



Half Year Report 09

JPMorgan Emerging Markets  
Investment Trust plc

Half Year Report & Accounts for the six months ended 31st December 2009

# Features

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### Objective

Capital growth from emerging markets worldwide.

### Investment Policies

- To invest in a diversified portfolio, concentrating on countries and shares with the most attractive prospects. To have no more than 50% of the Company's assets invested in any one region.
- To invest no more than 15% of gross assets in other UK listed investment companies (including investment trusts).

### Benchmark

The MSCI Emerging Markets Free Index in sterling terms.

### Share Capital

At the period end 110,662,708 Ordinary shares and 21,700,817 Subscription shares were in issue.

### Continuation Vote

At the Annual General Meeting held on 6th November 2008 an ordinary resolution of the shareholders approved the continuation of the Company until the Annual General Meeting in 2011 and at three yearly intervals thereafter.

### Management Company

The Company employs JPMorgan Asset Management (UK) Limited ('JPMAM' or the 'Manager') to manage its assets.

# Half Year Performance

Total Returns (capital plus income)

36.6%

Undiluted return on net assets<sup>1,2</sup>

33.9%

Benchmark total return<sup>3</sup>

31.5%

Diluted return on net assets<sup>4,5</sup>

31.9%

Return to Ordinary shareholders<sup>4</sup>

33.2%

Unit return to shareholders<sup>1,6</sup>

## Financial Data

	31st December 2009	30th June 2009	% change
Shareholders' funds (£'000)	605,610	448,160	35.1
Ordinary shares in issue	110,662,708	110,303,742	0.3
Undiluted net asset value per Ordinary share	547.3p	406.3p	34.7
Diluted net asset value per Ordinary share	526.7p	406.3p	29.6
Ordinary share price	490.0p	374.0p	31.0
Ordinary share price discount to diluted net asset value per Ordinary share	7.0%	7.9%	
Subscription share price	75.5p	39.5p	91.1
Subscription shares in issue	21,700,817	22,059,783	-1.6

A glossary of terms and definitions is provided on page 14.

<sup>1</sup>Source: J.P. Morgan.

<sup>2</sup>Return on net assets calculated using the undiluted net asset value.

<sup>3</sup>Source: Datastream. The Company's benchmark is the MSCI Emerging Market Free Index in sterling terms.

<sup>4</sup>Source: Morningstar.

<sup>5</sup>Return on net assets calculated using the diluted net asset value, which assumes that all outstanding Subscription shares were converted into Ordinary shares at the period end.

<sup>6</sup>A Unit comprises five Ordinary shares and one Subscription share.

# Chairman's Statement



## Performance

In the first six months the undiluted total return on net assets was +36.6%, as compared to the total return from our benchmark index, the MSCI Emerging Markets Free Index (in sterling terms) of +33.9%. The diluted total return on net assets, which assumes that all of the Subscription shares were exercised at the price of 422 pence per share, was +31.5%. Over the same period, the return to Ordinary shareholders was +31.9%. The unit return to shareholders, which comprises the total return from five Ordinary shares and one Subscription share, was +33.2%. A review of the Company's performance for the first six months and the outlook for the remainder of the year is provided in the Investment Manager's Report on page 3.

## Subscription shares

On 11th June 2009 the Company issued 22,059,783 Subscription shares to qualifying shareholders on the basis of one Subscription share for every five Ordinary shares held. Each Subscription share confers the right (but not the obligation) to subscribe for one Ordinary share on any business day during the period from 1st August 2009 to 31st July 2014 (both dates inclusive) when the rights under the Subscription shares will lapse.

During the six months to 31st December 2009 and up to the date of this report, the Company has issued a total of 445,990 Ordinary shares following the exercise of Subscription shares, amounting to proceeds of £1,882,078. Further details of the Subscription shares can be found on page 13 of this report and on the Company's website at [www.jpmemergingmarkets.co.uk](http://www.jpmemergingmarkets.co.uk)

## Board of Directors

At the conclusion of the AGM held on 30th October 2009, Roy Reynolds and Val Powell stepped down from the Board, as indicated in the last annual report. I would like to thank them both for their contributions. It is my privilege to take over as your Chairman. Nigel Kenny has been appointed Chairman of the Audit Committee and David Gamble Senior Independent Director.

