) in other closed-ended investment funds admitted to the Official List (save to the extent that those closed-ended investment funds have stated investment policies to invest no more than 15 per cent. of their gross assets in such other closed-ended investment funds).

In order to gain approval as an investment trust under Section 842 of the Taxes Act 1988, the Company is required to operate under certain constraints. These include the following limits on investments and operations:

- no single investment may exceed 15 per cent. of the Company's investments at the time of investment;
- the Company may not retain more than 15 per cent. of its eligible investment income;
- at least 70 per cent. of income must be eligible investment income, consisting of income deriving from shares and securities or eligible rental income but not bank deposit income; and
- the Company may not distribute capital profits by way of dividend.

The aggregate amount of the Company's borrowings is limited under the Articles of Association to a maximum amount equal to the Company's adjusted capital and reserves, as such term is defined in the Articles. This limit can only be exceeded with the prior sanction of an ordinary resolution of Ordinary Shareholders. The Company's investment policy is to employ gearing when the Manager believes it is appropriate to do so. The Board regularly reviews this policy. Should the Manager decide to employ gearing, the Company will remain invested in the range of 90-120 per cent. (investments expressed as a percentage of shareholders' funds) under normal market conditions. The Company does not currently have any borrowing facility in place.

In the event of any material breach of the investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Manager through an announcement via a Regulatory Information Service.

11 Material contracts

Save as described below, the Company has not (i) entered into any material contracts (other than contracts in the ordinary course of business) within the two years immediately preceding the publication of this document; or (ii) entered into any contracts that contain provisions under which the Company has any obligation or entitlement that is material to the Company as at the date of this document.

11.1 Management Agreement

By a management agreement dated 13 September 2004 (the “Management Agreement”) between the Company and the Manager, the Manager has agreed to act as manager of the assets of the Company. Under the terms of the Management Agreement, the Manager is responsible for the investment management of the Company’s portfolio of assets on a discretionary basis, subject, *inter alia*, to the overall supervision of the Directors, and for the provision of all services of a secretarial, accounting and administrative nature (excluding registration services) to the Company (including the calculation of the NAV of the Company’s securities). The Manager is reimbursed in aggregate for all its services provided under the Management Agreement.

The Management Agreement provides for the Manager to receive a management fee at the annual rate of 1.0 per cent. of the Company’s total assets less current liabilities, calculated and paid monthly in arrears. Funds managed or advised by the Manager or any of its associated companies, on which a fee is already charged by the Manager or any of its associated companies, are excluded from the calculation and therefore attract no direct management fee.

In addition, the Manager receives a performance fee equivalent to 10 per cent. of any outperformance of the NAV per Ordinary Share (on a total return basis) over the Company’s benchmark index, the MSCI Emerging Markets Net Index in sterling terms (on a total return basis) over the Company’s financial year. The performance fee is calculated at the end of the Company’s financial year and charged to its capital account in the annual financial statements. However, an estimate is accrued on a monthly basis and reflected in the Company’s published NAV per Ordinary Share. The amount of performance fee earned and paid to the Manager each year is subject to the following conditions:

- Any performance fee earned in a given year is divided into two categories: that which can be offset (“offsetable”) by underperformance in future years; and that which cannot (“non-offsetable”).
- The “non-offsetable” fee that can be earned in any one year is capped at 0.75 per cent. of the Company’s average total assets less current liabilities for the year. In a year when the Company produces a negative NAV total return per Share, the “non-offsetable” fees earned in that year are accrued but not paid. In a year when the Company produces a positive NAV total return per Share, the Company will pay to the Manager all “non-offsetable” fees earned in that year and those accrued from previous years.
- The maximum performance fee that can be paid to the Manager in any one year is capped at 0.75 per cent. of the Company’s average total assets less current liabilities for the year.

The Management Agreement may be terminated by either party giving to the other at least six months’ notice in writing, except in circumstances where the Company has passed an effective resolution for the reconstruction or amalgamation of the Company, in which case the Management Agreement may be terminated by the Company giving the Manager at least 12 months’ notice in writing.

The Management Agreement contains an indemnity in favour of the Manager against claims by third parties except insofar as the same may result from the negligence, wilful default or fraud of the Manager or its employees, or any party to whom the Manager has delegated any of its functions.