## Outlook

As the Investment Manager details in his report, we expect a period of more normal returns after the dramatic recovery of 2009. We believe we are well placed to perform in such a market environment.

Alan Saunders  
Chairman

15th February 2010

# Investment Manager's Report



During the six month period to the end of 2009 the net asset value per share of the Company, calculated on an undiluted basis, increased by 36.6%. The share price rose by 31.9%, evidence of a continued rapid recovery in the equity markets of developing countries. The benchmark index appreciated by 33.9%.

These numbers marked the continuation of a powerful rebound in emerging market equity prices which ran almost uninterrupted through 2009 and significantly outstripped that seen in developed countries. A simple narrative explains this outcome: that the great crisis of 2008 was not really an emerging market crisis but a developed world problem caused by excess debt. With governments in reasonable financial shape around most of the developing world, stimulus packages could be financed without straining sovereign balance sheets unduly; nor was there the need for major bank rescues in most of the countries in which we invest. And therefore markets returned relatively rapidly to normal valuations, providing a huge one-off return to investors, particularly in those countries (Russia, for example) which had experienced the worst declines in the previous year. From now on we should expect investment returns to be more ordinary and more correlated to the underlying financial performance of companies.

That is not to say that all is now straightforward. Some difficult choices await economic policy-makers. While developed world governments seem unlikely to raise interest rates quickly, for fear of stalling a weak recovery, countries in the developing world have to watch out for the dangers of incipient bubbles in asset prices in much the same way that they should have done in the mid-1990's. The next couple of years will be an interesting time for central bankers in the emerging world.

In your Company's portfolio these high-level considerations are not our primary focus; rather, we prefer to make a collection of individual decisions about businesses and their share prices. But we can clearly see in stock markets that the extreme dispersion of valuations between strong and weak companies that prevailed a year ago has been almost entirely eliminated by subsequent price movements. And so our focus is increasingly on fundamental factors - companies able to compound their profits, companies with durable competitive advantages - rather than on valuation discrepancies. The new names introduced into the portfolio in the last six months are typically ones which we hope will deliver good returns because their long term profit growth exceeds the average, rather than because they are sharply undervalued. They have been funded predominantly from much larger, more mature companies which in some cases have been held in the portfolio for many years.

This process of recycling, however, seems logical to us; if we seek the ability to compound profits for long periods, we must look either to industries with strong growth prospects, or to companies able to grow their share of an industry. Large incumbents will find this difficult. But for every maturing company there are always new ones nipping at its heels. In the last few months we have added stocks in the Russian retail industry, the microfinance sector in several countries, the Indian beverages sector (to take a few examples); so opportunities are not an issue. The challenge for us is to maintain a consistent investment approach in the face of the market's mood swings and thus to derive the greatest benefit from our resources around the developing world, for the benefit of your Company's portfolio.

Austin Forey  
Investment Manager

15th February 2010

# Ten Largest Equity Investments

at 31st December 2009

Company	Country	Valuation £'000	Total Assets % <sup>1</sup>
Vale	Brazil	35,290	5.8
Petroleo Brasileiro	Brazil	30,881	5.1
China Merchants Bank	China	21,868	3.6
Sberbank Rossii	Russia	20,340	3.4
Housing Development Finance	India	18,956	3.1
Magnit	Russia	18,013	3.0
Infosys Technologies	India	17,897	3.0
Itau Unibanco	Brazil	16,552	2.7
Taiwan Semiconductor Manufacturing	Taiwan	14,692	2.4
Hon Hai Precision	Taiwan	14,666	2.4
<b>Total<sup>2</sup></b>		<b>209,155</b>	<b>34.5</b>

<sup>1</sup>Based on total assets less current liabilities of £605.6m.

<sup>2</sup>At 30th June 2009, the value of the ten largest equity investments amounted to £169.4m representing 37.8% of total assets less current liabilities.

# Portfolio Analyses

## Geographical Analysis

	31st December 2009		30th June 2009	
	Portfolio %	Benchmark %	Portfolio %	Benchmark %
East Asia	32.3	42.0	32.6	43.5
Latin America	28.2	23.9	28.3	21.7
Europe/Middle East/Africa	24.8	20.4	22.5	20.9
South Asia	13.1	13.7	15.8	13.9
Total equities	98.4	100.0	99.2	100.0
Liquidity fund	1.4	–	0.1	–
Net current assets	0.2	–	0.7	–
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	100.0	100.0

Based on total assets less current liabilities of £605.6m (30th June 2009: £448.2m).

## Sector Analysis

	31st December 2009		30th June 2009	
	Portfolio %	Benchmark %	Portfolio %	Benchmark %
Financials	28.6	24.2	23.6	24.1
Consumer Discretionary	14.5	5.8	10.5	5.0
Materials	12.5	14.9	12.5	13.5
Consumer Staples	12.3	5.6	14.1	5.1
Energy	9.2	14.7	9.9	15.9
Information Technology	9.0	13.5	7.0	12.3
Telecommunication Services	7.5	8.7	14.7	10.5
Industrials	3.7	6.7	4.9	7.2
Healthcare	1.1	2.2	2.0	2.5
Utilities	–	3.7	–	3.9
Total equities	98.4	100.0	99.2	100.0
Liquidity fund	1.4	–	0.1	–
Net current assets	0.2	–	0.7	–
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	100.0	100.0

Based on total assets less current liabilities of £605.6m (30th June 2009: £448.2m).

# Income Statement

for the six months ended 31st December 2009

	(Unaudited) Six months ended 31st December 2009			(Unaudited) Six months ended 31st December 2008			(Audited) Year ended 30th June 2009		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Gains/(losses) on investments held at fair value through profit or loss</b>									
Net foreign currency losses	–	157,102	157,102	–	(141,755)	(141,755)	–	(73,264)	(73,264)
Income from investments	–	(216)	(216)	–	(123)	(123)	–	(316)	(316)
Other interest receivable and similar income	6,011	–	6,011	6,585	–	6,585	11,033	–	11,033
	1	–	1	304	–	304	311	–	311
<b>Gross return/(loss)</b>	<b>6,012</b>	<b>156,886</b>	<b>162,898</b>	6,889	(141,878)	(134,989)	11,344	(73,580)	(62,236)
Management fee	(2,592)	–	(2,592)	(2,179)	–	(2,179)	(4,106)	–	(4,106)
Other administrative expenses	(472)	–	(472)	(531)	–	(531)	(962)	–	(962)
VAT recoverable	–	–	–	38	(42)	(4)	38	(42)	(4)
<b>Net return/(loss) on ordinary activities before finance costs and taxation</b>	<b>2,948</b>	<b>156,886</b>	<b>159,834</b>	4,217	(141,920)	(137,703)	6,314	(73,622)	(67,308)
Finance costs	(1)	–	(1)	–	–	–	–	–	–
<b>Net return/(loss) on ordinary activities before taxation</b>	<b>2,947</b>	<b>156,886</b>	<b>159,833</b>	4,217	(141,920)	(137,703)	6,314	(73,622)	(67,308)
Taxation (note 3)	(372)	–	(372)	(1,182)	906	(276)	(1,426)	922	(504)
<b>Net return/(loss) on ordinary activities after taxation</b>	<b>2,575</b>	<b>156,886</b>	<b>159,461</b>	3,035	(141,014)	(137,979)	4,888	(72,700)	(67,812)
<b>Return/(loss) per Ordinary share</b> (note 4)									
Diluted	2.32p	141.33p	143.65p	2.75p	(127.84)p	(125.09)p	4.43p	(65.91)p	(61.48)p
Undiluted	2.33p	142.06p	144.39p	2.75p	(127.84)p	(125.09)p	4.43p	(65.91)p	(61.48)p

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

The 'Total' column of this statement is the profit and loss account of the Company and the 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies. The Total column represents all the information that is required to be disclosed in a Statement of Total Recognised Gains and Losses ('STRGL'). For this reason a STRGL has not been presented.