11.2 *Custody Agreement*

JPMorgan Chase Bank, National Association, acts as Custodian pursuant to the Custody Agreement. The Custodian is a company organised under the laws of the State of New York with limited liability. Its main office is in Ohio, USA and it was registered as a branch in England and Wales with registration number BR000746 on 11 April 1960. The Custodian is authorised and regulated by the FSA with firm reference number 124491.

The fees of the Custodian are paid by the Company. The Custody Agreement contains an indemnity in favour of the Custodian against claims by third parties except to the extent that the claim arises from the negligence, fraud or wilful default of the Custodian. The Custody Agreement may be terminated by either party giving to the other not less than 30 days' notice in writing or otherwise by the Company in circumstances where, *inter alia*, the Custodian goes into liquidation.

The Custodian charges custody fees at a set *ad valorem* rate in respect of each market in which the Company invests. The aggregate custody fee payable to the Custodian is calculated by reference to the value of assets invested in the relevant country and the relevant *ad valorem* fee rate. The Custodian also levies a transaction charge which is a fixed amount payable when the Company transacts a stock. The transaction charge varies from country to country. The Company is invoiced by the Custodian quarterly. In the year to 30 June 2008 the fees of the Custodian were £495,000.

Subject to exercising its duties of supervision and control as prescribed by the rules of the FSA, the Custodian is authorised to act through and hold the Company's investments with sub-custodians. The Custodian will use reasonable care in the selection and appointment of sub-custodians. The applicable sub-custodians who are appointed by the Custodian as at the date of this document and who might be relevant for the purposes of holding the Company's investments are:

<i>Country</i>	<i>Name of Sub-custodian</i>	<i>Regulatory status of sub-custodian</i>
Brazil	Citibank	Regulated as a branch of a foreign bank by the Brazilian Securities & Exchange Commission (CVM)
Egypt	Citibank N.A.	Regulated as a branch of a foreign bank by the Central Bank of Egypt and the Capital Market Authority
France	Banque Nationale de Paris	Regulated as a bank by the Autorité des Marchés Financiers and Commission Bancaire
Hong Kong	Hong Kong and Shanghai Banking Corporation Limited	Regulated as a licensed bank by the Hong Kong Monetary Authority
India	Hong Kong and Shanghai Banking Corporation Limited	Regulated as a foreign bank by the Reserve Bank of India
	Standard Chartered Bank	Regulated as a foreign bank by the Reserve Bank of India
Indonesia	Hong Kong and Shanghai Banking Corporation Limited	Regulated as a bank by the Central Bank of Indonesia
Israel	Bank Leumi Le Israel B.M.	Regulated as a bank by the Bank of Israel
Malaysia	HSBC Bank Malaysia Berhad	Regulated as a bank by Bank Negara

<i>Country</i>	<i>Name of Sub-custodian</i>	<i>Regulatory status of sub-custodian</i>
Mexico	Banco Nacional de Mexico	Regulated as a bank by the Central Bank of Mexico, National Banking and Securities Commission, Ministry of Finance and Public Credit and Institute of Bank Account Protection
Pakistan	Standard Chartered Bank	Regulated as a branch of a foreign bank by the State Bank of Pakistan
	Citibank	Regulated as a branch of a foreign bank by the State Bank of Pakistan
Russia	J.P. Morgan Bank International (LLC)*	Regulated as a branch of a foreign bank by the Central Bank of Russia and the Federal Service for Financial Markets
	ING Bank (Eurasia) (ZAO)	Regulated as a branch of a foreign bank by the Central Bank of Russia and the Federal Service for Financial Markets
South Africa	Standard Bank of South Africa	Regulated as a bank by the South Africa Reserve Bank
South Korea	Standard Chartered Bank	Regulated as a foreign bank by the Financial Supervisory Commission
Taiwan	JPMorgan Chase Bank, N.A.*	Regulated as a local branch of a foreign bank by the Central Bank of China
Turkey	Citibank A.S.	Regulated as a branch of a foreign bank by the Central Bank of Turkey and the Capital Market Board

(*Sub-custodians which are branches or affiliates of the Custodian)

12 UK Taxation

12.1 Introduction

The following statements are based upon current UK tax law and what is understood to be the current practice of HMRC, both of which are subject to change, possibly with retrospective effect. The statements are intended only as a general guide and may not apply to certain Shareholders, such as dealers in securities, insurance companies, collective investment schemes or Shareholders who have (or are deemed to have) acquired their shares by virtue of an office or employment, who may be subject to special rules. They apply only to Shareholders resident and ordinarily resident for UK tax purposes in the UK (except in so far as express reference is made to the treatment of non-UK residents), who hold Shares as an investment rather than trading stock and who are the absolute beneficial owners of those Shares.