# Reconciliation of Movements in Shareholders' Funds

Six months ended 31st December 2009 (Unaudited)	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
<b>At 30th June 2009</b>	27,796	70,579	1,665	69,939	272,162	6,019	<b>448,160</b>
Exercise of Subscription shares into Ordinary shares	(4)	4	–	–	–	–	–
Issue of Ordinary shares on exercise of Subscription shares	91	1,425	–	–	–	–	<b>1,516</b>
Subscription shares' issue costs	–	5	–	–	–	–	<b>5</b>
Net return on ordinary activities	–	–	–	–	156,886	2,575	<b>159,461</b>
Dividends appropriated in the period	–	–	–	–	–	(3,532)	<b>(3,532)</b>
<b>At 31st December 2009</b>	<b>27,883</b>	<b>72,013</b>	<b>1,665</b>	<b>69,939</b>	<b>429,048</b>	<b>5,062</b>	<b>605,610</b>

Six months ended 31st December 2008 (Unaudited)	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
<b>At 30th June 2008</b>	27,575	71,052	1,665	69,939	344,862	3,337	<b>518,430</b>
Net (loss)/return on ordinary activities	–	–	–	–	(141,014)	3,035	<b>(137,979)</b>
Dividends appropriated in the period	–	–	–	–	–	(2,206)	<b>(2,206)</b>
<b>At 31st December 2008</b>	<b>27,575</b>	<b>71,052</b>	<b>1,665</b>	<b>69,939</b>	<b>203,848</b>	<b>4,166</b>	<b>378,245</b>

Year ended 30th June 2009 (Audited)	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
<b>At 30th June 2008</b>	27,575	71,052	1,665	69,939	344,862	3,337	<b>518,430</b>
Bonus issue of Subscription shares	221	(221)	–	–	–	–	–
Subscription shares' issue costs	–	(252)	–	–	–	–	<b>(252)</b>
Net (loss)/return on ordinary activities	–	–	–	–	(72,700)	4,888	<b>(67,812)</b>
Dividends appropriated in the year	–	–	–	–	–	(2,206)	<b>(2,206)</b>
<b>At 30th June 2009</b>	<b>27,796</b>	<b>70,579</b>	<b>1,665</b>	<b>69,939</b>	<b>272,162</b>	<b>6,019</b>	<b>448,160</b>

# Balance Sheet

at 31st December 2009

	(Unaudited) 31st December 2009 £'000	(Unaudited) 31st December 2008 £'000	(Audited) 30th June 2009 £'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss	595,602	357,980	444,352
Investments in liquidity funds held at fair value through profit or loss	8,725	18,699	496
Total investments	604,327	376,679	444,848
<b>Current assets</b>			
Debtors	952	2,015	10,064
Cash and short term deposits	482	936	364
	1,434	2,951	10,428
<b>Creditors:</b> amounts falling due within one year	(151)	(1,385)	(7,116)
<b>Net current assets</b>	1,283	1,566	3,312
<b>Total assets less current liabilities</b>	605,610	378,245	448,160
<b>Total net assets</b>	605,610	378,245	448,160
<b>Capital and reserves</b>			
Called up share capital	27,883	27,575	27,796
Share premium	72,013	71,052	70,579
Capital redemption reserve	1,665	1,665	1,665
Other reserve	69,939	69,939	69,939
Capital reserves	429,048	203,848	272,162
Revenue reserve	5,062	4,166	6,019
<b>Shareholders' funds</b>	605,610	378,245	448,160
<b>Net asset value per Ordinary share</b> (note 5)			
Diluted	526.7p	342.9p	406.3p
Undiluted	547.3p	342.9p	406.3p

# Cash Flow Statement

for the six months ended 31st December 2009

	(Unaudited) Six months ended 31st December 2009 £'000	(Unaudited) Six months ended 31st December 2008 £'000	(Audited) Year ended 30th June 2009 £'000
<b>Net cash inflow from operating activities</b> (note 6)	3,158	4,166	6,017
Net cash outflow from returns on investments and servicing of finance	(1)	–	–
Taxation recovered	8	5	6
Net cash outflow from capital expenditure and financial investment	(609)	(915)	(3,111)
Dividends paid	(3,532)	(2,206)	(2,206)
Net cash (outflow)/inflow before financing	(976)	1,050	706
Net cash inflow/(outflow) from financing	1,316	–	(42)
<b>Increase in cash for the period</b>	340	1,050	664
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net cash movement	340	1,050	664
Exchange movements	(222)	(121)	(307)
<b>Movement in net funds in the period</b>	118	929	357
<b>Net funds at the beginning of the period</b>	364	7	7
<b>Net funds at the end of the period</b>	482	936	364
<b>Represented by:</b>			
Cash and short term deposits	482	936	364

# Notes to the Accounts

for the six months ended 31st December 2009

## 1. Financial statements

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

The figures and financial information for the year ended 30th June 2009 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

## 2. Accounting policies

The accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice ('UK GAAP') and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' dated January 2009.

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

The accounting policies applied to these interim accounts are consistent with those applied in the accounts for the year ended 30th June 2009.

## 3. Taxation

The taxation charge of £372,000 (31st December 2008: £276,000 and 30th June 2009: £504,000) relates to irrecoverable overseas taxation.

## 4. Return/(loss) per Ordinary share

	(Unaudited) Six months ended 31st December 2009 £'000	(Unaudited) Six months ended 31st December 2008 £'000	(Audited) Year ended 30th June 2009 £'000
Return/(loss) per Ordinary share is based on the following:			
Revenue return	2,575	3,035	4,888
Capital return/(loss)	156,886	(141,014)	(72,700)
<b>Total return/(loss)</b>	<b>159,461</b>	<b>(137,979)</b>	<b>(67,812)</b>
Weighted average number of Ordinary shares in issue during the period used for the purpose of the diluted calculation	111,007,606	110,303,742	110,303,742
Weighted average number of Ordinary shares in issue during the period used for the purpose of the undiluted calculation	110,434,706	110,303,742	110,303,742
<b>Diluted</b>			
Revenue return per share	2.32p	2.75p	4.43p
Capital return/(loss) per share	141.33p	(127.84)p	(65.91)p
<b>Total return/(loss) per share</b>	<b>143.65p</b>	<b>(125.09)p</b>	<b>(61.48)p</b>
<b>Undiluted</b>			
Revenue return per share	2.33p	2.75p	4.43p
Capital return/(loss) per share	142.06p	(127.84)p	(65.91)p
<b>Total return/(loss) per share</b>	<b>144.39p</b>	<b>(125.09)p</b>	<b>(61.48)p</b>

The diluted return/(loss) per Ordinary share represents the return/(loss) on ordinary activities after taxation divided by the weighted average number of Ordinary shares in issue during the period as adjusted for the conversion of all outstanding Subscription shares into Ordinary shares at the period end.

There was no dilution to the returns for the six months ended 31st December 2008 or the year ended 30th June 2009.

#### 5. Net asset value per Ordinary share

	(Unaudited) 31st December 2009	(Unaudited) 31st December 2008	(Audited) 30th June 2009
<b>Diluted</b>			
Ordinary shareholders' funds assuming exercise of Subscription shares (£'000)	697,187	378,245	448,160
Number of potential Ordinary shares in issue	132,363,525	110,303,742	110,303,742
Net asset value per Ordinary share (pence)	526.7	342.9	406.3
<b>Undiluted</b>			
Ordinary shareholders' funds (£'000)	605,610	378,245	448,160
Number of Ordinary shares in issue	110,662,708	110,303,742	110,303,742
Net asset value per Ordinary share (pence)	547.3	342.9	406.3

The diluted net asset value per Ordinary share assumes that all outstanding Subscription shares were converted into Ordinary shares at the period end. There was no dilution to the net asset values at 31st December 2008 or 30th June 2009.

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

	(Unaudited) Six months ended 31st December 2009 £'000	(Unaudited) Six months ended 31st December 2008 £'000	(Audited) Year ended 30th June 2009 £'000
Total return/(loss) on ordinary activities before finance costs and taxation	159,834	(137,703)	(67,308)
Less capital (return)/loss on ordinary activities before finance costs and taxation	(156,886)	141,920	73,622
Scrip dividends received as income	(25)	(99)	(221)
Decrease in VAT recoverable	–	1,103	1,103
VAT charged to capital	–	(42)	(42)
Decrease/(increase) in net debtors and accrued income	632	(732)	(633)
Tax on unfranked investment income	(397)	(281)	(504)
<b>Net cash inflow from operating activities</b>	<b>3,158</b>	4,166	6,017

# Interim Management Report

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

## Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company fall into the following broad categories: investment underperformance; political and economic; loss of investment team or investment manager; discount; change of corporate control of the manager; accounting, legal and regulatory; corporate governance and shareholder relations; operational and financial. Information on each of these areas is given in the Business Review within the Annual Report and Accounts for the year ended 30th June 2009.