The information contained in this Prospectus relating to taxation matters is a summary of the taxation matters which the Directors consider should be brought to the attention of Shareholders and is based upon the law and practice currently in force and is subject to changes therein. All Shareholders, and in particular those who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers on the potential tax consequences of holding, transferring or otherwise disposing of Subscription Shares or exercising the Subscription Share Rights under the laws of their country and/or state of citizenship, domicile or residence.

12.2 The Company

It is the intention of the Directors to conduct the affairs of the Company so that it satisfies and continues to satisfy the conditions necessary for it to be approved by HMRC as an investment trust under Section 842 of the Taxes Act 1988. However, neither the Manager nor the Directors can guarantee that this approval will be maintained. One of the conditions for a company to qualify as an investment trust is that it is not a close company. The Directors consider that the

Company should not be a close company immediately following the issue of the Subscription Shares pursuant to the Bonus Issue. In respect of each accounting period for which the Company continues to be approved by HMRC as an investment trust the Company will be exempt from UK taxation on its capital gains. The Company will, however, be liable to UK corporation tax on its income in the normal way. Income arising from any overseas investments may be subject to foreign withholding tax at the relevant jurisdiction's applicable rate, but relief may be available under the terms of an applicable double tax treaty.

12.3 *Shareholders*

12.3.1 For the purposes of United Kingdom capital gains tax and corporation tax on chargeable gains (**CGT**), the receipt of the Subscription Shares arising from the Bonus Issue will be a re-organisation of the share capital of the Company. Accordingly, the Subscription Shares will be treated as the same asset as the Shareholder's holding of Ordinary Shares and as having been acquired at the same time as the Shareholder's holding of Ordinary Shares was acquired. As a result of the Bonus Issue the Shareholder's original base cost in his or her Ordinary Shares will be apportioned between his or her Ordinary Shares and the Subscription Shares by reference to their respective market values on the day on which the Subscription Shares are admitted to trading on the London Stock Exchange's market for listed securities. That is to say, the base cost of such a Shareholder's Ordinary Shares is deemed to be the actual base cost to the Shareholder of those Ordinary Shares multiplied by a fraction whose numerator is A and whose denominator is (A+B), where A is the market value of the Ordinary Shares on the day on which the Subscription Shares are admitted to trading, and B is the market value of the Subscription Shares on the same date. The base cost of the Subscription Shares is deemed to be the actual base cost of the Ordinary Shares less the deemed base cost of the Ordinary Shares calculated as described above.

On the exercise of the right to convert any Subscription Shares into Ordinary Shares, the Ordinary Shares issued pursuant to the Subscription Share Rights will be treated as the same asset as the Subscription Shares in respect of which the Subscription Share Rights are exercised. The base cost of each such Ordinary Share will be the deemed base cost of the Subscription Share that it replaces, calculated as described above, plus the applicable Subscription Price.

12.3.2 *Taxation of capital gains*

Individual Shareholders who are resident or ordinarily resident in the UK for tax purposes will generally be subject to capital gains tax at the flat rate of 18 per cent. in respect of any gain arising on a disposal or deemed disposal of their Ordinary Shares or Subscription Shares. No indexation allowance will be available to such Shareholders. However, each individual has an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £10,100 for the tax year 2009-2010.

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to corporation tax on chargeable gains arising on a disposal of their Shares. The indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax but may not create or increase any allowable loss.

Capital losses realised on a disposal of Ordinary Shares or Subscription Shares must be set as far as possible against chargeable gains for the same tax year (or accounting period in the case of a Corporate Shareholder), even if this reduces an individual Shareholder's total gain below the annual exemption. Any balance of losses is carried forward without time limit and set off against net chargeable gains (that is, after deducting the annual exemption) in the earliest later tax year. Losses cannot generally be carried back, with the exception of losses accruing to an individual Shareholder in the year of his death.