## Related Parties Transactions

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

## Going Concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital

management policies and procedures, nature of the portfolio and expenditure projections; that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. For these reasons, they consider there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

## Directors' Responsibilities

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

- (i) the condensed set of financial statements contained within the half yearly financial report has been prepared in accordance with the Accounting Standards Board's Statement 'Half Yearly Financial Reports'; and
- (ii) the half year management report includes a fair review of the information required by DTR 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure and Transparency Rules.

For and on behalf of the Board

**Alan Saunders**  
Chairman

15th February 2010

# Subscription Shares

On 11th June 2009 the Company issued Subscription shares as a bonus issue to the Ordinary shareholders on the basis of one Subscription share for every five Ordinary shares held. Each Subscription share confers the right (but not the obligation) to subscribe for one Ordinary share on any business day during the period from 1st August 2009 to 31st July 2014, after which the rights on the Subscription shares will lapse.

During the period, shareholders exercised their right to convert 358,966 Subscription shares into Ordinary shares for a total consideration of £1,515,000. Since the period end and at the time of writing, shareholders have exercised their right to convert a further 87,024 Subscription shares into Ordinary shares for a total consideration of £367,241.

The exercise prices have been determined as follows:

- (a) If exercised between 1st August 2009 and 31st July 2010 - 422 pence;
- (b) If exercised between 1st August 2010 and 31st July 2012 - 460 pence;
- (c) If exercised between 1st August 2012 and 31st July 2014 - 543 pence.

For the purposes of UK taxation, the issue of Subscription shares is treated as a reorganisation of the Company's share capital. Whereas such reorganisations do not trigger a chargeable disposal for the purposes of the taxation of capital gains, they do require shareholders to reallocate the base costs of their Ordinary shares between Ordinary shares and Subscription shares received.

At the close of business on 11th June 2009 the middle market prices of the Company's Ordinary shares and Subscription shares were as follows:

Ordinary shares:	392p
Subscription shares:	57p

Accordingly an individual investor who on 10th June 2009 held five Ordinary shares (or a multiple thereof) would have received a bonus issue of one Subscription share (or the relevant multiple thereof) and would apportion the base cost of such holding 97.17% to the five Ordinary shares and 2.83% to the Subscription shares.

# Glossary of Terms

## **Unit Return to Shareholders**

Total return to the 'Unit' holder on a mid-market price to mid-market price basis, assuming that all dividends received were reinvested, without transaction costs, in the Ordinary shares of the Company at the time the shares were quoted ex-dividend.

A Unit comprises 5 Ordinary shares and 1 Subscription share.

## **Return to Ordinary Shareholders**

Total return to the Ordinary shareholder on a mid-market price to mid-market price basis, assuming that all dividends received, without transaction costs, were reinvested in the Ordinary shares of the Company at the time the shares were quoted ex-dividend.

## **Undiluted Return on Net Assets**

Return on the undiluted NAV per share, on a bid value to bid value basis, assuming that all dividends paid out by the Company were reinvested, without transaction costs, in the shares of the Company at the undiluted NAV per share at the time the shares were quoted ex-dividend.

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

## **Diluted Return on Net Assets**

Return on the diluted NAV, on a bid value to bid value basis, assuming that all dividends paid out by the Company were reinvested, without transaction costs, in the shares of the Company at the diluted NAV per share at the time the shares were quoted ex-dividend.

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

## **Diluted Net Asset Value ('NAV') per Ordinary Share**

The diluted NAV per Ordinary share assuming that all outstanding Subscription shares were converted into Ordinary shares at the period end at the current exercise price available.

## **Benchmark Return**

Total return on the benchmark, on a mid-market value to mid-market value basis, assuming that all dividends received were reinvested in the shares of the underlying companies at the time the shares were quoted ex-dividend.

The benchmark is a recognised index of stocks which should not be taken as wholly representative of the Company's investment universe. The Company's investment strategy does not follow or 'track' this index and consequently, there may be some divergence between the Company's performance and that of the benchmark.