12.3.3 *Taxation of dividends*

Under current tax law, the Company will not be required to withhold tax at source when paying a dividend.

An individual Shareholder who is resident in the UK for tax purposes and who receives a dividend from the Company should generally be entitled to a tax credit which may be set off to the appropriate extent against the Shareholder's total income tax liability on the dividend. An individual UK resident Shareholder will be liable to income tax on the sum of the tax credit and the dividend (the **gross dividend**) which will be treated as the top slice of the individual's income for UK income tax purposes. The tax credit equals 10 per cent. of the gross dividend. The tax credit therefore also equals one-ninth of the cash dividend received.

A UK resident individual Shareholder who is liable to income tax at the basic rate will be subject to tax on the dividend at the rate of 10 per cent. of the gross dividend. This means that the tax credit will satisfy in full such a Shareholder's liability to income tax on the dividend.

The rate of income tax applied to dividends received by a UK resident individual Shareholder liable to income tax at the higher rate will be 32.5 per cent. to the extent that such dividends, when treated as the top slice of the Shareholder's income, fall above the threshold for higher rate income tax. In the case of such Shareholder's liability, the tax credit will be set against, but will not fully match, their tax liability on the gross dividend. After taking account of the 10 per cent. tax credit, such Shareholder will have to account for additional tax equal to 22.5 per cent. of the gross dividend (which equals 25 per cent. of the cash dividend received) to the extent that it falls above the threshold for higher rate income tax.

The Government has announced proposals to introduce, with effect from 6 April 2010, a new tax rate of 50 per cent. for taxable non-savings and savings income above £150,000. On and after the date on which the new rate takes effect, if and to the extent that the gross dividend received by a UK resident individual falls above the threshold for income tax at the new 50 per cent. rate, that individual will be subject to tax on the gross dividend at the rate of 42.5 per cent. If the new rate of tax is applied in the same way as the existing rates, that individual would be able to set the tax credit off against part of this liability and the effect of that set-off of the tax credit would be that such an individual would have to account for additional tax equal to 32.5 per cent. of the gross dividend (which is also equal to 36 per cent. of the cash dividend received), to the extent that the gross dividend fell above the threshold for the new 50 per cent. rate of income tax.

There will be no repayment of all or part of the tax credit to an individual Shareholder whose liability to income tax on all or part of the gross dividend is less than the amount of the tax credit. This will include a Shareholder who holds the Ordinary Shares or the Subscription Shares through an ISA.

UK resident taxpayers who are not liable to UK tax on dividends, including pension funds and charities, will not be entitled to claim a repayment of the tax credit attaching to dividends paid by the Company.

UK resident corporate Shareholders will generally not be subject to corporation tax on dividends paid by the Company but will not be able to claim a repayment of the tax credit attaching to the dividends.

The Government has published draft legislation which would, if passed in its current form, significantly change the tax treatment of dividends received by shareholders within the charge to UK corporation tax. The draft legislation would, amongst other things, remove the current blanket exemption from corporation tax which generally applies to a dividend paid by one UK resident company to another. However, it appears likely that dividends paid on the Ordinary Shares or Subscription Shares to UK resident corporate shareholders will generally continue to qualify for exemption from UK corporation tax. It should be noted that the draft legislation is likely to change before being passed and Shareholders within the charge to UK corporation tax are advised to consult their independent professional tax advisers in relation to the implications of the legislation, once finally enacted.

Non-UK resident Shareholders will not generally be able to claim repayment from HMRC of any part of the tax credit attaching to dividends paid by the Company. A Shareholder resident outside the UK may also be subject to foreign taxation on dividend income under local law. It is particularly important that Shareholders who are not resident in the UK for tax purposes obtain their own tax advice concerning tax liabilities on dividends received from the Company.

12.3.4 *Stamp duty and stamp duty reserve tax*

Transfers on sale of Ordinary Shares or Subscription Shares will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the consideration given for the transfer. The purchaser normally pays the stamp duty.

An agreement to transfer Ordinary Shares or Subscription Shares will normally give rise to a charge to stamp duty reserve tax (**SDRT**) at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. If a duly stamped transfer in respect of the agreement is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any SDRT paid is repayable, generally with interest, and otherwise the SDRT charge is cancelled. SDRT is, in general, payable by the purchaser.

Paperless transfers of Ordinary Shares or Subscription Shares within the CREST system are generally liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Deposits of shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration.

Where Ordinary Shares or Subscription Shares are issued or transferred (a) to, or to a nominee for, a person whose business is or includes the provision of clearance services or (b) to, or to a nominee or agent for, a person whose business is or includes issuing depositary receipts, stamp duty or SDRT will be payable at the higher rate of 1.5 per cent. of the amount or value of the consideration given or, in certain circumstances, the value of the Ordinary Shares or the Subscription Shares. This liability for stamp duty or SDRT will strictly be payable by the clearance service or depositary receipt operator or their nominee, as the case may be, but will, in practice, be payable by the participants in the clearance service or depositary receipt scheme.

12.3.5 *ISAs*

The Subscription Shares and the Ordinary Shares arising on the exercise of the Subscription Share Rights should be eligible to be held in a stocks and shares ISA, subject to applicable annual subscription limits (£7,200 for the 2009-2010 tax year (except for those aged 50 or over, for whom it is £10,200 from October 2009) and £10,200 for the 2010-2011 tax year) Investments held in ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in Subscription Shares or Ordinary Shares through an ISA is restricted to certain UK resident individuals aged 18 or over. The Subscription Price paid upon any exercise of the right to convert Subscription Shares into Ordinary Shares would contribute towards the annual subscription limit in the year in which the Subscription Share Right was exercised, unless the Subscription Price were paid out of cash already within the Shareholder's stocks and shares ISA, or with cash subscribed in the same tax year to a cash ISA held by the Shareholder and transferred to the Shareholder's stocks and shares ISA. Sums received by a Shareholder on a disposal of Subscription Shares or Ordinary Shares would not count towards the Shareholder's annual limit; but a disposal of Subscription Shares or Ordinary Shares held in an ISA will not serve to make available again any part of the annual subscription limit that has already been used by the Shareholder in that tax year. Individuals wishing to invest in Subscription Shares through an ISA should contact their professional advisers regarding their eligibility.

12.3.6 *Self-Invested Personal Pensions (SIPPs)*

The Ordinary Shares and Subscription Shares in the Company will constitute permitted investments for SIPPs.

13 Corporate governance

The Board is responsible for ensuring the appropriate level of corporate governance and considers that the Company complies with the best practice provisions of the Combined Code and the AIC Code. Alan Saunders has been appointed as the Company's senior independent director.

The Board, currently chaired by Roy Reynolds, consists of seven non-executive Directors, all of whom are regarded by the Board as independent of the Manager, including the Chairman.

The Board does not believe that length of service in itself necessarily disqualifies a Director from seeking re-election but, when making a recommendation, the Board will take into account the ongoing requirements of the Combined Code, including the need to refresh the Board and its committees.

The Company's Audit Committee is chaired by Alan Saunders and currently consists of all of the Directors except Roy Reynolds. It meets at least twice a year. The members of the Audit Committee consider that they have the requisite skills and experience to fulfil the responsibilities of the Audit Committee. The Audit Committee reviews the actions and judgements of the Manager in relation to the half year and annual accounts and the Company's compliance with the Combined Code. It reviews the terms of the Management Agreement and examines the effectiveness of the Company's internal control systems, receives information from the Manager's compliance department and also reviews the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external auditors.

The Remuneration Committee, chaired by Roy Reynolds, consists of all of the Directors and meets annually to review the levels of remuneration of the Chairman, the Chairman of the Audit Committee and the other Directors, taking into account both boards of other investment trusts and corporate salaries generally to ensure that high quality people are attracted and retained.

The Nomination Committee, chaired by Roy Reynolds, currently consists of all of the Directors and meets at least annually. It ensures that the Board has an appropriate balance of skills and experience to carry out its fiduciary duties and to select and propose suitable candidates for appointment when necessary. The Committee undertakes an annual performance evaluation to ensure that all members of the Board have devoted sufficient time and contributed adequately to the work of the Board.

14 Litigation

There have been no governmental, legal or arbitration proceedings (and no such proceedings are pending or threatened of which the Company is aware) in the previous 12 months which may have, or have had in the recent past, significant effects on the Company's financial position or profitability.