## **Share Price Discount to Diluted NAV per Ordinary Share**

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

## **Return/(Loss) per Ordinary Share – Diluted**

The diluted return/(loss) per Ordinary share represents the return/(loss) on ordinary activities after taxation divided by the weighted average number of Ordinary shares in issue during the period as adjusted for the conversion of outstanding Subscription shares into Ordinary shares at the period end. For this purpose, the assumed proceeds from this conversion are regarded as having been received from the issue of Ordinary shares at the average market price of Ordinary shares during the period. The difference between the number of Ordinary shares issued and the number of Ordinary shares that would have been issued at the average market price of Ordinary shares during the period is treated as an issue of Ordinary shares for no consideration. Where this calculation has no dilutive effect, the undiluted return/(loss) per share is presented instead.

## **Return/(Loss) per Ordinary Share – Undiluted**

The undiluted return/(loss) per Ordinary share represents the return/(loss) on ordinary activities after taxation divided by the weighted average number of Ordinary shares in issue during the period.

# Notes

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# Information about the Company

## Financial Calendar

Financial year end	30th June
Final results announced	September
Half year end	December
Half year results announced	February
Interim Management Statements announced	May and November
Final dividend on Ordinary shares paid	November
Subscription share exercise dates	1st August 2009 to 31st July 2014
Annual General Meeting	November

## History

The Company was launched in July 1991 with assets of £60 million. In March 1993 the Company raised a further £50 million by an issue of conversion shares. On 13th April 2006, an additional £76 million was raised by an issue of shares following the reconstruction of F&C Emerging Markets Investment Trust plc. The Company adopted its current name in November 2005.

## Directors

Alan Saunders (Chairman)  
David Gamble  
Anatole Kaletsky  
Nigel Kenny  
Percy Mistry

## Company Numbers

Company registration number: 2618994

## Ordinary shares

London Stock Exchange number: 0341895  
ISIN: GB0003418950  
Bloomberg code: JMG LN

## Subscription shares

London Stock Exchange number: B3V4X02  
ISIN: GB00B3V4X029  
Bloomberg code: JMBS

## Market Information

The Company's net asset value ('NAV') is published daily via the London Stock Exchange. The Company's Ordinary shares are listed on the London Stock Exchange and quoted daily in the Financial Times, The Times, the Daily Telegraph, The Scotsman, The Independent and on the J.P. Morgan website at [www.jpmemergingmarkets.co.uk](http://www.jpmemergingmarkets.co.uk), where the Ordinary share price is updated every fifteen minutes during trading hours.

The Company's Subscription share price is listed on the London Stock Exchange and quoted daily in the Financial Times and on the J.P. Morgan website at [www.jpmemergingmarkets.co.uk](http://www.jpmemergingmarkets.co.uk), where the Subscription share price is updated every fifteen minutes during trading hours.

## Website

[www.jpmemergingmarkets.co.uk](http://www.jpmemergingmarkets.co.uk)

## Share Transactions

The Company's shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf. They may also be purchased and held through the J.P. Morgan Investment Account, J.P. Morgan ISA and J.P. Morgan SIPP. These products are all available on the online wealth manager service, J.P. Morgan WealthManager+ available at [www.jpmorganwealthmanagerplus.co.uk](http://www.jpmorganwealthmanagerplus.co.uk)

## Manager and Company Secretary

JPMorgan Asset Management (UK) Limited

## Company's Registered Office

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

For Company secretarial and administrative matters, please contact Jonathan Latter.

## Registrars

Equiniti  
Reference 1081  
Aspect House  
Spencer Road  
Lancing  
West Sussex BN99 6DA  
Telephone: 0871 384 2320

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1081.

Registered shareholders can obtain further details on their holdings on the internet by visiting [www.shareview.co.uk](http://www.shareview.co.uk).

## Auditors

PricewaterhouseCoopers LLP  
Hay's Galleria  
1 Hay's Lane  
London SE1 2RD

## Brokers

Winterflood Securities  
The Atrium Building  
Cannon Bridge  
25 Dowgate Hill  
London EC4R 2GA  
Telephone number: 020 3100 0000

## Savings Product Administrators

For queries on the J.P. Morgan Investment Account, J.P. Morgan ISA and J.P. Morgan SIPP, see contact details on the back cover of this report.

**aic**

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