15 Significant change

Save for the rise in the unaudited value of the Company's net assets from £378.3 million (unaudited) as at 31 December 2008 to £448.8 million (unaudited) as at 6 May 2009 (being the latest practicable date prior to the publication of this document) and a corresponding rise in the NAV per Ordinary Share from 338.2 pence per Ordinary Share (unaudited) to 406.84 pence per Ordinary Share (unaudited) over the same period, there has been no significant change in the financial or trading position of the Company since 31 December 2008, being the date to which the latest unaudited half-yearly results of the Company were published.

16 Third party information

Where information has been sourced from Fundamental Data, the Company confirms that this information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

17 General

- 17.1 The Company does not conduct any significant trading activity.
- 17.2 The Company is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.
- 17.3 The ISIN for the Subscription Shares is GB00B3V4X029 the SEDOL Code is B3V4X02, and the ticker is JMGS.
- 17.4 The most recent annual fees of the auditors for audit services were £25,000 (excluding VAT). Apart from these fees and the fees payable to the Manager and the Custodian as disclosed in paragraphs 11.1 and 11.2 of this Part V there are no other material fees payable by the Company.
- 17.5 Where Subscription Shares are converted into Ordinary Shares, the total assets of the Company will increase by that number of Ordinary Shares multiplied by the relevant Subscription Price. It is not expected that there will be any material impact on the earnings and liabilities per Ordinary Share as the net proceeds resulting from any conversion are expected to be invested in investments consistent with the investment objective and policy of the Company.
- 17.6 The typical investors for whom an investment in the Company is intended are professionally advised private investors, or institutional investors, seeking long term capital growth from investment in developing economies and markets worldwide. An investment in the Company may also be suitable for financially sophisticated private investors who are not professionally advised but are capable of evaluating the risks and merits of an investment in the Company and who have sufficient resources to bear any loss that may result from such an investment. However, such investors should consider consulting an independent financial adviser authorised under FSMA before investing.

18 Costs and Expenses

The costs of the Bonus Issue and the preparation of this Prospectus (including all advisers' fees, printing and other ancillary costs) are expected to be approximately £265,000 (including VAT), which will be borne by the Company.

19 Auditors

The auditors to the Company for the three financial years ended 30 June 2006, 2007 and 2008 were PricewaterhouseCoopers LLP of Hay's Galleria, 1 Hay's Lane, London SE1 2RD.

20 Documents on display

The following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Norton Rose LLP, 3 More London Riverside, London SE1 2AQ for so long as this document remains valid:

- 20.1 this Prospectus;
- 20.2 the Circular;
- 20.3 the Memorandum of Association of the Company, the Existing Articles and the New Articles;
- 20.4 the audited accounts of the Company for the financial years ended 30 June 2006, 2007 and 2008 respectively, together with the half yearly report for the six months ended 31 December 2007 and 2008;
- 20.5 the letters of appointment referred to in paragraph 8.3 above; and
- 20.6 the material contracts referred to in paragraph 11 above.

Dated: 12 May 2009

DEFINITIONS

In this document the words and expressions listed below have the meanings set out opposite them, except where the context otherwise requires:

2006 Act	the Companies Act 2006
the Act	the Companies Act 1985, as amended, modified, consolidated, re-enacted or replaced from time to time
Admission	the admission of the Subscription Shares (i) to the Official List and (ii) to trading on the London Stock Exchange's main market for listed securities becoming effective in accordance with the Listing Rules and the Admission and Disclosure Standards
Admission and Disclosure Standards	the admission and disclosure standards of the London Stock Exchange for securities admitted or seeking to be admitted to trading, as amended from time to time
AGM or Annual General Meeting	annual general meeting of the Company
AIC Code	the Association of Investment Companies Code of Corporate Governance, as amended from time to time
Articles	the articles of association of the Company, as amended from time to time
Benchmark	the MSCI Emerging Markets Free Index in sterling terms
Board	the board of Directors of the Company or any duly constituted committee thereof
Bonus Issue	the issue to Qualifying Shareholders of Subscription Shares on the basis of 1 Subscription Share for every 5 Existing Ordinary Shares held on the Record Date
Business Day	any day on which banks are open for business in London (excluding Saturdays and Sundays)
Chairman	the chairman of the Company
Circular	the circular of the Company dated 12 May 2009 containing the Notice of General Meeting
Combined Code	the Financial Reporting Council's Combined Code
Companies Acts	the 2006 Act and the Act
Company	JPMorgan Emerging Markets Investment Trust plc
CREST	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Uncertificated Securities Regulations 2001
Custodian	JPMorgan Chase Bank, National Association
Custody Agreement	the agreement between the Custodian and the Company regarding the custody of the assets of the Company
Directors	the directors of the Company or any duly constituted committee thereof
Disclosure and Transparency Rules	the disclosure rules made by the FSA under Part VI FSMA
EEA	the European Economic Area
EEA State	a member state of the EEA

Euroclear	Euroclear UK & Ireland Limited, being the operator of CREST
Existing Articles	the articles of association of the Company as at the date of this document
Existing Ordinary Shares	the Ordinary Shares in issue on the Record Date
Financial Services Authority or FSA	the single regulatory authority for the UK financial services industry
Form of Proxy	the form of proxy provided with the Circular for use in connection with the General Meeting by Shareholders
FSMA	the Financial Services and Markets Act 2000
General Meeting	the general meeting of the Company to consider the Resolution convened for 10 June 2009 at 11.00 a.m., or any adjournment thereof
HMRC	HM Revenue & Customs
ISA	an individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998 (as amended from time to time)
Listing Rules	the listing rules issued by the UK Listing Authority
London Stock Exchange	London Stock Exchange plc
Management Agreement	the agreement dated 1 April 2004 between the Manager and the Company, as amended from time to time
Manager	JPMorgan Asset Management (UK) Limited
Memorandum of Association	the memorandum of association of the Company, as amended from time to time
Net Asset Value or NAV	net asset value as calculated in accordance with the Company's accounting policies and the Articles or the value of the net assets per Ordinary Share, as the context requires
New Articles	the articles of association of the Company as proposed to be adopted at the General Meeting
Notice of General Meeting	the notice of General Meeting as set out in the Circular
Official List	the Official List maintained by the UK Listing Authority
Ordinary Share or Shares	an ordinary share of 25 pence each in the capital of the Company with ticker: JMG and ISIN: GB0003418950
Overseas Shareholders	Shareholders who are resident in territories outside of the EEA
Pension Plan	the JPMorgan Personal Pension Plan
Plans	together, the JPMorgan Investment Trust Individual Savings Account, the Pension Plan and the JPMorgan Investment Trust Share Plan
Prospectus	this document
Prospectus Rules	the rules and regulations made by the FSA under Part V of FSMA (as amended from time to time)
Qualifying Shareholders	Shareholders whose names are entered on the Register at the close of business on the Record Date

Record Date	the date on which Qualifying Shareholders' entitlements to the Bonus Issue will be assessed against the Register, expected to be 5.00 p.m. on 9 June 2009
Register	the register of members of the Company
Registrars	Equiniti Limited
Regulatory Information Service	a service authorised by the UK Listing Authority to release regulatory announcements to the London Stock Exchange
Resolution	the resolution to be proposed at the General Meeting, as summarised in paragraph 3.6 of Part V of this document
Secretary	JPMorgan Asset Management (UK) Limited
Securities Act	the US Securities Act of 1933, as amended
Shareholder	a holder of Ordinary Shares and/or Subscription Shares, as the context requires
Shares	the Ordinary Shares and/or the Subscription Shares as the context requires
SIPP	self invested personal pension
Sterling	the lawful currency of the United Kingdom
Subscription Price	the price at which the Subscription Share Rights may be exercised in accordance with the rights attaching to the Subscription Shares (and subject to adjustment in accordance with those rights)
Subscription Shareholders	holders of Subscription Shares
Subscription Share Rights	the right conferred by each Subscription Share to subscribe for one Ordinary Share as detailed in Part IV of this Prospectus and contained in the New Articles
Subscription Shares	the subscription shares of one penny each in the capital of the Company with ISIN GB00B3V4X029 to be issued pursuant to the Bonus Issue
Taxes Act	the Income and Corporation Taxes Act 1988
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UK Listing Authority	the Financial Services Authority acting in its capacity as the competent authority for the purposes of admissions to the Official List
VAT	UK value added tax
Voting Instruction Form	the voting instruction form provided with the Circular for use in connection with the General Meeting by investors who hold Ordinary Shares through any of the Plans

